OFFICIAL REPORT OF PROCEEDINGS

BEFORE THE

NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:

Leo Marine Services, Inc., Olympic Tug & Barge, Inc., and Centerline Logistics Corporation,	Case Nos. 19-CA-273208
and	
Olympic Tug & Barge, Inc.,	19-CA-273220
and	
Centerline Logistics Corporation,	19-CA-273226 19-CA-273928
and	
Leo Marine Services, Inc.,	19-CA-273985
and	
Centerline Logistics Corporation, Westoil Marine Services, Inc., and Harley Marine Financing, LLC,	19-CA-273771
and	
Seafarers International Union,	19-CB-273986
and	
Inlandboatmen's Union of the Pacific,	
and	

escribers
www.escribers.net | 800-257-0885

Centerline Logistics Corporation, Leo Marine Services, Inc., and Olympic Tug & Barge, Inc.

21-CA-273926

and

International Organization of Masters, Mates & Pilots, AFL-CIO.

Place: Los Angeles, California

Dates: February 8, 2023

Pages: 3190 through 3384

Volume: 22

OFFICIAL REPORTERS
eScribers, LLC
E-Reporting and E-Transcription
7227 North 16th Street, Suite 207
Phoenix, AZ 85020
(602) 263-0885

UNITED STATES OF AMERICA

BEFORE THE NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:	
LEO MARINE SERVICES, INC., OLYMPIC TUG & BARGE, INC., AND CENTERLINE LOGISTICS CORPORATION,	Case Nos. 19-CA-273208
and	
OLYMPIC TUG & BARGE, INC.,	19-CA-273220
and	
CENTERLINE LOGISTICS CORPORATION,	19-CA-273226 19-CA-273928
and	
LEO MARINE SERVICES, INC.,	19-CA-273985
and	
CENTERLINE LOGISTICS CORPORATION, WESTOIL MARINE SERVICES, INC., AND HARLEY MARINE FINANCING, LLC,	19-CA-273771
and	
SEAFARERS INTERNATIONAL UNION	19-CB-273986
and	
INLANDBOATMEN'S UNION OF THE PACIFIC	

escribers
www.escribers.net | 800-257-0885

and CENTERLINE LOGISTICS CORPORATION, LEO MARINE SERVICES, INC., AND OLYMPIC TUG & BARGE, INC. and INTERNATIONAL ORGANIZATION OF MASTERS, MATES & PILOTS, AFL-CIO	21-CA-273926

The above-entitled matter came on for hearing, pursuant to notice, before **IRA SANDRON**, Administrative Law Judge, at the 26 Federal Plaza, Room 36-130312 N. Spring Street, Suite 10150, Los Angeles, California 90012-4701, on **Wednesday**, **February 8**, **2023, 9:37 a.m.**

1 **A P P E A R A N C E S**

2 **On behalf of the General Counsel:**

3 **THOMAS RIMBACH, ESQ.**
SANAM YASSERI, ESQ.
4 NATIONAL LABOR RELATIONS BOARD, REGION 21
312 North Spring Street
5 Tenth Floor
Los Angeles, CA 90012
6 Tel. (213)634-6411
Fax. (213)894-2778
7

On behalf of the Charging Party:
8

SARA YUFA, ESQ.
9 BUSH GOTTLIEB, A LAW CORPORATION
801 North Brand Boulevard
10 Suite 950
Glendale, CA 91203
11 Tel. (818)973-3206

12 **On behalf of the Respondent:**

13 **CHRISTOPHER L. HILGENFELD, ESQ.**
DANIEL SPURGEON, ESQ.
14 DAVIS GRIMM PAYNE & MARRA
701 Fifth Avenue
15 Suite 3500
Seattle, WA 98104
16 Tel. (206)447-0182
Fax. (206)622-9927
17

18

19

20

21

22

23

24

25

1 **I N D E X**

2

3 WITNESS	DIRECT	CROSS	REDIRECT	RECROSS	VOIR DIRE
4 Sven Titland	3199	3267,3381			
5	3200,3203,3207,				
6					
7	3209,3211,3213				
8					3216,3227
9					3237,3249

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 **E X H I B I T S**

2

3 EXHIBIT	IDENTIFIED	IN EVIDENCE
4 **Joint:**		
5 J-5	3197	3198
6		
7 **Respondent:**		
8 R-253	3215	
9 R-256	3230	3238
10 R-257	3227	3229
11 R-263	3199	3201
12 R-264	3201	3205
13 R-266	3206	3208
14 R-267	3209	3210
15 R-268	3211	3212
16 R-269	3213	3215
17 R-92(a)	**Error! Bookmark not**	
18 **defined.**	3245	
19 R-92(b)	3246	3253
20 R-92(c)	3246	3253
21 R-92(d)	3246	3253
22 R-92(a)	3246	3253
23 R-92(b)	3246	3253
24 R-92(c)	3246	3253
25 R-92(d)	3246	3253

R-94(a)	3246	3253
R-94(b)	3246	3253
R-94(c)	3246	3253
R-94(d)	3247	3253
R-95(a)	3247	3253
R-95(b)	3247	3253
R-95(c)	3247	3253
R-95(d)	3247	3253
R-96(a)	3247	3253
R-96(b)	3248	3253
R-96(c)	3248	3253
R-97(a)	3248	3253
R-97(b)	3248	3253
R-97(c)	3248	3253
R-98(a)	3248	3253
R-98(b)	3248	3253
R-98(c)	3248	3253
R-98(d)	3248	3253
R-99(a)	3248	3253
R-99(b)	3248	3253
R-99(c)	3248	3253

General Counsel:

GC-290	3293	3301

1 **P R O C E E D I N G S**

2 This is a resumption of the hearing in Leo Marine
3 Services, Inc., lead case 19-CA-273208. Before we go on to
4 substantive matters, I'd like the record to reflect that Sara
5 Yufa is presently for the MMP. She was previously in our Zoom
6 hearings that were held earlier, and she has already been
7 identified and entered a notice of appearance in the case.
8 We also have today, I believe, a new co-counsel. Mr.
9 Hilgenfeld, do you want to introduce him?
10 JUDGE SANDRON: Yeah. We -- for the co-counsel for
11 Respondent's, Daniel Spurgeon for David Grimm Payne & Marra
12 who's representing the Respondents as well.
13 JUDGE SANDRON: Do you want to spell his name?
14 MR. HILGENFELD: S-P-U-R-G-E-O-N.
15 JUDGE SANDRON: Okay. Welcome.
16 MR. SPURGEON: Thank you, Your Honor.
17 JUDGE SANDRON: We've had some off-the-record discussion.
18 I'll let Mr. Hilgenfeld fill in more detail, but I understand
19 preliminarily that Mr. Hil -- the parties wish to withdraw what
20 was previously marked as Joint Exhibit 4 and replace it with a
21 document that is being proffered today, which would be a
22 substituted version of Joint Exhibit 4; is that correct?
23 MR. HILGENFELD: That's correct, Your Honor.
24 MS. YASSERI: Yes, Your Honor.
25 JUDGE SANDRON: Okay.

1 MS. YASSERI: That's correct.

2 JUDGE SANDRON: Then Joint Exhibit 4 as previously

3 marked -- well, actually it was received as -- previously

4 received is withdrawn, is no longer in the record.

5 **(Joint Exhibit Number 4 Withdrawn)**

6 JUDGE SANDRON: So now we have the new Joint Exhibit 4,

7 which appears to be stipulations relating both to certain

8 documents of the Respondent as well as certain factual ex --

9 factual stipulations.

10 Mr. Hilgenfeld, did you want to make some clarifications

11 about the document?

12 MR. HILGENFELD: Yes, Your Honor. Thank you, Your Honor.

13 So Joint Exhibit 4 is a combination of document and facts. The

14 documents are listed with their Respondent exhibit numbers.

15 Those corresponding documents will be put in to record.

16 The -- there is a column regarding document

17 authentication. And that's just the parties have agreed the

18 document's properly authenticated. And then there's a column

19 for admitted or stipulated. That means the documents have

20 been -- are being offered without objection.

21 The fact section identifies specific facts that the

22 parties have agreed to in this matter.

23 JUDGE SANDRON: All right. The joint exhibit is received.

24 And all of the documents that are listed therein to which there

25 is -- there are stipulations and no objections. They are

1 received.

2 **(Joint Exhibit Number 5 Received into Evidence)**

3 JUDGE SANDRON: So is there anything further before we

4 resume the testimony of Mr. Titland?

5 MR. HILGENFELD: No, Your Honor.

6 JUDGE SANDRON: Okay. Mr. Titland, do you want to come

7 back on up? You're still under oath, so you can --

8 THE WITNESS: Okay.

9 JUDGE SANDRON: -- go ahead and sit down. That's fine.

10 MR. HILGENFELD: Good morning, Mr. Titland. How are you

11 doing this morning?

12 THE WITNESS: Good.

13 MR. HILGENFELD: Mr. Titland, I'm going to walk you

14 through a few documents this morning. I would first like to

15 turn your attention to Respondent's Exhibit 25- -- 263. It may

16 not -- it may or may not be in that binder, Mr. -- Mr. Titland.

17 It may also be in a binder behind you.

18 THE WITNESS: Okay.

19 JUDGE SANDRON: Is that in one of my binders?

20 MR. HILGENFELD: It is in your binder as well -- as well,

21 Your Honor.

22 JUDGE SANDRON: Okay. Let me -- let me just get the right

23 binder out. What is this one? 263?

24 MR. HILGENFELD: Yes, Your Honor. Yes, Mr. Titland. 263.

25 THE WITNESS: This binder is missing that.

1 MR. HILGENFELD: Okay. Here, Your Honor. If you're
2 missing one, I'm sure --
3 JUDGE SANDRON: Yeah. I don't --
4 MR. HILGENFELD: -- it's missing the other one.
5 JUDGE SANDRON: Oh, yes. Right. Okay. This is 263.
6 MR. HILGENFELD: Mr. Titland, are we all there?
7 THE WITNESS: Yes.
8 MR. HILGENFELD: Okay.
9 **RESUMED DIRECT EXAMINATION**
10 Q BY MR. HILGENFELD: Do you recognize Exhibit 263?
11 A Yes.
12 Q What is Exhibit 263?
13 A It is a crew member agreement.
14 Q What is a crew member agreement?
15 A It's a document, I believe, that is signed by a new hire.
16 Q And for what company is Respondents 263 a document for?
17 A Olympic Tug & Barge.
18 Q Who's ultimately responsible for the policies put into
19 place by Olympic Tug & Barge?
20 A I am.
21 Q Do you recognize Respondent's 263?
22 A Yes.
23 Q Is this document kept in the ordinary course of business?
24 A Yes.
25 MR. HILGENFELD: At this time, we'd moved to admit

1 document 263.

2 JUDGE SANDRON: All right. Any voir dire?

3 MS. YASSERI: May I voir dire, Your Honor?

4 JUDGE SANDRON: Go ahead.

5 MS. YASSERI: Thank you.

6 **VOIR DIRE EXAMINATION**

7 Q BY MS. YASSERI: Good morning, Mr. Titland.

8 A Good morning.

9 Q Who -- who drafted this crewmember agreement?

10 A I'm not sure.

11 Q How long has it been in effect? Do you know?

12 A I'm not sure.

13 Q Do you know when it was first created?

14 A I do not.

15 JUDGE SANDRON: Was this in existence when you assumed

16 your current position?

17 THE WITNESS: Yes. It was.

18 Q BY MS. YASSERI: Do you recall who you received this from?

19 A H.R. will give this to a new hire crew member in an email

20 that I'm cc'ed on when we bring a new crew member on board.

21 Q And that's H.R. at Centerline?

22 A Yes.

23 Q Okay. After you received this agreement from H.R. at

24 Centerline, did you make any modifications or changes to it?

25 A No.

1 Q Okay. And where -- where is it maintained once it's
2 received from a new hire?
3 A In H.R.
4 Q And that's at H.R. at Centerline?
5 A Yes.
6 Q Okay. Do you know if this crewmember agreement is given
7 to other Centerline subsidiaries?
8 A I do not know.
9 Q Is -- do you know, is it mandatory for a new hire to sign
10 this agreement upon hire?
11 A Yes.
12 MS. YASSERI: Okay. Yeah. No objection, Your Honor.
13 JUDGE SANDRON: The document is received.
14 **(Respondent Exhibit Number 263 Received into Evidence)**
15 **RESUMED DIRECT EXAMINATION**
16 Q BY MR. HILGENFELD: Mr. Titland, who's responsible about
17 whether a policy is implemented by Olympic Tug & Barge?
18 A I am.
19 Q If you elect not to implement a policy, do you have to
20 (indiscernible, simultaneous speech)?
21 A Yes.
22 Q Okay. Mr. Titland, I'd like to turn your attention to the
23 exhibit Respondent's 264.
24 JUDGE SANDRON: I believe that's in the book.
25 MR. HILGENFELD: If 263 is not in there, I --

1 JUDGE SANDRON: 2- --
2 MR. SPURGEON: I think it is.
3 JUDGE SANDRON: I think 264 is in the book. Maybe I'm
4 wrong.
5 MR. HILGENFELD: Oh. Good.
6 JUDGE SANDRON: Do you have it?
7 THE WITNESS: Yes.
8 MR. HILGENFELD: Oh. I apologize.
9 THE WITNESS: Sorry.
10 MR. HILGENFELD: No, no.
11 Q BY MR. HILGENFELD: Mr. Titland, do you recognize
12 Respondent's Exhibit 264?
13 A Yes.
14 Q What is Respondent's Exhibit 264?
15 A It's an invoice.
16 Q Are you on 264 or 26- --
17 A 262. Sorry. 262. It is a travel deduction authorization
18 agreement.
19 Q And what is the -- what is the travel deduction
20 authorization agreement?
21 A It's a form that's given to a new hire.
22 Q And for what company?
23 A Olympic Tug & Barge.
24 Q And who's responsible for whether you're -- the
25 implementation of this policy?

1 A I am.
2 Q How long has this policy bear in place, to your knowledge?
3 A For longer than I've been the general manager.
4 Q Is this document kept in the ordinary course of business?
5 A Yes.
6 Q When it talks about approval from a general manager in
7 paragraph 3, who would be the general manager?
8 A That would be me.
9 MR. HILGENFELD: At this time we would offer Respondent's
10 Exhibit 264.
11 JUDGE SANDRON: Ms. Yasseri?
12 MS. YASSERI: May I voir dire, Your Honor?
13 JUDGE SANDRON: Yes.
14 MS. YASSERI: Okay.
15 **VOIR DIRE EXAMINATION**
16 Q BY MS. YASSERI: Mr. Titland, do you know who prepared
17 this travel deduction authorization agreement?
18 A I do not.
19 Q How did you receive it?
20 A It comes in an email to the new hire with me cc'ed on the
21 email from H.R.
22 Q And that's H.R. at Centerline?
23 A Yes.
24 Q Okay. Do you know who specifically at Centerline would
25 ordinarily send the new hire this type of information?

1 A Well, I could speculate. There's several people that work
2 in H.R., and I -- they trade off on who puts together the
3 packages.
4 Q Are you familiar with the employee by the name of Sally
5 Halfon?
6 A Yes.
7 Q Would she be one of the individuals that would normally
8 send this type of agreement to a new hire?
9 A She could be, yes.
10 JUDGE SANDRON: I think when you're testifying, from now
11 on when you say H.R., we'll assume its Centerline unless you
12 say otherwise.
13 THE WITNESS: Okay. Agreed.
14 JUDGE SANDRON: That's always Centerline.
15 MR. HILGENFELD: I don't think there's any dispute --
16 JUDGE SANDRON: Yes.
17 MR. HILGENFELD: -- on that issue, Ms. Yasseri.
18 JUDGE SANDRON: I don't think so.
19 MS. YASSERI: Okay.
20 Q BY MS. YASSERI: Mr. Titland, do you know if this type of
21 agreement is given to other Centerline subsidiaries?
22 A I do not.
23 Q Have you ever made any changes to this agreement upon
24 receipt from H.R. at Centerline?
25 A I have not.

1 MS. YASSERI: No objection, Your Honor.
2 JUDGE SANDRON: All right. Respondent's Exhibit 264 is
3 received.
4 **(Respondent Exhibit Number 264 Received into Evidence)**
5 **RESUMED DIRECT EXAMINATION**
6 Q BY MR. HILGENFELD: Mr. Titland, what functions does H.R.
7 at Centerline perform for Olympic Tug & Barge?
8 A Quite a wide range of functions. You know, they do
9 personal record-keeping on crew members. They assist with new
10 hires, and they'll -- they give me advice on matters, guidance.
11 Q Does H.R. have any author -- H.R. at Centerline have an
12 authority for the -- any decisions made for OTB?
13 A No.
14 Q Aside from general administrative support, does H.R.
15 provide any substantive functions for OTB employees?
16 A No.
17 Q Okay.
18 JUDGE SANDRON: Can we go off the record just for one
19 minute?
20 (Off the record at 9:52 a.m.)
21 **RESUMED DIRECT EXAMINATION**
22 Q BY MR. HILGENFELD: Mr. Titland, do you recognize
23 Respondent's Exhibit 266?
24 JUDGE SANDRON: Where's that? I don't think that's in the
25 book.

1 MR. HILGENFELD: Okay.
2 JUDGE SANDRON: I think we -- we skipped to 268.
3 MR. SPURGEON: I have it.
4 MR. HILGENFELD: Do you have it?
5 MR. SPURGEON: I have it.
6 MR. HILGENFELD: Okay.
7 JUDGE SANDRON: Okay. Here it is. 266.
8 Q BY MR. HILGENFELD: Mr. Titland, do you recognize
9 Respondent's Exhibit 266?
10 A I do.
11 Q And what is Respondent's Exhibit 266?
12 A It is the Olympic Tug & Barge crew travel policy.
13 Q And what is the Olympic Tug & Barge crew travel policy?
14 A It explains what travel policy is for crew members who
15 travel for Olympic Tug & Barge.
16 Q And is this policy in effect at the current -- currently
17 for Olympic Tug & Barge?
18 A Yes.
19 Q And who's responsible for the implementation of this
20 policy and the enforcement of this policy?
21 A I am.
22 MR. HILGENFELD: At this time we'd move for Respondent's
23 266.
24 JUDGE SANDRON: Ms. Yasseri?
25 MS. YASSERI: May I voir dire, Your Honor?

1 JUDGE SANDRON: Yes.

2 MS. YASSERI: Thank you.

3 **VOIR DIRE EXAMINATION**

4 Q BY MS. YASSERI: Mr. Titland, do you know who drafted this

5 OTB crew travel policy?

6 A I do.

7 Q Who was that?

8 A There was a team of individuals that drafted it.

9 Q Do you recall any specific names?

10 A Rachael Haykin was involved. Port Captain Mike Coleman.

11 Q Ms. Haykin. Was she an employee of Centerline at the

12 time?

13 A Yes.

14 Q And -- and I'm sorry. You mentioned Port Captain Michael

15 Coleman?

16 A Yes.

17 Q Who was his employer at the time?

18 A I was, or Olympic Tug & Barge.

19 Q Okay.

20 JUDGE SANDRON: Okay. Can you spell their names for the

21 record?

22 THE WITNESS: I do not know how to spell Haykin.

23 MR. HILGENFELD: I believe it's H-A-Y-K-I-N.

24 THE WITNESS: So R-A-C-H-A-E-L H-A-Y-K-I-N. And Michael,

25 M-I-C-H-A-E-L. Coleman, C-O-L-E-M-A-N.

1 JUDGE SANDRON: All right. Thank you.
2 THE WITNESS: Yes, sir. Yes, Your Honor.
3 Q BY MS. YASSERI: And Mr. Titland, what was Ms. Haykin's
4 job title at the time at Centerline?
5 A I can't recall.
6 Q Do you know who she reported to at Centerline at the time?
7 A I don't want to speculate.
8 Q And how was this travel policy distributed?
9 A I don't recall. I think by email.
10 Q Okay. And is that by you or is that some -- by someone at
11 Centerline H.R.?
12 A It was so long ago, yeah, I don't want to speculate.
13 Q Okay. Is this something that's regularly provided to new
14 hires?
15 A Yes.
16 Q Okay. And if that were the case, would that be something
17 that you would do or would it come from Centerline H.R.?
18 A Centerline H.R. And I would -- I have done it if it's --
19 if someone asks for a copy, I send it out, so --
20 Q Okay.
21 A -- I am involved in that.
22 MS. YASSERI: Okay. No objection, Your Honor.
23 JUDGE SANDRON: The document is received.
24 **(Respondent Exhibit Number 266 Received into Evidence)**
25 **RESUMED DIRECT EXAMINATION**

1 Q BY MR. HILGENFELD: Okay. Mr. Christenson (sic), I'll
2 turn your attention now to Respondent's Exhibit 267.
3 Sorry. Mr. Titland. Wrong Sven.
4 A That's okay.
5 Q Too many Svens in my world.
6 JUDGE SANDRON: That's in the book.
7 THE WITNESS: I have that.
8 Q BY MR. HILGENFELD: Do you recognize Respondent's Exhibit
9 267?
10 A Yes.
11 Q What is Respondent's 267?
12 A It is a no solicitation or distribution document.
13 Q For what company?
14 A Olympic Tug & Barge.
15 Q And who's responsible for this policy?
16 A I am.
17 Q Is this policy kept in the normal course of business?
18 A Yes.
19 MR. HILGENFELD: Move to admit Respondent's Exhibit 267.
20 MS. YASSERI: May I voir dire, Your Honor?
21 JUDGE SANDRON: Yes.
22 **VOIR DIRE EXAMINATION**
23 Q BY MS. YASSERI: Mr. Titland, do you know who drafted this
24 policy?
25 A I do not.

1 Q Do you know how long it's been in effect?
2 A I do not.
3 Q Do you know if it was -- this policy was in place at the
4 time that you became general manager of OTB?
5 A I -- I can't recall.
6 Q Do you recall when you rec -- first received a copy of
7 this policy?
8 A I do not.
9 JUDGE SANDRON: Well, can you recall approximately when
10 your employment you first saw it?
11 THE WITNESS: I would be speculating, but I -- I can
12 vaguely remember seeing it when I worked on the boat as a crew
13 member. So that would have been over six years.
14 JUDGE SANDRON: Okay.
15 Q BY MS. YASSERI: Do you know if other Centerline
16 subsidiaries have a similar policy regarding solicitation?
17 A I do not.
18 Q Have you ever made any modifications to the no
19 solicitation or distribution policy?
20 A No.
21 MS. YASSERI: Okay. No objection, Your Honor.
22 JUDGE SANDRON: Respondent's Exhibit 267 is received.
23 **(Respondent Exhibit Number 267 Received into Evidence)**
24 **RESUMED DIRECT EXAMINATION**
25 Q BY MR. HILGENFELD: Mr. Titland, I'll turn your attention

1 to Respondent's 268.
2 A Okay.
3 Q And what is Respondent's 268?
4 A It is an on-duty meal period agreement.
5 Q And for what company?
6 A Olympic Tug & barge.
7 Q Who's responsible for this policy?
8 A I am.
9 Q Is this policy kept in the ordinary course of business?
10 A Yes.
11 Q Is this policy distributed to employees?
12 A Yes.
13 Q How does it distribute to employees?
14 A Email.
15 MR. HILGENFELD: At this time, we move to admit
16 Respondent's Exhibit 268.
17 JUDGE SANDRON: Ms. Yasseri?
18 MS. YASSERI: May I voir dire, Your Honor --
19 JUDGE SANDRON: Yes.
20 MS. YASSERI: -- just briefly? Thank you.
21 **VOIR DIRE EXAMINATION**
22 Q BY MS. YASSERI: Mr. Titland, do you know who prepared
23 this agreement, the on-duty email period agreement?
24 A I vaguely remember H.R. preparing this document.
25 Q And you said that it was emailed to employees. Is that by

1 H.R. at Centerline?
2 A Yes.
3 Q Okay. Do you know if other Centerline subsidiaries,
4 including Leo Marine or Westoil have a similar on-duty meal
5 period agreement?
6 A I do not.
7 Q Okay. And do you know who maintains it once it's signed
8 by the employee?
9 A H.R.
10 Q H.R. Have you ever made any modifications to this
11 agreement?
12 A I have not.
13 MS. YASSERI: Okay. No objection, Your Honor.
14 JUDGE SANDRON: Do you know how long it's been in effect?
15 THE WITNESS: I do not.
16 JUDGE SANDRON: Was --
17 THE WITNESS: I mean, it says it was revised in 2020.
18 That's the only information that I know.
19 JUDGE SANDRON: And do you know -- did you ever see any
20 document that preceded this, an on-duty meal period agreement
21 early than this one?
22 A I -- I don't recall.
23 JUDGE SANDRON: All right. The document is received.
24 **(Respondent Exhibit Number 268 Received into Evidence)**
25 **RESUMED DIRECT EXAMINATION**

1 Q BY MR. HILGENFELD: Mr. Titland, I'll turn your attention
2 to Respondent's Exhibit 269.
3 A Okay.
4 Q Do you recognize Respondent's Exhibit 269?
5 A Yes. I do.
6 Q And what is Respondent's 269?
7 A It is a pre-employment testing repayment agreement.
8 Q And for what company
9 A Olympic Tug & Barge.
10 Q And who's responsible for the implementation and
11 enforcement of this policy?
12 A I am.
13 Q Do you know when this policy was put into effect?
14 A I do not.
15 Q Did you draft this policy?
16 A I did not.
17 Q Do you know who drafted the policy?
18 A I do not.
19 Q Is this document kept in the ordinary course of business?
20 A Yes.
21 MR. HILGENFELD: We'll move for Respondent's Exhibit 269.
22 JUDGE SANDRON: Voir dire?
23 MS. YASSERI: Yes, Your Honor.
24 **VOIR DIRE EXAMINATION**
25 Q BY MS. YASSERI: Mr. Titland, do you know how this

1 agreement is distributed?
2 A Email.
3 Q By Centerline H.R.?
4 A Yes.
5 Q Do you know if other Centerline subsidiaries have a
6 similar agreement?
7 A I do not.
8 Q And what -- once it's been signed by the employee, do
9 you -- where is it maintained?
10 A H.R.
11 Q Have you ever made any modifications to this agreement?
12 A I have not.
13 Q And do you know how long this agreement has been in
14 effect?
15 A I do not.
16 MS. YASSERI: Okay. No objection, Your Honor.
17 JUDGE SANDRON: Now, on the bottom, it says updated
18 January 13th, 2021. Do you remember seeing any earlier
19 versions of this?
20 THE WITNESS: I do not. I mean, did I see this before?
21 JUDGE SANDRON: Like an earlier -- right. Maybe an
22 earlier document that had the same heading, pre-employment
23 testing repayment agreement.
24 THE WITNESS: I can't be sure.
25 JUDGE SANDRON: All right. All right. The document is

1 received.

2 **(Respondent Exhibit Number 269 Received into Evidence)**

3 **RESUMED DIRECT EXAMINATION**

4 Q BY MR. HILGENFELD: Mr. Titland, I'm going to turn your

5 attention to Respondent's Exhibit 253.

6 A Okay.

7 JUDGE SANDRON: Okay. Got it.

8 Q BY MR. HILGENFELD: And what is Respondent's Exhibit 253?

9 A It is a quarterly contribution return and report of wages.

10 Q And for what company?

11 A Olympic Tug & barge.

12 Q And what -- what quarter or what year?

13 A 2020.

14 Q For Olympic Tug & Barge, what functions does Centerline

15 accounting provide for Olympic Tug & Barge?

16 A They handle all of the -- the billing and the invoicing

17 and tax returns and money coming in, money going out,

18 basically.

19 Q Is -- are the tax returns kept in the course of business,

20 Mr. Titland?

21 A Yes.

22 MR. HILGENFELD: At this time, we'll move to offer

23 Respondent's Exhibit 253.

24 JUDGE SANDRON: Voir dire?

25 MS. YASSERI: May I voir dire, Your Honor?

1 **VOIR DIRE EXAMINATION**

2 Q BY MS. YASSERI: Mr. Titland, do you know who prepared
3 this?
4 A I do not.
5 Q Okay. How did you -- how did -- let me ask you this.
6 When you first recall seeing this document, how did you receive
7 it?
8 A I don't recall.
9 MS. YASSERI: Your Honor, we're going to object on
10 multiple bases based on lack of foundation, personal knowledge,
11 and also to the redactions.
12 MR. HILGENFELD: Well, the witness has testified that he's
13 responsible for it. It's kept in the ordinary course of
14 business. He has foundation at responsibility. He doesn't
15 have to have personal knowledge of every document that's been
16 implemented for taxes paid by the company.
17 As far as redactions, we've provided unredacted portions.
18 If they would like to provide an unredacted portion, General
19 Counsel certainly can. But the amount of taxes has no actual
20 relevance to this case, Your Honor.
21 MS. YASSERI: Your Honor, we --
22 MR. HILGENFELD: What's important is Olympic Tug & Barge
23 is filing wage taxes on behalf of itself for its employees.
24 MS. YASSERI: We -- we are not familiar with an unredacted
25 version of this exhibit, Your Honor. We have not seen it.

1 MR. HILGENFELD: We've provided any and all tax return
2 information they've asked for in unredacted forms. They also
3 have the payroll tax information of every single payroll tax
4 implemented by OTB in the general ledger.
5 They have that information available to them. They've had
6 this document on here. And so, there -- there's no basis for
7 requiring unredacted portions to be put into the record.
8 JUDGE SANDRON: Well, I think the -- do you have the
9 unredacted version available for the General Counsel to review?
10 I mean, it may be that there's no objection from the General
11 Counsel to having it redacted. But I think they need to
12 determine if there's anything in the unredacted portion that
13 would bear on their case.
14 MR. HILGENFELD: And as we sit here right now, I don't
15 have that readily at hand, Your Honor.
16 JUDGE SANDRON: Do you have it, Ms. Yasseri? I mean, that
17 would -- that might resolve --
18 MS. YASSERI: We're looking in our files, Your Honor, but
19 I don't recall seeing it.
20 JUDGE SANDRON: All right. Well, look.
21 MS. YASSERI: We've just pulled something up right now.
22 Maybe we'll just confer one second.
23 JUDGE SANDRON: All right. We'll go off the record.
24 (Off the record at 10:09 a.m.)
25 MS. YASSERI: Thank you. We have found an unredacted

1 version, but the version that we have is six pages in length.
2 This exhibit is only two pages, so it seems to be also
3 incomplete. And again, we would request that the unredacted
4 version be made part of the record. It could be pursuant to
5 the protective order if there are certain concerns about it.
6 JUDGE SANDRON: Do you have the six pages of the --
7 MR. HILGENFELD: I don't have it with me, Your Honor. If
8 they'd like to print it off, we could make copies and
9 distribute it as an exhibit.
10 JUDGE SANDRON: Well, I think there is a question about
11 foundation as well. The -- the witness is not familiar with
12 it. I'm not sure he can be the one to testify it's kept in the
13 ordinary course of business.
14 MR. HILGENFELD: He testified that he is responsible for
15 ensuring that all taxes are being paid as an Olympic Tug &
16 Barge general manager. Whether he is the one that filed them
17 is not material, Your Honor. He has the foundation for the
18 policies and things that were put into the record on that.
19 MS. YASSERI: Your Honor, I believe that misstates the
20 witness' testimony. I believe Mr. Titland said that those
21 functions are handled by Centerline.
22 MR. HILGENFELD: He said they were handled -- accounting
23 handles the administrative filing of taxes. They do. Mr.
24 Titland, though, is responsible for Olympic Tug & Barge that
25 they are done. It's a different function.

1 We do not dispute that Centerline's accounting submits
2 taxes and payroll taxes. That's not a disputed fact. But they
3 are kept, and Mr. Titland is responsible about whether they're
4 done. So if Centerline messes up and doesn't file them, Mr.
5 Titland's responsible for them. And that's what he testified
6 to.
7 MS. YASSERI: But Your Honor, Mr. Titland also testified
8 he's never seen this, so I -- I'm not understanding how we can
9 sort of overcome that.
10 MR. HILGENFELD: He -- no. That's -- there's a lot of
11 things a general manager of a large company may or may not see.
12 It doesn't mean he's not responsible for them. I'm respon -- I
13 am the managing partner --
14 JUDGE SANDRON: Right.
15 MR. HILGENFELD: -- of my law firm. I don't -- I don't
16 see necessarily every taxes that get done, but I'm responsible
17 for them if they don't get filed. And so that -- he has a
18 foundation that he has that responsibility and authority.
19 JUDGE SANDRON: Well, he can testify about his involvement
20 in the process, but that is not necessarily tantamount to
21 laying a foundation for the particular document because he said
22 he's never seen it.
23 MR. HILGENFELD: But the foundation is formed the way the
24 taxes are kept in the ordinary course of business.
25 JUDGE SANDRON: Well, I don't know if you can say that

1 because he doesn't kept them.

2 MR. HILGENFELD: Well, he can -- he can say is he's

3 familiar with where the taxes are kept in the --

4 JUDGE SANDRON: Well, I --

5 MR. HILGENFELD: -- ordinary course of business.

6 JUDGE SANDRON: -- I'm not sure. That's --

7 MR. HILGENFELD: I think he said that.

8 JUDGE SANDRON: -- circular. I don't think there's enough

9 of a foundation laid on the document. We can ask the witness a

10 few more questions. Maybe that -- that can then determine if

11 there's anything that he states that would change that

12 conclusion.

13 But what's your role in -- you've never seen this

14 document, you say. I mean --

15 THE WITNESS: I'm aware that we pay taxes.

16 JUDGE SANDRON: Right, right. I understand that. All

17 right. Okay. I don't believe there's enough foundation for

18 this document.

19 Now, if -- there's also the question of whether it's

20 complete. And now, in terms of the General Counsel's -- at

21 least as far as the objection on the issue of it being

22 redacted, do you have the unredacted version?

23 MS. YASSERI: Yes, Your Honor.

24 JUDGE SANDRON: Assuming that we overcome the foundational

25 problem, would you have any objection to the unredacted version

1 going into the record?

2 MS. YASSERI: No.

3 JUDGE SANDRON: All right. So then the only issue is the

4 matter of it being properly authenticated. That way, we would

5 need, though, the six pages, I think, even if they're redacted.

6 All right. So we'll hold that one.

7 **RESUMED DIRECT EXAMINATION**

8 Q BY MR. HILGENFELD: Mr. Titland, what is your familiar --

9 familiarity with the payment of payroll taxes by Olympic Tug &

10 Barge?

11 A If I ever had a question or needed to see any documents or

12 there was a problem, I have access to all of this.

13 Q Where -- where are the -- where are -- where are tax

14 documents maintained?

15 A In accounting.

16 Q And are they maintained in a system?

17 A Yes.

18 Q And where is that system maintained? Like, what computer

19 system, file system?

20 A The computer system.

21 Q And where in the computer system would you seek to find

22 payroll or tax information?

23 A I would -- I would have to request it from accounting.

24 Q And regarding the payment of taxes, do you have any

25 information for knowledge in maintaining the profit and losses

1 of Olympic Tug & Barge?
2 A Yes.
3 Q What's your responsibility maintaining profits and losses
4 for Olympic Tug & barge?
5 A Well, if there's ever an issue collecting or negotiating
6 or anything of that matter, then I'm involved in all of that.
7 Q Are -- who's responsible ultimately -- I guess, in this
8 part of your profit and loss system, are you familiar with
9 expenses that are paid by Olympic Tug & Barge?
10 A Yes.
11 Q Are you aware of whether Olympic Tug & Barge is
12 responsible for payroll taxes to its employees?
13 A Yes.
14 Q Are you aware of whether -- I guess, what is your
15 information as to whether Olympic Tug & Barge maintains an
16 accounting of its expenses and direct costs and revenue?
17 A I'm -- what is my involvement? Is that --
18 Q Correct.
19 A I'm in charge of it.
20 Q Do you review reports to determine the revenue that
21 Olympic Tug & Barge receives on a regular basis?
22 A Yes. I mean, we have a -- we have meetings about where we
23 stand financially as a company, and I review reports.
24 JUDGE SANDRON: Okay. And who attends those meetings?
25 THE WITNESS: We have a large meeting that goes over each

1 subsidiary --

2 JUDGE SANDRON: Right.

3 THE WITNESS: -- and where they stand, so.

4 JUDGE SANDRON: Okay. That's with Centerline?

5 THE WITNESS: Yes.

6 JUDGE SANDRON: Who in Centerline runs those meetings

7 usually?

8 THE WITNESS: A gentleman named Vlad puts the -- all the

9 data together and holds meetings --

10 JUDGE SANDRON: Do we have --

11 THE WITNESS: -- once a month.

12 JUDGE SANDRON: Do we have his name in the record?

13 MR. HILGENFELD: I don't believe we do, Your Honor.

14 JUDGE SANDRON: Okay. Do you know -- can you spell his

15 name?

16 THE WITNESS: I cannot. I mean, he's an employee, so it

17 wouldn't be hard to find, but I don't know off the top of my

18 head.

19 JUDGE SANDRON: Okay. So how is it --

20 THE WITNESS: Vladimir is his --

21 JUDGE SANDRON: Oh. Vladimir. That's his first name.

22 THE WITNESS: Yes.

23 JUDGE SANDRON: And you don't know his last name? If

24 you --

25 THE WITNESS: I can't -- I don't know.

1 JUDGE SANDRON: All right.
2 THE WITNESS: No. I don't.
3 JUDGE SANDRON: That's fine.
4 THE WITNESS: Yeah.
5 JUDGE SANDRON: Whatever you know.
6 THE WITNESS: Yeah.
7 MR. HILGENFELD: And with what --
8 JUDGE SANDRON: And how many people attend those meetings?
9 These are with all the subsidiaries?
10 THE WITNESS: Yes.
11 JUDGE SANDRON: Okay. And anybody else besides him and
12 the representatives of the various subsidiaries who -- who
13 attend those meetings?
14 THE WITNESS: No. That's about it --
15 JUDGE SANDRON: All right.
16 THE WITNESS: -- right there.
17 JUDGE SANDRON: And how often are they held?
18 THE WITNESS: We try and do them monthly.
19 JUDGE SANDRON: Okay. Thank you.
20 Q BY MR. HILGENFELD: And in those meetings, who's
21 responsible for the profits and losses for Olympic Tug & Barge?
22 A I am.
23 Q And looking at it, Mr. Titland, does Olympic Tug & Barge
24 hire vendors?
25 A Yes.

1 Q And for what reasons would Olympic Tug & Barge hire
2 vendors?
3 A Everything you can think of. I mean, a majority of it
4 would be equipment maintenance, alterations to equipment all
5 the way down to, like, lunch meat for the refrigerator.
6 Q Does Olympic Tug & Barge pay vendors through -- how does
7 Olympic Tug & Barge pay the vendors?
8 A We would generate a PO and -- in a -- our PO system and
9 send the vendor a PO, and then they would send us an invoice.
10 Q Mr. Titland, I'm going to turn your attention -- I guess,
11 do -- do vendors require information as to the payment or
12 receipt for services provided to Olympic Tug & Barge?
13 A Yes.
14 Q And where is that information kept?
15 A In what's called Coupa.
16 Q And what's Coupa?
17 A It's our PO system.
18 JUDGE SANDRON: Can you give the letters, what it stands
19 for?
20 THE WITNESS: I don't know that it is an acronym. It's
21 just --
22 JUDGE SANDRON: Oh. I see. That may be the name -- the
23 name or something.
24 THE WITNESS: Yes. Yes. I'm not positive, but I don't
25 believe that it's an acro -- acronym.

1 JUDGE SANDRON: Do you know what letters are in the name?
2 THE WITNESS: C-O-U-P-A.
3 JUDGE SANDRON: I see.
4 Q BY MR. HILGENFELD: And who maintains the Coupa system?
5 A I'm not -- I don't know. I don't know.
6 JUDGE SANDRON: Does OTB have its own Coupa system
7 within -- within the company.
8 THE WITNESS: I don't know how it's broken up. I'm
9 unsure. We -- we just input information into it. I don't know
10 who maintains it. And I -- I don't know what the
11 divisionary -- I'm unsure how it's divided. I'm -- I mean,
12 it's budgeted out. I don't quite understand your question, I
13 guess.
14 JUDGE SANDRON: Well, in other words, does Centerline
15 maintaining the Coupa system, or -- or do you, as a subsidiary,
16 maintain your own Coupa system like -- like a subcomponent of
17 Coupa? Or is it have all essentially maintained, to your
18 knowledge?
19 THE WITNESS: I don't know that it needs to be maintained.
20 JUDGE SANDRON: So the invoices -- what do the invoices
21 say, you know, when you have invoices to vendors?
22 THE WITNESS: There is a -- a dropdown menu when you
23 create a PO --
24 JUDGE SANDRON: Right.
25 THE WITNESS: -- that asks what subsidiary you belong to.

1 And Olympic Tug & Barge is one of those.

2 JUDGE SANDRON: I see.

3 MR. HILGENFELD: And there's no dispute, Your Honor, that

4 the payments are made through Centerline's accounting office.

5 JUDGE SANDRON: Okay. Thank you.

6 MR. HILGENFELD: If that's where you were getting with

7 that question?

8 JUDGE SANDRON: I was getting there, but thank you. You

9 answered.

10 Q BY MR. HILGENFELD: Mr. Titland, I'm going to turn your

11 attention to Respondent's 257. Do you recognize Respondent's

12 257?

13 A Yes.

14 Q What is Respondent's 257?

15 A It's a check.

16 Q For what company?

17 A Olympic Tug & Barge.

18 MR. HILGENFELD: At this point, we'll move for

19 Respondent's 257.

20 JUDGE SANDRON: Ms. Yasseri?

21 MS. YASSERI: May I voir dire, Your Honor?

22 JUDGE SANDRON: Yes.

23 **VOIR DIRE EXAMINATION**

24 Q BY MS. YASSERI: Mr. Titman, who has access to checks

25 belonging to Olympic Tug & Barge?

1 A I do.
2 Q And how do you obtain that access?
3 A I would go up to accounting and request a check.
4 Q Do you deal with a specific person for that at Centerline?
5 A There's several people that I could ask.
6 Q Who are they?
7 A Stephen Parry and Jeff Mustonen.
8 Q And do you know Mr. -- excuse me -- Mustonen's title at
9 Centerline?
10 A I don't know it off the top of my head. I just know that
11 he works in the accounting department.
12 JUDGE SANDRON: Do we -- do we have that other spelling on
13 the record? I'm trying to remember.
14 MR. HILGENFELD: I believe we do not. And I believe it
15 M-U-S-T-O-N --
16 THE WITNESS: -- E-N.
17 MR. HILGENFELD: -- E-N.
18 THE WITNESS: It's an interesting one.
19 JUDGE SANDRON: Thanks for spelling it. I don't think we
20 would have had the correct spelling otherwise.
21 Q BY MS. YASSERI: Do you know if Mr. Mustonen reports to
22 Mr. Parry?
23 A You know, I'm not sure what the structure is at there, to
24 be honest with you.
25 Q Now, the bank account that's associated with this check,

1 do you have access to that bank account?
2 A I do not.
3 Q Okay.
4 A Not that I'm aware.
5 Q Do you know who does?
6 A I believe Stephen Parry does. You know, I'm not -- I
7 don't know, though. I don't really know.
8 Q Do you know what this check was for?
9 A I don't.
10 MS. YASSERI: Your Honor, we're just going to object to
11 the redactions. We can't tell what this was for, what it was
12 related to, payment for what type of service.
13 JUDGE SANDRON: Can --
14 MR. HILGENFELD: We're not offering for a payment of
15 service. That has no relevance whatsoever. We're offering
16 that there's -- there's a bank, there's a check, Olympic Tug &
17 Barge has checked the invoices of what it gets.
18 JUDGE SANDRON: It doesn't make any difference to whom it
19 was written.
20 MS. YASSERI: The only issue we have, Your Honor, is we
21 just don't know what purpose it's for. But if it's only being
22 offered for the purpose of establishing that OTB has its own
23 checks, then it's fine.
24 JUDGE SANDRON: All right. The document is received.
25 **(Respondent Exhibit Number 257 Received into Evidence)**

1 **RESUMED DIRECT EXAMINATION**

2 Q BY MR. HILGENFELD: Mr. Titland, I'd like to turn your
3 attention to Respondent's 256. And these are a number of
4 documents in here. So if you could please, once you get to
5 256, just take your time and walk through the pages.
6 A Okay.
7 Q And walk through -- a little bit through here. On page 1
8 of Respondent's Exhibit 256, do you know who CE Technology
9 Construction (phonetic throughout) is?
10 A Yes.
11 Q And who are they?
12 A It's a vendor of ours.
13 Q And what is page 1 of Respondent's Exhibit 256?
14 A It's an explanation of some work that they did for us.
15 Q And are you familiar with the All Aboard for the (sic)
16 Cure?
17 A Yes.
18 Q Does Olympic Tug & Barge have at times harder to operate
19 All Aboard for the (sic) Cure?
20 A Yes.
21 Q Do you know who owns All Aboard for the (sic) Cure?
22 A Yes.
23 Q Who's that?
24 A Harley Marine Financing.
25 Q Mr. Titland, I'll have you turn your attention to the

1 page -- pages 2 and 3. Do you know who Puget Sound Energy is?
2 A Yes.
3 Q And who's Puget Sound Energy?
4 A It's a company based in Seattle that provides natural gas.
5 Q And what is Olympic Tug & Barge's address again?
6 A 910 Southwest Spokane Street, Seattle, Washington.
7 Q Is this a -- what is this invoice for?
8 A Natural gas.
9 Q Turn your attention to page 4. Do you know who Pacific
10 Rubber is?
11 A Yes.
12 Q And who's Pacific Rubber?
13 A It's a company in Seattle that does work for us.
14 Q And do you recognize what it -- page 4 of Respondent's
15 Exhibit 256 is?
16 A Yes.
17 Q And what is it?
18 A It's just some equipment that we purchased from them.
19 Some supplies.
20 Q Turn your attention to pages -- to page 5. Do you know
21 who Alexander Gow Fire Equipment is?
22 A Yes.
23 Q And who are they?
24 A It's a -- it's a company that does some work for us.
25 Q And what is page 5 of Exhibit -- Respondent's 256?

1 A It's just basically maintenance to fire detection system
2 on the All Aboard for the Cure.
3 Q What company is responsible for minor repairs on the
4 vessels operate by Olympic Tug & Barge?
5 A What company?
6 Q Yeah.
7 A Olympic Tug & Barge.
8 Q Turn your attention to page 7, Respondent's Exhibit 256.
9 You familiar with HiStrength Bolt?
10 A Yes.
11 Q And who's HiStrength Bolt?
12 A It's a company that we purchase supplies from.
13 Q And what is -- what are Respondent's Exhibit 256, pages 7,
14 8, 9, and 10?
15 A Supplies.
16 Q And who are the supplies received for?
17 A Olympic Tug & Barge.
18 Q Turn your attention to Respondent's Exhibit 256, page 11.
19 Familiar with Marine Vacuum Service, Inc.?
20 A Yes.
21 Q And who's Marine Vacuum Service, Inc.?
22 A It's a company that does hydro testing for us.
23 Q And what is page 11 of Respondent's Exhibit 256?
24 A I'm sorry. I didn't hear you.
25 Q What is page 11 of Respondent's 256?

1 A It's a -- it's an invoice for hydro testing a barge.
2 Q And Respondent's Exhibit 256, page 12. Are you familiar
3 with Continental Western Corporation?
4 A Yes.
5 Q And who's Continental Western Corporation?
6 A It is a company that does some work for us.
7 Q And what is page 12 of Respondent 256?
8 A It's an invoice for tugboat line.
9 Q And who has operated the tugboat line for Respondent's
10 256, page 12?
11 A Olympic Tug & Barge.
12 Q You recognize Respondent's Exhibit 256, page 13? Who's
13 Pump Industries?
14 A It's a company that does work for us.
15 Q And do you recognize, what is page 13 of Respondent's 256?
16 A It's an invoice from a pump repair.
17 Q Page 14, Respondent's 256. Do you know who B.R. Anderson
18 & Co. is?
19 A Yes.
20 Q Who's B.R. Anderson & Co.?
21 A Our Canadian agent. Olympic Tug & Barge's Canadian agent.
22 Q And when you say Canadian agent, what do you mean?
23 A So they arrange customs and submit documents for
24 transiting to and from Canada to the U.S. and to the Canadians.
25 They kind of handle some of the paperwork.

1 Q And tug Pacific Falcon, do you know who was operating tug
2 Pacific Falcon for this invoice?
3 A Olympic Tug & Barge.
4 Q Do you know who owns tug Pacific Falcon?
5 A I do.
6 Q And who's that?
7 A Harley Marine Financing.
8 Q Do you know who operates the barge Fight Fanconi Anemia
9 in -- for this invoice?
10 A Yes. Olympic Tug & Barge.
11 Q And who owns the FFA barge?
12 A Harley Marine Financing.
13 Q And when I say FFA, do you understand that to mean Fight
14 Fanconi Anemia?
15 A Yeah, I do.
16 JUDGE SANDRON: I think just to be on the safe side, we
17 have Anderson with an "o," and we have Fanconi ends with an
18 "i."
19 MR. HILGENFELD: Thank you, Your Honor.
20 Q BY MR. HILGENFELD: Does Olympic Tug & Barge enter into
21 ferryboat charters for all the pieces of equipment that it
22 operates?
23 A Yes.
24 Q And who are those ferryboat charters with?
25 A Harley Marine Financing.

1 Q Turn your attention to Respondent's Exhibit 256, page 15.
2 Who is the Seattle Public Utilities?
3 A It's an electricity company from Seattle.
4 Q And are you familiar with page 15, 256?
5 A Yes.
6 Q And what is page 15, 256?
7 A It is an electricity bill.
8 Q It talks about property owner, Duwamish Properties. Do
9 you know who the Duwamish Properties L.L.C. is?
10 A I believe it's the landowners.
11 Q If you talk about Duwamish Properties for Olympic Tug &
12 Barge, what -- what location are you referring to?
13 A 910 Southwest Spokane Street.
14 JUDGE SANDRON: You want to spell that name?
15 MR. HILGENFELD: Duwamish is D-U-W-A-M-I-S-H.
16 Q BY MR. HILGENFELD: Mr. Titland, are you familiar with
17 Respondent's Exhibit 256, page 17? Who is Seattle City Light?
18 A That is a power company in Seattle.
19 Q And what is Respondent's Exhibit 256, page 17?
20 A It's a power bill.
21 Q Mr. Titland, do you recognize Patriot Environmental
22 Services?
23 JUDGE SANDRON: You're talking about page 19, on --
24 MR. HILGENFELD: Page 19. Thank you.
25 THE WITNESS: 19.

1 Q BY MR. HILGENFELD: Respondent's 256, page 19.
2 A Yes, I do.
3 Q And who's Patriot Environmental Services?
4 A It's a barge cleaning company based out of Richmond,
5 California.
6 Q And what is Respondent's 256, pages 19 through 22?
7 A It's a daily work report.
8 Q And what's your understanding of what a daily work report
9 is?
10 A Basically it's an invoice for cleaning a barge for Olympic
11 Tug & Barge in California.
12 MR. HILGENFELD: At this point, we would offer
13 Respondent's Exhibit 256, Your Honor.
14 JUDGE SANDRON: So -- so when they have the names, those
15 are their employees that are performing the work?
16 THE WITNESS: Yes.
17 JUDGE SANDRON: And -- and then any equipment that they
18 provide, and materials is listed under that category?
19 THE WITNESS: Yeah. They've done an excellent job of
20 breaking down their invoice. I wish they were all like that.
21 JUDGE SANDRON: It looks very detailed.
22 So anybody --
23 MS. YASSERI: Yes, Your Honor.
24 JUDGE SANDRON: Oh, and just one thing. I understand
25 these are representative bills, right?

1 MR. HILGENFELD: That is correct, Your Honor.
2 JUDGE SANDRON: Okay.
3 **VOIR DIRE EXAMINATION**
4 Q BY MS. YASSERI: Mr. Titland, just generally, who at
5 Olympic Tug & Barge receives these invoices that are part of
6 Respondent's Exhibit 256?
7 A They get input by the customers into the Coupa system.
8 Q So just sort of walking through the first page of the
9 exhibit, the customers Sea Technology Construction Inc. would
10 actually enter in this invoice through Centerline's Coupa
11 system?
12 A Yes. I believe that's how it works on the customer's end.
13 Q Okay. And once the customer enters in that invoice
14 through the Coupa system, what happens after that process?
15 A If there's no problems with the invoice then it gets paid.
16 Q And does it get paid by a representative in accounting at
17 Centerline?
18 A Yes.
19 Q Okay. At any point do you have to provide approval for
20 that? Or what is your sort of extent if involvement in that
21 process?
22 A Well, when I personally call a vendor, which I do often, I
23 get a bid for the work. So I have an idea of what the invoice
24 is going to be for, and a lot of times I ask for a copy of the
25 invoice just to make sure that there's no extra fees or there's

1 not -- so I keep track of it.
2 Q Okay.
3 MS. YASSERI: No -- no objection, Your Honor.
4 JUDGE SANDRON: Okay.
5 Respondent's Exhibit 256 is received.
6 (Respondent Exhibit Number 256 Received into Evidence)
7 Q BY MR. HILGENFELD: Mr. Titland, do you approve the
8 invoices?
9 A Not officially. I keep an eye on them.
10 Q If an invoice is not in line with what you had requested,
11 what -- what do you do?
12 A I would call the vendor and dispute the invoice.
13 Q Do you handle that decision on your own or do you rely on
14 someone else to tell you to go do it?
15 A I handle it on my own.
16 Q Does Olympic Tug & Barge receive credit from third party
17 vendors at times?
18 A I believe it has.
19 Q What's the process for obtaining credit for Olympic Tug &
20 Barge?
21 A It -- that would have to go through accounting.
22 Q Okay.
23 JUDGE SANDRON: Do you have any role in that directly?
24 THE WITNESS: Only if I objected to it. I mean, I have
25 the ability to say no.

1 JUDGE SANDRON: So are you notified by accounting that
2 someone is seeking a credit, and then you can object if you
3 wish to?
4 THE WITNESS: I'm -- I'm not constantly notified by
5 accounting.
6 JUDGE SANDRON: I see.
7 THE WITNESS: I could as for that information. I have
8 access to it if I choose.
9 JUDGE SANDRON: Do -- so ordinarily do they notify you
10 when someone wants a credit?
11 THE WITNESS: No.
12 JUDGE SANDRON: Okay.
13 Q BY MR. HILGENFELD: And where is that information kept?
14 A In accounting.
15 Q And what would you do if you objected to it?
16 JUDGE SANDRON: Well, has it -- has it happened that
17 you've objected? Have you ever objected?
18 THE WITNESS: No.
19 JUDGE SANDRON: All right. Well, then it's -- then it's
20 speculative.
21 Q BY MR. HILGENFELD: Mr. Titland, I'm going to turn your
22 attention -- change gears a little bit here, and turn your
23 attention to the stack of large documents there.
24 JUDGE SANDRON: Can we give the book to the defendant?
25 MR. HILGENFELD: We're done with the book, Your Honor.

1 Thank you.

2 JUDGE SANDRON: Okay.

3 Q BY MR. HILGENFELD: Mr. Titland, I'm going to turn your

4 attention to Respondent's Exhibit 92(a). And it should be

5 entitled "barge log." Do you see that?

6 A Yes.

7 Q What is a barge log?

8 A It's a record of events.

9 Q And who maintains a barge log?

10 A The tankerman.

11 Q And what is the purpose of the barge log?

12 A It's just to keep a record of relevant events associated

13 with a transfer.

14 Q A transfer of what?

15 A Oil.

16 Q Would this involve loading and unloading of petroleum?

17 A Yes.

18 Q Are these -- are barge logs, do you know if the barge logs

19 are required by the U.S. Coast Guard regulations?

20 A They are.

21 Q Does a barge log provide all information involved in a

22 transfer of petroleum?

23 A No. Not necessarily. It -- it involves, or includes

24 everything that's required, but not -- not all information.

25 Q And what is required to be in a barge log?

1 A I don't know the CFR off the top of my head, but basically
2 just a record of relevant events that occur on the barge.
3 JUDGE SANDRON: Okay. I see. So they set out and log
4 events need to be recorded? Or reported, I should say.
5 Q Yes. I'm sure that there's a CFR that's associated with
6 what is required to be included in this. I just don't know it
7 off the top of my head.
8 JUDGE SANDRON: I see. All right. Well, that's fine, but
9 so -- so all of the events listed, though, are those that are
10 required?
11 THE WITNESS: Yes.
12 Q BY MR. HILGENFELD: And do you -- can you, from looking at
13 Respondent's Exhibit 92(a), identify -- well, first off,
14 what -- what piece of equipment is this barge log kept for?
15 A The barge Sixty Five Roses.
16 Q And can you tell what period of time pages 1 through 8 are
17 for the barge logs?
18 A These are logs from May 1st, 2021, until November 26th,
19 2021.
20 MS. YASSERI: Objection, Your Honor. This is not a
21 complete exhibit. There's a big chunk of time missing during
22 that period of time beginning on May 1st, 2021, through
23 November 26th, 2021.
24 MR. HILGENFELD: That is false. I mean, these are not --
25 two reasons, it's not intended to be a complete exhibit of all

1 of the barge discharges, that's not the purpose of this. These
2 are barge loads and unloads of the barge Sixty Five Roses in
3 L.A., Long Beach.
4 JUDGE SANDRON: I see. Limited to -- to the Sixty Five
5 Roses barge?
6 MR. HILGENFELD: This is Sixty Five Roses for the 2021
7 period.
8 MS. YASSERI: I -- I think we just wanted clarity on the
9 record that it doesn't include that entire scope of time. That
10 there's specific -- there's specific barge logs for specific
11 dates, and 92(a).
12 MR. HILGENFELD: I think the document speaks for itself.
13 It obviously doesn't include other -- other dates that are not
14 included.
15 JUDGE SANDRON: Well, okay. So what this represents from
16 May 1st until November 2- -- well, actually what period is
17 the -- represent altogether?
18 MR. HILGENFELD: This 92(a) --
19 JUDGE SANDRON: Right.
20 MR. HILGENFELD: -- are barge logs --
21 JUDGE SANDRON: Right.
22 MR. HILGENFELD: -- for Sixty Five Roses --
23 JUDGE SANDRON: Right.
24 MR. HILGENFELD: -- in 2021.
25 JUDGE SANDRON: All of them?

1 MR. HILGENFELD: I -- I can't represent they are all of
2 them. They are a significant representative sample. They are
3 the ones that we were able to identify. Some barge logs don't
4 have a location or a place, so they're not always identified.
5 But these have been identified as being in L.A., Long Beach.
6 JUDGE SANDRON: So your saying these are the -- are the
7 full set for 2021 of all barge logs that specifically mention
8 Sixty Five Roses?
9 MR. HILGENFELD: No, Your Honor. And I think a more
10 accurate reflection is each page of these --
11 JUDGE SANDRON: Right.
12 MR. HILGENFELD: -- is by itself a complete set. So page
13 1 is a complete set of the barge log on May 1st, 2021, in at
14 Long Beach of the Sixty Five Roses; pages 2 and 3 are a
15 complete set for May 2nd; pages 4 and 5 are a complete set for
16 May 3rd; --
17 JUDGE SANDRON: All right.
18 MR. HILGENFELD: -- pages 6 is a complete set for May
19 25th -- or 6 and 7; and page 8 is a complete set for November
20 26th.
21 JUDGE SANDRON: Okay. Okay. We're talking about actually
22 more than 92(a), right? We're going on to --
23 MR. HILGENFELD: We're going to go on through here, and I
24 can certainly do it now on the record. I've discussed it with
25 General Counsel previously.

1 MS. YASSERI: I think, Your Honor, our concern was that
2 based on Mr. Titland's testimony that I -- we didn't want any
3 confusion that these are all the barge logs during May 1st,
4 2021, through November 26th, 2021. They've been selected,
5 they're -- they're individual logs during that scope of time.
6 JUDGE SANDRON: All right.
7 MR. HILGENFELD: It's undisputed, Your Honor, the Olympic
8 Tug & Barge does work throughout the West Coase, and so it's
9 pieces of equipment go throughout the West Coast. We've
10 identified these being in L.A., Long Beach, one set; and San
11 Francisco, another set.
12 JUDGE SANDRON: All right. Well, let's just stick with
13 95(a) (sic) so they don't get confused. So I understand 95(a)
14 (sic) -- 92(a) represents all of the barge logs for Sixty Five
15 Roses that you can identify or -- or --
16 MR. HILGENFELD: It -- these -- 92(a) --
17 JUDGE SANDRON: Right.
18 MR. HILGENFELD: -- represents barge logs for the Sixty
19 Five Roses --
20 JUDGE SANDRON: Okay.
21 MR. HILGENFELD: -- loaded or unloaded petroleum in L.A.,
22 Long Beach.
23 JUDGE SANDRON: Okay. But it's not necessarily complete?
24 MR. HILGENFELD: It is complete, Your Honor. It's not
25 necessarily all of them. Those are two different questions.

1 So every -- every discharge, every load or unload has to have a
2 separate barge log.
3 JUDGE SANDRON: Right.
4 MR. HILGENFELD: We have identified -- tried to pull out
5 the ones that have been identified in L.A., Long Beach.
6 JUDGE SANDRON: For --
7 MR. HILGENFELD: We can't say for certain, in -- for L.A.,
8 Long Beach for Sixty Five Roses for 92(a).
9 JUDGE SANDRON: All right.
10 MR. HILGENFELD: We can't say for certain that in an
11 October time frame there was not a load, unload where they
12 didn't clearly demarcate or identify that location. Those are
13 not included.
14 JUDGE SANDRON: Oh, I see. Okay. So these represent, as
15 best as you know, all of the Sixty Five Roses for 2021 in L.A.,
16 Long Beach?
17 MR. HILGENFELD: Correct.
18 MS. YASSERI: That's fine, Your Honor.
19 JUDGE SANDRON: All right. Okay. 92(a) is received.
20 (Respondent Exhibit Number 92(a) Received into Evidence)
21 JUDGE SANDRON: Do you want to go through the others
22 altogether or do you want to do each one separately?
23 MR. HILGENFELD: It may be easier if we go through them
24 altogether. I -- go through them right now just so we
25 understand --

1 JUDGE SANDRON: All right. That might be simpler, then,
2 if -- now -- now would the methodology be the same?
3 MR. HILGENFELD: It is, Your Honor, and I think it'll be
4 pretty clear when we walk through.
5 JUDGE SANDRON: All right. Go ahead. Go through them
6 all.
7 MR. HILGENFELD: So 92 -- 92(a) are the identified barge
8 logs of the Sixty Five Roses in L.A., Long Beach in 2021.
9 JUDGE SANDRON: Okay. We have that.
10 MR. HILGENFELD: 92(b) are the identified barge logs for
11 the Sixty Five Roses in L.A., Long Beach, for 2020; 92(c) are
12 the identified barge logs for the Sixty Five Roses for L.A.,
13 Long Beach, in 2019; 92(d) are the identified barge logs for
14 the Sixty Five Roses in L.A., Long Beach, for 2018.
15 93(a) are the identified barge logs for the Sixty Five
16 Roses in San Francisco for 2021; 93(b) are the identified barge
17 logs for the Sixty Five Roses for San Francisco in 2020; 93(c)
18 are the identified barge logs for the Sixty Five Roses for San
19 Francisco in 2019; 93(d) are the identified barge logs with
20 Sixty Five Roses for San Francisco in 2018.
21 94(a) are the identified barge logs for the All Aboard for
22 the Cure for L.A., Long Beach, for 2021; 94(b) are the
23 identified barge logs for L.A., Long Beach, for 2020, for the
24 All Aboard for the Cure; 94(c) are the identified barge logs
25 for All Aboard for the Cure for L.A., Long Beach, for 2019.

1 JUDGE SANDRON: Is that 2018?
2 MR. HILGENFELD: 2019, Your Honor.
3 JUDGE SANDRON: Wait. Wait. Oh, I jumped one ahead.
4 Okay.
5 MR. HILGENFELD: 94(c) is 2019. 94(d) is 2018.
6 JUDGE SANDRON: Okay. I jumped one ahead.
7 MR. HILGENFELD: So 94(d) is the barge logs for the All
8 Aboard for the Cure for 2018. 95(a) are the identified barge
9 logs for All Aboard for the Cure for San Francisco in 2021;
10 95(b) are the identified barge logs for All Aboard for the Cure
11 for 2020.
12 JUDGE SANDRON: In San Francisco?
13 MR. HILGENFELD: For San Francisco, yes, Your Honor.
14 Thank you. 95(c) are the identified barge logs for All Aboard
15 for the Cure for San Francisco in 2019; 96(a) are the
16 identified barge logs for The Fight Fanconi Anemia or FFA, for
17 2020.
18 JUDGE SANDRON: And -- and where was that?
19 MR. HILGENFELD: In L.A., Long Beach.
20 JUDGE SANDRON: L.A. Okay.
21 MR. HILGENFELD: I believe so, but I'll clear it for the
22 record.
23 Just so we're clear, 95(d) are the identified barge logs
24 for All Aboard for the Cure for San Francisco in 2018.
25 JUDGE SANDRON: Okay.

1 MR. HILGENFELD: Just talked about the FFA for 96(a). The
2 FFA in 96(b) are the identified barge logs for the FFA in L.A.,
3 Long Beach, for 2019; Respondent's 96(c) are the identified
4 barge logs for FFA in L.A., Long Beach, for 2018.
5 Respondent's 97(a) are the identified barge logs for the
6 FFA for San Francisco in 2020; Respondent's 97(b) are the
7 identified barge logs for the FFA for San Francisco in 2019;
8 Respondent's 97(c) are the identified barge logs for the FFA
9 for San Francisco in 2018.
10 Respondent's 98(a) are the identified barge logs for the
11 Olympic Spirit for L.A., Long Beach, for 2021; Respondent's
12 98(b) are the identified barge logs for the Olympic Spirit for
13 L.A., Long Beach, for 2020; Respondent's 98(c) are the
14 identified barge logs for the Olympic Spirit for L.A., Long
15 Beach, for 2019; Respondent's Exhibit 98(d) are the identified
16 barge logs for the Olympic Spirit for L.A., Long Beach, in
17 2018.
18 Respondent's 99(a) are the identified barge logs for the
19 Olympic Spirit for San Francisco for 2021; Respondent's 99(b)
20 are the identified barge logs for the Olympic Spirit for 2019
21 for San Francisco, if I said that. Respondent's Exhibit 99(c)
22 are the identified barge logs for the Olympic Spirit for San
23 Francisco for 2018.
24 JUDGE SANDRON: These barge logs represent all of the
25 barge logs during that period, 2018 to 2021?

1 MR. HILGENFELD: No, Your Honor. I mean, it's a difficult
2 question to answer, Your Honor. So these identify the barge
3 logs for these specific pieces of equipment.
4 JUDGE SANDRON: I see.
5 MR. HILGENFELD: OTB may have utilized other pieces of
6 equipment, had subcontracts for -- time charters with other
7 pieces of equipment --
8 JUDGE SANDRON: I see.
9 MR. HILGENFELD: -- that would not be included. These are
10 the ones that do the most work in L.A., Long Beach, and most
11 work in San Francisco, so that's why they were identified.
12 JUDGE SANDRON: Do -- do you have any voir dire on -- on
13 the documents?
14 MS. YASSERI: Yes, Your Honor. Just very briefly. Just
15 generally about.
16 **VOIR DIRE EXAMINATION**
17 Q BY MS. YASSERI: Mr. Titland, you testified that the
18 tankermen maintain the barge logs; is that right?
19 A That's correct.
20 Q Okay. And how -- how do they actually input the
21 information that's reflected on the log?
22 A Onto a computer in the office on the barge.
23 Q Okay. And who has access to that computer?
24 A The tankerman.
25 Q Anybody else have access to it?

1 A Yes.
2 Q Who specifically?
3 A Managers, Coast Guard, tug -- the captain of the tug
4 that's associated with the barge, if there is a tug associated
5 with the barge.
6 Q Okay. Would employees of Centerline also have access to
7 the barge logs?
8 A Yes.
9 Q Okay. And are they maintained in a specific type of
10 system? Like a named platform?
11 A Yes.
12 Q What is the name?
13 A It's called the wheelhouse system.
14 Q And is that a system that's used by other Centerline
15 subsidiaries, if you know?
16 A Yes.
17 Q Which ones.
18 A You know, I'm very familiar with what goes on at OTB, not
19 so familiar with other subsidiaries. I know that the
20 wheelhouse system is a company-wide format, but I can't give
21 you names. I'm unsure.
22 Q When you say company-wide, you mean Centerline?
23 A Yes.
24 Q Okay.
25 JUDGE SANDRON: Is wheelhouse one word or separate words,

1 if you know?
2 THE WITNESS: I -- I think it's one word. I'm not
3 positive.
4 JUDGE SANDRON: All right.
5 MS. YASSERI: Okay. Okay.
6 JUDGE SANDRON: We'll put it as one word unless we find
7 out otherwise.
8 THE WITNESS: Okay. Perfect.
9 MS. YASSERI: Okay. Your Honor, we -- we do object to
10 certain specific exhibits based on relevance as to time and
11 also location. Broadly, we object to any logs related to San
12 Francisco, based on relevance. And also, anything that
13 postdates March 1st, 2021, in Los Angeles. We also object,
14 based on relevance, as to that, anything that postdates that
15 period of time.
16 JUDGE SANDRON: Mr. Hilgenfeld?
17 MR. HILGENFELD: Your Honor, it's -- we've had a lot of
18 testimony about what pieces of equipment provide work in San
19 Francisco, as well as L.A., Long Beach. We've had days of
20 that, in fact, and they've put on witnesses to it. We're
21 certainly allowed to put on rebuttal witnesses to that issue on
22 San Francisco, and that's what they're being offered for. As
23 Olympic Tug & Barge has performed discharge and transfers of
24 petroleum in San Francisco regularly before the complaint was
25 issued, and after the complaint was issued. And as far as

1 L.A., Long Beach, is I understand General Counsel's at least
2 one of their theories of their claim against Westoil,
3 Centerline, and Harley Marine Financing, and all of the
4 companies of a singular employer, that somehow there was a
5 unilateral change that occurred with how the companies are
6 operating. The relevance of Olympic Tug & Barge operated
7 before the complaint was issued and after the complaint was
8 issued, goes directly to that issue.
9 JUDGE SANDRON: Ms. --
10 MS. YASSERI: May -- may I address Mr. Hilgenfeld's
11 points, Your Honor? I'm not aware of any witness testimony
12 that we put on related to San Francisco. I will admit that
13 this has been a very lengthy hearing spanning at least four or
14 five months, so maybe my memory might be a little bit off, but
15 if Mr. Hilgenfeld can point to a specific witness where the
16 General Counsel put on testimony regarding San Francisco. As
17 we all know, San Francisco is not at issue in the consolidated
18 complaint.
19 JUDGE SANDRON: Right.
20 MR. HILGENFELD: I believe it is at issue with how Leo
21 Marine Services operating, and how Olympic Tug & Barge is
22 operating, and how they're operating in San Francisco. And I
23 can't point to you a transcript, Your Honor, as we sit here,
24 but I -- San Francisco has been at issue for Olympic Tug &
25 Barge. If the -- if the General Counsel will stipulate that

1 Olympic Tug & Barge has maintained the same practice consistent
2 before in 2018 to 2021 and San Francisco throughout that period
3 of time, then we -- we withdraw those exhibits. I don't
4 understand that to be the General Counsel's case, though, Your
5 Honor.
6 JUDGE SANDRON: Well, I think at this point it -- it's as
7 Ms. Yasseri pointed out, we've had a lot of hearing over a long
8 period of time, and it's difficult at this point to know
9 exactly where we had testimony regarding -- well, if we had
10 testimony regarding San Francisco, and what it was. And also,
11 to determine at this point how the San Francisco operations
12 will/will not be relevant to -- to the issues here. But
13 certainly if we're talking about Centerline and all of its
14 subsidiaries, then I don't see any harm in allowing into
15 evidence regarding San Francisco in. And the parties can argue
16 relevance or lack of relevance at a later point.
17 So any other objections to the document?
18 MS. YASSERI: Not at this time, Your Honor.
19 JUDGE SANDRON: All right. Then I'll admit, at this
20 point, Respondent's Exhibits 9B to -- A, through 99(c).
21 (Respondent Exhibit Numbers 92(b), 92(c), 92(d), 92(a), 92(b),
22 92(c), 92(d), 94(a), 94(b), 94(c), 94(d), 95(a), 95(b), 95(c),
23 95(d), 96(a), 96(b), 96(c), 97(a), 97(b), 97(c), 98(a), 98(b),
24 98(c), 98(d), 99(a), 99(b) and 99(c) Received into Evidence)
25 MR. HILGENFELD: Your Honor, would it be time for a -- a

1 break right now?

2 JUDGE SANDRON: Yes. It might be a good time. The

3 witness can get up as well and stretch. So we'll go off the

4 record say for about ten minutes, maybe. Take our morning

5 break.

6 MR. HILGENFELD: Thank you.

7 JUDGE SANDRON: Okay. Off the record.

8 (Off the record at 11:09 a.m.)

9 JUDGE SANDRON: Back on the record. We're coming from now

10 to our lunch recess.

11 THE COURT REPORTER: Back on the record?

12 JUDGE SANDRON: Back on the record.

13 MR. HILGENFELD: Thank you.

14 **RESUMED DIRECT EXAMINATION**

15 Q BY MR. HILGENFELD: Mr. Titland, I'm going to turn your

16 attention to Respondent's Exhibit 92(a), which should be the

17 2021 barge log for the Sixty Five Roses.

18 JUDGE SANDRON: Oh, there it is.

19 THE WITNESS: Yes.

20 Q BY MR. HILGENFELD: And Mr. Titland, I'm going to -- just

21 a few kind of preliminary questions just regarding this

22 document? Are you familiar with Paul Clendenen,

23 C-L-E-N-D-E-N-E-N?

24 A Yes.

25 Q And who's Mr. Clendenen?

1 A He's an employee of Olympic Tug & Barge.
2 Q Do you know his position with Olympic Tug & Barge?
3 A Tankerman.
4 Q And how does -- how does Olympic Tug & Barge crew its
5 vessels?
6 A How do we crew the barges?
7 Q Correct.
8 A For this particular barge, as per company policy, there
9 needs to be two qualified tankermen on board for a transfer.
10 Q And who would those employees be employed by?
11 A Olympic Tug & Barge.
12 Q In Respondent's 92(a) through Respondent's Exhibit 99(c),
13 on these barge logs, do these barge logs -- what company do
14 these employees work for that are identified in these barge
15 logs?
16 A Olympic Tug & Barge.
17 Q In looking at Respondent's Exhibit 92(a), are you familiar
18 with the tug Ann Cheramie?
19 A Yes.
20 Q Do you know who operates the tug Ann Cheramie at this
21 period of time?
22 JUDGE SANDRON: Do we have that spelling?
23 MR. HILGENFELD: I'm not sure, Your Honor. Ann is A-N-N;
24 Cheramie is C-H-E-R-A-M-I-E.
25 JUDGE SANDRON: Thank you.

1 THE WITNESS: Olympic Tug & Barge.
2 Q BY MR. HILGENFELD: Do you know who owns the Ann Cheramie?
3 A Yes. Harley Marine Financing.
4 Q And is -- is -- does Olympic Tug & Barge -- is the tug Ann
5 Cheramie partnered with the barge Sixty Five Roses?
6 A On this day, yes.
7 Q And what does the -- it says job number, what does job
8 number identify
9 A It's basically a tracking number for this particular
10 evolution.
11 Q And do you know how that job number is created?
12 A It's created in a computer program.
13 Q And where is that computer program found?
14 A In a database.
15 Q Does the tankerman create that job number or is it
16 self-created through the database?
17 A It's typically created by the dispatchers.
18 JUDGE SANDRON: And who maintains the database, if you
19 know?
20 THE WITNESS: I don't know whether it's Centerline or
21 Olympic Tug & Barge. One of the two.
22 Q BY MR. HILGENFELD: And who -- does Olympic Tug & Barge
23 have its own dispatchers?
24 A Yes.
25 Q In here, it has "company OTB/S." What does that signify?

1 A Olympic Tug & Barge/Seattle.
2 Q When it says, "next in line" under arrival info, what does
3 "all fast at" mean?
4 A It means all fast at whatever object or dock or ship or
5 village or wherever we're going to pump the tanks out of the
6 barge.
7 Q And what does the term "all fast" mean?
8 A It means all the lines are tight and the barge is secure.
9 Q In the first line, it has "NOR tender." Do you know what
10 NOR is?
11 A Notice of Readiness.
12 Q And what does that mean?
13 A That means we're here, we're ready, we're available. In
14 some cases that's when we would start charging. It just
15 depends on how the contract was structured.
16 Q It says all fast, if you look at the fourth line -- or
17 look at the third line, "arrive at discharge port." What's the
18 discharge port, if you know?
19 A It looks to be somewhere in Long Beach.
20 Q And is that just because the location at the top says Long
21 Beach?
22 A Yes.
23 Q Can you identify in this barge log exactly what Long Beach
24 berth it's at?
25 A I cannot.

1 Q When it talks about "all fast at discharge," do you have
2 an understanding of what's being discharged?
3 A You mean what -- what type of product? What type of oil?
4 I know that it's oil.
5 Q That's my question. So it's an oil discharge, is that's
6 what's being referred to here?
7 A Correct.
8 Q Okay. And can you tell what -- whether this was a
9 bunkering or terminal transfer in the barge log?
10 A No.
11 Q Why not?
12 A It's not stipulated in the log.
13 Q Is that an important consideration in the barge logs that
14 are maintained?
15 A It's not a requirement, and it's not something we normally
16 distinguish.
17 Q If you were going to -- what is primarily the most -- the
18 biggest type of work the Olympic Tug & Barge performs in L.A.,
19 Long Beach, or San Francisco?
20 A I would say primarily that would be terminal transfers.
21 Q Does Olympic Tug & Barge perform bunkering at L.A., Long
22 Beach, and San Francisco?
23 A Yeah.
24 MS. YASSERI: Objection. Vague as to time and location.
25 MR. HILGENFELD: I think I said L.A., Long Beach and San

1 Francisco, but I'll rephrase the question.
2 MS. YASSERI: Compound as well.
3 Q BY MR. HILGENFELD: In -- from 2018 to 2020, did Olympic
4 Tug & Barge perform bunkering in L.A., Long Beach?
5 A Yes. I --
6 Q Since -- since 20- -- since from 2020 to the present, does
7 Olympic Tug & Barge perform bunkering in L.A., Long Beach?
8 A Yes.
9 JUDGE SANDRON: All right. Now, did it perform bunkering
10 work continuously during the period 2018 to 2020, was that
11 continuous or was that -- you know, at certain points, or was
12 it a continuous type of operation?
13 THE WITNESS: It was not continuous. We -- we just do
14 whatever the customer asks us to do. Especially on longer term
15 charters. We load the barge, and we discharge the barge,
16 wherever they tell us to go. And primarily it's terminal
17 transfer.
18 JUDGE SANDRON: So would you -- would you call that more
19 occasional or sporadic than continuous?
20 THE WITNESS: Yes.
21 Q BY MR. HILGENFELD: Has the occasional nature of the
22 bunkering changed for Olympic Tug & Barge from 2018 to the
23 present?
24 A In L.A., Long Beach?
25 Q Correct.

1 A Yes. I would say bunkering is less frequent. And
2 terminal transfers now that Leo is operating.
3 Q So would that be -- what's the basis of the change, to
4 your knowledge?
5 A Inter-harbor work for Olympic Tug & Barge I would say is
6 done more frequently by Leo now.
7 Q Turning your attention to page 2 of Respondent's Exhibit
8 92(a), if you go down to the sixth line, BBLS. What's BBLS
9 stand for?
10 A Barrels. It's a unit of measurement of oil.
11 Q And then when they're -- if you look at that line, "BBLS
12 moved to shore 9,874 with a rate of 3,790-hour security rounds
13 made, all looks good." What does that signify to you?
14 A So 9,874 barrels total discharged at a rate of 3,790
15 barrels an hour.
16 Q Look down below, TOV discharged. What is TOV mean to you?
17 A Total Oil Volume.
18 Q And when it says "TOV discharged 28,107 BBLS at 4,940 the
19 last hour," how would you interpret that?
20 A The first number is total volume discharge, and the second
21 number is the rate or the speed at which it's being discharged.
22 Q If you go to 20 time -- start time 20:30, it has
23 Mr. Kosta, K-O-S-T-A; Koutelias, K-O-U-T-E-L-I-A-S from
24 Petromar. Do you see that line?
25 A Yes.

1 Q Who's Petromar?
2 A I think it would be a third-party vendor that's stepping
3 on board to witness the load.
4 Q And you look down below on 22:18, "discussions about
5 starting when Mr. Kosta affirms instructions from World Fuel
6 Services." Do you see that?
7 A Yes.
8 Q Who's World Fuel Services?
9 A I believe that to be the customer.
10 JUDGE SANDRON: So was he -- was he a representative of
11 World Fuel Services?
12 THE WITNESS: Yes. According to this log, yes.
13 JUDGE SANDRON: Okay.
14 MR. HILGENFELD: And --
15 THE WITNESS: He's there on behalf of World Fuel Services.
16 Q BY MR. HILGENFELD: In looking at, is it unusual for third
17 parties or customers to monitor the barrel loading or
18 unloading?
19 A No. It's very typical.
20 Q And if we look through these, we see other customer names,
21 is that a regular practice of what would be in a barge log?
22 A Yes.
23 Q If you look at page 4, first line, "standing by as Chemoil
24 prepares to move barge." Who's Chemoil?
25 A That is the -- that is the dock.

1 Q Do you know if Chemoil has any relationship to Glencore?
2 A Yes.
3 Q And what's the relationship, to your knowledge?
4 A I believe that Chemoil became Glencore.
5 Q And do you know who the acronym -- World Fuel Services,
6 would that be a WFS acronym?
7 A Yes.
8 Q Do you know if Chemoil -- if Glencore has a Chemoil
9 terminal in L.A., Long Beach?
10 A They do.
11 JUDGE SANDRON: Do you know how long they've had -- had
12 that?
13 THE WITNESS: I don't.
14 Q BY MR. HILGENFELD: Can you turn to page 5 of Respondent's
15 Exhibit 4, and go down to time 20:55.
16 JUDGE SANDRON: What page?
17 MR. HILGENFELD: Page 4, Respondent's Exhibit 92(a).
18 JUDGE SANDRON: And which line was that?
19 MR. HILGENFELD: The line is time -- start time 20:55.
20 JUDGE SANDRON: Okay.
21 Q BY MR. HILGENFELD: Inspectorate gaugers or gaugers,
22 G-A-U-G-E-R-S. Is it -- is there a reason inspectorate would
23 be on board a barge during the loading or unloading?
24 A Yes. The function of a gauger is a third-party entity
25 that verifies the volumes so that there's no dispute.

1 Q And who are they verifying the volumes between?
2 A The -- the two parties associated with transferring the
3 product. Us receiving, and the -- and the discharging entity.
4 Q How big a barge is the Sixty Five Roses?
5 A A total volume is 80,000 barrels.
6 Q What areas is the Sixty Five Barge's permitted to traverse
7 or travel?
8 A Anywhere.
9 Q Would that include harbor and coastal areas?
10 A Yes.
11 Q How big a barge is the barge All Aboard for the Cure.
12 A 80,000 barrels.
13 Q And what is the transportation limit for the ABC, or All
14 Aboard for the Cure?
15 A It's unlimited.
16 Q Would that include coastal waters and harbor areas?
17 A Yes.
18 Q How big a barge is the Fight Fanconi Anemia?
19 A 80,000 barrels.
20 Q And what's the transportation area for the Fight Fanconi
21 Anemia?
22 A Unlimited.
23 Q Would that include coastal waters and harbor waters?
24 A Yes.
25 Q And what's the barge Olympic Spirit?

1 A 80,000 barrels.
2 Q And what areas can the Olympic Spirit transport?
3 A Coastal, inland, international.
4 Q From -- does -- in -- during this period of time, and from
5 2018 to 2021, did Olympic Tug & Barge also operate other barges
6 other than the four identified in these exhibits?
7 A Yes.
8 Q Approximately how many pieces of equipment did Olympic Tug
9 & Barge operate during that period of time, if you know?
10 A Total pieces of equipment? I would say 50 including tugs.
11 Q And out of that 50, do you have an idea of how many would
12 be tugs and how many would be barges?
13 A Just a rough guess, I'm going to say 30 barges and 20
14 tugs.
15 Q Did Olympic Tug & Barge enter into time charters for the
16 operation of all those pieces of equipment?
17 A Yes.
18 Q And the -- what was the range -- when you say 80,000, is
19 that referring to 80,000 barrels?
20 A Yes.
21 Q And what was the range of barrels for barges that Olympic
22 Tug & Barge is used from 2018 to 2021?
23 A We have some 17,000-barrel barges, we have some
24 31,000-barrel barges, we have some 50,000-barrel barges, and we
25 have 80,000-barrel barges.

1 MR. HILGENFELD: Mr. Titland, I have not further questions
2 for you at this time.
3 JUDGE SANDRON: So Ms. Yasseri, it's 11:50, do you want to
4 start your cross-examination before lunch, or do you want to
5 take some time and prepare for cross along with our lunch hour?
6 Which would you prefer?
7 MS. YASSERI: I'd prefer to take some time during the
8 lunch hour, Your Honor, if we could come back at 1:00?
9 JUDGE SANDRON: Yes.
10 MS. YASSERI: Thank you.
11 JUDGE SANDRON: All right. We will come back 1:00, and
12 then we'll start cross-examination. Then if the MMP Has any
13 questions, you can ask Ms. Yufa if you have any. All right.
14 Have a good lunch hour. We -- we'll go off the record. Off
15 the record.
16 (Off the record at 11:49 a.m.)
17 JUDGE SANDRON: Ms. Yasseri, are you ready to go?
18 MS. YASSERI: Yes, Your Honor.
19 JUDGE SANDRON: Yes.
20 MS. YASSERI: We had one procedural matter before I
21 start --
22 JUDGE SANDRON: Okay.
23 MS. YASSERI: -- the cross-examination.
24 JUDGE SANDRON: Yes.
25 MS. YASSERI: Oh, yes.

1 JUDGE SANDRON: Do you want to put it on the record?
2 MS. YASSERI: Yes.
3 JUDGE SANDRON: Okay. All right. Back on the record, I
4 understand Ms. Yasseri, you have a procedural matter before we
5 begin cross-examination.
6 MS. YASSERI: Yes, Your Honor. The General Counsel has
7 marked for identification GC Exhibit 296, it's essentially an
8 unredacted and complete version of what was originally offered
9 as Respondent's 253, the quarterly contribution return and
10 report of wages for Olympic Tug and Barge for the quarter
11 ending March 21st, 2020.
12 JUDGE SANDRON: This represents what? The --
13 MS. YASSERI: Essentially the unredacted and complete
14 version of what was proffered as Respondent's Exhibit 253. If
15 you'll recall, Respondent's Exhibit 253, I believe was only two
16 pages, and this is six pages. And this is a return and report
17 of wages from the California Employment Development Department.
18 JUDGE SANDRON: And I think he redacted the social
19 security numbers.
20 MS. YASSERI: Yes. And we -- we'd be happy to enter this
21 into the record pursuant to the protective order.
22 JUDGE SANDRON: Objection, counsel?
23 MR. HILGENFELD: No objection.
24 JUDGE SANDRON: All right. Do you wish it to be under
25 (indiscernible, simultaneous speech)?

1 MR. HILGENFELD: We do, Your Honor.
2 JUDGE SANDRON: All right. Then (indiscernible,
3 simultaneous speech).
4 MS. YASSERI: Thank you.
5 **CROSS-EXAMINATION**
6 Q BY MS. YASSERI: Good afternoon, Mr. Titland.
7 A Good afternoon. I don't know if I --
8 JUDGE SANDRON: Did I admit it?
9 MS. YASSERI: Oh, I'm sorry.
10 JUDGE SANDRON: It is admitted.
11 MS. YASSERI: Thank you. Thank you, Your Honor.
12 Q BY MS. YASSERI: Good afternoon, Mr. Titland. I don't
13 know if I had a chance to introduce myself, by my name is Sanam
14 Yasseri. I'm one of the counsels representing the General
15 Counsel of the National Labor Relations Board and we thank you
16 for being here today and for coming back. We understand you're
17 not from Los Angeles so thank you for coming back.
18 A Thank you.
19 Q Mr. Titland, you testified on direct that you've been
20 working -- you've been working for Olympic Tug & Barge since
21 January of 2012, correct?
22 A Correct.
23 Q And I believe you testified that your boss at this point
24 in time is Dan Morrison?
25 A Yes.

1 Q And what is Mr. Morrison's job title at Centerline?
2 A I believe it's vice president of operations.
3 Q Do you know how long Mr. Morrison has been serving in that
4 role?
5 A I do not.
6 Q Okay. Do you know who Mr. Morrison reports to?
7 A I could speculate, but I don't know exactly.
8 Q Okay. Other than yourself, do you know who else reports
9 to Mr. Morrison?
10 A Well, he's the vice president of operations for the entire
11 west coast, so -- I don't want to speculate but every manger
12 along the west coast.
13 Q Okay. And when you say on the west coast, would that be
14 subsidiaries of Centerline located on the west coast?
15 A Yes.
16 JUDGE SANDRON: Okay. This is what you know, I mean -- if
17 you -- if you know or you're fairly confident about something
18 then say. If you're not willing -- if you don't really know,
19 then you don't have to guess. So it's up to you.
20 THE WITNESS: Okay. I'm not going to guess. I report --
21 I know that I report to Dan.
22 MS. YASSERI: Okay, fair enough. Okay.
23 Q BY MS. YASSERI: I'd like to direct your attention, Mr.
24 Titland, to Respondent's Exhibit 17. It's the invitation to
25 tender. Do you have that Respondent's Exhibit 17.

1 A 17, would it be in the book? Yes.
2 Q Okay. Now prior to receiving this invitation to tender,
3 had you ever been requested by Centerline and/or Harley Marine
4 Financing to submit a bid for work?
5 A No.
6 Q So this was the first time that you had received an
7 invitation to tender?
8 A Yes.
9 Q Okay. And after you received this invitation to tender on
10 about October 14th, 2020, did you have any questions regarding
11 this invitation to tender?
12 A Yes.
13 Q Okay. And what kind of questions did you have?
14 A Well, it's fairly self-explanatory. I only had questions
15 on wage averages of existing Olympic Tug & Barge employees.
16 Q And who did you direct those questions to regarding the
17 wage averages for Olympic Tug & Barge employees?
18 A Bill Backe.
19 Q And do you recall when you first reached out to Mr. Backe?
20 A I don't have the exact date, but it was shortly after
21 receiving this.
22 Q And what is your understanding of Mr. Backe's position at
23 Centerline at the time?
24 A He was in accounting, so.
25 Q Okay. Do you know who Mr. Backe reported to?

1 A No.
2 Q Okay. With respect to the wage rates for Olympic Tug &
3 Barge employees, do you know who determines those rates of pay?
4 A Me.
5 Q You do. And is that an authority that you have as the
6 general manager of Olympic Tug & Barge?
7 A Yes.
8 Q Okay. And if you could remind us again when did you first
9 occupy that position?
10 A Three years.
11 Q Three years ago. Okay. I want to direct your attention
12 to page 9 of that exhibit, Respondent's Exhibit 17. Under
13 section D where it talks about historical volume of work for
14 Los Angles and Long Beach barges. Do you see that?
15 A Yes.
16 Q Okay. What -- what did this information mean to you when
17 you were reviewing the invitation to tender?
18 A Just simply what it says.
19 Q Did this information have any impact on the way in which
20 you prepared Olympic Tug & Barge's bid?
21 A No.
22 Q Had Olympic Tug & Barge performed this type of volume of
23 work in the L.A. and Long Beach Harbor?
24 A I'm uncertain.
25 Q Okay. And let me just take a step back, so at -- at the

1 time you had received this invitation to tender, you'd been
2 serving as general manager for about a year; would that be
3 right?
4 A Give or take.
5 Q Okay. So in the year that you'd been serving as general
6 manager, had Olympic Tug & Barge ever performed this volume of
7 work in the L.A. and Long Beach Harbor?
8 A I'm not sure.
9 Q That's not something you would know as general manager of
10 OTB?
11 MR. HILGENFELD: Objection. Argumentative. Merely
12 because he may not know off hand doesn't mean he wouldn't have
13 access to the information. It's purely argumentative.
14 MS. YASSERI: I'm just asking if he knows.
15 MR. HILGENFELD: You said he didn't know and then you
16 asked him again as if that's something he should know.
17 MS. YASSERI: Not -- I didn't say should, but.
18 JUDGE SANDRON: Maybe you can just rephrase it.
19 MS. YASSERI: Okay.
20 Q BY MS. YASSERI: Is this the type of information that you
21 would typically know as general manager of OTB, Mr. Titland?
22 A Not off hand.
23 Q Okay. Okay. I'd like to direct your attention, MR.
24 Titland, to Respondent's Exhibit 20. This should be your --
25 the October 14th, 2020 bid submission.

1 A Correct.
2 Q You have it in front of you?
3 A Yes.
4 Q Okay. I'd like to direct you to page 8 of the exhibit.
5 It's referenced as attachment 6, qualifications or exceptions
6 to scope of work. It requests that you describe in detail your
7 experience and qualifications. Why did you not include that
8 information in Olympic Tug & Barge's bid submission?
9 A I did.
10 Q Can you direct me to where your -- OTB's experience is
11 highlighted in attachment 6?
12 A Pages 7, 6, 5, 4, and 8.
13 Q Okay. So in reviewing those pages that you just listed,
14 it references quantitative data in terms of the dollar value.
15 But where does it talk about OTB's like experience?
16 A Well, so for me, I know the -- the experience falls in
17 line with whatever the work would be, and I didn't know what
18 the work was. If it was offshore, then the documentation of
19 each crew member would have to reflect the type of work, but I
20 was unaware of what type of work, so I listed the minimum based
21 off of what I knew.
22 Q Okay. And what about with respect to qualifications. Why
23 was --
24 A That would -- that would be determined by the actual
25 work --

1 Q Uh-huh.
2 A -- and I didn't know what that was, so I listed what -- I
3 listed everything that I was able to provide.
4 Q Understood. Now once you submitted this bid, I believe on
5 October 23rd, 2020 -- and I believe you submitted to Ms.
6 Beckman at Centerline, is that right?
7 A That's correct.
8 Q Okay. And Ms. Beckman never asked you to update your bid
9 to include information about OTB's experience or
10 qualifications, did she?
11 A No.
12 Q No.
13 A She didn't.
14 Q Okay. Now I do understand you did end up updating the bid
15 though, at some point after October 23rd, but I believe that
16 was to reflect that the rates were fully burdened?
17 A Correct.
18 Q Correct. Okay. I'd like to refer you now to Respondent's
19 Exhibit 31, please.
20 A I'm missing that.
21 Q Okay.
22 MR. HILGENFELD: Mr. Titland, it's not going to be in your
23 notebook.
24 JUDGE SANDRON: Oh, it's not.
25 MR. HILGENFELD: It's going to be one of the spare

1 documents.
2 MS. YASSERI: It's entitled attachment 7 schedule of
3 rates.
4 THE WITNESS: Okay, I have that.
5 MS. YASSERI: Okay.
6 JUDGE SANDRON: That's Respondent's Exhibit --
7 MS. YASSERI: 31, Your Honor.
8 Q BY MS. YASSERI: So I understand, Mr. Titland, that in
9 this exhibit, the rates that are reflected here have been fully
10 burdened, correct?
11 A Yes.
12 Q And where did you get the -- the burden rate in order to
13 come up with the fully burdened calculation?
14 A Bill Backe. Not the rate, but the -- what the existing
15 OTB crew members were making on average fully burdened.
16 Q Okay. So -- and let me just take a step back. Did he
17 sort of break that down by job classification in terms of what
18 the hourly rate was?
19 A Titles.
20 Q By title, okay. So there wasn't an overall percentage
21 with respect to a burden rate that was shared with you by Mr.
22 Backe?
23 A With respect to the burden rate, there's -- there isn't an
24 average. It's just a burden rate for each title.
25 Q For each title. Okay.

1 A Yeah.
2 Q And that would include title of a tankerman?
3 A Yes.
4 Q And that would also include the deckhand classification as
5 well?
6 A Yes.
7 Q Okay. And also the unlicensed engineer position?
8 A Yes.
9 JUDGE SANDRON: So all classifications would have a burden
10 rate?
11 THE WITNESS: Yes. It's a -- yes.
12 Q BY MS. YASSERI: And do you recall if Mr. Backe provided
13 you this information via email or was this a phone call you had
14 with him.
15 A It was an email.
16 Q It was an email. Okay. Now I understand that Olympic Tug
17 & Barge submitted a bid for multiple locations, including Los
18 Angeles, Long Beach, San Francisco, and then Philadelphia, and
19 New York. Did those burden rates for each of the
20 classifications change based on location of the work?
21 A No.
22 Q Okay. Do you know why not?
23 A No. Actually, can I retract that, I don't know. I don't
24 know. Now, you --
25 Q There's no question pending.

1 MR. HILGENFELD: He's trying to answer you -- he's trying
2 to answer the previous question.
3 THE WITNESS: I don't think that they did reflect that.
4 MS. YASSERI: Okay.
5 JUDGE SANDRON: So what -- what do you know about that?
6 THE WITNESS: I know that he gave me OTB numbers, Olympic
7 Tug & Barge numbers.
8 JUDGE SANDRON: Do you know the -- have any idea how he
9 calculated those rates?
10 THE WITNESS: He just looked at what a fully burdened crew
11 member under each title at Olympic Tug & Barge makes and then
12 took an average.
13 JUDGE SANDRON: So would there be a difference by location
14 because obviously some locations are higher cost places. So
15 would there be a difference in the rates?
16 THE WITNESS: Well, she brought that up and there might
17 be, but I'm unaware. I'm unaware.
18 JUDGE SANDRON: You -- you had no -- no input as to how
19 they were calculated these figures?
20 THE WITNESS: Well, what I asked for was Olympic Tug &
21 Barge crew members.
22 MS. YASSERI: Okay.
23 JUDGE SANDRON: In the different locations?
24 THE WITNESS: No.
25 JUDGE SANDRON: Just --

1 THE WITNESS: Olympic Tug & Barge.
2 JUDGE SANDRON: Right. But you bid for work in other
3 locations, right?
4 THE WITNESS: Correct.
5 JUDGE SANDRON: And those figures that you got, they were
6 given to you as far as the --
7 THE WITNESS: No.
8 JUDGE SANDRON: I'm a little bit confused, do you want
9 to --
10 MS. YASSERI: Yeah. Let me -- let's try and take a step
11 back.
12 THE WITNESS: Okay.
13 MS. YASSERI: No problem.
14 JUDGE SANDRON: So start -- okay.
15 MS. YASSERI: Okay.
16 Q BY MS. YASSERI: So Mr. Titland, I believe you testified
17 that you got some wage rates from Mr. Backe. And those were
18 wage rates based on certain job titles?
19 A Correct.
20 Q Right. And I had asked you if those rates were different
21 based on the location of work. So if -- let's say a tankerman
22 was working in Philadelphia or New York, versus a tankerman
23 working in L.A. Do you know if Mr. Backe just provided you the
24 same wage rate information for that classification for both
25 locations?

1 A He did, yes.
2 Q Okay. I'd like to direct your attention, Mr. Titland, to
3 GC Exhibit 293. I believe it should just be a single page
4 document entitled attachment 6.
5 THE WITNESS: Is that in the book?
6 MR. HILGENFELD: I believe it's not -- it's not going to
7 be in the book.
8 THE WITNESS: Okay.
9 MS. YASSERI: Oh, I'm sorry. It should be in the stack.
10 THE WITNESS: Up here.
11 JUDGE SANDRON: Well, actually, do you have a copy you can
12 show him, it might be faster if you have one.
13 MS. YASSERI: Can I give --
14 THE WITNESS: What was it, GC-29?
15 MS. YASSERI: 293.
16 THE WITNESS: 293?
17 MS. YASSERI: Yep.
18 JUDGE SANDRON: Still going through the documents and
19 (indiscernible, simultaneous speech).
20 MS. YASSERI: May I approach, Your Honor.
21 JUDGE SANDRON: Yes, I think that'd be more ex --
22 expeditious because there's so many documents.
23 THE WITNESS: Thank you.
24 MS. YASSERI: Okay.
25 Q BY MS. YASSERI: And I just wanted to sort of direct your

1 attention to the first line item where it says San Francisco
2 and Los Angeles would be managed by operations manager at a
3 yearly salary of $150,000.
4 JUDGE SANDRON: What'd you say that one is?
5 MS. YASSERI: 293. GC-293.
6 JUDGE SANDRON: Should be in order here, let me see.
7 Okay, I came very, very close, there's 294. Looking for 293.
8 Oh, here it is. Okay, I have it.
9 MS. YASSERI: Okay.
10 Q BY MS. YASSERI: Mr. Titland, why did you combine
11 supervision for Los Angeles and Long -- I'm sorry, Los Angeles
12 and San Francisco?
13 A I just thought that that would be enough management from
14 an operations manager standpoint.
15 Q Sort of explain that a little bit more. I guess, how
16 could someone in L.A. manage the operations in San Francisco?
17 A By delegating.
18 Q To who?
19 A To the person that he deems to delegate to, like a fore
20 captain or a barge supervisor or a -- whomever.
21 Q And so given -- given the type of work, there wouldn't be
22 a need to actually have an operations manager on site in San
23 Francisco?
24 A At the time I was thinking no.
25 Q Okay. What made you change your mind?

1 A Well, that's a good question. I just think that I was
2 incorrect.
3 JUDGE SANDRON: Now when you did attachment 6, you say
4 that it was your understanding that the operations manager in
5 San Francisco would have to hire somebody to assist him or her?
6 THE WITNESS: Or promote.
7 JUDGE SANDRON: Or promote. And New York wouldn't be in
8 the same position? Or no, you contemplated one operations
9 manager with or without assistance -- with or without an
10 assistant?
11 THE WITNESS: Correct.
12 JUDGE SANDRON: Well, was it really an assistant?
13 THE WITNESS: Assistant might not be the word that I would
14 choose, but a working fore captain was what I was thinking --
15 JUDGE SANDRON: I see.
16 THE WITNESS: -- and a dispatcher.
17 JUDGE SANDRON: I see.
18 THE WITNESS: And a barge supervisor.
19 JUDGE SANDRON: So you might -- so in other words, in both
20 of those operations manager positions, it did not necessarily
21 mean that they would have to be someone else hired?
22 THE WITNESS: Correct. Yeah. It's preferrable to promote
23 someone on the fleet.
24 Q BY MS. YASSERI: Okay. And sort of to follow up on -- on
25 that, why wasn't the fore captain sort of referenced in the --

1 in the attachment?
2 A Because the fore captains that we do have down in -- well
3 throughout the fleet, are working fore captains. So they work
4 on the boat, both as a crew member and also provide support to
5 the operations manager, so.
6 Q And what about the barge supervisor? Why wasn't that
7 specifically referenced?
8 A Same situation.
9 Q Okay. I -- I want to --
10 (Counsel confer)
11 Q BY MS. YASSERI: But right at this point in time you have
12 two operation managers, one specifically designated for San
13 Francisco and on specifically for Los Angeles, correct?
14 A Yes, Leo does, yes.
15 Q Leo Marine, sorry, yes. And in fact, Mr. Brian Vartan has
16 been Leo Marine's operations manager since February of 2021?
17 A For Long Beach, yes -- Long Beach, L.A.
18 Q And Bowman Harvey has been Leo Marine's operation manager
19 in San Francisco since February of 2021?
20 A I don't believe that that's his title, but --
21 Q What role does Bowman Harvey play at Leo Marine's
22 operations in San Francisco? What's his role?
23 A He oversees the operations manager that's in Leo Marine's
24 San Francisco.
25 Q So who is the operations manager at Leo Marine San

1 Francisco?
2 A His name is Christopher Baduin.
3 Q Okay. And --
4 JUDGE SANDRON: Do we have that spelling yet?
5 MR. HILGENFELD: B-A-D-O-U-I-N, I believe.
6 JUDGE SANDRON: Does that sound right?
7 THE WITNESS: There's no O, it's just U-I-N. Good guess
8 though.
9 MR. HILGENFELD: I was close.
10 JUDGE SANDRON: I think that witnesses are more
11 knowledgeable on that.
12 Q BY MS. YASSERI: And Mr. Titland, when was Mr. Baduin
13 first hired as the operations manager at Leo San Francisco
14 facility?
15 A I don't recall the date.
16 Q Okay. Do you know how long he's been serving in that
17 role?
18 A I do not.
19 Q When -- when Leo Marine -- well let me ask you this.
20 There was some testimony about Starlight Marine on direct. But
21 when -- when Starlight Marine was renamed to Leo Marine in
22 early February of 2021, who was sort of the lead person in
23 charge in the San Francisco facility? Do you remember?
24 A Well, it was me initially with the assistance of Bowman
25 Harvey.

1 Q Okay. And what was Mr. Harvey's role at that time, what
2 was his title?
3 A I don't recall his title. I could tell you what he was
4 doing.
5 Q What was he responsible for?
6 A He was -- I believe it was logistics and logistics
7 coordinating. He would do a lot of the environmental and -- he
8 was kind of an all-around go to guy in a lot of areas, very
9 helpful, and I needed his help.
10 Q Okay. And sir, focusing your attention to that period of
11 time in February of 2021, the employees who were working for
12 Leo in San Francisco, would they -- they go to Mr. Harvey with
13 any issues?
14 A It was, you know, that was kind of a chaotic period
15 because of all the change and they were coming to me and Bowman
16 and there was several OTB port captains. It was just a little
17 bit chaotic, but yes --
18 Q Okay.
19 A -- myself, Bowman was one of them, and I was as well.
20 Q Okay. Now going back to the -- to OTB's bid submission --
21 let me just take a step back here. Why didn't you include
22 captains in your bid for the L.A. and Long Beach barge work?
23 A I don't recall.
24 Q Okay.
25 A It may have been a mistake, I -- I can't remember.

1 Q Okay. Okay. Now, at the time that you prepared OTB's
2 bids in October of 2020, did you know what contracts covered
3 work in the L.A. and Long Beach Harbor?
4 A For who?
5 Q For any of the Centerline subsidiaries. Do you know who
6 was -- who was performing work for which customers in the L.A.
7 Long Beach Harbor?
8 MR. HILGENFELD: Object as to vague. We're talking about
9 work, we're talking about specific types of contracts, or just
10 work in general. There's been testimony there's spot
11 contracts, long-term charters, short-term charters, contracts
12 (audio interference), there's a wide variety and types of work.
13 JUDGE SANDRON: Well, I guess counsel would ask any
14 contracts.
15 MR. HILGENFELD: And if that's the question, that's fine.
16 It was not clear that actually was the question.
17 MS. YASSERI: Okay.
18 JUDGE SANDRON: Did you want to make it that general or
19 did you want to make it more specific?
20 MS. YASSERI: I -- I was going to start general and then
21 make it more specific.
22 JUDGE SANDRON: All right then. I think it would be any
23 contracts.
24 THE WITNESS: Any contracts. So which subsidiaries were
25 performing work under any contracts in L.A. Long Beach?

1 MS. YASSERI: Let me -- I'll withdraw the question and --
2 JUDGE SANDRON: Maybe you can better make it more
3 specific.
4 MS. YASSERI: Okay.
5 Q BY MS. YASSERI: what was your knowledge, Mr. Titland, at
6 the time with respect to the work that Westoil was performing
7 in the L.A. and Long Beach Harbor?
8 A Well, they were performing inland bunker work and terminal
9 transfers and I would imagine lighterings, as well.
10 Q And do you know which customers they were servicing at the
11 time
12 A Yeah. I wasn't' involved in that and I'm not that versed
13 on other subsidiaries other than the ones that I control. But
14 I am aware that they were doing work for Peninsula, Minerva,
15 and Glencore. And there could have been others, I'm not sure.
16 Q Okay. In fact, the primary work that they were doing was
17 for Glencoe; isn't that right?
18 MR. HILGENFELD: Objection. Misstates the evidence.
19 JUDGE SANDRON: Well, it's cross -- I mean --
20 MR. HILGENFELD: But he's already said he was not that
21 familiar with it.
22 JUDGE SANDRON: Well, it -- well he can answer if he
23 knows. I'll allow it.
24 THE WITNESS: I don't know the differences in volume
25 between the contracts that they were performing at the time.

1 MS. YASSERI: Okay.
2 Q BY MS. YASSERI: Mr. Titland, you provided a declaration
3 in April of '21 to the National Labor Relations Board during
4 the investigation of these cases at issue in this hearing.
5 JUDGE SANDRON: Well, are you using it to refresh?
6 MS. YASSERI: No.
7 JUDGE SANDRON: To impeach?
8 MS. YASSERI: Yes.
9 JUDGE SANDRON: All right. Do you want it at this point
10 in the record or do you want it impeaching --
11 MR. HILGENFELD: If it's impeachment, we need to have a
12 specific area and a specific line for consistency.
13 JUDGE SANDRON: Right. But I may not need to be made an
14 exhibit.
15 MS. YASSERI: No, we're not going to make it an exhibit at
16 this time.
17 JUDGE SANDRON: All right. I really don't need it then.
18 Go ahead.
19 Q BY MS. YASSERI: And Mr. Titland, when you provided this
20 declaration, you declared under the penalty of perjury that the
21 declaration was accurate; correct?
22 A Yes.
23 Q And after making sure your declaration was accurate, you
24 signed it; correct?
25 A Correct.

1 Q Okay. I want to draw your attention to --
2 JUDGE SANDRON: Just so we have it in the record, what's
3 the date on the -- on the declaration?
4 MS. YASSERI: It's dated April 19th, 2021.
5 Q BY MS. YASSERI: And I want to direct your attention to
6 page 5 of the declaration; that's your signature on page 5
7 correct?
8 A Correct.
9 Q Okay. Can I have you, Mr. Titland, read from paragraph 14
10 of the declaration?
11 JUDGE SANDRON: You want him to read it out loud?
12 MS. YASSERI: Yes. Can you please read that out loud?
13 THE WITNESS: 14. The first change began in --
14 MR. HILGENFELD: I'm going to object. This is not
15 inconsistent with his testimony. This is improper impeachment.
16 You can only use it to impeach if it's been an inconsistency.
17 There's nothing in paragraph 14 that's inconsistent with his
18 statements. He just testified that Westoil performed the work
19 in there.
20 JUDGE SANDRON: Well, if there's a dispute over whether
21 it's impeachment, then I'll allow it to be made into the
22 record. You claim that it impeaches him?
23 MS. YASSERI: Yes, Your Honor.
24 JUDGE SANDRON: All right. Well, I'll allow it and I'll
25 decide later whether it actually does or not.

1 You can go ahead and read it.
2 THE WITNESS: All right.
3 "The first change began in or about October 2020 when
4 Harley Marine Financing sent out a request to tender
5 bids for various operations within the Centerline
6 subsidiaries, including work in Los Angeles, San
7 Francisco, New York, and Philadelphia. I created a
8 bid on behalf of Olympic Tug & Barge for this work
9 and submitted it. Ultimately, Olympic Tug & Barge's
10 bid was accepted, and I was notified on December
11 14th, 2020 that Olympic Tug & Barge had been assigned
12 the operations in L.A., Long Beach, and San
13 Francisco. This work had previously been done by a
14 different Centerline subsidiary, Westoil Marine
15 Services. The primary work in Lost Angeles and Long
16 Beach areas was for a customer named Glencore."
17 MS. YASSERI: Okay. Okay.
18 Q BY MS. YASSERI: Mr. Titland, did you have any knowledge
19 as to the equipment that Westoil was using in October of 2020
20 to service Glencore?
21 A No.
22 Q Okay.
23 A Not really.
24 Q Okay. I want to direct you attention back to GC-293, it's
25 the single page exhibit. I believe it's entitled attachment .

1 Going back to this reference of listing your experience and
2 qualifications, is Olympic Tug & Barge's safety record
3 something that you would have considered highlighting in this
4 part of the bid?
5 A No.
6 Q Why not?
7 A I didn't think it was relevant.
8 Q Do you know if safety was a factor that was considered by
9 Harley Marine Financing and Centerline in terms of awarding
10 the -- the work to Olympic Tug & Barge?
11 A Yes. I would assume it -- it is, yes.
12 Q Okay. And Centerline prides itself on a safety record,
13 right?
14 A Absolutely, yeah.
15 Q And so does Olympic Tug & Barge?
16 A Absolutely.
17 Q Okay. Now focusing your attention on -- in the -- in
18 October of 2020, what was OTB's safety record at that period of
19 time?
20 A It was excellent.
21 Q Okay. And what would lead to an excellent safety record?
22 A Everyone going home safe and healthy and viewed as, you
23 know, good customer reputation.
24 Q Okay. That would also include not having any oil spills
25 take place?

1 A Yes, oil spills are definitely a part of that.
2 Q Okay. Because oil spills, they could -- you would agree,
3 they could blemish a company's record --
4 A Definitely --
5 Q -- safety record?
6 A -- yes.
7 Q Okay. And an oil spill is a serious incident and
8 companies can be issued heavy fines; is that right?
9 A That's correct, yes.
10 Q Are you familiar with the Washington Department of
11 Ecology?
12 A I am, yes.
13 Q What -- can you tell us about what that agency is? What
14 do they -- what are they responsible for?
15 A The section of that department that I deal with is kind of
16 the enforcement department that monitors how we transfer and
17 move oil around Washington State.
18 Q Okay. And so Olympic Tug & Barge is regulated by this
19 state agency?
20 A Yes.
21 Q And how often are they regulated by the Washington
22 Department of Ecology?
23 A Constantly.
24 Q What -- what --
25 MS. YASSERI: Can you --

1 JUDGE SANDRON: What -- what --
2 MR. HILGENFELD: What does he mean by constantly?
3 JUDGE SANDRON: -- I think you -- maybe you want to
4 rephrase it because I assume the regulation's on going.
5 MS. YASSERI: Yes.
6 JUDGE SANDRON: So maybe you want to rephrase it.
7 Q BY MS. YASSERI: What are -- I guess, can you explain to
8 us sort of the extent of regulatory power that the agency has
9 over Olympic Tug & Barge?
10 A They're able to fine us.
11 Q Okay.
12 A Well we have a good reputation with them and so the way
13 that I deal with them, is just through telephone and email and
14 I have, you know, friends and people that I work with that work
15 with the Department of Ecology that I communicate with
16 regularly, that go out to our jobs and talk to the tankermen
17 and inspect the barges and inspect the booming and analyze all
18 of our -- a certain percentage of our transfers, consistently.
19 JUDGE SANDRON: What's the department of?
20 MS. YASSERI: It's the State of Washington's Department of
21 Ecology.
22 JUDGE SANDRON: Ecology?
23 MS. YASSERI: Yes.
24 JUDGE SANDRON: I see. Other than -- do they have
25 authority to issue any penalties higher than fines or is that

1 basically what they're limited to?
2 THE WITNESS: I'm unsure.
3 JUDGE SANDRON: All right.
4 MS. YASSERI: Okay. Okay.
5 Q BY MS. YASSERI: And what sort of -- I guess, in your
6 experience working for OTB, what sort of activity has led to a
7 fine by the Washington State Department of Ecology?
8 A I'm only aware of one occurrence where we've been fined.
9 There may have been more, but the only one that comes to mind
10 is one in particular.
11 Q And when was that?
12 A I believe two years ago potentially; I can't remember the
13 date.
14 Q Okay. Do you recall what the incident was about?
15 A Oh yes, we had a small spill.
16 Q And where did it take place?
17 A It took place while transiting from northern Washington to
18 Seattle, in transit.
19 Q Okay. Okay. Mr. Titland, I'm going to show you two
20 documents that have --
21 (Counsel confer)
22 Q BY MS. YASSERI: I'm going to show you two documents that
23 are marked for identification as General Counsel's Exhibit 290
24 and 291. Directing your --
25 JUDGE SANDRON: Did you give me 291?

1 MR. HILGENFELD: These are 290 both.
2 MS. YASSERI: Yes.
3 Q BY MS. YASSERI: Mr. Titland, I'm going to direct your
4 attention GC Exhibit 290. Was this the incident that you were
5 just referencing?
6 A Yeah.
7 Q And this --
8 MR. HILGENFELD: Going to object to this document on two
9 grounds. One, this is hearsay. But two, this occurred after
10 the submission of the bid process. Whatever oil spill that may
11 or may not have occurred after the submission of the bid
12 process can't hardly be relevant to the safety record that OTB
13 put into effect prior to this occurring.
14 MS. YASSERI: May I respond, Your Honor?
15 JUDGE SANDRON: Yes.
16 MS. YASSERI: This is not hearsay; it qualifies under the
17 public record exception. This was obtained through the
18 Department of Ecology's website, so it's not --
19 MR. HILGENFELD: It's not proper. Then you need to
20 have -- you need to have a public records request with
21 verifications of a public records request or a subpoena.
22 Pub -- something printed off the website is just double
23 hearsay. This is one hearsay and then the website itself is
24 second hearsay.
25 MS. YASSERI: No. We disagree, Your Honor, it's not

1 hearsay and we request that you take administrative notice.
2 We've got a line of cases where administrative notice has been
3 taken of press releases and other information from state
4 agencies and their websites.
5 JUDGE SANDRON: Do you have a cite on that off hand?
6 MS. YASSERI: Yes, I do.
7 JUDGE SANDRON: What is it?
8 MS. YASSERI: It would be -- Atelier Condominium, spelled
9 A-T-E-L-I-E-R Condominium, cited at 361 NLRB 966, case from
10 2014. We also have a case from the district courts, Prime
11 Healthcare Services, 147 F Supp 3d. 1094, case from 2015.
12 JUDGE SANDRON: And which court was that?
13 MS. YASSERI: I believe this was the southern district of
14 California.
15 JUDGE SANDRON: And the other objection was timeframe?
16 MR. HILGENFELD: Yeah, relevance. This occurred after the
17 issue regarding submitting records. This occurs, by this own
18 document, in February of 2021. The bid proposal went in
19 October of 2020. Whatever safety record submitted in October
20 of 2020 and testified to their safety record occurred after
21 this. The work given to OTB and Leo Marine occurred before
22 this. This safety spill, whatever occurred was -- it would be
23 also an improper use of a bad act. It is improper for going
24 through it.
25 JUDGE SANDRON: I'm not really sure we really deem it a

1 bad act, but I think it's a question of what was taken into
2 consideration in the bid process. So do you want to respond to
3 that?
4 MS. YASSERI: Yes. Thank you, Your Honor. The work
5 didn't transfer over until March 1st of 2021.
6 JUDGE SANDRON: All right.
7 MR. HILGENFELD: But it's been -- there's no evidence --
8 and that's actually false. The work transferred in early
9 February of Leo Marine taking work occurring in San Francisco
10 Harbor. They're talking about Glencore in the end of
11 February -- February 28th, March 1st time frame. But the
12 decision of that, that's been undisputed, occurred in January.
13 The decision regarding Chevron occurred at the end of December
14 and January. These -- this act does not have any relevance to
15 those pieces. The bid process that those were based on
16 occurred in October and November.
17 JUDGE SANDRON: Are we -- do the parties agree on those
18 dates as far as the dates of the bid process and transfer or is
19 there a dispute? Because you say that this is -- in terms of
20 time frame relevant, but then counsel takes an opposing
21 position, so.
22 MS. YASSERI: Yes, Your Honor. And our framing is based
23 on when work was actually transferred, the Glencore work. And
24 that didn't happen until after March 1st of 2021.
25 JUDGE SANDRON: That's okay.

1 MS. YASSERI: And the Glencore work was part of the bid.
2 Work for Glencore was covered under the invitation to tender.
3 JUDGE SANDRON: And what about page 2?
4 MS. YASSERI: So Your Honor, page 2 is just -- it was
5 provided for clarity. It's just a screenshot of the Department
6 of Ecology's website. So the same content that appears on page
7 1 is reflected on the screenshot on page 2. We just wanted it
8 to be apparent as to where we got it from.
9 JUDGE SANDRON: I see.
10 MR. HILGENFELD: I would also submit, Your Honor, that
11 this news release was December 14th of 2022. The spill would
12 initiate the initial investigation, but this press release was
13 submitted at or near the time when the penalty was issued. It
14 was a year and a half later and a year and a half after the
15 work had been performed by Leo Marine in L.A.
16 JUDGE SANDRON: I don't believe though, the General
17 Counsel's offering it for the substance, but rather as to the
18 format and showing that it was taken from the website of the
19 Department of Ecology, so -- is that correct? The substance of
20 what's in the news release is not what you're -- you're not
21 offering it for that purpose?
22 MS. YASSERI: Well, no Your Honor, we're asking that you
23 take administrative notice of the facts that are reflected on
24 the first page of the exhibit, regarding the fact that there
25 was an oil spill and the fact that Olympic Tug & Barge was

1 fined $38,500 and --

2 JUDGE SANDRON: All right. But this -- this -- it says

3 Deshauna Key (phonetic throughout). What relevance does the

4 actual spill in December 2022 have?

5 MS. YASSERI: The spill was not in December of '22 --

6 December 14th, 2022, Your Honor. It's the press release --

7 JUDGE SANDRON: Oh, I see.

8 MS. YASSERI: -- issued in December 2022 about an act that

9 was -- occurred in February of 2021.

10 MR. HILGENFELD: But that's when the fine occurred, Your

11 Honor, was when they issued the press release. There was no

12 fine before this, it was generally an investigative process.

13 So if they're trying to use that this oil spill that was being

14 investigated, would somehow tarnish Olympic Tug & Barge's

15 safety record a year and a half before, it's not relevant. And

16 this is improper use of a bad act.

17 JUDGE SANDRON: Well the -- well the question is, this oil

18 spill occurred in February of 2021.

19 MS. YASSERI: Yes.

20 JUDGE SANDRON: But as I understand it, the fine was not

21 imposed until December of 2022?

22 MS. YASSERI: Your Honor, it's unclear to us as to when

23 the fine was issued. I think to draw the conclusion that the

24 fine was issued when the press release came out, we don't know.

25 We don't know when the fine was issued. What we do know is

1 that a fine was issued in terms of the timing, we -- we don't
2 know when it was issued.
3 JUDGE SANDRON: All right. Well what appears on this that
4 the -- based on the document, the press release was December
5 14th, 2022. There's nothing in the document showing that the
6 fine was assessed before that, is there?
7 MR. HILGENFELD: I would note that the document --
8 JUDGE SANDRON: Wait, I don't mean -- is there anything
9 showing the fine was imposed, especially prior to March 1st,
10 2021?
11 MS. YASSERI: No, but I guess we sort of highlight the
12 fact that the incident occurred in February of 2021. And this
13 document, the -- the press release talks about that incident.
14 JUDGE SANDRON: Right. But there was no fining back in
15 February of 2021 that the -- that there was any misconduct.
16 (Counsel confer)
17 MS. YASSERI: Yeah. Again, you know, the safety incident
18 occurred in February of 2021. As to whether, when this
19 Department of Ecology actually issued the fine, it's not
20 relevant.
21 (Counsel confer)
22 MS. YASSERI: This just goes to overall OTB's safety
23 record. It's an issue that came up during direct examination.
24 It's an issue that has been highlighted throughout the bid
25 process.

1 JUDGE SANDRON: Well, I -- I think that -- let me see one
2 thing. One problem I have is we don't know -- the incident
3 occurred presumably on February 7th, 2021, but we don't know
4 when the Department of Ecology made any findings regarding
5 this -- the spill. And the only dates we have are in December
6 of 2022. So -- and that would have been way after the bid
7 process.
8 MS. YASSERI: I understand. I think what we're -- the
9 point that we're trying to make, Your Honor, is -- is that
10 we're introducing it for the purpose of establishing when the
11 oil spill occurred -- of when the oil spill occurred, which was
12 February 7, 2021. And Mr. Titland testified or -- that OTB
13 incurred a fine. As to when that -- the date of when that fine
14 became formal, we don't know.
15 JUDGE SANDRON: All right. Well, I -- I -- I assume that
16 Mr. Hilgenfeld would disagree that the incident of February
17 7th, 2021 was known to Centerline one way or another on or
18 about that date; would you dispute that?
19 MR. HILGENFELD: I think we would. I mean, I have no
20 knowledge that Centerline knew of this on February 7th of 2021.
21 With it being brought up right here, there's no way for me to
22 know one way or the other.
23 JUDGE SANDRON: Well, did you recall that oil spill in
24 February of 2021?
25 THE WITNESS: Yes.

1 JUDGE SANDRON: And how were you made aware that it
2 occurred; do you recall how you found out?
3 THE WITNESS: There was a hotline call that came in from
4 the tug.
5 JUDGE SANDRON: And did you have obligations to report
6 that -- when there was an oil spill?
7 THE WITNESS: Yes.
8 JUDGE SANDRON: Who -- to whom did you report that?
9 THE WITNESS: The U.S. Coast Guard.
10 JUDGE SANDRON: And did you have any obligation to report
11 it anywhere else?
12 THE WITNESS: Not to any other entity, no.
13 JUDGE SANDRON: You didn't have to report it to
14 Centerline?
15 THE WITNESS: Well, it was reported to me as OTB and it
16 goes out on an email chain to Centerline.
17 JUDGE SANDRON: All right. So Centerline had knowledge of
18 it?
19 THE WITNESS: It was reported, yes.
20 JUDGE SANDRON: All right. That's fine. So it -- okay.
21 So Centerline did have knowledge of it, based on the testimony.
22 And I -- I don't know if we need the document, I can take
23 administrative -- well based on his testimony and the press
24 release, I can take administrative notice that there was a --
25 you know, what it says on the document.

1 "On February 7th, 2021, SHAUNAK was being towed from
2 the Parkland refinery and on the commencement day in
3 Tacoma and that there was an oil spill."
4 Would you object to that, Mr. Hilgenfeld?
5 MR. HILGENFELD: We would, Your Honor.
6 JUDGE SANDRON: All right. Well, your objection's
7 overruled. I'll take administrative notice based on the
8 document, you really don't' need it in the record, and the
9 witness' testimony. So do you want to -- do you still want the
10 document in?
11 MS. YASSERI: I'm sorry, Your Honor, I couldn't --
12 JUDGE SANDRON: Do you still want the document in? I've
13 taken administrative notice --
14 MS. YASSERI: Yes.
15 JUDGE SANDRON: All right. All right. I'll -- I'll admit
16 it. I'm not sure that we need it, but I'll admit it. 290 is
17 in based on the witness' testimony that Centerline knew of it.
18 **(General Counsel Exhibit Number 290 Received into Evidence)**
19 Q BY MS. YASSERI: Mr. Titland, I'd like to direct your
20 attention to GC-291.
21 MR. HILGENFELD: Your Honor, we'd raise the same
22 objections, but also note this is a document from November of
23 2012. I would also note for the record that Atelier does not
24 state that web pages are admissible. The case cited by
25 counsel, the NLRB case does not state that web pages are

1 admissible, so I think that is overreading of what that case
2 may or may not say. But I also find something that occurred a
3 decade prior --
4 JUDGE SANDRON: So what -- what does this represent?
5 MS. YASSERI: This is another example of an oil spill that
6 took place by an Olympic Tug & Barge, I believe during the time
7 of Mr. Titland's employment with Olympic Tug & Barge.
8 JUDGE SANDRON: Well --
9 MR. HILGENFELD: But he wasn't the general manager at that
10 time, he was a captain.
11 MS. YASSERI: but this also goes to safety and OTB's
12 historic safety record.
13 MR. HILGENFELD: There's no evidence -- it's 2012, Your
14 Honor. And again, this is a bad act, it's an improper use of a
15 bad act. If they wanted to ask Matt Godden, who is a
16 decisionmaker, he understood this or knew this. They had the
17 opportunity and chose not to.
18 MS. YASSERI: Your Honor, may I address Mr. Hilgenfeld?
19 JUDGE SANDRON: Yes.
20 MS. YASSERI: It was actually Matt Godden who testified
21 that safety was a part of -- a point of primary concern when he
22 made the decision to award the work to Olympic Tug & Barge.
23 It's that very testimony that's bringing this -- these issues
24 to light.
25 MR. HILGENFELD: But then if you're going to use a prior

1 bad act to impeach Mr. Godden, you have to do it with Mr.
2 Godden.
3 MS. YASSERI: We're not using it for impeachment.
4 MR. HILGENFELD: Well, it's an improper use of a bad act.
5 And it's also -- has relevance for anything. Mr. Titland
6 wasn't the decisionmaker, Mr. Godden was the decisionmaker.
7 They didn't talk to Mr. Godden about this.
8 JUDGE SANDRON: All right. Well, I -- I'm not sure it's
9 impeachment by bad act. I mean, it's not really impeachment.
10 It raises a --
11 MR. HILGENFELD: What they're trying to say, Your Honor,
12 is that safety record was being considered by Mr. Godden, but
13 using these acts saying Mr. Godden was wrong. That is a form
14 of impeachment or inconsistent testimony. Mr. Godden is the
15 one who made the decision about what safety records was used
16 and not used. He testified for five days over this, none of
17 this was brought forward to him. Mr. Titland's testified as to
18 when he was general manager, there was one spill. This was
19 well before he became general manager of Olympic Tug & Barge.
20 MS. YASSERI: But Mr. Titland was employed by Olympic Tug
21 and Barge in January of 2012 and this incident occurred in
22 November of 2012. So he was employed by the company at the
23 time.
24 JUDGE SANDRON: Well, first of all, I -- I think I have to
25 assume that Centerline was made aware of spills, probably by

1 law that at the time these spills occurred, Centerline had
2 actual knowledge on or about the dates they occurred.
3 MR. HILGENFELD: Well, but Your Honor, here's the problem
4 and this is the problem with websites. Is I'm not saying they
5 didn't have knowledge of the spills. But like this, if you go
6 to page 3, the cause of the spill's still under investigation.
7 There's been no conclusive finding. The first one is still in
8 the appeal process. These are partial webpages printed off to
9 try to show that Olympic Tug & Barge is a bad actor.
10 MS. YASSERI: We're offering this, Your Honor, to show
11 that there was an oil spill committed by Olympic Tug & Barge.
12 That's what we're offering it to show.
13 MR. HILGENFELD: And there's no evidence that's true. The
14 Tesoro spill is still under investigation by this document's.
15 own statement on page 3.
16 JUDGE SANDRON: I'm not sure that -- what the General
17 Counsel is saying is, it's not going necessarily to show that
18 they engaged in misconduct but that there was -- that
19 adjudication still took place, is that correct?
20 MS. YASSERI: Yes. Your, Honor.
21 MR. HILGENFELD: But even that is still under
22 investigation. There was an allegation that was made, and that
23 allegation was made public, and it was being investigated.
24 JUDGE SANDRON: Well, I understanding if -- if, obviously,
25 there was no -- we don't have evidence that there was

1 adjudication of wrongdoing. It gets, you know, not as strong
2 as if there was any kind of finding that there was misconduct.
3 And it is 2012. But I think your argument is really going
4 to -- to wait -- let me ask the witness.
5 As you recall this incident? This is 2012, you are not in
6 in your position. But do you recall an incident around
7 November of 2012? You can read over this document.
8 THE WITNESS: I'm aware of this incident but not by
9 recollection.
10 JUDGE SANDRON: All right. But -- and how did you become
11 aware of the -- of the -- if you recalled later?
12 THE WITNESS: Well, it's just an extremely rare thing for
13 Olympic Tug & Barge to have a oil spill. I mean that -- so it's
14 just -- it's now talked about, reviewed.
15 JUDGE SANDRON: All right. As far as you know, we -- we
16 have the -- you said, you know, you were advised of the
17 February 7, 2021 email by the Coast Guard? The first one?
18 THE WITNESS: So the email comes out from our own internal
19 outline.
20 JUDGE SANDRON: Oh, I see.
21 THE WITNESS: Yeah.
22 JUDGE SANDRON: And then you later became aware of the
23 November -- that he was one on November 7, 2012?
24 THE WITNESS: I've been aware of this.
25 JUDGE SANDRON: Are you aware, during this period of

1 time -- well, are you aware of any other oil spills that OTB
2 has had, like, since 2012? Are you aware of any others?
3 THE WITNESS: No.
4 JUDGE SANDRON: So I think the wit -- well, I -- I think
5 again, based on the wit -- the witness's testimony and
6 apparently in conjunction with the document, there wasn't -- I
7 think he's saying oil spill had occurred on November 7th, 2012,
8 would you agree, Mr. Hilgenfeld?
9 MR. HILGENFELD: I have to accept -- testify to what he
10 knows. And that's what I can agree to.
11 JUDGE SANDRON: All right.
12 MR. HILGENFELD: To what he has testified to.
13 JUDGE SANDRON: Well, he indicated he was aware that it
14 occur -- that such a spill occurred.
15 MR. HILGENFELD: Any knowledge I would have would come
16 from what was said.
17 JUDGE SANDRON: All right. Well, he -- well his testimony
18 is one the record. And Mr. Titland, there's no right or wrong
19 answers. We're just trying to, you know, find out what you
20 know. But I -- I don't think -- I don't think we need the
21 document itself based on his testimony. And it is somewhat
22 remote in time. So do you still wish to offer?
23 MS. YASSERI: I'm sorry, Your -- I'm sorry, Your Honor.
24 JUDGE SANDRON: Do you still -- I said -- I said I --
25 we've had his testimony and, you know, unlike the other

1 document, this doesn't show any final adjudication. And in
2 view of the time frame, it would seem that we need to have it
3 in the record. We have his testimony.
4 MS. YASSERI: We would request, respectfully request that
5 it be included in the record, Your Honor, because it -- it
6 provides a description of the incident.
7 JUDGE SANDRON: What's the relevance of -- of the
8 incident? I mean, if there was an oil spill, there was an oil
9 spill, correct?
10 MS. YASSERI: Well, it describes Olympic Tug & Barge's
11 involvement. And it just provides more detail as to the --
12 what was involved in the incident.
13 JUDGE SANDRON: Well, I don't know, we can -- Well, I'm
14 going to ask the witness a question from these document.
15 We -- we have the first one, the 290. And this one, it --
16 - it talks about -- can you see in this document where -- where
17 it talks about the volume of what was spilled? I think
18 probably the witnesses in the best position. I -- I know,
19 maybe products may vary, but --
20 THE WITNESS: It say, "Unknown amount."
21 JUDGE SANDRON: On the first -- on 290?
22 THE WITNESS: 290, yes.
23 JUDGE SANDRON: What about, on 291, it says, "840-gallon
24 heavy fuel oil spill. When between 50 and 100 gallons reach
25 the water" --

1 THE WITNESS: Yeah.
2 JUDGE SANDRON: You know, from your knowledge, and
3 you've been in the industry a long time, would that be
4 called -- would that be considered a minor, moderate, or severe
5 spill, you know, in the industry? In your experience?
6 THE WITNESS: Well, it just depends on how much is
7 recovered. And most of that was recovered out of the water.
8 So I would say that it is a minor spill.
9 JUDGE SANDRON: I -- I don't think we need the documents.
10 I'll reject it because we have enough on the record from his
11 testimony. And again, I think it's getting a little remote.
12 **(General Counsel Exhibit Number 291 Rejected)**
13 JUDGE SANDRON: Okay. Do you want it entered into the
14 objection exhibit file?
15 MS. YASSERI: Yes.
16 JUDGE SANDRON: Okay. This will be placed in General
17 Counsel's rejected exhibit file.
18 Q BY MS. YASSERI: Now. Mr. Titland, I want to go back just
19 briefly about the incident that happened in February of 2021
20 with the Sean McKay (phonetic throughout). Did you have any
21 conversations with Matt Godden about that oil spill?
22 A I don't believe directly but in groups of people,
23 meetings.
24 Q And he was a participant in these meetings.
25 A Yes.

1 Q And what was discussed about the oil spill?
2 A Well --
3 MR. HILGENFELD: I'm going to object to relevance. The
4 same objections we've made on the docking charge is -- we're
5 making one ongoing objection.
6 JUDGE SANDRON: I'll allow some testimony on it. Let me
7 just ask one question. Going back to R-Exhibit 254, I believe
8 the General Counsel, you submitted a document that was a
9 version of that, correct?
10 MS. YASSERI: Yes.
11 JUDGE SANDRON: So do you -- I don't -- Mr. Hilgenfeld, do
12 you -- do you still want to offer 254 or do you want to (audio
13 interference)?
14 MR. HILGENFELD: We can withdraw Respondent's to 254. I
15 would just make note on the record that any discussion
16 regarding Respondent's 254 is related to GC-296.
17 JUDGE SANDRON: Okay, fine.
18 JUDGE SANDRON: So Respondent's 254 is withdrawn.
19 JUDGE SANDRON: Okay. I just wanted to tie that up.
20 MR. HILGENFELD: Oh, Your Honor, I apologize. Thank you,
21 General Counsel. I think I misspoke.
22 JUDGE SANDRON: Right.
23 MR. HILGENFELD: Respondent's 253 is withdrawn --
24 JUDGE SANDRON: Oh, 253 is withdrawn --
25 MR. HILGENFELD: 254 is still in the record.

1 JUDGE SANDRON: Okay, so that --
2 MR. HILGENFELD: So --
3 JUDGE SANDRON: -- the one that was in question was 253
4 where there was a question of whether it was complete?
5 MR. HILGENFELD: Correct.
6 JUDGE SANDRON: Okay.
7 MR. HILGENFELD: So GC-296 replaces Respondent's 253. So
8 any discussion --
9 JUDGE SANDRON: Oh, okay.
10 MR. HILGENFELD: -- regarding Respondent's 253 --
11 JUDGE SANDRON: Right. So 254 stays in the record and
12 Respondent's 253 is withdrawn, replaced by GC-Exhibit 296 --
13 MR. HILGENFELD: Thank you.
14 JUDGE SANDRON: Is that right?
15 MR. HILGENFELD: I guess 254 is not in the record?
16 MS. YASSERI: It's not in the record.
17 MR. HILGENFELD: Then take back what I said --
18 JUDGE SANDRON: Wait -- oh, so, all right. So 250 -- all
19 right. Let's go back. 253 -- I thought it was 250 -- wait, I
20 thought 254 was the one --
21 MS. YASSERI: 254 is not on the record.
22 JUDGE SANDRON: Oh, yeah 254 was not on the record because
23 the General Counsel stated they wanted a complete version in
24 the record and unredacted. And then I left it open. That was
25 254. So it wasn't actually received but it was offered. So

1 the question is, do you want to, you know, based --
2 MR. HILGENFELD: I don't believed Respondent's 254 was
3 ever offered or put forth.
4 JUDGE SANDRON: Oh, it wasn't offered?
5 MR. HILGENFELD: It was not. 250 -- Respondent's 253 was
6 offered and that was a redacted version. Respondent's 254 was
7 never offered.
8 MS. YASSERI: Correct.
9 JUDGE SANDRON: Oh, I see. So okay, I don't -- I guess my
10 numbers are -- don't mesh. But I'll accept what the parties
11 are stating. So you're -- so 253 was --
12 MS. YASSERI: Withdrawn.
13 JUDGE SANDRON: -- that's the one that you're withdrawing?
14 MR. HILGENFELD: Correct.
15 JUDGE SANDRON: All right. And replace -- and replace
16 essentially by General Counsel's 296?
17 MR. HILGENFELD: Yes, Your Honor.
18 MS. YASSERI: Yes.
19 JUDGE SANDRON: Okay. And then 254 --
20 MR. HILGENFELD: Has not been offered --
21 JUDGE SANDRON: -- nothing offered, okay.
22 MR. HILGENFELD: -- that's not been discussed.
23 MS. YASSERI: Right.
24 JUDGE SANDRON: All right, fine. I'm glad we caught --
25 got that cleared up.

1 MS. YASSERI: Okay.

2 **(Respondent Exhibit Number 253 Withdrawn)**

3 JUDGE SANDRON: Okay, please proceed.

4 Q BY MS. YASSERI: Okay. Mr. Titland, I'm sorry. Going

5 back to my question about the -- the February, 2021 oil spill.

6 You mentioned that it was discussed at a meeting in which Mr.

7 Godden was present and I asked you what was discussed and I

8 think you're about to share that with us.

9 JUDGE SANDRON: Did -- did we get the date on that? I

10 know we -- I perhaps interrupted you. Did we get the date that

11 occurred?

12 MS. YASSERI: No, thank you.

13 Q BY MS. YASSERI: When -- when do you recall that meeting

14 taking place?

15 A We typically hold a weekly safety meeting with the entire

16 company, so I don't know the exact date. But it was discussed

17 multiple times.

18 Q Okay. And sort of --

19 JUDGE SANDRON: Now, do -- now, if you recall, do you --

20 it occurred February 20 -- February 7th of 2021. Can you

21 recall to the best of your recollection approximately when it

22 was discussed after it occurred, you know, which meeting? You

23 know, as best as you can remember?

24 THE WITNESS: It would have been immediately after, like,

25 within days.

1 JUDGE SANDRON: All right. So like, the first meeting
2 after that -- it occurred?
3 THE WITNESS: Yes.
4 JUDGE SANDRON: Okay. Thank you.
5 Q BY MS. YASSERI: And where did this meeting take place?
6 A I believe it would have been Zoom.
7 Q And other than yourself and Mr. Godden, who else do you
8 recall being present at this meeting?
9 A It was a company-wide meeting, so it would have been
10 safety representatives from both coasts, and operations
11 managers, general managers, and vice presidents. Typically
12 weekly.
13 Q Do you --
14 JUDGE SANDRON: Oh, so this was a meeting between him and
15 OTB management and personnel?
16 THE WITNESS: It's a safety --
17 JUDGE SANDRON: Oh, I see.
18 THE WITNESS: -- meeting put together and organized the
19 weekly by the Safety Department --
20 JUDGE SANDRON: Oh, I see.
21 THE WITNESS: -- that everyone is invited to come to.
22 JUDGE SANDRON: And this would just be OTB?.
23 THE WITNESS: Nope --
24 JUDGE SANDRON: Oh.
25 THE WITNESS: -- it's everyone.

1 JUDGE SANDRON: Oh, you mean all of the Centerline?
2 THE WITNESS: Yes.
3 JUDGE SANDRON: Oh, okay.
4 THE WITNESS: Yeah.
5 JUDGE SANDRON: Thank you. Or all of the entities?
6 THE WITNESS: We talk about safety issues across --
7 JUDGE SANDRON: I see.
8 THE WITNESS: -- the Unite -- the United States.
9 JUDGE SANDRON: I see.
10 Q BY MS. YASSERI: Understood. Do you recall if Doug
11 Houghton was present at this meeting?
12 A I don't specifically recall but he comes to most of.
13 Q And you mentioned operations managers. Do you recall if
14 Brian Vartan was present at this meeting?
15 A I don't specifically recall. It was talked about for
16 months. So he would have been a -- all of them would have been
17 at one of them. But I don't recall the specific time when it
18 first came up, so.
19 Q Okay. What do you recall being discussed at this meeting
20 that happened on Zoom?
21 A Just the investigation details and interaction with Coast
22 Guard and crew members and our own internal investigation and
23 the ongoing Department of Ecology investigation and items that
24 they required of us and questions that the Coast Guard had and
25 cost of cleanup and on and on and on and on.

1 Q And do you recall Mr. Godden speaking up at this
2 meeting?
3 A Who?
4 Q Mr. Godden?
5 A No, I don't specifically recall. No, I don't specifically
6 recall.
7 Q And I believe you testified that this kept coming up over
8 and over again. And why was that?
9 A Just took forever for the Department of Ecology to
10 finalize their investigation.
11 Q And once the investigation was finalized, were you sort of
12 the point of contact in terms of receiving their findings and
13 report?
14 Q You know, no -- no. They never really got back to us
15 until recently.
16 Q And when they got -- when they did get back, who did they
17 contact?
18 A I'm -- I'm not sure.
19 Q It wasn't you?
20 A Nope. It was not me.
21 Q You mentioned the safety department at Centerline. Do you
22 know if somebody within the safety department was contacted by
23 the Department of Ecology?
24 A I do not know, but it's very possible.
25 JUDGE SANDRON: That's okay, you know -- if you don't

1 know, that's all right.
2 THE WITNESS: I don't know.
3 JUDGE SANDRON: Yeah.
4 THE WITNESS: Yeah, I don't know.
5 Q BY MS. YASSERI: Okay. So let's switch gears a little
6 bit. Now, I'd like to talk a little bit about the asset sale.
7 I know you -- you talked a little bit about it on -- during
8 your direct examination. When did you first learn about the
9 asset swap between Saltchuk and Centerline?
10 A There was a lot of rumors. Do you mean the finalization
11 of the sale?
12 Q Well, let -- when did you just first hear that there could
13 be a possibility of -- of an asset exchange between the two
14 companies?
15 A I don't remember specifically. It was just a lot of
16 rumors floating around.
17 Q Okay. Do you recall that at the time that you received
18 the invitation to tender, which was like mid-October of 2020,
19 had you heard rumors of an asset swap at that time?
20 A No.
21 Q Okay.
22 JUDGE SANDRON: So you first heard those rumors after
23 that?
24 THE WITNESS: Yes.
25 JUDGE SANDRON: Do you remember about how much later?

1 THE WITNESS: I think early December it started -- people
2 started whispering about it. Or the second week of December.
3 Sometimes in December.
4 Q BY MS. YASSERI: And do you recall who you heard that --
5 who you got information from initially?
6 A No. I just know that people were talking about it.
7 JUDGE SANDRON: Okay. What do you -- when you say people,
8 do you mean people at OTB or people at Centerline or --
9 THE WITNESS: Other managers at Olympic Tug & Barge.
10 Q BY MS. YASSERI: And which managers were those?
11 A Oh, shoot, Byron Peterson, David Hanshaw, Bowman Harvey,
12 Rob Sorter.
13 JUDGE SANDRON: Do we have all those names spelled on the
14 record?
15 MS. YASSERI: I -- I believe so. The only one I'm sort of
16 doubting is Rob Sorter, but, we have -- yes. Okay.
17 JUDGE SANDRON: Okay. We have them all, thank you.
18 Q BY MS. YASSERI: So you talked about sort of hearing about
19 these rumors. Let me ask you, when did you formally hear about
20 the sale -- of the finalization of the sale? When do you
21 recall first hearing about --
22 A I believe it was December 28th.
23 Q And who did you hear it from?
24 A It was -- I don't -- I don't recall. I mean, everyone
25 knew. So I don't -- I don't recall who I specifically talked

1 to. It was just known. I think there was a press release. I
2 mean, it was -- it was known. I know managers at Saltchuk, I
3 mean, it was just, you know.
4 JUDGE SANDRON: Do -- do you recall if anybody from
5 Centerline told you at the time?
6 THE WITNESS: No. Not me directly, like, there was no
7 official, hey --
8 JUDGE SANDRON: Okay.
9 THE WITNESS: -- this happened. It was just. No. I --
10 it might have been an email. I -- I don't know. I can't
11 remember.
12 Q BY MS. YASSERI: Okay. Do you recall have any -- having
13 any conversations with Matthew Godden in late December of 2020
14 about the asset sale?
15 A Well, it would have been then -- I probably talked to him
16 in late December, early January, somewhere there.
17 Q Okay. I'm going to sort of talk a little bit more
18 specifically about those meetings. But let me ask you this.
19 When you first heard about the asset sale, what, if anything,
20 was told to you about where the Chevron barges would go that
21 were a part of that asset sale?
22 A Well, I had heard rumors and I had done some research on
23 my own. And you know, I didn't -- nobody said that they would
24 be going anywhere. I -- I was aware that there was Saltchuk
25 equipment located and working under contract in California.

1 So, you know, without knowing that there was an actual sale, or
2 before it happened, I assumed that if we were going to get the
3 work, we meaning OTB, that it would remain in California and
4 not go anywhere.
5 Q Okay. Okay. And I just want to sort of ask you a little
6 bit about those barges, the Chevron barges. They have -- they
7 have what's called a vapor recovery system, correct?
8 A Um-hum.
9 Q Okay. And that's a pretty unique feature, isn't that
10 right?
11 A Well, vapor recovery systems in general are not unique,
12 but the vapor recovery systems on those barges are unique.
13 Q Okay.
14 JUDGE SANDRON: And what -- what would you say made them
15 unique?
16 THE WITNESS: It's like a charcoal -- well, they're
17 just -- I've never seen that type of a system before.
18 JUDGE SANDRON: I see.
19 THE WITNESS: They're -- they're different.
20 JUDGE SANDRON: Do you know why -- why they're different?
21 I mean --
22 THE WITNESS: Just the way in which they cap -- capture --
23 the vapor -- it's like a charcoal filtration system. It's
24 fairly unique, is the best way to describe it. There may be
25 other pieces of equipment in the industry that have that same

1 system. But I have never seen that before. And we didn't have
2 any equipment that had that particular vapor recovery system.
3 So it was unique to us in the industry.
4 JUDGE SANDRON: With that -- would that system be
5 considered more advanced or --
6 THE WITNESS: I think archaic.
7 JUDGE SANDRON: Oh, I see. I might be the other way.
8 Okay. Out of date. I see.
9 Q BY MS. YASSERI: And just to clarify, Mr. Titland, had --
10 did OTB have any experience operating those types of barges
11 with that specific vapor recovery system prior to the
12 acquisition?
13 A No.
14 Q Okay. Now, at the time of the asset swap in December of
15 2020, Starlight Marine Services was a subsidiary of Centerline,
16 correct?
17 A Yes.
18 Q And Starlight was renamed to Leo Marine after the assets
19 swap in about February, early February of 2021?
20 A Correct.
21 Q Okay. Who came up with the name Leo Marine, do you know?
22 A I don't know.
23 Q Okay. How did you first hear about the name Leo, do -- do
24 you recall?
25 A I don't recall.

1 Q And I believe you testified on direct that it was your
2 idea that Leo Marine would be its own company as a recruitment
3 tactic and a dividing line between inland and offshore --
4 A Yes
5 Q -- right? And OTB is a nonunion company on the West
6 Coast, is that right?
7 A That's correct.
8 Q And it was your vision that Leo Marine would be a nonunion
9 company as well?
10 A I didn't have an opinion on the matter.
11 Q You didn't give it any thought as to whether Leo should be
12 union or nonunion?
13 A No.
14 Q Was that ever a topic of discussion between you and Mr.
15 Godden?
16 A No.
17 Q But you're aware that in early February of 2021, Leo
18 Marine employees were told that Leo Marine would be nonunion
19 initially. Isn't that right?
20 MR. HILGENFELD: Objection. Mischaracterized the
21 evidence. It's improper testimony. If they're going to use
22 prior testimony, you cannot mischaracterize it. What was
23 stated was Leo Marine is nonunion at the time the statement was
24 made. Not Leo Marine is going to be nonunion. Those are two
25 different statements and mischaracterizes the evidence.

1 JUDGE SANDRON: Well, I think we can get -- what -- what
2 we were you -- what were you told about Leo Marine being
3 nonunion? How as it put to you?
4 THE WITNESS: Well, it was never put to me, I mean --
5 JUDGE SANDRON: Well, how --
6 THE WITNESS: It's not --
7 JUDGE SANDRON: -- well, at some point you learned it,
8 right?
9 THE WITNESS: -- well, at one -- at some point they became
10 union. It was --
11 MR. HILGENFELD: Your Honor, the problem is all companies
12 start nonunion when you have no employees. So it -- it -- by
13 saying they're going to be nonunion implies intent moving in
14 the future. And that's where it's mischaracterizing what's
15 been put into the record.
16 JUDGE SANDRON: But I think it's cross. I mean, I don't
17 know if she has the --
18 MR. HILGENFELD: She does if she is going to say prior
19 testimony has said.
20 JUDGE SANDRON: Well, I don't --
21 MS. YASSERI: I didn't say that --
22 JUDGE SANDRON: I don't think she --
23 MR. HILGENFELD: She said the evidence is --
24 MS. YASSERI: I did not say that.
25 JUDGE SANDRON: Well, maybe you should just get rid of

1 "prior testimony," and rephrase it.
2 MS. YASSERI: Why don't I just try again.
3 JUDGE SANDRON: And then you can ask him -- it is cross,
4 you can ask him directly. But not try to go over his old
5 testimony. That's one of the problems when you try to, you
6 know, refer back to earlier testimony. If you just do it as
7 straight question, you can do it.
8 MS. YASSERI: Okay.
9 Q BY MS. YASSERI: Mr. Titland, are you aware that in early
10 February of 2021, applicants for employment at Leo Marine were
11 told that Leo Marine was a nonunion company?
12 A No.
13 Q You testified that you had no conversations with Mr.
14 Godden about whether Leo Marin would be a union or nonunion
15 company, but did you have any conversations with anybody else
16 at Centerline or Harley Marine Financing or Olympic Tug & Barge
17 or Westoil about Leo Marine being a nonunion or union company?
18 A Only when it became unionized.
19 Q And I guess, when was -- when do you recall first
20 discussing that issue?
21 A It would have been when the -- the company became
22 unionized.
23 Q Okay. And do you recall who you spoke with?
24 A I -- I don't. It would have been a lot of people.
25 Q Okay. And what were those discussions about specifically?

1 JUDGE SANDRON: Do you remember approximately when they
2 were?
3 THE WITNESS: I -- I don't. I don't recall. But it's in
4 the evidence. I know that it's available. The date.
5 JUDGE SANDRON: Well it -- do you -- do you recall
6 approximately when Leo Marine actually started with employees?
7 THE WITNESS: Well, we started Starlight on the P66
8 contract in early February, first week in February.
9 JUDGE SANDRON: And these discussions that you're talking
10 about, do you recall when they took place? Compared to that
11 time frame?
12 THE WITNESS: I -- I don't remember. It was a -- it was a
13 really intense time period. And there was a lot of stuff going
14 on. And it isn't a date that I've looked at --
15 JUDGE SANDRON: All right.
16 THE WITNESS: -- in quite some time.
17 JUDGE SANDRON: Do you think it was within a month or so
18 of February 1st? Or more than a month?
19 THE WITNESS: I just -- I don't recall.
20 JUDGE SANDRON: Well, what would be the maximum time that
21 would have passed after February 1st? I mean --
22 THE WITNESS: Maybe -- maybe, I -- two months, three
23 months.
24 JUDGE SANDRON: All right. Well, that gives us an idea.
25 THE WITNESS: Yeah.

1 Q BY MS. YASSERI: Well, let me just take a step back. I
2 believe on direct, you also testified about a conversation or
3 being contacted by Nicholas Marrone from the SIU?
4 A Um-hum.
5 Q You remember that. Do you recall --
6 JUDGE SANDRON: Remember, you got to say yes.
7 A Yes, yes.
8 JUDGE SANDRON: I know it's getting late -- later in the
9 day.
10 THE WITNESS: Yeah.
11 A Yes, yes.
12 Q BY MS. YASSERI: Do you -- do you recall how much time
13 passed from the time that you were contacted by Mr. Marrone to
14 the time that you had these conversations with the folks at
15 Centerline about Leo Marine being union or nonunion?
16 A I do not.
17 Q Okay. Now, Mr. Titland, Starlight Marine was a
18 subsidiary -- a subsidiary of Centerline, but Leo Marine is a
19 subsidiary of Olympic Tug & Barge, correct.
20 A Correct.
21 Q Okay. Who made the decision to make Leo Marine a
22 subsidiary of OTB?
23 A Well, it was my idea.
24 Q Did you have to seek approval from anyone?
25 A Yes.

1 Q And who was that?
2 A I needed Matt's approval, Matt Godden.
3 Q Okay. And how did you go about getting Matt's, Matt
4 Godden's approval?
5 A Well, he initially, you know, gave the Chevron Saltchuk
6 work to OTB. Then I came up with the idea to create a
7 subsidiary under OTB. So I introduced that idea to him and he
8 liked it.
9 Q And do you remember when you did that?
10 A That would have been sometime early -- first week of
11 January, somewhere right in there.
12 Q Okay.
13 JUDGE SANDRON: Just -- that was 2021?
14 THE WITNESS: Yes.
15 Q BY MS. YASSERI: Do you recall if that happened before or
16 after you were informed that OTB was awarded on the Glencore
17 contract?
18 A That would we've been before.
19 Q Before. Okay. And just sort of take us back to that
20 conversation with Matt Godden when you proposed the idea of
21 making Leo a subsidiary of OTB. What was Mr. Godden's
22 response?
23 A I seem to remember him thinking that it was a good idea.
24 JUDGE SANDRON: And did you have further conversations
25 with him on the idea? You said you raised the idea and he was

1 receptive. Did you have further conversations with him on the
2 subject.
3 THE WITNESS: Yes. I mean, he didn't immediately say,
4 great idea, let's do it. I -- I believe we spoke again several
5 weeks later and he said, okay, let's move forward.
6 JUDGE SANDRON: So as best as you can recall, you had two
7 conversations with him on that matter.
8 THE WITNESS: Yes.
9 JUDGE SANDRON: And do you recall whether they were --
10 whether they were in person, those conversations?
11 THE WITNESS: I don't recall.
12 JUDGE SANDRON: You worked in the same building?
13 THE WITNESS: Yes.
14 JUDGE SANDRON: Okay. And was anybody else around during
15 either of them?
16 THE WITNESS: I don't -- I don't recall.
17 JUDGE SANDRON: And you -- do you remember -- do you
18 remember specifically where they occurred?
19 THE WITNESS: I see -- I see Matt often. I see him at
20 work and I talk to him on the phone and I see him Zooming.
21 JUDGE SANDRON: I see.
22 THE WITNESS: I just -- I just don't remember specifics
23 about it.
24 JUDGE SANDRON: All right
25 Q BY MS. YASSERI: Okay. That's -- that seems to be a

1 pretty big decision, to -- to establish Leo Marine as a
2 subsidiary of Olympic Tug & Barge. Do you know --
3 JUDGE SANDRON: That that's a little bit argumentative --
4 he's -- you really can't editorialize.
5 MS. YASSERI: Okay.
6 Q BY MS. YASSERI: Mr. Titland, do you know if, other than
7 Mr. Godden, other executives at Centerline or other officers or
8 directors of Harley Marine financing were involved in the
9 decision to create or to established Leo Marine as a subsidiary
10 of Olympic Tug & Barge?
11 A I do not know.
12 MS. YASSERI: Your Honor, can we have until 3 o'clock for
13 our afternoon break? If it would be possible to take our
14 afternoon break?
15 JUDGE SANDRON: All right. That's fine. Let's see it's
16 what. Okay. All right. That's fine. We'll go off the record
17 for -- off the record.
18 (Off the record at 2:44 p.m.)
19 JUDGE SANDRON: Back on the record.
20 **RESUMED CROSS-EXAMINATION**
21 Q BY MS. YASSERI: Mr. Titland, just taking a step back, can
22 you briefly describe for us your duties as general manager of
23 Olympic Tug & Barge?
24 A Coast Guard communications, oversee engineering and vessel
25 equipment maintenance, take a hand in recruiting, and

1 negotiating wages with crew members, promoting, reprimanding,
2 customer involvement in communication, scheduling of equipment,
3 dispatching personnel and various pieces of equipment up and
4 down the West Coast, managing operations managers and different
5 ports. And anything else that arises, any other problems that
6 occur, I take a hand in.
7 Q And I believe you testified on direct that Olympic Tug &
8 Barge has approximately 300 employees, is that right?
9 A Yes.
10 Q Now, what about your duties as general manager of Leo
11 Marine Services? How -- are they similar to your duties as
12 general manager of Olympic Tug & Barge?
13 A No. There's operations managers for Leo in San Francisco
14 and L.A., so.
15 Q How do your duties differ with respect to general manager
16 position at Leo Marine?
17 A I play more of an advisory role to the operations managers
18 in those divisions.
19 Q And when did you become general manager of Leo Marine?
20 A I'm general manager of Olympic Tug & Barge, so never.
21 Q You're not -- you're not general manager of Leo Marine?
22 A Not by title, no.
23 Q Okay. Do you fulfill the role of general manager at Leo
24 Marine?
25 A The operations managers defer to me for questions. I help

1 them run the company.
2 Q So that's a yes, then?
3 MR. HILGENFELD: Objection. Mischaracterizes the
4 testimony.
5 JUDGE SANDRON: In what respect? Why?
6 MR. HILGENFELD: He said the office mangers defer to him
7 for questions. That's far different than how Ms. Yasseri
8 questioned -- restate the question.
9 MS. YASSERI: Let me just restate the question.
10 JUDGE SANDRON: Yeah, why don't you just rephrase it --
11 MS. YASSERI: Okay.
12 Q BY MS. YASSERI: Mr. Titland, Since the -- since the name
13 change in -- from Starlight Marine to Leo Marine in -- in early
14 February of 2021, have you ever had interim responsibilities as
15 general manager of the Leo Marine Services?
16 A Yes.
17 Q Okay.
18 JUDGE SANDRON: Now, in what circumstances would you serve
19 in that role -- position?
20 THE WITNESS: Just advisory to the operations managers.
21 Q BY MS. YASSERI: And those responsibilities carry into the
22 present time? Present day?
23 A Yes, yes.
24 JUDGE SANDRON: So can you say about how often that
25 occurs?

1 THE WITNESS: Well, the reason I'm hesitant is --
2 JUDGE SANDRON: Yeah.
3 THE WITNESS: -- because Brian (phonetic) and Chris
4 (phonetic) are fairly self-sufficient. I talk to them. If
5 they call me and have a question, I answer and give them help
6 however I can. But they do a good job, and they manage their
7 outports well.
8 JUDGE SANDRON: You say -- can you give us an idea on the
9 average about how often they consult with you and ask you
10 something?
11 THE WITNESS: Maybe once every two weeks.
12 Q BY MS. YASSERI: And when you mentioned, Mr. Titland, you
13 mentioned Brian, that was Brian Vartan, correct?
14 A Correct.
15 Q And he reports to you.
16 A Yes.
17 Q And you mentioned Chris, I believe that was Chris Baduin,
18 the operations manager at Leo in San Francisco?
19 A Yes.
20 Q And he also reports to you?
21 A Chris more reports to Bowman Harvey than me.
22 Q Mr. Harvey reports to you?
23 A Yes.
24 Q And I believe you had mentioned this, but just to clarify,
25 part of your duties as general manager of Olympic Tug & Barge

1 and Leo Marine, would that include incident response?
2 A Yes.
3 Q And what exactly is incident response?
4 A An incident is deemed as anything as great as an oil spill
5 or as minor as a -- a crew member calling in sick.
6 Q And so you would handle those for both Olympic Tug & Barge
7 and Leo Marine, correct?
8 A Depending on the severity or the lack of availability of
9 the operations manager in Leo.
10 Q And let me ask you this. At this point in time, how many
11 employees work at Leo Marine in Los Angeles?
12 A I could guess but I don't know off the top of my head.
13 Q Oh. Is it more than 30 or 40? Any idea as to relative --
14 A It's more than 30 or 40.
15 Q Okay. And what about San Francisco? Any idea?
16 A It's more than Leo L.A.
17 Q Okay. I want to go back and talk about, just briefly
18 about the -- the Chevron barges. I remember on direct you
19 testified about the vetting process by Chevron.
20 A Um-hum.
21 Q What was Centerline's involvement with the -- with the --
22 with the vetting process with Chevron?
23 A I'm not aware of Centerline's involvement.
24 Q Okay. So who -- who handled who -- who handled the
25 vetting process with -- with Chevon?

1 A Olympic Tug & Barge?
2 Q And was that you?
3 A I assisted.
4 Q And who else took part in that?
5 A The main person was Rob Sorter.
6 Q And what is his role again?
7 A He was head of safety for Olympic Tug & Barge.
8 Q Do you know who Mr. Sorter reports to?
9 A He no longer works for Olympic Tug & Barge.
10 Q At the time that he was involved in the vetting process,
11 do you know who he reported to?
12 A I do not.
13 Q Was there any paperwork that you had to fill out as part
14 of the vetting process with Chevron?
15 A No. It all went through, Rob. Not that I recall. It was
16 mostly just working with Rob to provide information to Chevon.
17 Q I know you mentioned that as part of your responsibility,
18 you deal with customers. Did you ever have any direct contact
19 with any representatives from Chevron during the vetting
20 process?
21 A There were -- there were meetings, Zoom meetings. Kind of
22 meet and greet and contact information exchanges. But Rob was
23 handling a lot of that early direct communication with Chevron.
24 Q Okay. You talked about sort of the meet and greet. Other
25 than yourself, who else do you recall being present at those

1 meet-and-greet meetings with Chevron representatives?
2 A Geez, I don't want to speculate. And there was more than
3 one meeting. I know for certain that it was myself. And at
4 some point Bowman Harvey became involved. And Jennifer Beckman
5 became involved. And Rob Sorter. And -- sorry, Byron
6 Peterson.
7 Q And if you could remind us again of Mr. Peterson's role.
8 A He is an Olympic Tug & Barge employee and manages west
9 coast barge operations.
10 Q Okay. I'm going to take you back. I believe on direct
11 you testified that either the third or fourth week of January
12 of 2021 you had a meeting with Matthew Godden where he told you
13 that as part of being awarded the L.A./Long Beach barge work,
14 that OTB would be awarded the Glencore contract. Remember
15 that?
16 A I do, yes.
17 Q And I believe you testified that this meeting occurred in
18 the kitchen --
19 A Yes.
20 Q -- at Centerline's offices in -- on 910 South West Spokane
21 Street. And I think you told him in this conversation that you
22 would be using Leo Marine to perform the inland portion of this
23 work for Glencore, is that right?
24 A That's correct.
25 Q And what did you mean by inland portion?

1 A Well, Olympic Tug & Barge has and does perform work for
2 Glencore that involves coastal moves. So I wanted to continue
3 to use Olympic Tug & Barge for any coastal work and use Leo for
4 inland work.
5 Q Okay. Now, prior to -- to informing Mr. Godden about this
6 decision, did you get authorization from him, before telling
7 him that you were reassigning the work from Olympic Tug & Barge
8 to Leo Marine?
9 A Yes.
10 Q Okay.
11 A Not prior but during that conversation.
12 Q Okay. So let's take a step back about that conversation.
13 How -- how did you first bring up this topic?
14 A He mentioned to me that he would like us to perform the
15 Glencore work in L.A. Us meaning Olympic Tug & Barge. And
16 then I told him that I would like to use Leo to perform that
17 work. And he agreed.
18 Q Did Mr. Godden, during this conversation, Mr. Titland, did
19 Mr. Godden ever tell you that he had to speak to anybody else,
20 including any officers or directors at either Centerline or
21 Harley Marine Financing before you could reassign the Glencore
22 work to Leo?
23 A No.
24 Q This conversation that you had with Mr. Godden in the
25 kitchen, do you recall if you ended up documenting that

1 conversation, either in an email or a letter?
2 A I did not.
3 Q Do you know if Mr. Godden did?
4 A I do not know.
5 Q At any point during this conversation in the kitchen with
6 Mr. Godden, did you talk about a delay in the start date of
7 services to February of 2021?
8 A I did not.
9 Q Did Mr. Godden bring up that as a topic of discussion?
10 A Not at that time.
11 Q Okay. When do you recall Mr. Godden bringing up that --
12 or when do you recall Mr. Godden bringing up the topic of a
13 delay after this discussion in the kitchen?
14 A I seem to recall a letter or an email --
15 Q Okay.
16 A -- delaying that.
17 Q Okay. I'd like to show you, Mr. Titland, what's been
18 marked -- what's been admitted into evidence, as you GC Exhibit
19 138. It's a single page document.
20 A This doesn't have -- that was which 30 --
21 Q 138, it --
22 A Oh, 138 --
23 Q -- it was exhibit that had come up during your direct
24 examination, so it might be in a stack.
25 A Oh yeah, it's not in here.

1 Q No?

2 JUDGE SANDRON: I -- do we --

3 MR. HILGENFELD: I believe, Your Honor, you may have it in

4 one of the Exhibit notebooks. I think it came through with Mr.

5 Godden --

6 JUDGE SANDRON: That's 138 --

7 (Counsel confer)

8 MR. HILGENFELD: I think if they're in there, they should

9 already be in the exhibit note books --

10 MS. YASSERI: I have an extra copy --

11 MR. HILGENFELD: So there's a GC --

12 MS. YASSERI: Your Honor, may I approach?

13 JUDGE SANDRON: Yes, please. I think that's the fastest

14 way to show it.

15 MS. YASSERI: Thank you.

16 JUDGE SANDRON: We have so many documents.

17 MR. HILGENFELD: Yes.

18 MS. YASSERI: Okay.

19 Q BY MS. YASSERI: Mr. Tillman, I want to direct your

20 attention to that, to the letter referenced in GC Exhibit 138,

21 dated January 29th, 2021. Do you recall receiving this letter

22 before or after your conversation with Mr. Godden in the

23 kitchen that you just testified about?

24 A I believe it would have been after.

25 Q After. Okay. I want to direct your attention to the

1 second paragraph in the letter where it states, "After further
2 mutual discussion and planning, we are agreeable to delay the
3 start of your forthcoming services to February 28th, 2021." Do
4 you see that?
5 A Um-hum.
6 Q So when did you -- when did you discuss and plan with Mr.
7 Godden regarding the delay in this start date of services?
8 A I did not.
9 Q You did not. Okay. So the first time you found out about
10 it was when you received this letter --
11 A Yes --
12 Q -- is that true?
13 A -- that's true. Okay. Did anyone at Centerline,
14 including Mr. Godden, explain to you why there would be a delay
15 in the start of services?
16 A It was my understanding that the delay was caused by this
17 timing and logistics and discussion and planning with Chevron
18 and Saltchuk.
19 Q Okay. And what gave you that understanding?
20 A I'm trying to think. I know that there was -- it wasn't
21 just the purchase of bargains, it was the trade of equipment
22 and just all of the logistics and the crew members and
23 everything was bogged down. And I don't know the specifics on
24 that but there was a lot of pieces in play, a lot of crewing
25 issues, training issues. There was a lot of moving parts. And

1 we -- when I read this, it was my impression that we just
2 needed more time. Everyone did.
3 Q Understood. And Leo Marine didn't begin performing barge
4 work in the L.A. and Long Beach Harbors until March 1st, 2021,
5 correct?
6 A I thought it was February 28th.
7 Q February 28th?
8 A Yes.
9 Q Do you call which barges were put in operation on the 28th
10 of February, 2021?
11 A It would have been the Saltchuk barges that we acquired.
12 Q Now, Mr. Titland, other than that conversation with Mr.
13 Godden in the kitchen in the third or fourth week of January of
14 2021, did you have any other conversations with him about
15 reassigning the L.A./Long Beach barge work from OTB to Leo
16 Marine?
17 A Can you restate that? I'm sorry.
18 Q Sure. Other than that conversation that you had with him
19 in the kitchen that you testified about earlier --
20 A Um-hum.
21 Q -- do you recall having any other conversations with Matt
22 Godden about the decision to reassign the L.A./Long Beach barge
23 work that OTB had been awarded? To reassign that from OTB to
24 Leo Marine?
25 A No.

1 Q Okay. And I believe you testified on direct that you seek
2 advice from Centerline H.R. on occasion --
3 A Correct.
4 Q -- regarding what matters specifically, do you seek
5 Centerline H.R's advice?
6 A Would you like specific examples or just generals?
7 Q Let's talk, let's go general and then specific topics.
8 What certain topics do you seek advice about?
9 A A lot of times it's advice on medical issues or FMLA or
10 people having child -- childbirth or medications or things of,
11 like, sexual nature, I would say, you know, things that are --
12 that I need advice and I need people to be brought into the
13 conversation. And I also use them as witnesses for firing
14 people.
15 Q Okay. So you mentioned -- you mentioned the witnesses.
16 Let me just sort of take a step back. Is the overall topic of
17 discipline, one that would you -- you would rely on Centerline
18 H.R. for support.
19 A Yes. Depending on the severity.
20 Q Okay. And is that something that you would do in your
21 role as general manager of Olympic Tug & Barge as well as
22 general manager of Leo Marine?
23 MR. HILGENFELD: Objection. Mischaracterizes the
24 evidence.
25 JUDGE SANDRON: Why don't you just rephrase that. I think

1 it's easier just to ask the question straight out.
2 MS. YASSERI: Okay.
3 Q BY MS. YASSERI: You -- you're reliance on Centerline H.R.
4 with respect to the topic of discipline, is that something you
5 do in your capacity as general manager of OTB?
6 A Yes.
7 Q Okay. And what about when you serve -- when you have
8 interim responsibilities as general manager of Leo? Would you
9 also reach out to them in that capacity?
10 A I -- I depend on Bowman and Chris and Brian to take the
11 first swing with H.R. on that. And then if they need me to
12 come in, I will.
13 Q And just sort of explaining a little bit in more detail,
14 what exactly would be H.R.'s role in the process with respect
15 to discipline. Can you think of a recent example of one that's
16 come up?
17 A Primarily just to document -- documentation holder. And
18 they'll ask questions and just gather information and file it
19 and keep it for us, secure.
20 Q And so if an employee -- if -- if the decision is made to
21 issue an employee a written warning, what would -- the HR's
22 involvement, with respect to that; would they be the ones
23 actually drafting it?
24 A No.
25 Q Okay.

1 A Typically, I would draft it and then show it to them, and
2 we would discuss it. And then bring the employee in and have a
3 conversation with them, if they're available, with HR, myself,
4 and the employee.
5 Q And who, specifically, from HR has been involved in those
6 types of situations?
7 A Sally Halfon.
8 Q Um-hum. And have there been occasions where you've
9 drafted a discipline -- either a written warning or termination
10 letter -- and you've made modifications, based on the advice of
11 Centerline HR?
12 A Yes.
13 Q Okay.
14 (Counsel confer)
15 Q BY MS. YASSERI: You -- you mentioned that one of the
16 other topics was something of -- of a sexual nature. What --
17 can you just sort of explain that a little bit more?
18 A Well, yes, I mean, I can. I don't know -- yeah, I suppose
19 I can go into it --
20 Q Without really revealing -- yeah.
21 JUDGE SANDRON: Well, you -- well -- well, you can go
22 ahead. I mean, you're not giving any names.
23 Q BY MS. YASSERI: Um-hum.
24 A I just don't -- I'm unsure -- I need HR here, to tell me
25 if I can talk about it. But --

1 JUDGE SANDRON: Yes, you can. Go ahead.
2 Q BY MS. YASSERI: Yeah.
3 A Yeah.
4 JUDGE SANDRON: As long -- as long as you don't mention
5 any names.
6 THE WITNESS: Oh, okay. Well, we had -- we had -- we've
7 had several situations come up. One of them, we received some
8 complaints from the crew members that one of the two crew
9 members were engaging in, you know --
10 JUDGE SANDRON: Illicit activity?
11 THE WITNESS: Illicit activity on the equipment.
12 Q BY MS. YASSERI: I see.
13 A That would be an example.
14 Q Okay. And what was suggested by HR, with respect to that
15 incident?
16 A We pulled the individuals up, separately, and gave them a
17 written warning. And then moved them to areas of the Puget
18 Sound. Then just --
19 Q And --
20 A Well -- yeah. I'll leave it at that.
21 Q Sure. And when the written warnings were issued to these
22 employees, was a representative of Centerline HR present during
23 that meeting?
24 A Yes.
25 Q Okay. And do you remember who, specifically?

1 A I believe, it -- it was Stephen Parry and Sally Halfon.
2 Q Okay. Well, I want to go -- sort of go back, real quick,
3 about the topic of customers. I remember you mentioned that
4 that was one of your responsibilities.
5 A Um-hum.
6 Q Is OTB involved in negotiating contracts with customers?
7 MR. HILGENFELD: Objection to time.
8 JUDGE SANDRON: I guess, now. I mean -- right?
9 MS. YASSERI: Yeah.
10 MR. HILGENFELD: I mean, if it's now, that's -- that's
11 time. I just --
12 MS. YASSERI: Okay.
13 MR. HILGENFELD: There's a long period of time that's
14 involved here.
15 MS. YASSERI: Fair enough. I'll -- I'll rephrase.
16 Q BY MS. YASSERI: At this point in time, Mr. Titland, is --
17 is OTB involved in negotiating any contracts with its
18 customers?
19 A I'm asked, by sales, for information, and I review and
20 provide comments and advice to sales.
21 Q And when -- who specifically in sales do you communicate
22 with?
23 A A gentleman named Michael Myers, a gentleman named Trent
24 Newlon, and Jennifer Beckman.
25 Q Michael Myers -- do you know who he works for; which

1 entity?
2 A I don't. I don't. I know what -- what entity his
3 contracts fall under.
4 Q Which is which entity?
5 A Olympic Tug & Barge.
6 Q Okay. And I'm sorry, the second individual you named -- I
7 didn't --
8 A Trent Newlon.
9 Q Trent Newlon. Do you know if Mr. Newlon works for
10 Centerline, or any other entity?
11 A Yes, he does.
12 Q And do you know what his title is at Centerline?
13 A I don't.
14 Q Okay.
15 A Sales.
16 Q Do you know who Mr. Myers reports to at Centerline?
17 A I -- I do not.
18 Q And what about Mr. Newlon; do you know who he reports to?
19 A I do not.
20 Q Okay. And then just kind of going back, you mentioned
21 that you were asked for some information. Can you just provide
22 some more specificity, with respect to what information you
23 were asked to provide to sales?
24 A Sure. So when we're bidding on work, and they're
25 putting -- sales is putting numbers together, a big topic that

1 I'm always asked is fuel consumption, vessel speeds, laden and
2 unladen, offshore inland, budgets for the boats, allotted
3 maintenance time, crew compliments -- things of that nature.
4 Bar -- product segregations on the barge, volumes --
5 Q Um-hum. Do you ever provide any input about the rates
6 that would be charged to the customer?
7 A No.
8 Q I want to go back to -- I believe, on direct you testified
9 about being contacted by Nicholas Marrone from the SIU; do you
10 remember that?
11 A I do.
12 Q And forgive me if this has come up, but it's sort of
13 getting late in the day for me, so I apologize.
14 Do you -- what do you recall from -- with respect to that
15 conversation with Mr. Marrone?
16 A Very little specifics, but the takeaway from the
17 conversation was that Leo Marine was going to become unionized
18 by the SIU.
19 Q Okay. Is that something that he told you during that
20 phone call, or was it a request; do you recall?
21 A No. I believe that he told me.
22 Q Okay. And do you recall when this call took place with
23 Mr. Marrone?
24 A I don't. There are several emails surrounding that phone
25 call, though, that I'm sure you guys have copies of.

1 Q Do you recall signing a collective bargaining agreement --
2 A Yes.
3 Q Okay. Do you recall how much time before signing that
4 collective bargaining agreement that you had this conversation
5 with Mr. Marrone?
6 A I don't. I know that it was brief. Within a week or
7 less.
8 Q Okay. Did you ever talk to Matthew Godden about the
9 conversation you had with Mr. Marrone?
10 A No.
11 Q Did you ever talk to anybody -- anybody at Centerline or
12 Harley Marine Financing about the conversation you had with Mr.
13 Marrone
14 A Internally, we spoke about it -- Byron Peterson, David
15 Hanshaw -- internally at OTB. Yeah. It was big news, so --
16 Q What --
17 A -- it was talked about all over, and it was known. So
18 once we became unionized, we were a union, and everyone was
19 talking about it.
20 Q But my question was about the conversation you had with
21 Mr. Marrone; that specific conversation. Did you ever talk to
22 Mr. Peterson about that -- what was discussed during that
23 conversation?
24 A No.
25 Q Okay.

1 JUDGE SANDRON: Do you ever memorialize the conversation
2 by putting it down in writing, you know, what -- what was said?
3 THE WITNESS: I believe that we followed the conversation
4 up with email correspondence.
5 JUDGE SANDRON: With you and he -- you and he?
6 THE WITNESS: I believe so. I mean, I've looked at --
7 JUDGE SANDRON: Oh, okay.
8 THE WITNESS: -- some of the evidence, and I think that
9 it's all been submitted. Yeah.
10 JUDGE SANDRON: Oh, I see. In an email form?
11 THE WITNESS: Yes. I believe.
12 JUDGE SANDRON: All right. We -- we've had a lot of weeks
13 of trials, so it may well be in one --
14 THE WITNESS: I know.
15 MS. YASSERI: Yeah.
16 JUDGE SANDRON: -- of your earlier --
17 THE WITNESS: Me too.
18 JUDGE SANDRON: -- documents.
19 MS. YASSERI: Okay.
20 Q BY MS. YASSERI: Now, Mr. Titland, you talked a little
21 bit about -- or you brought up the topic of the P66 charter.
22 A Yeah.
23 Q I want to talk a little bit about that. Now -- and you --
24 you've previously testified that Starlight Marine had been
25 renamed to Leo Marine, on or about February 2nd, 2021; is that

1 right?
2 A Yeah.
3 Q And when Starlight was renamed to Leo Marine, Starlight
4 was servicing a bunkering time charter for Phillips 66; is that
5 right?
6 A Correct.
7 Q Okay. And that was Starlight Marine's only time charter,
8 at that time; is that right?
9 A Only bunkering or oil time charter, yes.
10 Q Okay. And after the name change to Leo Marine, Leo Marine
11 continued service the P66 charter without interruption; is that
12 right?
13 A Correct.
14 Q Okay. And Leo Marine continued to operate out of the same
15 facility that Starlight had been operating out of, right; in
16 Alameda?
17 A Correct, yes. Um-hum.
18 Q Okay. Sort of going back to the topic of human resources,
19 Mr. Titland, you -- you've mentioned that that's -- human
20 resources are handled by Centerline, on behalf of -- for
21 Olympic Tug & Barge and Leo, correct?
22 A Um-hum.
23 JUDGE SANDRON: Now, remember; you've got to say, yes.
24 THE WITNESS: Yes.
25 Q BY MS. YASSERI: Okay.

1 THE WITNESS: It's getting late, Your Honor.
2 JUDGE SANDRON: Well, that's why we're going to adjourn at
3 about 5:00.
4 Q BY MS. YASSERI: And is that a service that OTB pays
5 Centerline for?
6 A You know, I -- I don't know that.
7 Q Okay. Okay. You also testified, Mr. Titland, on direct,
8 about a purchase -- a PO system. Is that the same thing as the
9 Coupa system that you were talking about?
10 A Yes.
11 Q They're one in the same. And does PO stand for purchase
12 order?
13 A Yes.
14 Q Okay. You also testified about attending a monthly
15 financial meeting with all the Centerline subsidiaries; do you
16 remember that?
17 A Yes.
18 Q Okay. Where does that meeting take place?
19 A Zoom.
20 Q Okay. And again, who -- who attends that meeting -- that
21 monthly meeting?
22 A I'm not really sure who gets invited to it, but all of the
23 heads of all the subsidiaries are there, and all the vice
24 presidents are invited as well.
25 Q When you say, vice presidents -- those are vice presidents

1 of Centerline?
2 A Yes.
3 Q Okay. And those subsidiaries include Leo Marine, OTB, and
4 Westoil?
5 A Westoil used to go to them, yes.
6 Q Okay. And I believe you mentioned that they're typically
7 led by a gentleman by the name of Vladimir; who's that?
8 A He gathers the information, yes.
9 Q Okay. And what is his position?
10 A I don't know what his title is.
11 Q Um-hum.
12 A We could find out fairly easily, but --
13 Q Do you know if he's an employee of Centerline?
14 A I believe he is.
15 Q Okay. Okay. Mr. Titland, I'd like to direct your
16 attention to Respondent's 256. It's a number of invoices.
17 JUDGE SANDRON: Is that in the book?
18 MS. YASSERI: I think it was introduced today.
19 JUDGE SANDRON: Oh, today, okay.
20 MS. YASSERI: Yes.
21 JUDGE SANDRON: Then it should be in this.
22 MS. YASSERI: It looks like the first page of the exhibit
23 is a Sea Technology Construction invoice.
24 JUDGE SANDRON: Oh, I see. Those are the invoices. Okay.
25 THE WITNESS: What did I do with those.

1 JUDGE SANDRON: They got mixed up.
2 THE WITNESS: I thought those were up here.
3 JUDGE SANDRON: Let's see. These are -- 256 --
4 (Counsel confer)
5 JUDGE SANDRON: Do you have a copy that --
6 MS. YASSERI: I'm sorry, I just have the GC's copy.
7 JUDGE SANDRON: Oh, I see.
8 (Counsel confer)
9 JUDGE SANDRON: Okay.
10 THE WITNESS: Thank you.
11 JUDGE SANDRON: I think Mr. Hilgenfeld -- thank you.
12 Okay. Okay. Every -- everybody has it.
13 MS. YASSERI: Okay. Okay.
14 Q BY MS. YASSERI: So Mr. Titland, you -- you testified
15 on -- on direct that OTB is responsible for payment of minor
16 repairs to vessels; do you remember that?
17 A Yes.
18 Q What -- what exactly is considered, like, a minor repair?
19 What -- what would that entail?
20 A I -- I don't know the dollar cutoff. I'm not sure. I
21 know that they think greater than $10,000 needs upper
22 management approval.
23 Q And who, specifically, from upper management would approve
24 an expense like that?
25 A I believe, Gregg Nelson and Dan Morrison.

1 Q And Mr. Nelson's role at Centerline -- what is his role?
2 A He's vice president of engineering.
3 Q And with respect to the minor repairs, do they need
4 approval as well?
5 A Yes. There is an approval process, yes.
6 Q And can you explain that to us? Like, what does that
7 approval process entail?
8 A Well, depending on the type of expense, it has to go
9 through several layers of approval of managers to approve the
10 money going out.
11 Q Okay. Sort of breaking that down -- what would be the
12 first level of approval? Like, who -- who would that be,
13 specifically?
14 A For something like a cab or groceries, like, dispatch.
15 Q Okay. Well, what about -- why don't I direct your
16 attention to the first page of Exhibit 256. It seems like
17 there's some welding material and -- and expenditures regarding
18 welding. Do you know, who would -- who would be responsible
19 for approving this type of expense?
20 A This would have been submitted by engineering -- the
21 engineering department. And I believe at a certain dollar
22 amount -- I don't know if this one, in particular, reaches
23 that -- it would need Gregg Nelson's approval. But there's
24 barge supervisors, and barge maintenance crew that would
25 certainly have submitted the PO and approved the -- the -- the

1 PO to be paid out.
2 Q You mentioned the engineering department. Is that the
3 engineering department at Centerline?
4 A For this piece of equipment, it would have been an
5 engineering department at Olympic Tug & Barge.
6 Q Okay. But if the equipment was valued at more than
7 $10,000, that -- would that require the approval of Centerline
8 engineering?
9 A Yes, it would.
10 Q Now, Mr. Titland, if there was a -- a major repair
11 necessitated, who would be responsible for payment of that type
12 of repair? Would it be OTB, or would it be the owner of the
13 vessel?
14 A It would be Olympic Tug & Barge.
15 Q Okay.
16 A If it was an Olympic Tug & Barge asset.
17 Q Okay. If it was an asset that was owned by Harley Marine
18 Financing, in which Olympic Tug & Barge was a party to their
19 boat charter, like, who -- who would be responsible for that
20 type of repair?
21 A Olympic Tug & Barge.
22 Q If -- if the piece of equipment that Olympic Tug & Barge
23 had been leasing from Harley Marine Financing was inoperable
24 for a certain day, because of a repair that was needed, would
25 Olympic Tug & Barge still have to pay that day rate for lease

1 of that equipment?
2 A I'm unsure.
3 Q Okay.
4 MS. YASSERI: Your Honor, I'm sorry, may we go off the
5 record for just a few minutes? We're going to transition to
6 another topic.
7 JUDGE SANDRON: Yes.
8 MS. YASSERI: Thank you.
9 JUDGE SANDRON: Okay. Go off the record.
10 MS. YASSERI: Thank you.
11 (Off the record at 3:51 p.m.)
12 JUDGE SANDRON: Back on the record.
13 MS. YASSERI: Thank you.
14 **RESUMED CROSS-EXAMINATION**
15 Q BY MS. YASSERI: Mr. Titland, there were some employees
16 that worked for Starlight in the facility in Alameda,
17 California, that transitioned over to Leo in early February of
18 2021, correct?
19 A Yes.
20 Q Okay. And those employees that had transitioned over
21 during that time, they didn't have to formally apply for a
22 position at Leo, correct?
23 MR. HILGENFELD: I'm going to object. We provided the
24 personnel files for all the employees. We have offer letters
25 that the General Counsel can put into evidence as the best form

1 of evidence.

2 MS. YASSERI: I -- I'm allowed to ask the question, Your

3 Honor.

4 JUDGE SANDRON: I -- I think so. I mean, it is cross,

5 so --

6 MR. HILGENFELD: But it's beyond the scope of -- it's

7 beyond the scope of direct. We didn't go into hiring of Leo

8 Marine.

9 MS. YASSERI: We talked about Starlight, and the

10 transition to Leo Marine.

11 MR. HILGENFELD: We did not go -- no -- well, we did not

12 go into the scope of who was hired and how -- that's the scope

13 we did not go into. And they have -- they have the personnel

14 records. If they want to put the personnel records, they can.

15 We did not go into this scope with Mr. Titland.

16 MS. YASSERI: It's one question, Your Honor, and then I'll

17 move on.

18 JUDGE SANDRON: Okay. Go ahead.

19 Q BY MS. YASSERI: Mr. Titland, would you like me to repeat

20 the question?

21 A Please.

22 Q The employees that transitioned over from Starlight Marine

23 Services to Leo Marine in early February of 2021; they didn't

24 have to formally apply for those positions, correct?

25 A I -- I can't recall.

1 Q Okay. Okay. So I'd like to talk to you about these barge
2 logs. I apologize, I know it's late in the day, but we're
3 going to try to -- try to get through it together.
4 Let me direct your attention to Respondent's Exhibit
5 92(a), please. I know -- I know you testified on direct that
6 OTB had performed lightering, terminal-to-terminal transfers,
7 and bunkering, during certain periods of time, correct?
8 A Correct.
9 Q Okay. Now, if -- if there's a -- if there's a bunkering
10 job taking place, you would need a bunkering -- bunker fuel
11 delivery receipt, correct? That would --
12 A Yes, yes.
13 Q Okay.
14 THE WITNESS: Excuse me.
15 MS. YASSERI: No problem. Do you have water up there?
16 Oh, yes, you do. Okay.
17 Q BY MS. YASSERI: I want to direct your attention, Mr.
18 Titland, to that first page of Respondent's 92(a). With
19 respect to the job number that's referenced there, I believe on
20 direct you testified that that's created through a database
21 maintained by Centerline; do you remember that?
22 A Yes.
23 Q Do you know the name?
24 A We call it the web schedule.
25 Q Web schedule. And do you know if other Centerline

1 subsidiaries also have access to that database?
2 A I --
3 JUDGE SANDRON: If you know.
4 A I don't know. I don't know. When you say, "That
5 database" -- I know that we use that system companywide, but I
6 don't think that -- I don't know if other companies can see,
7 laterally, other companies within the database. I don't know.
8 Q BY MS. YASSERI: Okay. Okay. Is the web scheduler -- is
9 that the same thing as wheelhouse, or is it --
10 A No.
11 Q That's a separate platform?
12 A It is.
13 Q Okay. And can you explain to us the difference between
14 those two platforms?
15 A The wheelhouse system is this system, specifically. The
16 web schedule just tracks the jobs.
17 Q And when you say, "This system", you mean with respect to
18 documenting the barge logs?
19 A Correct.
20 Q Okay. Okay. Now, directing your attention again to the
21 first page of 92(a). Do you know why, for location, there
22 isn't a specific berth identified?
23 A It's just how the tankerman filled out the log.
24 Q Okay. And in reviewing this -- barge log -- where --
25 where did the barge originate? Can you tell?

1 A I cannot tell.
2 MR. HILGENFELD: Objection to the scope. What day are you
3 talking about? What do you mean by origination? Objection to
4 the scope of the question. What do you mean by origination?
5 MS. YASSERI: Okay. Let me -- I'll clarify.
6 Q BY MS. YASSERI: So Mr. Titland, this barge log stated May
7 1st, 2020, correct?
8 A Yes.
9 Q Okay. Upon you review of this barge log dated May 1st,
10 2021, can you tell where the barge came from?
11 A No.
12 Q Okay. So the barge could've come from San Francisco or
13 from Seattle?
14 A Yes.
15 Q Could -- could that had also been a coastal job, not an
16 inland job?
17 A Yes.
18 Q Are you aware of -- well -- and can you describe for us
19 what type of activity is being reflected on the log here, dated
20 May 1st, 2021?
21 A Preparation for a discharge.
22 Q And that discharge is taken place at a terminal. Is that
23 right?
24 A It doesn't say.
25 Q Okay. This could be a terminal to term -- terminal

1 transfer. Could it be --
2 A It could be.
3 Q I want to direct your attention to page 2 of that same
4 exhibit. This barge log seems to also be documenting a
5 discharge. Is that right?
6 A Yes.
7 Q Okay. And do you know where that discharge is taken
8 place?
9 A Long Beach.
10 Q Is that at a terminal?
11 A Yes.
12 Q Okay. And how can you tell?
13 A Line 4 -- stop discharge for quantity comparison. Stand-
14 by until Chemoil is ready.
15 Q Yes, okay. And can you just further explain how that
16 reference indicates that this is discharge at a terminal?
17 A Chemoil is the name of a terminal.
18 Q Okay. And this would be considered a terminal-to-terminal
19 transfer here?
20 A It could also be a lightering.
21 Q And can you just describe for us again, your understanding
22 of what is considered lightering?
23 A It's when we take product off of or give product to a
24 ship, and that product is not for propulsion of the ship. It's
25 for generating revenue.

1 Q Okay. I want to direct your attention to the line item
2 with the 4:00 start time, where it says barrels move to shore.
3 What -- what does that mean barrels move to shore?
4 A It means barrels discharged from the barge to the Chemoil
5 terminal.
6 Q Okay. And is that sort of a term used pretty commonly
7 among the tankerman that -- who draft the barge logs about
8 moving to shore, meaning that indicates a discharge to a
9 terminal?
10 A Well, all of the tankerman kind of seem to fill the logs
11 out a little bit differently, but that's what I would interpret
12 that to mean, yeah.
13 Q I want to direct your attention to page 4 of that exhibit.
14 THE WITNESS: Excuse me.
15 Q Exhibit 4. Can you tell where this barge originated from?
16 A From this page?
17 Q Yes. The log dated May 3rd, 2021?
18 A No.
19 Q And what activity is sort of being documented on this
20 barge?
21 A Loading.
22 Q Okay. And is this loading taking place at the dock or at
23 a specific berth? Can you tell?
24 A Chemoil dock.
25 Q Okay. I want to direct your attention to 2055 entry where

1 it talks about the inspectorate gaugers. Do you see that?
2 A Yes.
3 Q And I believe on direct, you testified that gaugers are
4 there to sort of assess the amount of oil that's been
5 transferred to make sure it's the proper amount. Is that
6 right?
7 A Correct.
8 Q Would they -- would gaugers also be present on a vessel,
9 if the vessel were to receive fuel, as opposed to --
10 A Yes. One -- one thing to add to that --
11 Q Yes?
12 A -- is that the gaugers are always at the request of the
13 customer, so --
14 Q So there can be --
15 A -- if the customer didn't request it, then it wouldn't be
16 there.
17 Q I see.
18 JUDGE SANDRON: How often is that? Is that pretty common
19 or is it?
20 THE WITNESS: It's -- it's very common.
21 JUDGE SANDRON: Very common.
22 THE WITNESS: Yes.
23 JUDGE SANDRON: Do you know about what percent of the
24 customer times would you say that they request it happens?
25 Ballpark?

1 THE WITNESS: Ballpark 90 percent --
2 JUDGE SANDRON: Oh, really?
3 THE WITNESS: -- 80 percent -- 90 percent, somewhere
4 there.
5 JUDGE SANDRON: So it's the vast majority of times?
6 THE WITNESS: It's common practice, yeah.
7 JUDGE SANDRON: Okay.
8 Q BY MS. YASSERI: In your experience, did Glencore as a
9 customer -- once that one that would request the presence of a
10 gauger?
11 A I'm unsure.
12 Q Now, this barge log, it doesn't show what was it on --
13 what happened to the fuel once it was backloaded? Is that
14 right? Once it was loaded?
15 A No. It does not.
16 Q We don't know where -- where it went? Is that right?
17 A Correct.
18 Q And the activity that's undocumented on page 4 of
19 Respondent 92(a) on May 3rd, 2021, that -- that could be a
20 terminal-to-terminal transfer, correct?
21 A It could, yeah.
22 Q Now, I want to direct your attention to page 6 of that
23 same exhibit. To sort of the first line item on the log,
24 there's a reference to LASB. Do you know what that stands for?
25 Could that be LAC buoy?

1 A Yes. It is.
2 Q What -- what is that?
3 A There's a buoy that's right outside of the Los Angeles
4 gate as you're entering Los Angeles, and that is the Los
5 Angeles sea buoy.
6 Q Okay. So this barge -- would that indicate that this
7 barge is coming from somewhere outside of that LA Long Beach
8 Harbor?
9 A Yes, could be.
10 JUDGE SANDRON: Well, does it -- does it show that or is
11 it ambiguous?
12 THE WITNESS: It's ambiguous because we have a buoy that
13 we lay at down in Long Beach and depending on traffic,
14 sometimes it would go out or in or around the brake line. It
15 doesn't say that it wasn't already in Los Angeles or Long
16 Beach.
17 JUDGE SANDRON: So you can't tell from the documents?
18 THE WITNESS: No. It did pass the buoy though, and it
19 could've come -- well, she asked if it could've. And yes, it
20 could've, but it could've been there too.
21 JUDGE SANDRON: I see.
22 THE WITNESS: Yeah.
23 Q BY MS. YASSERI: And this shows that the barge log on this
24 page 6 from November 25, 2021, it shows that there was a load
25 that was discharged, correct?

1 A Yes.
2 Q And that would be at LA 164?
3 A Yes.
4 Q And what -- and just for clarity of the record, is that --
5 what's your understanding of what that berth is?
6 A It's just a berth in long -- in Los Angeles.
7 Q And the activity reflected on this log -- this could be a
8 terminal to terminal transfer, correct?
9 A It could be a terminal to terminal.
10 Q Okay.
11 MR. HILGENFELD: Your Honor, I don't think it's disputed.
12 All of these could be terminal to terminal transfers, or they
13 could be bunkering. I don't think we're disputing. You can't
14 exactly tell. There's just a discharge of some type.
15 MS. YASSERI: Well, I think there's a dispute as to
16 whether the work reflected on these logs is bunkering work.
17 MR. HILGENFELD: Well, but whether it could be doesn't go
18 to that issue. I'll also note that the Chemcore contract --
19 Glencore contract that we're talking about is for lightering,
20 terminal transfers and bunkering, by the expressed terms of the
21 agreement. So I -- I'm not sure why General Counsel now is
22 just focused on bunkering, when it's petroleum transportation
23 for Glencore at LA Long Beach that's at issue. That's what the
24 contract says.
25 JUDGE SANDRON: Right, but it's up to her how she wants to

1 ask the questions. And you'll have a chance on redirect, but
2 can we get a stipulation on -- on why those barge logs show and
3 don't show?
4 MR. HILGENFELD: We tried very hard, Your Honor
5 (indiscernible, simultaneous speech).
6 MS. YASSERI: Your Honor, I think this is part of the
7 problem because it's our position that these barge logs don't
8 show bunkering work.
9 JUDGE SANDRON: Right.
10 MS. YASSERI: And the actual best evidence to show
11 bunkering work are those field delivery receipts, and those
12 have not been introduced. What we're dealing with are the
13 barge logs, so we have every right to go through these
14 systematically to get clarity on what activity is reflected
15 here.
16 MR. HILGENFELD: It's -- it's our case, Your Honor. This
17 is part of our -- Glencore contract is lightering, terminal
18 transfers and bunkering. It's all three. OTB is done all
19 three for years in LA Long Beach. These are being introduced
20 at LOTB performs terminal -- performs discharging loading of
21 petroleum. That's what they're being introduced for. They're
22 not being produced saying these are all bunkering jobs. We are
23 not claiming that. We are not claiming that they are all
24 terminal transfers, that is too hard to tell. We are claiming
25 exactly at Mr. Titland testified to. So getting through

1 some -- all these documents saying could this be this -- could
2 this be that -- could this be that -- we will stipulate. It
3 could be all of those things.
4 MS. YASSERI: Again, Your Honor, our position is that
5 these barge logs do not reflect bunkering work, to the extent
6 that there's no bunker field delivery receipt attached
7 establishing that that is actually what happened.
8 MR. HILGENFELD: But you're not required -- we're not
9 required to put additional docu -- they have all these
10 documents too. They can put in whatever they'd like, but
11 asking what could be something is a waste of Mr. Titland's time
12 about -- we don't dispute these "could be terminal transfers".
13 JUDGE SANDRON: I gather that's not satis -- that's not --
14 that's -- direct stipulation -- does does not satisfy what the
15 General Counsel is saying.
16 MR. HILGENFELD: And I'm not saying that they can't ask
17 additional cross, but as going through these saying could this
18 be a terminal transfer -- we've already had eight questions
19 about could this be a terminal transfer. So it seems like we
20 could certainly get through that line of questioning. If
21 there's other lines of questioning, and by all means --
22 JUDGE SANDRON: I'll leave it up to Ms. Yasseri. If we
23 can get a stipulation on one aspect of what you're claiming,
24 would that satisfy you as far as the other documents on that
25 particular point?

1 MS. YASSERI: And I'm sorry, Your Honor, on which
2 particular point, about what these barge logs represent?
3 JUDGE SANDRON: What they represent as far as you said the
4 issue of it could be -- what -- what was the --
5 MS. YASSERI: Terminal to terminal transfer.
6 JUDGE SANDRON: Terminal to terminal.
7 MS. YASSERI: Right.
8 JUDGE SANDRON: If Mr. Hilgenfeld will stipulate that they
9 don't show.
10 MR. HILGENFELD: We won't say they don't show bunkering,
11 which is what the General Counsel says. What we'll say is when
12 a ship comes up and takes fuel, and it's at a berth; that could
13 be a terminal transfer or it could be bunker. These logs don't
14 show that. What we are -- what we are providing them for is
15 the petroleum loading and unloading of petroleum in LA Long
16 Beach in San Francisco.
17 JUDGE SANDRON: All right. Well, if there's a -- if
18 there's a dispute over what import to be given the documents
19 that -- that they put in the record, I'll allow this version.
20 But apparently there's a dispute and I'm not going to be able
21 to resolve that right at this moment. So I'll allow the
22 questions at this point. I'll see if we can reach an
23 agreement.
24 Q BY MS. YASSERI: Let me just take a step back, Mr.
25 Titland. On page 6, do you have that pulled up in front of

1 you?
2 A I do.
3 Q The activity that's -- that's logged on this barge, it
4 doesn't show that there's any bunkering taking place, correct?
5 A Correct.
6 Q Okay. And then I want to take you back to question with
7 respect to page 1, on May 1st, 2021. That doesn't show any
8 bunkering taking place, correct?
9 A Correct.
10 Q Same question with respect to page 2 for the logging on
11 May 2nd, 2021?
12 A Correct.
13 Q And what about page 4 for the log dated May 3rd, 2021.
14 This doesn't show any bunkering activity, correct?
15 A No. It does not.
16 Q Okay. We talked about page 6. And directing your
17 attention to page 8, for the date November 26, 2021 -- this
18 doesn't show bunkering activity, does it, Mr. Titland?
19 A The problem that I have is that it doesn't show that it
20 doesn't have bunkering work. I mean, it doesn't stipulate what
21 it is.
22 Q Well, I'm asking you about the data that's on the
23 document.
24 A Okay.
25 Q Is there anything from this document in which you can tell

1 that this is a bunkering job?
2 A No.
3 JUDGE SANDRON: So nothing on any of these logs in the
4 Respondent's Exhibit 2 show that it was bunkering -- bunkering
5 work. You're saying that it might have been, but nothing on
6 the -- on the face of these documents shows that.
7 THE WITNESS: Correct.
8 Q BY MS. YASSERI: I'd like to direct your attention to
9 92(b). This log dated January 13th, 2020. That doesn't show
10 any bunkering work, correct?
11 A Correct.
12 Q And then --
13 MR. HILGENFELD: Your Honor, these are going through all
14 the same questions. His answer has been the same for all of
15 these. They don't show one way or the other. He just -- he
16 just told you --
17 MS. YASSERI: I mean --
18 MR. HILGENFELD: -- it doesn't show whether it's
19 bunkering. They don't show whether it's not bunkering. They
20 don't show whether it's terminal. They don't show whether it's
21 not terminal.
22 JUDGE SANDRON: I think it might be better to what -- why
23 don't you -- rather than go page by page, do you want to go
24 through Respondent's Exhibit 92(b), and then tell us if there's
25 anything on the face of this document -- on the face of the

1 document that shows bunkering work, you know, rather than --
2 you can just tell us if there is, and if not, you can say your
3 answer is the same as to 92(a). You know, you can just go
4 through it to see if anything in the document shows bunk --
5 shows bunkering.
6 THE WITNESS: I do know that it's not required to
7 stipulate on here whether it is bunkering.
8 JUDGE SANDRON: All right. We're -- we're just asking you
9 what -- what's on the document.
10 THE WITNESS: Okay.
11 JUDGE SANDRON: Mr. Hilgenfeld, you would assert that
12 there's nothing on the face of any of these documents that are,
13 you know, these logs that would affirmatively show bunkering.
14 MR. HILGENFELD: These affirmatively show petroleum
15 transportation --
16 JUDGE SANDRON: Right.
17 MR. HILGENFELD: -- is going through, but --
18 JUDGE SANDRON: Right.
19 MR. HILGENFELD: -- is doesn't identify whether it's
20 actually bunkering.
21 JUDGE SANDRON: Right. I mean, if we -- if we get a
22 stipulation on that, maybe we can -- maybe we can get all the
23 documents. If -- if, you know, Counsel will stipulate that
24 there's nothing on the face of any of these logs that show
25 bunkering, then we can accept those stipulations.

1 MS. YASSERI: Yes.
2 JUDGE SANDRON: Right?
3 MS. YASSERI: Yes, Your Honor. We will go ahead and
4 accept this.
5 JUDGE SANDRON: Stipulation is received. Now, Mr.
6 Titland, you don't have to go through the documents anymore.
7 THE WITNESS: Thank you, Your Honor.
8 Q BY MS. YASSERI: Just -- just -- just for clarity, Mr.
9 Titland -- directing your attention to page 1 of 92(b), there's
10 a reference on the second entry about starting the heater. Can
11 you just sort of explain what's that bout? 92(b), first page.
12 MR. HILGENFELD: What line are you on?
13 MS. YASSERI: I'm sorry. Line 2, 2220 timestamped for the
14 heater.
15 A The bunker field will become unpumpable below a certain
16 temperature, so we have an internal heater on the barge to keep
17 it liquid so that it can be pumped.
18 Q BY MS. YASSERI: And Mr. Titland, you're not aware of any
19 bunker field delivery receipts associated with any of these
20 jobs? I'm sorry, associated with any of these barge logs
21 referenced in 92(a), 92(b), all the way I believe through 99 --
22 Respondent's 99?
23 A I haven't looked. I mean, I don't know where we keep
24 bunker delivery receipts, historical receipts, but --
25 JUDGE SANDRON: Have you seen those forms from bunker --

1 bunker?
2 THE WITNESS: Yes. I've done bunker work and filled out
3 those forms and received them.
4 JUDGE SANDRON: I see.
5 Q BY MS. YASSERI: Okay. And just to circle back, the
6 answer's no then, you're not aware?
7 MR. HILGENFELD: Objection, mischaracterized what he
8 stated.
9 JUDGE SANDRON: Yeah. I think he said that he's aware of
10 that they do have bunkering receipts, or he's seen them. He
11 said he filled them out.
12 MS. YASSERI: But what about ones associated with these
13 specific logs?
14 MR. HILGENFELD: This is a four-year period. Those are --
15 there's two different documenting systems. There's two
16 different systems we've had testimony on where they're kept.
17 They're not kept in the same place. They're not kept in the
18 same area.
19 JUDGE SANDRON: Do we -- do have any of those on the
20 record?
21 MS. YASSERI: Well, not associated with these --
22 JUDGE SANDRON: Oh. I see --
23 MS. YASSERI: -- logs, Your Honor.
24 JUDGE SANDRON: -- not with these.
25 MS. YASSERI: Just separately, yes.

1 JUDGE SANDRON: Is there a way to correlate or is that
2 basically impossible? Try to correlate the receipts, you know,
3 if they were related to these barge logs -- I don't know if
4 there's a way to determine if they are related to these
5 receipts. You know, that'd be something Counsel can think
6 about. It may -- it may not be feasible, but I think it's
7 something --
8 MS. YASSERI: We're not aware of the Respondent producing
9 any of those documents, Your Honor. We have one representative
10 sample from Leo Marine, which I was actually going to show Mr.
11 Titland, but with respect to OTB bunker delivery receipts,
12 General Counsel has not received such a production.
13 JUDGE SANDRON: Were they subpoenaed?
14 MR. HILGENFELD: We produced everything related to LA Long
15 Beach and their site. I feel fairly confident they're in
16 there. I know we produced invoices that have receipts in
17 there, and they have the back-up information with the invoices.
18 I know we produced that.
19 JUDGE SANDRON: Maybe --
20 MS. YASSERI: We're not aware of that, Your Honor. If
21 Counsel wants to identify specific base ranges.
22 MR. HILGENFELD: I don't --
23 MS. YASSERI: We've received over 82,000 separate files.
24 MR. HILGENFELD: -- I don't have anything specific to go
25 through, but I know we produced invoices -- had back-up

1 receipts for OTB in there.

2 MS. YASSERI: But -- but again, we're not aware with any

3 association with anything that's been --

4 JUDGE SANDRON: All right.

5 MS. YASSERI: -- hypothetically produced with these barge

6 lines.

7 MR. HILGENFELD: But those are two different systems, Your

8 Honor. There -- they're not --

9 JUDGE SANDRON: All right. Well, there may not be a way

10 to do that.

11 MS. YASSERI: Okay.

12 JUDGE SANDRON: (Indiscernible, simultaneous speech). So

13 we have a half hour.

14 MS. YASSERI: Okay. Okay, thank you.

15 JUDGE SANDRON: Do you know where you --

16 MS. YASSERI: Okay.

17 JUDGE SANDRON: -- break from the questions?

18 Q BY MS. YASSERI: Mr. Titland, I'm going to be showing you

19 an exhibit that's already been admitted into evidence as GC

20 Exhibit 75.

21 A Okay.

22 Q And I want to direct your attention to page 7 of this

23 exhibit. When we've been using the term bunker delivery

24 receipt, is -- is your understanding of what's reflected on

25 page 7 of GC Exhibit 75 of what that is?

1 A Yes.
2 Q And so a bunker delivery receipt what would indicate the
3 vessel that would be receiving that the fuel, typically,
4 correct?
5 A Correct
6 Q And that this would serve as -- serve as confirmation that
7 there was actual bunkering taking place, correct?
8 A Correct.
9 Q And on the -- on page 7 of GC Exhibit 75, the reference to
10 wester dam, that would've been the vessel that would've
11 received the fuel?
12 A Correct.
13 Q As a result of the bunkering, correct? And in -- in your,
14 Mr. Titland, in your review of the barge logs that were
15 admitted into evidence as 92(a) through 99(c), you didn't see
16 any reference to any specific vessels, correct -- receiving
17 fuel, bunkering fuel?
18 A What was your range of logs?
19 Q 90 -- 92(a) through, I believe, 99(c).
20 JUDGE SANDRON: That's all of the logs that's in there.
21 MR. HILGENFELD: Yeah. I would object since the documents
22 will speak for themselves. We can spend 30 minutes and have
23 Mr. Titland to go through every one of them for the vessel, but
24 for the vessel -- if the identified vessel -- the vessel would
25 be in the log. If it doesn't, they're not going to be in the

1 log.

2 JUDGE SANDRON: You can ask if it's on the document, but I

3 think we can see on -- on the documents themselves there's not

4 vessel names, there's no barge name.

5 MS. YASSERI: Okay.

6 JUDGE SANDRON: I said that. There are no barge names.

7 There's no vessel names.

8 MR. HILGENFELD: There may be vessel names, Your Honor.

9 There either going to be on the record or they're not.

10 JUDGE SANDRON: Oh, yeah. There are. What was question

11 then about not (indiscernible, simultaneous speech)?

12 MS. YASSERI: They identify the specific vessel name

13 receiving fuel.

14 JUDGE SANDRON: Oh. I see, receiving.

15 MS. YASSERI: Right.

16 JUDGE SANDRON: So they just have the tug and the barge.

17 MS. YASSERI: Right, for the transport.

18 JUDGE SANDRON: Right.

19 MS. YASSERI: But the actual customer --

20 JUDGE SANDRON: I see, right. They're not on there.

21 MS. YASSERI: -- and vessel.

22 JUDGE SANDRON: Okay. I think we can take notice of that

23 from the documents.

24 MS. YASSERI: Okay.

25 Q BY MS. YASSERI: Mr. Titland, I want to talk a little bit

1 about the size of the barges you testified on direct. I guess,
2 focusing on the 65 Roses, I believe, you said that's as barge
3 that can house over 80,000 barrels. Is that right?
4 A Less than 80,000.
5 Q Less than 80. Okay. And out of the OTB's fleet, that
6 would be considered the largest size, correct?
7 A We have one larger barge.
8 Q Which one is that?
9 A It's named the Aloha Spirit.
10 Q And what's the capacity of that barge?
11 A 110.
12 JUDGE SANDRON: What was the letters the first letters?
13 THE WITNESS: The Aloha Spirit.
14 JUDGE SANDRON: Oh, Aloha Spirit.
15 Q BY MS. YASSERI: And then what about the barge all aboard
16 for QR? What was --
17 A 80,000.
18 Q And -- forgive me. The name escapes me. Fanconi Anemia,
19 but I know I'm missing the first part of that name.
20 A Fight Fanconi Anemia.
21 Q Yes.
22 A 80,000.
23 Q 80,000 as well. And what about the Olympic Spirit?
24 A 80,000.
25 Q Now, does the size of a barge -- let me - let me ask it

1 this way. It'd be pretty difficult for these site barges to
2 perform, like, bunkering work, correct?
3 A I wouldn't say difficult. I would say less common.
4 Q Less common. Why would it be less common?
5 A Just because they hold so much volume. The volumes are
6 typically less than 80,000 for a --
7 Q And does that -- does the size of the barge have any
8 impact on maneuverability of the barge?
9 A Not necessarily. We -- we allocate the appropriate size
10 tug to appropriate size barge with the correct amount of
11 horsepower.
12 JUDGE SANDRON: So -- so would these larger vessels be
13 hard to -- harder to fill up with bunkering fuel? If it's that
14 light they wouldn't be used as much?
15 THE WITNESS: No, not harder.
16 JUDGE SANDRON: Yeah.
17 THE WITNESS: I think --
18 JUDGE SANDRON: If you had a smaller vessel, and you had
19 one of these larger vessels; what would be the advantage to --
20 for you to use the smaller vessel?
21 THE WITNESS: The advantage to not use a larger vessel
22 would be just the wasted space.
23 JUDGE SANDRON: Oh, okay.
24 Q BY MS. YASSERI: And what size of barges would typically
25 be used for bunkering?

1 A Typically, 50,000 and less.
2 Q Okay. And out of the Olympic -- I'm sorry. Olympic
3 Tug -- excuse me. Out of Olympic Tug and Barges Fleet,
4 which -- which barges would qualify with respect to that
5 category, the 50,000?
6 A There's three of them that come in and out of OTB service
7 that come off the top of my head. The Lead Moffit (phonetic
8 throughout), the Lovel Briere, and the Dale Frank, Jr.
9 JUDGE SANDRON: When it comes to bunkering, when would you
10 us the larger vessels? Would that -- would that be when the
11 smaller ones are not available or -- or?
12 THE WITNESS: Yes. I mean, the customer dictates. P66
13 will have three barges on charter if two of the barges that
14 they usually use for bunkering are tied up, and the third one's
15 a larger barge. This is all hypothetical -- then they would
16 use that other barge if they needed to.
17 JUDGE SANDRON: Now, who -- who would make that judgment
18 call about, you know, when a larger one would be appropriate?
19 THE WITNESS: The customer tells us --
20 JUDGE SANDRON: Oh, I see.
21 THE WITNESS: -- what to do.
22 JUDGE SANDRON: So that's -- that's never something that
23 you decide?
24 THE WITNESS: No. They just lease the equipment and we
25 man it, and they tell us where to load it and discharge it.

1 MS. YASSERI: Mr. Titland, thank you. No further
2 questions at this time.
3 JUDGE SANDRON: Ms. Yufa, do you have just a few? If you
4 do (indiscernible, simultaneous speech).
5 MS. YUFA: You sure?
6 JUDGE SANDRON: Finish the cross today, and then Mr.
7 Hilgenfeld can redirect. Please, go ahead.
8 **CROSS-EXAMINATION**
9 Q BY MS. YUFA: My name is Sara Yufa. I represent the
10 Charging Party. I have just a few questions. We'll start with
11 Marine Services.
12 JUDGE SANDRON: All right. Just a reminder at 5:00 is the
13 cutoff. If you don't finish, you can finish in the morning.
14 Q BY MS. YUFA: Was Starlight Marine Services a subsidiary
15 of Olympic Tug -- Olympic Tug and Barge?
16 A No.
17 Q Did Olympic Tug and Barge pay Centerline anything to
18 acquire Leo -- Leo Marine Services?
19 A I'm unsure.
20 MS. YUFA: Those are all of my questions.
21 JUDGE SANDRON: I think that we may be finishing.
22 MR. HILGENFELD: Thank you, Mr. Titland. I have no
23 redirect for you.
24 JUDGE SANDRON: No redirect, okay. Mr. Titland,
25 congratulations, you can step down.

1 THE WITNESS: Wow, thank you.
2 JUDGE SANDRON: Now, you have to worry about coming back.
3 THE WITNESS: Do I have to come back tomorrow?
4 MS. YASSERI: No.
5 THE WITNESS: Wow.
6 MS. YASSERI: You can go back home to Seattle.
7 THE WITNESS: Incredible, thank you.
8 JUDGE SANDRON: Take care.
9 MS. YASSERI: Yeah, thank you.
10 THE WITNESS: Thank you.
11 JUDGE SANDRON: I think that this would be -- the cutoff
12 point we'll start with your next witness tomorrow, Mr.
13 Hilgenfeld?
14 MR. HILGENFELD: Yes, Your Honor.
15 JUDGE SANDRON: Is there anything before we adjourn for
16 the evening?
17 MS. YASSERI: Not from the General Counsel. Thank you.
18 MR. HILGENFELD: One thing, Your Honor. We are available
19 on -- just one second. I just want to confirm just because I'm
20 going to forget tomorrow. We are available March 30 -- 13th.
21 JUDGE SANDRON: Okay, fine. Okay, then we can lock that
22 in. Very good. Thank you for checking that out.
23 MR. HILGENFELD: Certainly.
24 JUDGE SANDRON: All right. There will be nothing further;
25 we will go off the record. Have a good evening. We stand

1 adjourned until tomorrow.

2 **(Whereupon, the hearing in the above-entitled matter was**

3 **recessed at 4:43 p.m. until Thursday, February 9, 2023 at 9:00**

4 **a.m.)**

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 **C E R T I F I C A T I O N**

2 This is to certify that the attached proceedings before the
3 National Labor Relations Board (NLRB), Region 21, Case Numbers
4 19-CA-273208, 19-CA-273220, 19-CA-273226, 19-CA-273928, 19-CA-
5 273985, 19-CA-273771, 19-CB-273986, 21-CA-273926, Leo Marine
6 Services, Inc., Olympic Tug & Barge, Inc., and Centerline
7 Logistics Corporation and Olympic Tug & Barge, Inc. and
8 Centerline Logistics Corporation and Leo Marine Services, Inc.
9 and Centerline Logistics Corporation, Westoil Marine Service,
10 Inc., and Harley Marine Financing, LLC, held at the National
11 Labor Relations Board, Region 21, 26 Federal Plaza, Room 36-
12 130312 N. Spring Street, Suite 10150, Los Angeles, California
13 90012-4701, on February 8, 2023, at 9:37 a.m. was held
14 according to the record, and that this is the original,
15 complete, and true and accurate transcript that has been
16 compared to the reporting or recording, accomplished at the
17 hearing, that the exhibit files have been checked for
18 completeness and no exhibits received in evidence or in the
19 rejected exhibit files are missing.
20
21
22
23 JACQUELINE DENLINGER
24 Official Reporter
25

OFFICIAL REPORT OF PROCEEDINGS

BEFORE THE

NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:

Leo Marine Services, Inc., Olympic Tug & Barge, Inc., and Centerline Logistics Corporation,	Case Nos.	19-CA-273208
and		
Olympic Tug & Barge, Inc.,		19-CA-273220
and		
Centerline Logistics Corporation,		19-CA-273226 19-CA-273928
and		
Leo Marine Services, Inc.,		19-CA-273985
and		
Centerline Logistics Corporation, Westoil Marine Services, Inc., and Harley Marine Financing, LLC,		19-CA-273771
and		
Seafarers International Union,		19-CB-273986 21-CA-273926
and		
Inlandboatmen's Union of the Pacific,		
and		

escribers
www.escribers.net | 800-257-0885

Centerline Logistics Corporation, Leo Marine Services, Inc., and Olympic Tug & Barge, Inc.

21-CA-273926

and

International Organization of Masters, Mates & Pilots, AFL-CIO.

Place: Los Angeles, California

Dates: February 9, 2023

Pages: 3385 through 3593

Volume: 23

OFFICIAL REPORTERS
eScribers, LLC
E-Reporting and E-Transcription
7227 North 16th Street, Suite 207
Phoenix, AZ 85020
(602) 263-0885

UNITED STATES OF AMERICA

BEFORE THE NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:	
LEO MARINE SERVICES, INC., OLYMPIC TUG & BARGE, INC., AND CENTERLINE LOGISTICS CORPORATION,	Case Nos. 19-CA-273208
and	
OLYMPIC TUG & BARGE, INC.,	19-CA-273220
and	
CENTERLINE LOGISTICS CORPORATION,	19-CA-273226 19-CA-273928
and	
LEO MARINE SERVICES, INC.,	19-CA-273985
and	
CENTERLINE LOGISTICS CORPORATION, WESTOIL MARINE SERVICES, INC., AND HARLEY MARINE FINANCING, LLC,	19-CA-273771
and	
SEAFARERS INTERNATIONAL UNION	19-CB-273986
and	
INLANDBOATMEN'S UNION OF THE PACIFIC	

escribers
www.escribers.net | 800-257-0885

and CENTERLINE LOGISTICS CORPORATION, LEO MARINE SERVICES, INC., AND OLYMPIC TUG & BARGE, INC. and INTERNATIONAL ORGANIZATION OF MASTERS, MATES & PILOTS, AFL-CIO	21-CA-273926

The above-entitled matter came on for hearing, pursuant to notice, before **IRA SANDRON**, Administrative Law Judge, at the 26 Federal Plaza, Room 36-130312 N. Spring Street, Suite 10150, Los Angeles, California 90012-4701, on **Thursday, February 9, 2023, 9:09 a.m.**

1 **A P P E A R A N C E S**

2 **On behalf of the General Counsel:**

3 **THOMAS RIMBACH, ESQ.**
SANAM YASSERI, ESQ.
4 NATIONAL LABOR RELATIONS BOARD
REGION 21
5 312 North Spring Street
Tenth Floor
6 Los Angeles, CA 90012
Tel. (213)634-6411
7 Fax. (213)894-2778

8 **On behalf of the Charging Party:**

9 **SARA YUFA, ESQ.**
BUSH GOTTLIEB, A LAW CORPORATION
10 801 North Brand Boulevard
Suite 950
11 Glendale, CA 91203
Tel. (818)973-3206
12
On behalf of the Respondent:
13
CHRISTOPHER L. HILGENFELD, ESQ.
14 **DANIEL SPURGEON, ESQ.**
DAVIS GRIMM PAYNE & MARRA
15 701 Fifth Avenue
Suite 3500
16 Seattle, WA 98104-7055
Tel. (206)447-0182
17 Fax. (206)622-9927

18

19

20

21

22

23

24

25

1 **I N D E X**

2

3 WITNESS	DIRECT	CROSS	REDIRECT	RECROSS	VOIR DIRE
4 Stephen Parry	3391				
5	3407,3412,3414,				
6					
7	3419,3541,3579				

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 **E X H I B I T S**

2

3 EXHIBIT	IDENTIFIED	IN EVIDENCE
4 **Respondent:**		
5 R-159	3404	3409
6 R-160	3409	3413
7 R-163	3413	3416
8 R-164	3416	3422
9 R-165	3422	3425
10 R-157	3451	3455
11 R-170	3425	3427
12 R-173	3427	3429
13 R-330	3481	3492
14 R-331	3492	3498
15 R-332	3499	3504
16 R-333	3506	3510
17 R-335	3511	3514
18 R-336	3514	3516
19 R-337	3516	3521
20 R-339	3521	3523
21 R-138	3538	
22 R-340	3523	3528
23 R-341	3528	3530
24 R-343	3530	3534
25 R-344	3535	3536

R-347	3553	3557
R-349	3557	3560
R-351	3562	3566
R-352	3567	3573
R-213 and 262	3573	3581
R-354	3583	3585
R-355	3585	3587
R-356	3587	3591

1 **P R O C E E D I N G S**

2 JUDGE SANDRON: Mr. Hilgenfeld, do you have your next
3 witness?
4 MR. HILGENFELD: We do, Your Honor. Stephen Parry.
5 JUDGE SANDRON: Hi, Mr. Parry. If you come up, I will
6 swear you in.
7 MR. PARRY: Um-hum.
8 JUDGE SANDRON: I'm Judge Sandron. Do you have your hand
9 raised or ready?
10 Whereupon,
11 **STEPHEN PARRY**
12 having been duly sworn, was called as a witness herein and was
13 examined and testified as follows:
14 JUDGE SANDRON: You can come up to the witness stand and
15 be seated. If you could state and spell your full and correct
16 legal name and provide us with an address, either work or
17 residence.
18 THE WITNESS: Stephen Parry. S-T-E-P-H-E-N, last name
19 P-A-R-R-Y. Place of employment, 910 Southwest Spokane Street,
20 S-P-O-K-A-N-E, Seattle, Washington.
21 JUDGE SANDRON: And the zip code?
22 THE WITNESS: 98134.
23 JUDGE SANDRON: Thank you. Mr. Hilgenfeld?
24 MR. HILGENFELD: Thank you.
25 **DIRECT EXAMINATION**

1 Q BY MR. HILGENFELD: Good morning, Mr. Parry.
2 A Good morning.
3 Q Mr. Parry, are you currently employed?
4 A Yes.
5 Q And who are you employed by?
6 A Centerline Logistics.
7 Q And what is your current job title?
8 A Vice president of accounting and administration.
9 Q And how long have you held that job title?
10 A Since the end of 2020.
11 Q How long have you worked at Centerline Logistics?
12 A Since the end of 2008.
13 Q From 2008 to 2020, what positions did you hold for
14 Centerline Logistics?
15 A I started as a revenue analyst. I was promoted to
16 accounting manager, primarily reviewing revenue in contracts.
17 And for a very short period of time after that, our comptroller
18 left and I was promoted to comptroller. And I was a
19 comptroller for a very short time. And then I was promoted to
20 this current position.
21 Q Okay. How long were you in the comptroller position?
22 A I believe 11 to 13 months, I believe.
23 Q And what was the position that you held as part of being
24 comptroller?
25 A Accounting manager.

1 Q And how long were you the accounting manager?
2 A I was accounting manager probably for three to four years.
3 Q Have you worked for any Centerline affiliated company
4 other than Centerline Logistics?
5 A I have not.
6 Q And what are your job duties as the VP of accounting
7 administration?
8 A I -- for accounting, I am responsible for reviewing the
9 accounting for various Centerline Logistics operating
10 companies. I am also -- human resources reports to me, the
11 human resources manager. I am responsible for reviewing and
12 creating and implementing employment policies where necessary.
13 JUDGE SANDRON: Do -- do any other managers report to you
14 other than HR?
15 THE WITNESS: Yes.
16 JUDGE SANDRON: Can you tell us which ones?
17 THE WITNESS: Sure. Jeffrey Mustonen, M-U-S-T-O-N-E-N.
18 He is the Centerline Logistics corporate comptroller. And
19 Bobbie Garneau, and it's B-O-B-B-I-E, G-A-R-N-E-A-U. She is
20 the payroll manager.
21 JUDGE SANDRON: Thank you.
22 Q BY MR. HILGENFELD: And who in HR reports to you?
23 A Sally Halfon, H-A-L-F-O-N.
24 Q And what does the -- what -- what's Mr. Mustonen do as the
25 comptroller? What are his essential responsibilities

1 underneath you?
2 A He has accounts payable, accounts receivable, the staff
3 accountants that report to him. And they are responsible for
4 the day-to-day transactions for the operating companies in --
5 for Centerline Logistics corporation. He closes the month. He
6 reviews the transactions. And every month, he and I review the
7 revenue. We will review some expenses. We will review some
8 transactional accounting. And he's -- he's also responsible
9 for some other things unrelated to transactional accounting,
10 like, you know, employee credit cards, things of that nature.
11 Q And what duties does Ms. Garneau perform as the payroll
12 manager?
13 A Bobbie has a staff of a couple people, and she processes
14 the payroll for the -- all employees for Centerline Logistics.
15 And she also processes -- she's responsible for processing the
16 payroll for the operating companies.
17 Q When you say operating companies, what do you mean?
18 A Do you want me to list the operating companies?
19 Q Sure.
20 A So for operating companies, we have Olympic Tug & Barge,
21 Leo Marine Services, Westoil Marine Services, Westoil Tug
22 Services, Pacific Coast Maritime, Pacific Terminal Services,
23 Harley Marine New York, and Harley Marine Gulf.
24 Q Is Harley Marine Financing considered an operating
25 company?

1 A Not an operating company. They don't operate vessels.
2 Q Ms. Halfon is human resources. What -- what are her
3 responsibilities?
4 A They process -- she has two human resources staff. They
5 process -- they process -- they'll do new hires. They'll do
6 terminations, various reporting that's required for -- for
7 human resources. One of her responsibilities is to -- to
8 create sea time letters. Mariners need their history for sea
9 time. So she will redo their sea time letters when they're
10 requested by them. She -- they input new employees into the
11 system. Anything really generally. Benefits, they'll review
12 some benefits. 401(k) goes through human resources.
13 Q Do --
14 JUDGE SANDRON: Do -- do they have -- do they issue or
15 have any review of, say, job descriptions, you know, for
16 different positions?
17 THE WITNESS: Typically, the job descriptions are supplied
18 by the operating companies for their -- for their specific
19 positions. They -- they will look at them. But typically,
20 they're supplied by the operating companies.
21 Q BY MR. HILGENFELD: Would they supply job descriptions for
22 Centerline employees?
23 A Yes, they would.
24 Q When you talk about benefits, do they -- are all of the
25 operating companies under the same benefit plan as Centerline

1 Logistics?
2 A No. All those operating companies that I listed, there
3 are -- there are quite a few companies that are involved with
4 collective bargaining agreements. Harley Marine New York
5 Harbor, Pacific Coast Maritime is union, Leo Marine Services,
6 Westoil Marine Services, and I think -- I think that's all of
7 them.
8 Q And for those companies, does Ms. Halfon have any
9 responsibility for any benefit issues with those companies?
10 A If they're not part of our benefits, no, then she does
11 not.
12 Q Mr. Parry, who is responsible for the day-to-day
13 supervision for Centerline Logistics accounting department?
14 A For the account department day-to-day, I am.
15 Q And who is responsible for Centerline Logistics
16 administrative -- administrative services department?
17 A I am.
18 Q And then who is responsible for the day-to-day supervision
19 for Centerline Logistics human resources department?
20 A I am.
21 JUDGE SANDRON: And how many employees altogether work for
22 you in your department?
23 THE WITNESS: I have -- I have three managers that report
24 to me.
25 JUDGE SANDRON: Right.

1 THE WITNESS: And then they are all responsible for their
2 staff.
3 JUDGE SANDRON: I see. And -- and how many are under your
4 direct -- in your staff?
5 THE WITNESS: So for accounting, let's see, I have --
6 there's a billing manager that reports to the comptroller and
7 three billing -- I'm sorry, two billing specialists. In
8 accounts payable, the accounts payable manager reports to my
9 comptroller and there are two accounts payable staff. There
10 are two staff accountants that report directly to my
11 comptroller.
12 And there are -- in human resources, there are two human
13 resources specialists that report to Sally Halfon. And in
14 payroll, there are two full-time payroll staff accountants and
15 there is one part-time payroll staff accountant. And that, I
16 believe, is all.
17 JUDGE SANDRON: Okay. So other than the managers, does
18 anybody else have a direct report to you? You know, directly.
19 Not indirect, but direct?
20 THE WITNESS: No. The -- the only three people that
21 report to me are those three managers directly.
22 JUDGE SANDRON: Okay. Thank you.
23 THE WITNESS: You're welcome.
24 Q BY MR. HILGENFELD: Just so the record's clear, Mr. Parry.
25 Regarding the staff that you just identified, who did they work

1 for?
2 A They all are employed by Centerline Logistics.
3 Q Do you supervise anyone from any of the operating
4 companies?
5 A I do not.
6 Q Do your staff, to your knowledge, supervise anyone in any
7 of the operating companies?
8 A They do not.
9 Q Mr. Parry, are you familiar with the term opco?
10 A Yes.
11 Q And how -- what -- what's an opco?
12 A It -- it's a shortened -- it's a shortened term for
13 operating company that has vessels.
14 Q So if I used the term opco, you understand that we're
15 talking about operating companies?
16 A Yes.
17 Q Do you have -- I'll say does your department have any role
18 in supporting the opcos?
19 A Yes. At Centerline, as manager for the securization
20 (sic), is responsible for the customers, vendors, contracts,
21 equipment. And they also provide back of the room support for
22 the opcos' accounting function, human resources, fills IT
23 support. IT does not report to me, but they do provide --
24 Centerline does provide IT support.
25 Q And what's the basis of this support, did you say?

1 A The management agreement for the securization (sic).
2 Q Is there -- is there any payment by the opcos to
3 Centerline for these services through a transactional payment?
4 A Any payments by the opcos --
5 Q I will -- I will reframe the question.
6 A Yeah.
7 Q Do the operating companies -- is there a transactional
8 entry for the expense and services provided by Centerline
9 Logistics to the opcos?
10 A No. There's no transactional accounting for its services
11 that Centerline provides the opcos.
12 Q And what is the basis for the services provided for?
13 A My understanding is that, as part of the securization
14 (sic), Centerline, as the manager for Harley Marine Financing,
15 is required to provide those services to the opcos.
16 Q Mr. Parry, what is Centerline Logistics' business address?
17 A 910 Southwest Spokane Street, Seattle, Washington, 98134.
18 Q And is there another Centerline Logistics company that
19 also has an office at that location?
20 A In Harley Marine headquarters, yes. The building is
21 shared by Centerline Logistics and Olympic Tug & Barge.
22 Q And who -- who is -- who has -- I guess, do you know who
23 owns the property?
24 A The property is owned by, I believe, the (audio
25 interference) who launch.

1 Q And I believe we have that --
2 JUDGE SANDRON: I think we have that spelling, don't we?
3 MR. HILGENFELD: I -- I believe we have that in record.
4 JUDGE SANDRON: Yes.
5 MR. HILGENFELD: It's --
6 Q BY MR. HILGENFELD: Mr. Parry, who has the lease with
7 Centerline Logistics?
8 A So the building's been there since 2015. So the -- the
9 lease was Harley Marine Services, which is formerly known as
10 company of Centerline Logistics.
11 Q So if I say Harley Marine Services, you understand that's
12 the same as Centerline Logistics?
13 A Yeah.
14 Q Does -- what -- describe what pieces of property -- what
15 buildings you have on that property.
16 A There is a four-story headquarters. There is
17 waterfrontage for moorage for the vessels on the Duwamish
18 River, which accesses Puget Sound. There is a pretty large
19 shop. And I would probably say that there are, my guess, about
20 60 parking spaces.
21 Q Does -- is Olympic Tug & Barge allocating expense for the
22 use of parking on that property?
23 A They are. Centerline Logistics pays but the expenses
24 allocated, Olympic Tug & Barge will get a portion of the
25 headquarters, the -- all the moorage space goes to Olympic Tug

1 & Barge, just a portion, and the shop all goes to Olympic Tug &
2 Barge. So yeah, the -- the -- the rent is a portion within the
3 utilities.
4 Q And you -- you mentioned the headquarters, the four-story
5 headquarters. Where are the Olympic Tug & Barge headquarters
6 located?
7 A The first two floors are -- well, the first floor is just
8 common space. The second floor is an unutilized floor. That's
9 really there for expansion. We don't have enough employees to
10 fill that floor. Typically, the third floor is Olympic Tug &
11 Barge employees. And the fourth floor is Centerline Logistics
12 employees.
13 Q And what floor are you on?
14 A I'm on the fourth.
15 Q Does Centerline Logistics utilize the moorage space at
16 all?
17 A No, Centerline doesn't have any vessels.
18 Q Does Centerline utilize the shop space at all?
19 A No.
20 Q Mr. Parry, as far as HR services for Centerline Logistics,
21 who is responsible for establishing employment policies for
22 Centerline Logistics?
23 A I am. I work closely with Sally on that, but ultimately,
24 I'm responsible for that.
25 Q Who is responsible for establishing hiring policies for

1 Centerline Logistics employees?
2 A For Centerline, I am, with human resources.
3 Q Who's ultimately responsible for establishing pay
4 practices for Centerline Logistics employees?
5 A I am.
6 Q And who is responsible for establishing disciplinary
7 policies for Centerline Logistics employees?
8 A I am.
9 Q As it relates to the operating companies, what is HR's
10 role with the operating companies as it relates to employment
11 policies with the operating companies?
12 A So with the operating companies, they're responsible for
13 the -- for their policies. We do provide support if there's a
14 termination or if there is a hiring. We keep the paperwork,
15 you know, sometime in -- in -- and in human resources as well.
16 So you know, (audio interference) letter for -- for hiring
17 and -- and terminations. And we make sure that on a
18 termination packet for any operating employee that, you know,
19 they have their 401(k) information, that they have their
20 benefit imation (sic) -- information, the corporate
21 information. Services like that.
22 JUDGE SANDRON: Do the operating companies run any
23 proposed terminations by your office, you know, to make sure
24 they comply with federal laws?
25 THE WITNESS: Well, so for the -- for union companies, I

1 don't -- we never see the terminations.
2 JUDGE SANDRON: Okay.
3 THE WITNESS: For our operating companies that are
4 nonunion -- I think a good example probably would be Olympic
5 Tug & Barge because they're in our building. You know, Sven --
6 Sven Titland is responsible for hiring and firing for Olympic
7 Tug & Barge. There will be times that Sven Titland will
8 terminate somebody and we won't even know until he asks us to
9 send a terminally -- termination letter. But there's also
10 times that he wants to terminate somebody, but he may need
11 guidance or may need a witness, that he wants to have a third-
12 party witness if he has an interview with somebody.
13 JUDGE SANDRON: Now, does he always have to have --
14 basically, run it by you before the termination is effective?
15 THE WITNESS: No. There are many times he terminates
16 without even telling us.
17 Q BY MR. HILGENFELD: Does Mr. Titland need to run who he
18 hires by Centerline Logistics' HR department?
19 A He does not.
20 Q Does Mr. Titland have the authority to establish his own
21 employment policies for his own employees for Olympic Tug &
22 Barge?
23 A Yes. I will say, actually, on -- on the hiring piece, you
24 know, we'll provide a service in the -- on the hiring piece.
25 We will, say, run a background check for somebody. So if a

1 background come -- comes in as questionable, we give him that
2 information so that he can see what the issues are on the
3 background check and make -- and then he can make a
4 determination.
5 Q Switching back over to Centerline Logistics.
6 A Yeah.
7 Q You mentioned you had the responsibility for establishing
8 policies related to employment, hiring, pay, and disciplinary
9 issues with Centerline Logistics. What is your role?
10 A So if -- if a policy needs to be created, I -- I will work
11 with Sally. There haven't been a lot of policies that we've
12 created in the -- in the last year or so. But we -- I will sit
13 with Sally and we'll -- we'll go through some of the policies.
14 If there is questions that we have of -- that a policy may be
15 effected by state or federal law, where applicable, we'll reach
16 out to legal counsel to make sure that we're following the
17 correct rules.
18 Q I'm going to turn your attention, Mr. Parry, to exhibit --
19 Respondent's Exhibit 159. It should be in the binder that you
20 have.
21 UNIDENTIFIED SPEAKER: Chris, you said 159?
22 JUDGE SANDRON: Yeah, I don't know if it's in the binder.
23 MR. HILGENFELD: Yeah. No, I -- I will -- (audio
24 interference). I don't have copies for everything.
25 Q BY MR. HILGENFELD: Mr. Parry, do you recognize

1 Respondent's Exhibit 159?
2 A Yes, I do.
3 Q What is Exhibit -- Respondent's Exhibit 159?
4 A This is Centerline Logistics' anti-discrimination and
5 harassment policy.
6 Q What -- do you know when this policy was created?
7 A Actually, I do not know when this policy was created.
8 Q Do you know where this policy is kept?
9 A Yes. This is kept on our ADP website. Our ADP -- ADP is
10 our payroll processing site.
11 JUDGE SANDRON: Do you recall approximately when -- when
12 you first saw the document? You say you don't know when it was
13 created, do you recall in your employment at Centerline, about
14 when you first became aware of this?
15 THE WITNESS: Yeah, this would -- yeah, I've seen this in
16 the last four or five years. It may not be this exact one.
17 JUDGE SANDRON: I see.
18 THE WITNESS: It may have -- it may have changed, but I
19 have seen this policy yes.
20 JUDGE SANDRON: Okay, thank you.
21 Q BY MR. HILGENFELD: And Mr. Parry, were you involved in
22 drafting this policy, or the implementation of this policy when
23 it was initially created?
24 A No. I don't think I was on this one.
25 Q And Mr. Parry, what companies does this policy apply to as

1 far --
2 A Just Centerline Logistics affiliated companies. This
3 applies to Centerline Logistics. The -- this one applies to
4 Centerline Logistics.
5 Q Okay. Are -- how does it relate -- are operating
6 companies required to implement this policy?
7 A They are not. They may adopt it if they want to.
8 Q Do you have any knowledges whether the unionized operating
9 companies would -- implemented this policy?
10 A No, the -- the union companies have their own collective
11 bargaining agreement.
12 Q For the operating companies, who would make the decision
13 about whether -- if you know, about whether to implement a
14 specific policy or not.
15 A That would be the manager for the operating company.
16 Q Do you know who that would be for Olympic Tug & Barge?
17 A That would be Sven.
18 Q Do you know who that would be for West Oil Marine
19 Services?
20 A West Oil would -- West Oil Marine Services would be Matt
21 Hathaway.
22 Q Do you know who it would be for Leo Marine Services?
23 A That's Brian Vartan.
24 Q Do you know who it would be for Leo Marine Services in San
25 Francisco?

1 A I believe that would be Bowman Harvey.
2 Q Okay.
3 JUDGE SANDRON: We have that name, right?
4 MR. HILGENFELD: I believe we do.
5 JUDGE SANDRON: Okay. I -- I -- I think Ms. Yasseri is
6 nodding, so we have it.
7 MR. HILGENFELD: I hope so, because I don't know if it's
8 B-O-W or B-O.
9 At this time, we'd move to offer Respondent's 159.
10 JUDGE SANDRON: Any voir dire or objections?
11 MR. RIMBACH: Yes, Your Honor.
12 **VOIR DIRE EXAMINATION**
13 Q BY MR. RIMBACH: Do you know if this policy is currently
14 in effect? The one that you see in front of you?
15 A I believe it is. I can't -- I'm not 100 percent positive,
16 but I'm -- I'm pretty confident that it is.
17 Q Where is this maintained?
18 A It should be on the -- we have a -- we have a third-party
19 payroll processing system called ADP, which services many, many
20 companies in the United States. There -- there's a -- there's
21 a site on there that every employee can log in to review their
22 payroll information, and review -- and look at company
23 policies.
24 Q And what premises does -- does this policy cover?
25 A What premises?

1 Q Yes.
2 A Do you mean as in locations, or do you mean --
3 Q Yes.
4 A Oh, okay. This is Centerline Logistics and it -- any --
5 any opcos that has adopted this, it would cover that also.
6 Q So what specific locations would this cover?
7 A If the opcos adopted it, the -- it -- it would be the --
8 the locations where the opcos are located. Leo Marine Services
9 San Francisco is in San Francisco. Leo Marine Services LA in
10 LA, Leo Marine New York in New York.
11 Q So do you know what other facilities or locations this
12 policy covers?
13 A Off the top -- off the top of my head, no, but the
14 managers for those locations would.
15 Q So this covers the Centerline facility at 910 Southwest
16 Spokane Street?
17 A Yes.
18 Q This also cover's Centerline's facility at the berth in
19 LA? Where Centerline has a building?
20 A If -- if -- are you talking for the opcos? Like, if West
21 Oil Marine Services?
22 Q I'm talking about the building located on Barracuda
23 Street, in the Los Angeles and Long Beach harbors, where
24 there's a Centerline premise.
25 A It would -- it would -- the Centerline Logistics

1 employees.

2 MR. RIMBACH: No objection, Your Honor.

3 JUDGE SANDRON: The document is received.

4 **(Respondent Exhibit Number 159 Received into Evidence)**

5 **RESUMED DIRECT EXAMINATION**

6 Q BY MR. HILGENFELD: I want to turn your attention now to

7 Respondent's Exhibit 160.

8 MR. RIMBACH: 160, okay.

9 MR. HILGENFELD: Okay, yeah.

10 Q BY MR. HILGENFELD: Mr. Parry, do you recognize Exhibit

11 160?

12 A Yes, I do.

13 Q What is Respondent's Exhibit 160?

14 A It's a policy regarding on-duty meal periods for

15 Centerline Logistics employees.

16 Q I see -- does the bottom corner, REV04-13-2020, does that

17 indicate anything to you?

18 A Yes, this is the policy that was -- that was the date that

19 policy was created or revised.

20 Q Was that before or after you had your current role?

21 A April of 2020, that was before I had my current role.

22 Q Okay. And I -- I apologize for going back a little bit.

23 Just so the record's clear, you were -- I believe you testified

24 you were the controller previous to this current role?

25 A Yes.

1 Q In that role -- I don't need full-blown responsibilities,,
2 but what were generally your responsibilities as the
3 controller?
4 A Generally, accounting function. Accounts payable and
5 accounts receivable would report to me.
6 Q Did you have any of your HR or policy responsibilities in
7 that role?
8 A I did not.
9 Q Did you have any role in creating this document?
10 A No, I did not.
11 Q All right. Do you have an understanding of whether this
12 document -- this agreement is currently in effect for
13 Centerline Logistics employees?
14 A Yes.
15 Q Where would this document be obtained?
16 A That should also be on the ADP website.
17 Q Do you have an understanding of what State this on-duty
18 meal period agreement covers?
19 A This -- this one I believe should cover State of
20 Washington.
21 Q And where is -- is this -- where is this agreement
22 maintained if you know?
23 A Where is it maintained?
24 Q Where is it kept?
25 A Oh, it's kept on the website. It -- it -- it's on ADP.

1 It's on Centerline.
2 Q Would that be true for all the policies for Centerline
3 Logistics?
4 A It should be, yes.
5 JUDGE SANDRON: Are any of the policies posted in a
6 traditional bulletin-board type posting?
7 THE WITNESS: There -- for -- required posters are posted
8 in the lobby, for all the locations. The -- the -- I know that
9 there's poster boards In LA, but I'm not sure what they post
10 on -- on their boards. But in Centerline, we -- we would post
11 anything that's required. Down in the -- it's supposed to be
12 in the common area, the --
13 JUDGE SANDRON: I see.
14 THE WITNESS: -- the lunchroom break that -- that would be
15 posted there.
16 JUDGE SANDRON: I see. Like EOC and other --
17 THE WITNESS: Correct, yeah.
18 JUDGE SANDRON: -- federal, state laws.
19 THE WITNESS: Yes.
20 Q BY MR. HILGENFELD: And what -- what company does this
21 policy apply to? What company's employ this?
22 A This one applies to Centerline Logistics.
23 Q Do you know if any opcos have adopted into this policy?
24 A Did they have --
25 JUDGE SANDRON: So is -- is that saying it's with the

1 anti-discrimination?

2 THE WITNESS: Yes.

3 JUDGE SANDRON: Okay.

4 Q BY MR. HILGENFELD: Is this document kept in the ordinary

5 course of business, Mr. Parry?

6 A It is.

7 MR. HILGENFELD: At this point, we would move for

8 Respondent's Exhibit 160 into evidence.

9 JUDGE SANDRON: Mr. Rimbach, any voir dire?

10 MR. RIMBACH: Yes.

11 **VOIR DIRE EXAMINATION**

12 Q BY MR. RIMBACH: You stated that this only applies to

13 Washington State?

14 A I believe it does, yes.

15 Q So this wouldn't apply to any employees in California?

16 A This applies only for the Centerline Logistics in Seattle.

17 Q Are you aware of any union company that has adopted it?

18 Or a union company would not have adopted this?

19 A They -- a union company would not have adopted it.

20 Q Where are the signed copies of this kept?

21 A Any signed copies of policies are forwarded to human

22 resources. And then they would be scanned into the employee's

23 file and kept on -- kept on the server.

24 MR. RIMBACH: No objection, Your Honor.

25 JUDGE SANDRON: Do you know if any of the nonunion

1 operating companies have a similar type of agreement that would
2 be based on the requirements of the state law in which they're
3 located, if you know?
4 THE WITNESS: I believe so. I -- I believe there are some
5 meal period agreements. I'd -- I'd have to look at them, but I
6 believe there are.
7 JUDGE SANDRON: Thank you.
8 The document is received.
9 **(Respondent Exhibit Number 160 Received into Evidence)**
10 MR. HILGENFELD: Mr. Parry, I'm going to turn your
11 attention to 163. That should be in your book.
12 Here you go.
13 JUDGE SANDRON: Oh, thank you.
14 **RESUMED DIRECT EXAMINATION**
15 Q BY MR. HILGENFELD: Mr. Parry, do you recognize Exhibit
16 163?
17 A Yes, I do.
18 Q And what is Respondent's Exhibit 163?
19 A It's just our policy at Centerline Logistics for
20 computers, email, and voicemail policy for employee policy
21 and -- and use thereof.
22 Q Do you understand whether this policy is currently in
23 effect for Centerline Logistics?
24 A Yes, it is.
25 Q And did -- do you know who drafted this policy, Mr. Parry?

1 A I do not know who drafted this policy.
2 Q Is this policy kept in the same manner as the other
3 policies are kept?
4 A Yes, sir.
5 Q Okay. And do you know how long this policy has been in
6 effect?
7 A I do not, but I would say that it's been in effect for a
8 couple of years.
9 Q What employees does this policy cover as far as what
10 companies' employees does this policy cover?
11 A This one is for Centerline Logistics.
12 Q Do you have an understanding of whether any opcos have
13 adopted this policy?
14 A They may have. However, I -- I do know that the -- the
15 unions probably know, but other opcos probably have adopted
16 that.
17 Q And -- and is this document kept in the ordinary course of
18 business?
19 A Yes.
20 MR. HILGENFELD: At this time, we'd offer Respondent's
21 Exhibit 163.
22 JUDGE SANDRON: Mr. Rimbach?
23 MR. RIMBACH: I just have a couple of voir dire questions,
24 Your Honor.
25 **VOIR DIRE EXAMINATION**

1 Q BY MR. RIMBACH: What physical locations does this policy
2 apply to?
3 A Let's see. Sorry, flipped the page. This physical
4 location for computer's electronic mail, it -- it will apply
5 for Centerline Logistics headquarters in Seattle, and it will
6 apply for any Centerline employees at other locations. And
7 then for -- if any opco adopted this, it would apply also to
8 that -- to the locations for the opcos.
9 Q So you don't know one way or the other whether other
10 operating companies of centerline had adopted this policy or
11 not?
12 A Probably, but I -- I'd have to go back and look, but yes,
13 I -- I would say that they did for some other companies. But I
14 can't say for -- I cannot say for union. But this is a pretty
15 general policy for computers in -- in electronic mail.
16 Q What about at 610 Barracuda Street. All the computers at
17 that facility, would this policy apply to that?
18 A 16 Barracuda Street? Is that -- that -- is that the
19 address for Los Angeles?
20 Q Yes.
21 A If it was adopted by them, yes, it would apply.
22 Q But you don't know one way or the other if --
23 JUDGE SANDRON: Well I think he's -- he's --
24 Q BY MR. RIMBACH: Do you know if that facility has adopted
25 this?

1 JUDGE SANDRON: (Indiscernible, simultaneous speech).
2 A I'm pretty sure they have, but I -- I would have to ask
3 the manager for that. I'm sorry.
4 MR. RIMBACH: (Indiscernible, simultaneous speech).
5 JUDGE SANDRON: One now -- one at a time if that's all
6 right.
7 THE WITNESS: Sorry.
8 MR. RIMBACH: I don't have any further questions, Your
9 Honor. No objections.
10 JUDGE SANDRON: The document is received.
11 **(Respondent Exhibit Number 163 Received into Evidence)**
12 MR. HILGENFELD: Mr. Parry, I'm going to turn your
13 attention to Respondent's Exhibit 164.
14 **RESUMED DIRECT EXAMINATION**
15 Q BY MR. HILGENFELD: Mr. Parry, do you recognize
16 Respondent's 164?
17 A Yes, I do.
18 Q What is Respondent's 164?
19 A It is a -- it's -- it's for the confidential drug and
20 alcohol testing, and it's a consent to submit for drug testing.
21 Q And I see that it has, revised on February 11th, 2020.
22 Was that before your time in your current position?
23 A Yes.
24 Q Did you play any part in drafting this document?
25 A I did not.

1 Q Do you know if this document is still in effect?
2 A I would say that yes it is.
3 Q Do you know who it is in effect for?
4 A It is in effect for Centerline Logistics, for employees
5 that would be -- it would be for employees that would be
6 required for Department of Transportation.
7 Q And does -- do you have an understanding of whether the US
8 Coast Guard has drug and alcohol testing requirements in the
9 Maritime industry?
10 A Yes. Different from the Department of Transportation.
11 The Coast Guard has more.
12 Q And Mr. Parry, do you know if this document -- this policy
13 is still in effect?
14 A Yes, it is still in effect.
15 Q It would just be kept in the same course as the other
16 policies?
17 A Yes.
18 Q For -- is there -- is there a pre-employment drug or al --
19 alcohol testing requirement for employment at Centerline
20 Logistics?
21 A Yes, there is.
22 Q Do you have an understanding of whether this would be
23 included in the pre-hire packet?
24 A For -- yes, it would be. Though you have to sign a
25 release in order to do the drug test.

1 Q Do you -- you know if the maritime operating companies
2 have requirements -- they're required to, under the US Coast
3 Guard, for drug and alcohol testing?
4 A Yes. Yeah, the -- it's not only for pre-employment,
5 though.
6 Q Would there be random testing as well?
7 A There's random testing, and then there's incident testing.
8 JUDGE SANDRON: So are all Centerline employees required
9 by the DOT to, by nature of the business, to sign this, or --
10 or does it just apply to certain employees?
11 THE WITNESS: It -- it would only -- I think that only
12 applies to people that are under the DOT. There's a non-DOT
13 drug and alcohol --
14 JUDGE SANDRON: I see.
15 THE WITNESS: -- release also. So if there are none
16 Department of transportation related, then they sign that one.
17 JUDGE SANDRON: So which employees of Centerline would
18 sign this particular form?
19 THE WITNESS: That would be employees that would be
20 subject to DOT. And I would -- I would defer to my human
21 resources for any positions that would -- that would require
22 the DOT. Frankly, they're mostly non-DOT for Centerline
23 Logistics, and they use the other form.
24 JUDGE SANDRON: I see.
25 Q BY MR. HILGENFELD: Do you know if any operating companies

1 have opted in for drug and alcohol testing?
2 JUDGE SANDRON: For this one, or the --
3 MR. HILGENFELD: For this po -- for this policy.
4 JUDGE SANDRON: Okay.
5 A I'm pretty sure yes. I would have to -- I would have to
6 talk to those managers.
7 JUDGE SANDRON: So would employees of -- some of the
8 employees at least, of the operating companies, sign this form,
9 or would they sign the Coast Guard, or both?
10 THE WITNESS: If they -- so if they -- if they adopted
11 that policy, yes they would. If they're mariners at the -- at
12 the other companies, they -- they have to -- they have to take
13 a drug and alcohol test. If it's subject -- there's US Coast
14 Guard, and there's US -- there's Department of Transportation.
15 JUDGE SANDRON: Oh, I see. So but an employee would only
16 have to sign one of these releases?
17 THE WITNESS: Yes.
18 Q BY MR. HILGENFELD: Is this document and policy kept in
19 the ordinary course of business, Mr. Parry?
20 A Yes, it is.
21 MR. HILGENFELD: At this point we'd move for Respondent's
22 164.
23 JUDGE SANDRON: Mr. Rimbach, any voir dire?
24 **VOIR DIRE EXAMINATION**
25 Q BY MR. RIMBACH: You don't know whether this policy is

1 actually in effect for any Centerline employees in Seattle, do
2 you?
3 A I do not know if -- if it's in effect. But I could look
4 it up.
5 Q I'm going to object as to relevance, because he doesn't
6 even know if this policy is in effect currently with anyone.
7 JUDGE SANDRON: Mr. Hilgenfeld?
8 MR. HILGENFELD: Well I think the question is, when you
9 say anyone, do you know if this policy is in effect for
10 Centerline Logistics as a company?
11 THE WITNESS: It is.
12 MR. HILGENFELD: I believe the question is, he didn't know
13 who signed the document, which it -- that's not what this
14 document is being offered. It's that this is a Centerline
15 Logistics policy that is in effect, which Mr. Parry's testified
16 to.
17 JUDGE SANDRON: Mr. Rimbach?
18 Q BY MR. RIMBACH: Do you -- are you aware of specific
19 employees that this policy applies to?
20 A It would apply to employees that would be obligated under
21 Department of Transportation for Centerline. I don't know off
22 the top of my head who would be, but there is a non-DOT form
23 also. And most of them are non-DOT. But I -- I'm not sure
24 who -- who would be under the DOT piece.
25 MR. RIMBACH: I'm going to object again. This witness

1 does not know whether employees have signed this or not at
2 Centerline.
3 THE WITNESS: There's a lot of employees there.
4 MR. HILGENFELD: It's a po -- it's an active policy,
5 that's all that's important. It doesn't have to be signed by a
6 specific person. It's an active policy for DOT employees.
7 MR. RIMBACH: It's not clear whether it's in effect at all
8 for anyone.
9 MR. HILGENFELD: Well it is. Mr. Parry's testified it's
10 in effect. He just testified he can't tell you who signed it.
11 MR. RIMBACH: So it wouldn't have applied to anyone?
12 MR. HILGENFELD: Well, it would apply to DOT employees.
13 He's just not sure who they are.
14 JUDGE SANDRON: Well let me -- let me ask him this. Could
15 you say that there are Centerline employees who have signed
16 this document at some point?
17 THE WITNESS: Definitively, I -- I can't, but it -- it --
18 it is in effect. I don't know, there's -- there's a lot of
19 employees there. I don't know who would be subjected to the
20 DOT form or the nonDepartment of Transportation form for this
21 particular (indiscernible, simultaneous speech).
22 JUDGE SANDRON: I see.
23 All right, well I think as Mr. Hilgenfeld stated, if it is
24 a policy, whether or not it's actually being applied to any
25 employees, we don't know that. But it is a policy that's in

1 effect, so I'll accept the document. Respondent's Exhibit 164
2 is received.
3 **(Respondent Exhibit Number 164 Received into Evidence)**
4 MR. HILGENFELD: Mr. Parry, I'm going to turn your
5 attention to Respondent's Exhibit 165. Oh, I'm so sorry.
6 THE WITNESS: Is it 165?
7 MR. HILGENFELD: Correct.
8 THE WITNESS: Yes?
9 **RESUMED DIRECT EXAMINATION**
10 Q BY MR. HILGENFELD: Mr. Parry, do you recognize
11 Respondent's Exhibit 165?
12 A Yes.
13 Q And what is Respondent's 165?
14 A This is the nonDOT version of the past form.
15 Q Did you -- did you play a part in drafting this policy?
16 A This one, no, I did not.
17 Q Do you know who drafted it?
18 A It was drafted by -- do I know -- I don't. But it was
19 drafted in 2020.
20 Q And just for the completeness of record, who was
21 responsible for human resources for Centerline Logistics, prior
22 to you taking the position?
23 A Sharon Cunningham.
24 Q Is Ms. Cunningham still with the company?
25 A No, she's not.

1 JUDGE SANDRON: Is -- is her name spelled the way it
2 sounds?
3 THE WITNESS: Oh, I'm sorry, yes, it is.
4 JUDGE SANDRON: Okay.
5 Q BY MR. HILGENFELD: Do you have an understanding of
6 whether this policy is currently in effect?
7 A Yes. Every -- yes. Every employee that's not DOT signs
8 these. This is the more common version because it's not DOT.
9 Q And where is this document kept?
10 A This is kept -- this is kept with human resources on
11 the -- this should be on the ADP website. Every -- it's part
12 of everybody -- every -- it's also part of every employee's
13 record. It's kept on the server, too.
14 Q And Mr. Parry, is this -- would this also, as you
15 testified previously, be consistent with the same DOT pre-hire
16 requirements for this?
17 A Yes, it's a pre-hire requirement.
18 Q What employees does this policy cover?
19 A Centerline Logistics employees.
20 Q Do you know if any operating companies have opted in for
21 this policy?
22 A The -- the unions definitely -- no, they have their --
23 their -- they have their own policies. For other opcos,
24 probably, they did. 100 percent. I'd -- I'd have to go and --
25 and look but highly probable.

1 Q Is this document kept in the ordinary course of business?
2 A It is.
3 MR. HILGENFELD: At this time, we'd move for Respondent's
4 Exhibit 165.
5 MR. RIMBACH: I have no --
6 JUDGE SANDRON: Do all Centerline employees have to sign
7 one or the other?
8 THE WITNESS: It should be one or the other.
9 JUDGE SANDRON: And you mentioned a -- a third -- is there
10 a third form for -- you said -- overtime? Is that a different
11 drug and alcohol testing requirement?
12 THE WITNESS: Yeah -- well, there -- there are consents
13 for those. So any crewmember that gets hired has to go through
14 a physical process, and as part of that physical process, they
15 have to go through also a required drug --
16 JUDGE SANDRON: I see.
17 THE WITNESS: -- and alcohol testing.
18 JUDGE SANDRON: So that's mandated by law?
19 THE WITNESS: Yeah. And they -- yes. Then if there's any
20 incidents on a vessel, they also have to get drug tested, too,
21 if there's a major incident.
22 JUDGE SANDRON: So that -- so that's not a Centerline
23 policy, it's a federal --
24 THE WITNESS: Yeah.
25 JUDGE SANDRON: -- policy? I understand you have no

1 objections?

2 MR. RIMBACH: No, Your Honor. Thank you.

3 JUDGE SANDRON: Okay. The document is received.

4 **(Respondent Exhibit Number 165 Received into Evidence)**

5 Q BY MR. HILGENFELD: Mr. Parry, I'm going to turn your

6 attention to Respondent's Exhibit 170.

7 Mr. Parry, do you recognize Respondent's Exhibit 170?

8 A Yes, I do.

9 Q What is Respondent's Exhibit 170?

10 A There's a fitness center at the Centerline Logistics

11 cooperate headquarters, and this is a policy for the fitness

12 center code of conduct.

13 Q And where are the headquarters' fitness center located?

14 A It's located on the first floor.

15 Q And do you know who drafted this policy?

16 A I do not, but I am pretty confident that this was drafted

17 in about six or seven years ago.

18 Q Do you know if this policy is still in effect for -- is

19 still in effect?

20 A It is.

21 Q Are all -- who does this policy apply to?

22 A It applies to Centerline Logistics employees, but

23 everybody does not have to sign it. They only have to sign it

24 if they want to use the facility.

25 JUDGE SANDRON: If they want to use what?

1 THE WITNESS: It's a fitness center --
2 JUDGE SANDRON: I see.
3 THE WITNESS: -- that we have.
4 JUDGE SANDRON: What about OTB employees?
5 THE WITNESS: OTB can opt in for that, and if -- and if
6 they did, then their employees, if they wanted to use this
7 fitness center, would have to sign this?
8 JUDGE SANDRON: Well, do you know if OTB has --
9 THE WITNESS: I'm pretty confident that they have.
10 JUDGE SANDRON: I see. So their employees would have to
11 sign this as well?
12 THE WITNESS: If they wanted to use the fitness center,
13 yes.
14 Q BY MR. HILGENFELD: And Mr. Parry, is this document kept
15 in the ordinary course of business?
16 A Yes.
17 Q And where is this document maintained?
18 A If -- if they -- if it was signed, it would be in every
19 employee's file.
20 Q And --
21 A If it was signed, it would be in the employee's file that
22 signed.
23 Q And is this document kept in the ordinary course of
24 business?
25 A Yes, it is.

1 MR. HILGENFELD: At this point, we'd move for Respondent's
2 Exhibit 170?
3 JUDGE SANDRON: MR. Rimbach?
4 MR. RIMBACH: No objection.
5 JUDGE SANDRON: Respondent's Exhibit 170 is received.
6 **(Respondent Exhibit Number 170 Received into Evidence)**
7 Q BY MR. HILGENFELD: Mr. Parry, I'm going to turn your
8 attention to Respondent's Exhibit 173.
9 Mr. Parry, do you recognize Respondent's Exhibit 173?
10 A Yes, I do.
11 Q And what is Respondent's Exhibit 173?
12 A It is a Centerline Logistics paid and sick and safe time
13 policy for -- this looks like it's -- this is only for the city
14 of Seattle.
15 Q Is that in the State of Washington.
16 A Yes.
17 Q Who -- were you -- did you play a part in the drafting of
18 this policy?
19 A No, I did not.
20 Q Do you have an understanding where this policy is still in
21 effect?
22 A Yes.
23 Q Do you know what company this policy applies to?
24 A It applies to Centerline Logistics Seattle only. And it
25 could be adopted by Olympic Tug & Barge for their Seattle

1 employees that work in -- that work in Seattle also.
2 Q Do you have an understanding whether Olympic Tug & Barge
3 has opted in?
4 MR. RIMBACH: Objection. I'd just like to object to the
5 characterization of opted in. It's mis -- it's leading.
6 MR. HILGENFELD: What he just said -- they could have
7 opted in. That was his testimony. I'm just asking if he --
8 they did.
9 JUDGE SANDRON: All right. I think that the question is
10 all right in form.
11 Q BY MR. HILGENFELD: Mr. Parry, do you have an
12 understanding of whether Olympic Tug & Barge has opted into
13 this policy?
14 A I -- I'm pretty confident they have.
15 Q Is this policy kept in the same course of business as the
16 other policies?
17 A Yes it is.
18 MR. HILGENFELD: At this time, we'd move for Respondent's
19 173.
20 JUDGE SANDRON: Now, the employees of OTB would also be
21 required to have the same protections under the Seattle
22 ordinance, correct?
23 THE WITNESS: That's correct.
24 JUDGE SANDRON: They'd have to have --
25 THE WITNESS: Yeah.

1 MR. HILGENFELD: Now, one thing the -- it's -- they have
2 the Seattle paid sick and safe time ordinance, and it says what
3 it requires. Now, how much of this form, if you know, is
4 dictated by the ordinance and what portions, if any, are
5 formulated at Centerline's discretion or in terms of setting
6 out the specifics? Is this all basically part of the ordinance
7 to your knowledge?
8 THE WITNESS: I would say that it -- that it is -- that it
9 shows the ordinance itself.
10 JUDGE SANDRON: Oh, I see. It's basically verbatim from
11 the ordinance?
12 THE WITNESS: Yeah. There may be some of our own language
13 in there, but yeah, we have to -- we have to follow the city of
14 Seattle's --
15 JUDGE SANDRON: I see.
16 THE WITNESS: -- vacation.
17 JUDGE SANDRON: Mr. Rimbach?
18 MR. RIMBACH: No objection, Your Honor.
19 JUDGE SANDRON: The document is received.
20 **(Respondent Exhibit Number 173 Received into Evidence)**
21 Q BY MR. HILGENFELD: Would this apply, Mr. Parry, to any
22 companies outside of the state of Washington?
23 A No, no.
24 JUDGE SANDRON: Well, actually, it wouldn't apply to any
25 employees outside of Seattle, correct?

1 THE WITNESS: I don't think it -- well, because our
2 headquarters is in Seattle, it would apply to the employees
3 there.
4 JUDGE SANDRON: But just within the city limits?
5 THE WITNESS: Oh, yes. Yes.
6 MR. HILGENFELD: I think telecommuting makes that
7 difficult this day and age, Your Honor, but --
8 Q BY MR. HILGENFELD: Mr. Parry, does Centerline Logistics
9 have any unionized employees?
10 A Centerline -- no.
11 Q Do you handle, or does any of your staff members handle,
12 to your knowledge, any grievances from West Oil Marine
13 Services?
14 A No. I -- I have never seen a grievance from any union
15 relayed to us at all. It's really handled directly by the
16 Opcos.
17 Q Would that also be true for Leo Marine Services?
18 A Yes.
19 Q Does your department receive complaints for Centerline
20 Logistics employees?
21 A Yes.
22 Q And what types of complaints does Centerline -- does your
23 department handle for Centerline Logistics employees?
24 A If Centerline -- if a -- if an employee has a complaint,
25 they'll either go to their manager, and their manager will come

1 to human resources, or sometimes they go directly to human
2 resources. Let me think of an example of a complaint.
3 MR. RIMBACH: Objection.
4 JUDGE SANDRON: What's the objection?
5 MR. RIMBACH: It's outside the scope of the question.
6 Q BY MR. HILGENFELD: Can you think of any examples where an
7 employee would come and receive a complaint, Mr. Parry?
8 A Yes. There was an employee that complained to human
9 resources that they had to provide a letter because they were
10 out sick for more than three days. So we discussed with the
11 employee the policies. If you're out for more than three days,
12 please provide a doctor's note. That would -- you know, small
13 complaint, but that's -- that's a complaint that is an example
14 that came to human resources.
15 JUDGE SANDRON: Is there any kind of formal system? I
16 know there's no union contract sending out, like, a formal
17 grievance procedure. But are there any -- is there any policy
18 that sets steps for aggrieved employees as far as what they
19 need to do if they have a complaint?
20 THE WITNESS: Typically -- typically what -- we don't get
21 a lot of complaints. But typically what an employee does, if
22 there's a complaint, typically they'll go to their manager
23 first. And if their manager cannot resolve it, they'll come to
24 human resources. There -- there's not a lot of complaints
25 that -- that we get. Most of them are handled, but it does

1 happen.

2 JUDGE SANDRON: And who has the final say at Centerline

3 over determining whether a complaint has merit or should --

4 there should be a change in what was imposed?

5 THE WITNESS: For Centerline, that would be me. For the

6 Opcos it's the managers of the Opcos.

7 JUDGE SANDRON: And when it comes to employees who are

8 union represented, when it comes to terminating or

9 discharging -- but I'm not -- this might have been asked

10 earlier, but does -- do you play any role -- and you may have

11 answered it, I apologize if you did. But do you play any role

12 as far as last, final review of terminations of the operating

13 companies?

14 THE WITNESS: None. Well, if an employee is terminated

15 and they're a union employee, we never see it as Centerline --

16 JUDGE SANDRON: Right.

17 THE WITNESS: -- unless we have to just provide paperwork

18 for -- for a termination package. Which I'm not even sure --

19 my human resources manager would handle that. But we don't

20 handle any union --

21 JUDGE SANDRON: I see.

22 THE WITNESS: -- grievances. I've never even seen one

23 come across an email.

24 JUDGE SANDRON: So you play no role at all in terms of

25 determining whether grievances have merit?

1 THE WITNESS: No. I've never even seen the grievance -- a
2 grievance for Westoil, PCM, New York.
3 Q BY MR. HILGENFELD: Does your department at Centerline
4 Logistics receive complaints from employees that work for
5 operating companies?
6 JUDGE SANDRON: That what?
7 MR. HILGENFELD: That work for operating companies.
8 JUDGE SANDRON: Oh.
9 A Occasionally, an email will come into human resources or
10 maybe a phone call is -- it will come into human resources. So
11 yes, occasionally, there will be other Opcos.
12 Q And what would be the process for handling if it does come
13 in -- a complaint from an employee from an operating company?
14 A Typically, the very first thing that Sally or myself would
15 do, would be to contact that person's manager and discuss with
16 them what the issue is.
17 Q And when you say that person's manager, who would that
18 manager work for?
19 A Who -- if -- what -- if somebody from Leo Marine Services
20 sent an email or complained about something, then we would go
21 to the manager for Leo Marine Services.
22 Q Are you, at Centerline Logistics, responsible for making a
23 decision addressing an operating company employee complaints?
24 A No, I am not, but guidance is sometimes provided. But no,
25 we do not make that decision.

1 Q Would that also -- how about for HR members of your staff?
2 Would they have any responsibility for making a decision
3 addressing an Opco employee's complaint?
4 A No.
5 Q Do you have any responsibility for establishing employment
6 policy, practices, or procedures for Westoil Marine Services?
7 A No, I do not.
8 Q Does anyone in your department?
9 A No.
10 Q Same question regarding Leo Marine Services.
11 A No.
12 Q Anyone in your department?
13 A No.
14 MR. HILGENFELD: Your Honor, I just got a notice that
15 maybe it'd be a good time for break. I think our witness needs
16 a break --
17 JUDGE SANDRON: That's fine.
18 MR. HILGENFELD: -- to go to the -- run to the restroom.
19 THE WITNESS: I need to use the restroom.
20 JUDGE SANDRON: That's all right. We'll take ten minutes.
21 Off the record.
22 (Off the record at 10:19 a.m.)
23 JUDGE SANDRON: Back on the record.
24 Q BY MR. HILGENFELD: Mr. Parry, I don't quite remember
25 where we left off, so I apologize if rehash --

1 A Okay.
2 Q -- ground. Do you have any responsibilities for any
3 hiring, firing, or disciplinary policies, practices, or
4 procedures for West Oil Marine Services?
5 A No.
6 Q Does anyone in department?
7 A No.
8 Q Do you have any responsibilities for establishing hiring
9 policy, practices, and procedures for Leo Marine?
10 A No.
11 Q Does anyone in your department?
12 A No.
13 Q Do you have any responsibilities for establishing hiring,
14 discipline, firing policies, practices, or procedures for
15 Olympic Tug & Barge?
16 A No.
17 Q Does anyone in your department?
18 A No.
19 Q Do you have any responsibilities for establishing wage
20 policies, practices, or procedures for West Oil Marine
21 Services?
22 A No.
23 Q Does anyone in your department?
24 A No.
25 Q Do I -- should I -- do I need to speak up?

1 A No, no, no. I -- I was looking up at the air
2 conditioning.
3 JUDGE SANDRON: It's right over you. I guess you can move
4 your chair a little bit if you --
5 THE WITNESS: It's okay. I've got my sweater. I'll move
6 around at lunch.
7 Q BY MR. HILGENFELD: Do you have any responsibilities for
8 establishing wage policies, practices, or procedures for anyone
9 at OTB?
10 A No.
11 Q Does anyone in your department?
12 A No.
13 Q Do you have any responsibilities for establishing wage
14 policies, practices, or procedures for Leo Marine?
15 A No.
16 Q Does anyone in your department?
17 A No.
18 Q Do you have any responsibilities for establishing
19 disciplinary policies, practices, or procedures for West Oil
20 Marine Services?
21 A No.
22 Q Does anyone in your department?
23 A No.
24 Q Do you have any responsibility for establishing
25 disciplinary policies, practices, or procedures for anyone at

1 OTB?
2 A No.
3 Q Does anyone in your department?
4 A No.
5 Q Do you have any responsibility for establishing
6 disciplinary policies, practices, or procedures for Leo Marine?
7 A No.
8 Q Does anyone in your department?
9 A No.
10 Q Regarding the same questions, do you have any
11 responsibilities for establishing any policies, practices, or
12 procedures for Harley Marine Financing?
13 A No.
14 Q Do you have an understanding of whether Harley Marine
15 Financing has any employees?
16 A No, there are no employees for Harley Marine Financing.
17 Q Does anyone at Centerline Logistics preform services for
18 Harley Marine Financing?
19 A Yes.
20 Q And under -- please describe.
21 A For Harley Marine Financing -- Harley Marine Financing is
22 a securitization entity and under the securitization,
23 Centerline Logistics is designated as the manager for the
24 securitization. So we do provide Centerline -- Centerline
25 Logistics manages the contracts, the vendors, the customers,

1 the vessels.
2 Q Do you know approximately when the securitization
3 occurred?
4 A I do. It was in May of 2018.
5 Q Since May of 2018, do you have an understanding of
6 whether -- who owns contracts for services provided by any
7 Centerline-affiliated company?
8 A Harley Marine Financing owns all the vessels and all the
9 contracts since the securitization started.
10 Q Would vessels include both tugs and barges?
11 A Yes.
12 Q Okay. Do you have an understanding of who's responsible
13 for day-to-day supervision for Centerline Logistics' Health,
14 Safety, and Environmental department?
15 A HSE is Bryon -- and that's B-R-Y-O-N, Fletcher.
16 Q Do you know who Mr. Fletcher works for?
17 A He works for Centerline Logistics.
18 Q Do you have an understanding of whether Mr. Fletcher has
19 any day-to-day responsibility for any Opco employees?
20 A No, he does not.
21 Q Do you know who is responsible for the day-to-day
22 supervision for Centerline Logistics' engineering department?
23 A That is Gregg Nelson, N-E-L-S-O-N.
24 Q To your knowledge, does Mr. Nelson have any day-to-day
25 supervision for any Opco companies?

1 A To my knowledge, no.
2 Q Do you have knowledge as to whether Centerline Logistics
3 has its own business identification number?
4 A Yes, in our accounting system.
5 Q Do you have an understanding of whether Harley Marine
6 Financing has its own business identification number?
7 A Yes.
8 MR. RIMBACH: I'm sorry. I just need to object to the
9 form of the question. When he's asked what his understanding
10 is and the response is yes, it's unclear whether he's
11 responding yes he has an understanding, or yes that the entity
12 has a separate tax id number.
13 JUDGE SANDRON: All right.
14 MR. RIMBACH: I just think the form of the question is
15 confusing.
16 JUDGE SANDRON: All right. Maybe Mr. Hilgenfeld, you can
17 clarify that.
18 Q BY MR. HILGENFELD: Does Harley Marine Financing have --
19 have its own business identification knowledge to --
20 identification number?
21 A Yes.
22 Q Do the operating companies have their own business
23 identification numbers?
24 A Yes.
25 Q Does Centerline Logistics maintain its own books and

1 records?
2 A Yes.
3 Q Does Harley Marine Financing maintain its own books and
4 records?
5 A Yes, it does.
6 Q Do the operating companies maintain their own books and
7 records?
8 A Yes.
9 Q How does the accounting department for Centerline
10 Logistics play a role, if they do, in the operating company's
11 maintaining books and records?
12 A The -- Centerline provides backroom support to the
13 securitization, so -- and part of that is administering some
14 services. Centerline Logistics provides accounting services,
15 human resources services, and IT services, which I'm not
16 involved in IT, but they do provide that service.
17 JUDGE SANDRON: Now, the operating companies have their
18 own booking -- bookkeeping records? They maintain their own
19 bookkeeping records?
20 THE WITNESS: So the transactional accounting --
21 JUDGE SANDRON: Right.
22 THE WITNESS: -- is done by Centerline Logistics employees
23 on behalf of the Opco. So through the securitization, we
24 administer.
25 JUDGE SANDRON: I see.

1 THE WITNESS: But -- but they -- all transactions for
2 Westoil Marine Services are kept in their own financials.
3 JUDGE SANDRON: So would they be kept both by Centerline
4 and by the operating company?
5 THE WITNESS: Centerline -- Centerline --
6 JUDGE SANDRON: Right.
7 THE WITNESS: -- keeps the -- the -- all the financial
8 records for the Opco.
9 JUDGE SANDRON: I see.
10 Q BY MR. HILGENFELD: Mr. Parry, do you know who Rachael
11 Haykin is?
12 A Yes. Rachael Haykin is a former employee of Centerline
13 Logistics. I don't remember her title. I believe -- oh, she
14 was -- she had a couple different titles. She worked for HR,
15 but she also worked in -- she was an IT support employee, and
16 then she also worked closely with some reporting for Centerline
17 Logistics.
18 Q Do you have any knowledge as to whether Ms. Haykin was
19 involved in helping with a policy related to OTB's travel --
20 travel pay?
21 A OTB has their own separate policy that they created. And
22 Rachael probably would have helped them because she was working
23 as part of IT, and a lot of the travel is booked through a
24 service provider we called Concur to book flights. So she
25 probably would have been involved with helping them draft that

1 policy. Or giving them information so that they could draft
2 that policy.
3 JUDGE SANDRON: Is that travel -- that -- I guess travel
4 agency for better -- lack of a better word. They handle travel
5 for all the operating companies as well as Centerline?
6 THE WITNESS: Yeah. So any -- so for example, Olympic Tug
7 & Barge as an -- as an Opco, you know, we have crewmembers that
8 we need to fly all -- all over the United States. There -- the
9 travel coordinator will go in for the Opco on behalf of any
10 crewmembers that need to travel and book their travel for them.
11 JUDGE SANDRON: And the travel coordinator is a Centerline
12 employee?
13 THE WITNESS: No, the travel --
14 JUDGE SANDRON: That's the travel agency, basically?
15 THE WITNESS: Oh, yeah. So we -- so our Opcos that
16 travel, like Olympic Tug & Barge --
17 JUDGE SANDRON: Right.
18 THE WITNESS: Harley Marine New York --
19 JUDGE SANDRON: Right.
20 THE WITNESS: -- Olympic Tug & Barge has their own travel
21 coordinator for --
22 JUDGE SANDRON: Oh, I see.
23 THE WITNESS: -- their own crewmembers.
24 JUDGE SANDRON: Oh, each one has their own separate travel
25 coordinator, and it all goes through, basically, the travel

1 agency that Centerline uses?
2 THE WITNESS: Which is Concur. Right. And it's a system
3 that we can go in and book. And it's -- I don't -- all
4 companies don't have a travel coordinator, but the heavily
5 traveled companies do. Olympic Tug & Barge, Harley Marine New
6 York are two of those.
7 JUDGE SANDRON: And for one that doesn't have its own
8 travel coordinator, how do they plan travel or coordinate
9 travel?
10 THE WITNESS: There's no travel in Los Angeles --
11 JUDGE SANDRON: Oh, I see.
12 THE WITNESS: -- so they all show up. They all show up to
13 work.
14 JUDGE SANDRON: I see, so it doesn't apply to them.
15 THE WITNESS: Yeah.
16 Q BY MR. HILGENFELD: Turning your attention, Mr. Parry, to
17 Respondent's 263, which should be a loose document that's in
18 front of you, that I believe is the OTB crew agreement. It was
19 admitted yesterday.
20 A I'm sorry, which number?
21 Q Respondent 263. It's not going to be in the binder --
22 A Oh.
23 Q -- it's going to be in a loose document that was given.
24 JUDGE SANDRON: If you happen to have an extra copy --
25 MR. HILGENFELD: I don't, Your Honor. My extra copies

1 went yesterday.

2 JUDGE SANDRON: Does the GC have it? I have a stack of

3 exhibits that I have to put them in order at a later point.

4 Do you have an extra?

5 THE WITNESS: What -- what number is it, Bryan?

6 MS. YASSERI: Ours has some notations on it.

7 JUDGE SANDRON: Oh.

8 MS. YASSERI: I'd be happy to make an extra copy if

9 counsel has one.

10 JUDGE SANDRON: Well, which one is it?

11 MR. HILGENFELD: I don't have --

12 MS. YASSERI: Oh.

13 MR. HILGENFELD: I gave mine --

14 MS. YASSERI: Oh.

15 MR. HILGENFELD: -- I gave mine away.

16 THE WITNESS: I'm sorry, Chris. What copy?

17 MR. HILGENFELD: It's Respondent's 263. May I -- may I

18 approach and --

19 JUDGE SANDRON: Yes.

20 MR. HILGENFELD: -- maybe I can get a copy.

21 JUDGE SANDRON: Well, I can take a look at it if -- just

22 to see what it is, and then you can give it back to the

23 witness. I don't think we need to have another copy made.

24 I'll just take a look at what it is and then we can return it

25 to the witness.

1 Oh, thank you.
2 The Court Reporter has given me a copy, so --
3 MR. HILGENFELD: Oh, thank you.
4 JUDGE SANDRON: -- we need to find his. This is the crew
5 member agreement.
6 THE WITNESS: Oh. This one right here?
7 MR. HILGENFELD: No, it's --
8 JUDGE SANDRON: Well, do you want to -- this is the Court
9 Reporter's copy.
10 MR. HILGENFELD: Do you mind if we -- I don't have
11 extensive questions on it, Your Honor.
12 JUDGE SANDRON: That's fine. As long as she gets it back.
13 MR. HILGENFELD: Certainly.
14 JUDGE SANDRON: And I've seen it, so I know the document
15 to which you're referring.
16 Q BY MR. HILGENFELD: Mr. Parry, turning your attention to
17 Respondent's 263 that's been admitted into evidence, is this
18 the crewmember agreement that you're talking about?
19 JUDGE SANDRON: If you recognize it.
20 THE WITNESS: I do -- no. No, I do recognize it.
21 A Yeah. This is. I do recognize this, Chris.
22 Q Do you have -- do you have knowledge as to whether -- I
23 guess, would this apply to any Centerline Logistics employees?
24 A This particular policy is specifically for Olympic Tug &
25 Barge.

1 Q Do you have knowledge of whether any other operating
2 companies utilize this policy?
3 A They do not.
4 Q Are you aware of any other Opco-specific policies that the
5 Opcos decided to implement?
6 A Any other Opco specific?
7 Q Correct.
8 A Yes. I do -- Sven drafted in -- Sven Titland, Olympic Tug
9 & Barge manager. Sven has salaried employees that work in
10 dispatch, and because there has been -- because it's been very
11 difficult to hire and retain some employees in the current work
12 environment that we've had, Sven needed to -- his salary
13 dispatchers, he did not have enough salary dispatchers, so he
14 came to me and he said I need to pay my salaried employees
15 extra compensation if they work extra hours. I need to do this
16 because I need -- I don't have -- I need to have them fill it
17 in. So he sat down, told -- he wrote down exactly what he
18 needed. We went through and we had to determine whether it
19 was -- what the federal guidelines were for salaried employees
20 making extra compensation, consulted our attorneys. Sven --
21 along with Sven, we drafted the policy. Sven reviewed the
22 policy -- reviewed the policy actually with his dispatchers and
23 implemented that policy for Olympic Tug & Barge. So yes,
24 that's an example of one that we've done for a company in the
25 last year.

1 Q Mr. Parry, does Centerline Logistics apply for credit
2 lines with third party vendors?
3 A Yes.
4 Q What is that process for applying for a credit -- for what
5 companies does Centerline Logistics apply for a credit line
6 with third party vendors?
7 A So Centerline Logistics has its own vendors that -- has
8 vendors that they need, and if there is a new vendor that is
9 needed for whatever its service or whatever material we may
10 need, if it's for Centerline Logistics, a Centerline Logistics
11 purchasing department will put in a request for a new vendor
12 and when a new vendor is established, sometimes they want to
13 check our credit, and they will -- we will apply for a line of
14 credit. If, for example, West -- let's say Leo Marine Services
15 needs a new vendor, then a Leo Marine Services employee will go
16 into the system and request a new vendor that will come to
17 Seattle and as part of the accounting support that is provided
18 to the Opcos, we will verify that the -- that the vendor exists
19 and is legitimate, and we will apply for a credit to that
20 vendor on behalf of the Opco.
21 Q And what's --
22 JUDGE SANDRON: Are you done with the --
23 MR. HILGENFELD: I'm done with that document.
24 JUDGE SANDRON: Okay. Do you want to --
25 MR. HILGENFELD: Oh, yes.

1 JUDGE SANDRON: -- give me that back for the reporter?
2 MR. HILGENFELD: Yes. Yeah, so we don't lose it. I'm
3 sorry.
4 JUDGE SANDRON: Thank you. No, just to make sure she gets
5 it.
6 MR. HILGENFELD: Yup.
7 JUDGE SANDRON: Thank you.
8 MR. HILGENFELD: Thanks. I don't want to -- I don't want
9 to -- I have a hard enough time getting you exhibits as it is,
10 I don't want to start taking some away.
11 Q BY MR. HILGENFELD: Do you have an understanding as to why
12 Centerline Logistics and the Opcos handle third party lines of
13 credit in that manner?
14 A Oh, for -- it's -- so, I mean, any vendor request has to
15 come through us because one, we provide the support, but two,
16 it's the number one area that fraud can occur. Somebody
17 could -- somebody -- anybody could request a new vendor set up.
18 It could be their cousin, and if we don't verify the vendor --
19 we go through a process where we verify the vendor. So
20 primarily, it comes to us because of fraud risk.
21 Q And how -- if an Opco utilizes the service to obtain
22 something from the vendor -- equipment, mechanical support,
23 whatever it is, is the Opco itself individually responsible in
24 any manner for the payment to that vendor?
25 A They're -- the -- the Opco is required to put in a

1 purchase order for the service. If it's a new vendor, they're
2 required for that. The -- the payment for that ultimate
3 service is paid through the Opco, and the Opco's financials
4 reflect that expense. Is that what you were asking, Chris?
5 Q It was.
6 A Okay.
7 Q You answered it much better than I asked it. Mr. Parry,
8 are you familiar with the bank accounts utilized by Centerline
9 and Centerline-affiliated companies in general?
10 A Yes.
11 Q Do you have an understanding of whether Centerline has a
12 bank account?
13 A Yes.
14 JUDGE SANDRON: I think -- again, I think --
15 Q BY MR. HILGENFELD: Does Centerline have --
16 JUDGE SANDRON: Right.
17 Q BY MR. HILGENFELD: -- does Center -- I apologize. Does
18 Centerline have a bank account?
19 A Yes.
20 Q Does -- does that bank account include Harley Marine
21 Financing?
22 A No.
23 Q Does Harley Marine Financing have a separate bank account?
24 A Yes.
25 Q How many bank accounts does Centerline have?

1 A Centerline Logistics has one bank account.
2 Q Do you know how many bank accounts Harley Marine Financing
3 has?
4 A It's three or four. They're securitization related.
5 They're established according to the guidelines in the
6 securitization, so -- yeah. There's three or four.
7 Q I'm going to turn your attention to what was admitted
8 yesterday, Respondent's 257.
9 JUDGE SANDRON: So is that with the -- oh.
10 MR. HILGENFELD: This.
11 JUDGE SANDRON: Yes.
12 Q BY MR. HILGENFELD: Mr. Parry, are you familiar with
13 Respondent's Exhibit 257? This has been admitted into
14 evidence.
15 A Yes.
16 Q How -- I guess, does OTB, or does any Opco under
17 Centerline have a separate bank account?
18 A No.
19 Q In -- how does -- is the OTB responsible for the expense
20 incurred?
21 A OTB is responsible for all the expenses they incur.
22 Q And how is that tracked?
23 A Through -- through daily transactions, and then it's
24 reported monthly.
25 Q Is that process audited?

1 A Yes.
2 Q Who performs the audits?
3 A Moss Adams performs an audit on all Opcos, Centerline
4 Logistics, Centerline Logistics consolidated, and an audit on
5 the securitization. It's a long, lengthy process every year.
6 Q When we talk about the securitization, does Harley Marine
7 Financing have separate audit requirements?
8 A Yes.
9 Q Who performs the audits for Harley Marine Financing, if
10 you know?
11 A All of our audits up through 2022 -- which is the end of
12 our audited financials right now. They're -- we're going
13 through audits right now -- Moss Adams.
14 Q Mr. Parry, I handed you Respondent's Exhibit 157. Do you
15 recognize Exhibit 157?
16 A Yes, I do.
17 Q And before we get to that, you mentioned Moss Adams. Who
18 is Moss Adams?
19 A Moss Adams is an independent third-party auditor.
20 Q What is -- now going back to Respondent's Exhibit 157.
21 What is 1 -- Exhibit 157?
22 A This is check stock for Centerline Logistics company.
23 Q And from a high level point of view, can you walk me
24 through the process of how -- I guess, where -- where does this
25 check draw the money from?

1 A This check draws the money from -- I believe the account
2 number is the last number. But it draws the money from
3 Centerline Logistics' account at US Bank.
4 Q And would that be the same account that the OTB drew it
5 from?
6 A Yes, it is.
7 Q How is that -- walk me through the process. How is the
8 allocation maintained to separate if it's one account?
9 A All right. So the securitization is a -- it's pretty
10 confusing, the securitization. But the gist of it from a high
11 level is Harley Marine Financing owns all the assets and the
12 contracts through the securitization. Centerline is the
13 manager for that securitization. But as part of that agreement
14 that -- that -- with that securitization is a certain amount of
15 money was given to purchase all of the assets and purchase all
16 of the contracts, and every -- every month, moneys that are
17 collected -- if we -- if anything that we build is built out of
18 Harley Marine Financing and paid to Harley Marine Financing,
19 that money that's deposited in there, there are requirements
20 and restrictions that we have on that cash in Harley Marine
21 Financing that a portion of that has to pay the principle and
22 interest for the securitization that we have.
23 Centerline is then allowed to use any money over that
24 amount, and it flows down to the Centerline Logistics account.
25 Now, it's not an easy flow process. Matt Godden is responsible

1 for all of the approvals with all of the securitization
2 entities. There are weekly reports and monthly reports that
3 Matt Godden signs off on. Part of that is unrestricting some
4 of the cash that flows down to us -- what we're allowed to
5 spend. So Centerline Logistics, on a weekly basis, gets a
6 portion of money that they can use that money to Opco's
7 expenses.
8 Q Are all of those transactions monitored through the
9 accounting system, for both the Opco and Centerline Logistics?
10 A Yes.
11 Q Is Centerline Logistics responsible for its own profits
12 and losses?
13 A Yes.
14 Q Are the separate Opcos responsible for their own profits
15 and losses?
16 A Yes.
17 Q Do the profit and loss statements provide a full picture
18 of all of the -- I'll take that back. We'll come back to that
19 at another point.
20 A Okay. That's fine.
21 Q You'd also previously talked about -- I believe you used
22 the term Centerline Consolidated; did I hear that correct?
23 A Yes.
24 Q When you say Centerline Consolidated, what do you mean?
25 A So I'm responsible for the -- reviewing the Opco

1 transactions, their revenue and the expenses that flow through
2 them. There are -- I'm also familiar with Centerline Logistics
3 the comp -- the administrative company. I'm also familiar with
4 the transactions that flow through there. There is
5 securitization transactions that run through there. That is
6 not my responsibility. And there are financials for Harley
7 Marine Financing, the securitization entity, which are all the
8 transactions that -- all of the reporting and responsibly for
9 Harley Marine Financing is Matt Godden. At the end of each
10 year -- and monthly, we can do it -- they're consolidated. So
11 the Opcos -- the -- an income statement can be consolidated
12 with all the Opcos, Centerline Logistics, and any of the
13 securitization entities to form one financial -- one financial
14 statement. And we're audited on it and presented on a
15 consolidated basis, but all of the Opcos and all of those
16 individual companies are audited individually by the auditors
17 throughout our process.
18 Q I'm not sure I offered it or not, but I offer Respondent's
19 157.
20 JUDGE SANDRON: Mr. Rimbach?
21 MR. RIMBACH: I'd just like to object to the extent that
22 it's unclear what this check was for.
23 MR. HILGENFELD: We're not offering for what it's for.
24 We're offering that Centerline Logistics pays on -- based on
25 Centerline -- a check.

1 JUDGE SANDRON: Do you object?
2 MR. RIMBACH: No objection of this with the stipulation
3 that all this shows is that Centerline has a bank account.
4 JUDGE SANDRON: I believe that's the only purpose for
5 which its offered, but Respondent's Exhibit 157 is received.
6 **(Respondent Exhibit Number 157 Received into Evidence)**
7 Q BY MR. HILGENFELD: Do you have an understanding of
8 whether Centerline Logistics has responsibilities for filing
9 federal taxes?
10 A Yes.
11 Q Does Centerline Logistics have a responsibility for filing
12 its own federal taxes?
13 A Yes.
14 JUDGE SANDRON: But again, I hate when you say
15 understanding, remember? Like Mr. Rimbach pointed out, when
16 you -- if you say do you have an understanding, and he says
17 yes --
18 MR. HILGENFELD: I asked a follow up that time, I believe,
19 Your Honor. But I'll ask it again.
20 JUDGE SANDRON: Yeah. I know, it's just a small
21 technicality, but just to make it --
22 MR. HILGENFELD: Very well, Your Honor.
23 JUDGE SANDRON: -- clear.
24 Q BY MR. HILGENFELD: Does Centerline Logistics have a
25 responsibility for filing taxes?

1 A Yes.
2 Q Do the operating companies have responsibilities for
3 filing federal taxes?
4 A Individually, no. But they're filed with Harley Marine --
5 I'm sorry. They're filed with Centerline Logistics
6 Consolidated.
7 Q Do the operating companies have responsibilities to file
8 State Taxes?
9 A There are -- there are -- there are state federal returns,
10 so I would say yes, they are.
11 Q Do -- do the operating companies have responsibility to
12 file payroll taxes for their employees?
13 A Yes. Quarterly.
14 JUDGE SANDRON: And the state and federal income taxes
15 that they file, are they paid as individual entities or as part
16 of the consolidated return by Centerline?
17 THE WITNESS: The federal are paid -- are paid by
18 Centerline. I am unsure on the state piece. I don't -- I
19 don't always -- I'm responsible for a lot the operational
20 accounting. I'm familiar with the tax returns, but I'm not
21 positive how the state are paid.
22 JUDGE SANDRON: All right. That's fine. Whatever you
23 know or don't know.
24 Q BY MR. HILGENFELD: Who handles the tax returns for
25 Centerline Consolidated?

1 A The tax returns are also handled by Moss Adams.
2 Q Mr. Parry, turning your attention to Harley Marine
3 Financing, do you know if Harley Marine Financing has an
4 address?
5 A Harley -- Harley Marine Financing is a PO box.
6 Q I'm going to turn your attention to Respondent's 2 -- or
7 Respondent's 71.
8 JUDGE SANDRON: Is that in the book?
9 MR. HILGENFELD: It should be in the book. And I will see
10 if I have an extra copy.
11 JUDGE SANDRON: It's in my book.
12 THE WITNESS: I'm sorry, Chris. What number is it?
13 MR. HILGENFELD: 71.
14 JUDGE SANDRON: Does the General Counsel have it?
15 MR. RIMBACH: Yes, Your Honor.
16 THE WITNESS: Chris, mine go from 150 to 2 --
17 MR. HILGENFELD: May I approach, Your Honor?
18 JUDGE SANDRON: Yeah. I think that -- right. You've
19 given us more than one book.
20 MR. HILGENFELD: Yeah. There's --
21 THE WITNESS: Oh. Oh, gotcha.
22 MR. HILGENFELD: -- multiple, multiple, multiple books.
23 THE WITNESS: Here we go. Sorry. 71?
24 MR. HILGENFELD: Respondent's 71.
25 THE WITNESS: Thank you. Okay, I'm here. Sorry.

1 MR. HILGENFELD: Is everybody there?
2 JUDGE SANDRON: Yes.
3 Q BY MR. HILGENFELD: Okay. Respondent's Exhibit 71 has
4 been admitted into evidence. Mr. Parry, do you recognize
5 Respondent's Exhibit 71?
6 A Yes, I do.
7 Q What is Respondent's Exhibit 71?
8 A This is basically -- it's a -- it's a remittance letter
9 for our customers so that they know where to send their money
10 for payment.
11 Q And it has listed a PO box under Harley Marine Financing.
12 Is -- do you have knowledge as to -- is that the PO box that
13 you were referencing?
14 A Oh, two -- yes, it is.
15 Q Do any other Centerline affiliated companies have used
16 that PO box, other than Harley Marine Financing?
17 A No. That's specific to Harley Marine Financing.
18 Q Are you aware if Harley Marine Financing has any other
19 addresses other than this PO box?
20 A No. The -- the PO box is the registered address for
21 Harley Marine Financing.
22 Q Mr. Parry, are you familiar with a lockbox?
23 A Yes.
24 Q What is a lockbox?
25 A A locks -- a lockbox is set up by the bank at a post -- at

1 the US Post Office. It's a secure box that's monitored by US
2 Bank. We have some customers that don't want to pay by wire
3 transfer or ACH, so if they prefer to pay by check, they can
4 send it to the lockbox, and the bank will process that for
5 deposit for us.
6 Q Do any other companies aside from Harley Marine Financing
7 utilize that lockbox?
8 A No.
9 JUDGE SANDRON: So the bank information in Respondent's
10 Exhibit 157 is the same banking information as in Respondent's
11 Exhibit 71? Is it the same?
12 THE WITNESS: Oh, in 157 that was on the check?
13 JUDGE SANDRON: Yes. The same -- is that the same --
14 THE WITNESS: Let's see.
15 JUDGE SANDRON: -- same bank information -- US Bank on 157
16 and then there is the US Bank in Exhibit -- Respondent's
17 Exhibit 71. Is that the same institution?
18 THE WITNESS: It's the same institution. These numbers
19 are redacted here, but this is for Harley Marine Financing. I
20 believe Chris's example was a --
21 JUDGE SANDRON: Oh.
22 THE WITNESS: -- Centerline Logistics check.
23 JUDGE SANDRON: Oh, I see. Okay. Thank you.
24 THE WITNESS: But this is the first account in the
25 securitization that is paid by customers.

1 JUDGE SANDRON: I see. So they're separate accounts at
2 the same bank.
3 THE WITNESS: Correct.
4 Q BY MR. HILGENFELD: Mr. Parry, this has Nancy Xiong Moua.
5 Do you know Ms. Moua?
6 A I do.
7 Q Who is Ms. Moua?
8 A She is the accounts receivable manager.
9 Q What entity does Ms. Moua work for?
10 A She works for Centerline Logistics corporation.
11 Q Has she ever worked for Harley Marine Financing to your
12 knowledge?
13 A Never.
14 Q What is her responsibility for Centerline Logistics?
15 A She works in accounting, so she provides support to the
16 Opcos and Harley Marine Financing as a number of other
17 accounting functions too.
18 Q Does she have any authority or responsibility regarding
19 contract negotiations themselves?
20 A Contract negotiations?
21 Q Correct.
22 A No.
23 JUDGE SANDRON: You mean contracts with the vendors or
24 collective bartering agreements?
25 MR. HILGENFELD: I'll reframe, Your Honor.

1 Q BY MR. HILGENFELD: Does she -- does she have any
2 responsibility for negotiating any contracts for customers
3 between HMF and anyone else?
4 A No, she does not.
5 Q Does she have any authority or responsibility for
6 negotiating any contracts for any operating companies?
7 A She does not.
8 Q Does she have any authority or responsibility for
9 negotiating any contracts for Centerline Logistics?
10 A She does not.
11 Q Has Harley Marine Financing ever had 910 SW Spokane as its
12 address?
13 A Harley Marine Financing?
14 Q Correct.
15 A No. Their registered address for Harley Marine Financing
16 is the PO box. If -- if it is -- if there is an address that
17 shows 910, that would be a clerical error.
18 Q I'm going to your attention to GC Exhibit 98.
19 JUDGE SANDRON: Do we have a copy of that? I think
20 it's --
21 THE WITNESS: Would that be on my desk, Chris?
22 MR. HILGENFELD: I think it is, but I'm not entirely sure.
23 JUDGE SANDRON: You don't have a copy around?
24 THE WITNESS: 96? 98.
25 Q BY MR. HILGENFELD: GC-98 is a form submitted for Harley

1 Marine Financing and it has listed an address of 910 SW Spokane
2 Street. Is this accurate?
3 A Based on my knowledge, no.
4 JUDGE SANDRON: Do you know if there was ever a correction
5 that was filed? You know, if it was inaccurate, do you know if
6 there was ever a -- you know, corrected annual report submitted
7 to correct the address?
8 THE WITNESS: No. And there -- but there -- I don't know
9 if there has been, but there should be. Part of the problem is
10 that a lot of people at Centerline will use the --
11 JUDGE SANDRON: All right. Why don't you wait --
12 THE WITNESS: -- headquarters address.
13 JUDGE SANDRON: Right. I think you need to wait for a
14 question. And counsel can --
15 THE WITNESS: Sorry.
16 JUDGE SANDRON: -- ask you.
17 Q BY MR. HILGENFELD: Mr. Parry, are you -- do you have
18 responsibility for, in your accounting functions, relay its
19 invoices that get submitted on behalf of Harley Marine
20 Financing?
21 A The accounting department is responsible for that.
22 Q For Centerline Logistics?
23 A The accounting department for Centerline Logistics is
24 responsible for issuing invoices for the Opcos.
25 Q And do -- Mr. Parry, I'm going to walk you through a few

1 different documents here.

2 JUDGE SANDRON: Are these -- are these new documents?

3 MR. HILGENFELD: Some of them will be. Some of them are

4 not, Your Honor.

5 JUDGE SANDRON: All right. Maybe if you have them -- them

6 together it might be easier just to --

7 MR. HILGENFELD: The first few are GC exhibits that I

8 don't have extra copies for. GC-227 and GC-228.

9 JUDGE SANDRON: I can't find them.

10 MR. HILGENFELD: And GC-229 as well.

11 JUDGE SANDRON: I'll take a moment to locate them.

12 THE WITNESS: Chris, I'm sorry. I don't have 227 or 228.

13 MR. HILGENFELD: I -- I will -- do you have extras? Okay.

14 I have redacted ones as well I can give them. Your Honor, I

15 have a redacted version of this. And for my purposes, I think

16 it's fine.

17 JUDGE SANDRON: Let's see. Do you -- do you have a --

18 does General Counsel have the documents available? I --

19 (Counsel confer)

20 MR. HILGENFELD: Do you mind if I show him --

21 MR. RIMBACH: Can we keep these, Chris?

22 MR. HILGENFELD: Yeah.

23 JUDGE SANDRON: (Indiscernible, simultaneous speech).

24 (Counsel confer)

25 UNIDENTIFIED SPEAKER: Ms. Yasseri's going to give you a

1 copy.

2 JUDGE SANDRON: Oh, you have copies? Okay.

3 THE COURT REPORTER: Your Honor, I -- we have extra copies

4 of 227 but not 228 or 229. Do you have these available make

5 copies? Here's 227.

6 JUDGE SANDRON: All right. All right. I think the court

7 reporter's --

8 UNIDENTIFIED SPEAKER: Okay.

9 JUDGE SANDRON: -- going to lend me hers.

10 UNIDENTIFIED SPEAKER: Okay.

11 JUDGE SANDRON: Just make sure she gets them back. Let's

12 go off the record. Off the record.

13 (Off the record at 11:23 a.m.)

14 JUDGE SANDRON: Back on the record. Everybody has copies

15 of General Counsel's Exhibits 227, 228, and 229.

16 **RESUMED DIRECT EXAMINATION**

17 Q BY MR. HILGENFELD: Mr. Parry, I'm going to turn your

18 attention first to GC-227 that's been previously admitted. And

19 do you have invoice 35012 in front of you?

20 A Yes.

21 Q What is invoice 35012? Or GC Exhibit 227?

22 A This is a Harley Marine Financing invoice generated to

23 customer Glencore for services provided in Leo Marine Services

24 L.A. This is for a bunker job.

25 MR. HILGENFELD: And just so the record's clear, I feel

1 confident -- I'm not totally sure -- I believe this was entered
2 under the protective order. Just to mark it for -- for the
3 record.
4 Q BY MR. HILGENFELD: Mr. Parry, we'll walk you through.
5 And is this invoice generated from your department?
6 A Yes.
7 Q Up above it has "Manager Address". What is meant by that?
8 A Centerline Logistics is the manager for the
9 securitization --
10 Q Is that --
11 A -- and that is the address for Centerline Logistics.
12 Q And when it has the "Remittant's Address". Who is that?
13 A Harley Marine Financing owns all the equipment in
14 contracts, so therefore that is the securitization entity where
15 the payment gets remitted to.
16 Q Does Harley Marine Financing have the contract with
17 Glencore?
18 A Yes.
19 Q Invoice number 35012 in the top right-hand corner. How is
20 that number generated, and what does that indicate?
21 A The invoice number or --
22 Q Yes.
23 A Yeah. The invoice number is generated by the accounting
24 system.
25 Q And what is the job number?

1 A The job number correlates to the dispatching schedule for
2 the Leo Marine Services L.A. The dispatchers at Leo Marine are
3 required to put their job number in.
4 Q Okay. And in this case, will this job number be found --
5 I guess, where would this job number be found when the Leo
6 Marine people are inputting -- where do they input that
7 information?
8 A They input it into -- it's -- it's called two names by
9 people. It's either called the web schedule or the dispatching
10 schedule.
11 Q And is this 100015 -- would that be the job number
12 associated with this invoice?
13 A Yes. And you can you tell. It says "Leo L.A.", so it was
14 generated out of the Leo L.A. company.
15 Q The invoice date is -- what does that indicate?
16 A That indicates the date the invoice was generated.
17 Q "Customer POs"; is that purchase order?
18 A There are some customers that require voyage numbers for
19 their -- for their -- when they put an order into the web
20 schedule, so this would be a voyage and number that would be
21 associated with this job.
22 Q And then "Barge Bernie Briere"; what does that indicate?
23 A That is the barge that performed the bunker.
24 Q If you go down to "Operated by"; what does that mean?
25 A The operation company is Leo Marine Services. So Leo

1 Marine Services is operating Harley Marine Financing equipment.
2 JUDGE SANDRON: Okay. And -- and that's for Glencore --
3 this was done for Glencore?
4 THE WITNESS: That's -- the customer is Glencore.
5 Q BY MR. HILGENFELD: And when it says "Deliver to M/V";
6 what is "M/V"?
7 A Marine vessel.
8 Q And then do you have an understanding of what the Ruby
9 Princess is?
10 A The Ruby Princess would be the name of the -- the name of
11 the vessel that got the bunker.
12 Q The "EX" and the "TO"; what do those indicate?
13 A Typically, that indicates load and discharge location.
14 Q And do you have an understanding of what "LB 211A" is?
15 A That's Long Beach pier 211A.
16 Q And then how about "L.A. 92"?
17 A And that would be L.A. 92 -- dock 92. But Chris, I'm not
18 posi -- just so you know, I'm not positive on that because I'm
19 looking at the BDR, and it says that a loading terminal was
20 L.A. 93. So the EX may have been a place where they just were
21 waiting. So it looks to me like the load for this particular
22 job occurred different from what is on the invoice. But that's
23 not uncommon.
24 Q And -- and where do you -- where are you referring to, Mr.
25 Parry?

1 A I'm -- I'm referring to the BDR.
2 Q And BDR -- is that starting on page 2?
3 A It's called the Marine Fuel Delivery Receipt, also known
4 as bunker fuel deliver receipt.
5 Q Okay. And you had mentioned the loading or the discharge
6 was different. Is -- is that the port or other delivery
7 location that you're referencing?
8 A The prod -- the product was originally loaded at Long
9 Beach 211A -- oh, actually, so -- I'm sorry. So Long Beach
10 211A is on there. It's L.A. -- looks like on the delivery --
11 this is L.A. 93. Yeah. Sorry. Semantics. I was just
12 reviewing that.
13 Q When does Harley Marine Financing generate an invoice?
14 A For?
15 Q For a customer.
16 A Sure. So services that we perform for customers
17 they're -- they're -- they're all a little bit different but
18 time charters are generated -- I don't know if you guys are
19 familiar -- so time charters are generally monthly invoices.
20 And we require in our contracts that they're paid in -- on the
21 first day of the month for the month that they're -- that they
22 work. So March 1st invoice charter will go out for 30 days at
23 whatever the day rate is, but that invoice is generated on
24 February 15th. So time charters are billed in advance.
25 However, spot moves -- this is a contract of affreightment with

1 Glencore. Spot moves the -- are generally invoiced when --
2 after the job has occurred. And it could be, you know, one to
3 two weeks after, depending -- depending on the timing.
4 Sometime a couple -- some -- sometimes a couple days after.
5 Q And then what differentiates a time charter from a COA?
6 A A time charter contract, you -- is where a customer will
7 take a tug and a barge unit and say I'd like to time charter
8 this for a year or six months. And regardless of what I do
9 with that time charter, I will pay you x amount of number -- of
10 dollars per day on the first day of each month for the contract
11 period.
12 Q What types of petroleum services are generally provided by
13 the Opcos?
14 A You have bunker deliveries. You have terminal deliveries.
15 You could also have -- they -- they -- they can also perform
16 lightering services, delightering services, debunkering
17 services. For the purposes, though, of our income statement,
18 we classify all revenue as ether -- if it's bunker, it's spot
19 bunker. If it's charter, it's time charter. If it's a term --
20 spot terminal move, it's a terminal move. And you could have
21 intercompany revenue on your sheet if the -- if you work for
22 another Opco or you can also -- we also have, I think, terminal
23 service -- terminaling services. But that's for only one odd
24 company that we have that revenue.
25 Q What company is that?

1 A That's PTSI (phonetic throughout) which is not part of the
2 securitization, but it is part of Centerline Consolidated.
3 Q And where is PTSI located?
4 A Portland, Oregon.
5 Q You mentioned bunkering invoices, terminal invoices, and
6 time charting invoices. Do I have that correct? Along with
7 maybe some others?
8 A No, that is correct.
9 Q Does -- does the time chartering necessarily demarcate
10 whether bunkering or terminal transfers or lightering occurred?
11 A No. We classify it as time charter only because
12 they're -- they're paying a day rate. They could provide any
13 service.
14 Q Okay. And walk me through why don't we identify bunkering
15 or terminal or lightering for a time charter?
16 A Well, our classifications for revenue are -- we -- we
17 recognize the time charter as time charter. Every time charter
18 is different. Some of the time charters that we have with
19 customers, you know, will perform both bunkering and terminal
20 work, but we would only classi -- we're getting paid for a time
21 charter regardless of the work we're performing for them. But
22 on a spot job we try to classify it within -- a spot job means
23 a one-off job -- if they want to hire us for one job. It it's
24 a spot job and it's a bunker job we'll put it in bunkering
25 revenue. But if it's a spot job that's terminal jobs we'll put

1 it in terminally.
2 Q Okay.
3 A Does that make sense?
4 Q It does. Thank you, Mr. Parry. It at least makes sense
5 to me. How would -- and you may have said this -- how would
6 the Glencore COA be classified?
7 A The Glencore COA is almost exclusively bunkering.
8 However, some terminal moves for supplying I know are performed
9 under that COA.
10 Q Are they considered spot moves?
11 A They are. They're considered spot moves because they
12 don't know their schedule until -- they don't know their
13 schedule for, you know, a couple days in advance. They'll put
14 an order in to dispatch, but technically, the contract is a
15 contract of affreightment. It just means they can move a
16 certain amount of barrels on a spot basis -- on a job-by-job
17 basis.
18 Q And how -- what's the -- the volume number of invoices
19 that Harley Marine Financing submits for customers in a monthly
20 period?
21 A The -- Glen -- Glencore alone could be 100. There's a lot
22 of -- you know what, my best estimation I would say 300, 400
23 per month insi -- in the -- in -- and -- and that's variable
24 depending on the scope and type of work.
25 Q And if you look at GC-227, GC-228, and GC-229. Are the

1 invoices in substantially the same form as they are in these
2 exhibits?
3 A All the invoices that we generate?
4 Q In the same standard form.
5 A Same standard form.
6 Q Do they all come from Harley Marine Financing?
7 A No.
8 Q Which --
9 A They don't.
10 Q Which ones do not?
11 A Anything related to Pacific Terminal Services in Portland,
12 Oregon should not be a Harley Marine Financing invoice. And
13 there is also a small joint venture company called MGI Marine,
14 LLC that is a subsidiary of Harley Marine Gulf. And there
15 are -- there are invoices that we generate for that. They are
16 not involved in the securitization.
17 Q All the others, though, however, the invoices would come
18 from Harley Marine Financing?
19 A All the other invoices should say Harley Marine Financing.
20 Q And if you look at GC-228. Can you tell what company
21 provided this service?
22 A GC-228. This is a Harley Marine Financing-generated
23 invoice to Glencore operated by Westoil Marine Services.
24 Q So the "Operated by" would have the company that performed
25 the service on behalf of Harley Marine Financing; do I have

1 that correct?
2 A That is correct.
3 MR. HILGENFELD: And this is probably a good breaking
4 point for lunch, Your Honor.
5 JUDGE SANDRON: I think maybe -- I know you've gone
6 through some details on what is contained in these documents.
7 We're kind of going about this in reverse, but does the General
8 Counsel want to ask any questions just about these three
9 documents, you know, to cover that now? Nothing beyond what's
10 on the face of the documents, because that would be for cross,
11 but did you have any questions about what's been asked on --
12 you know, anything on the face of these documents?
13 MR. RIMBACH: Not at this time, Your Honor. These
14 documents have already been admitted, I believe.
15 JUDGE SANDRON: Yes.
16 MR. RIMBACH: So not until cross-examine, Your Honor.
17 JUDGE SANDRON: Well, like I say, do you have any
18 questions, though, about what's on the face of the documents?
19 I mean, I bet -- I think it'd be better just to take care of
20 that now if you do, not -- not anything, you know, other -- his
21 testimony -- other than that on the documents but just what's
22 on -- you know, reflected in the documents. Or do you want --
23 do you prefer to wait?
24 MR. RIMBACH: I can wait until cross-examine, Your Honor.
25 JUDGE SANDRON: All right.

1 MR. RIMBACH: I think my questions are more for cross-
2 examine with respect to these documents.
3 JUDGE SANDRON: Okay.
4 MR. RIMBACH: Other than just what's on the face of them.
5 JUDGE SANDRON: All right. So it's -- it's -- it's 11:50.
6 Should we come back at 12:50? Is that -- or --
7 MR. HILGENFELD: Can we come back at 1, Your Honor?
8 JUDGE SANDRON: Yes.
9 MR. HILGENFELD: 1:00?
10 JUDGE SANDRON: Yes, we'll come back at 1. Okay. Off the
11 record. Have a good lunch hour.
12 MR. RIMBACH: Thank you.
13 MR. HILGENFELD: Thank you, Your Honor.
14 (Off the record at 11:48 a.m.)
15 JUDGE SANDRON: Back on the record.
16 UNIDENTIFIED SPEAKER: Thank you.
17 **RESUMED DIRECT EXAMINATION**
18 Q BY MR. HILGENFELD: Good afternoon, Mr. Parry.
19 A Good afternoon.
20 Q Glad you came back.
21 A Thank you.
22 Q Mr. Parry, I'm going to change gears just a little bit and
23 just talk -- just start talking about financial records for a
24 moment. How -- what is your level of involvement related to
25 the financial records for a securitization entity such as

1 Harley Marine Financing?
2 A It's somewhat limited. Matt Godden is responsible for all
3 the securitization. However, there is accounting that is done
4 by the accounting staff. A lot of that data that is input for
5 Harley Marine Financing is always reviewed by Matt, as I had
6 stated earlier, on weekly and monthly reports for the
7 securitization.
8 Q And are there special -- does anyone in the accounting
9 department handle securitization issues, or is there a limited
10 number who handles it?
11 A We have staff accountants that will apply cash, and so
12 cash is related to the securitization. Capital expenditures
13 for Harley Marine Financing equipment is entered into -- it's
14 entered in through accounts payable, and that is reviewed by
15 the staff accountants for anything related to capital
16 expenditures so that they can determine depreciation expense.
17 And all the depreciation runs through the securitization for
18 all of the assets.
19 Q What is a capital expenditure?
20 A Capital expenditure is if -- generally -- well, no.
21 Specifically, any improvement made to a Harley Marine Financing
22 vessel over $10,000 -- and it can be cumulative. If it goes --
23 if it has to get a dent repaired because another vessel hit it,
24 you know, there may be three or four different venders that fix
25 that particular vessel. If it's over $10,000, then that is

1 capitalized. And typically -- typically, it's capitalized over
2 two-and-a-half years. So that means if it cost -- if it cost
3 $25,000, it's depreciated -- the depreciation expense is taken
4 over two-and-a-half years divided by 12, 24 -- two-and-a-half
5 years -- 12, 24, 30 -- over 30 months.
6 The -- I -- I would like to note, though, that when you
7 have capital expenditures that cash is paid by Harley Marine
8 Financing. And the cash goes right out the door, but the
9 expense only hits over two-and-a-half years. And all the
10 expense goes to Harley Marine Financing. If it's a drydock
11 where you improve the value of the vessel by making
12 improvements to it, that you're extending the life to it, that
13 is depreciated over ten years.
14 Q And with the capital expenditure is the depreciation found
15 on Harley Marine Financing records?
16 A It's only on -- for -- for securitization assets --
17 depreciation expense is only on Harley Marine Financing
18 records. Prior to the securitization it would be on the Opco.
19 Q As related to -- what -- what is debt servicing?
20 A Debt services -- the amount of principal and interest that
21 Harley Marine Financing pays for the -- for the original
22 securitization. So a significant portion of principal and
23 interest is paid by Harley Marine Financing for the
24 securitization.
25 Q Who's responsible for the debt servicing related to

1 securitization for all Centerline consolidated companies?
2 A Harley Marine Financing is.
3 Q Do the Opcos have any debt requirements or debt payments
4 they're responsible for?
5 A That debt was relieved in September -- in May of 2018 with
6 the securitization. All the prior debt was relieved for the
7 Opcos and then all the debt going forward was relieved and that
8 was taken over by Harley Marine Financing.
9 JUDGE SANDRON: In looking at Harley Marine Financing
10 income statement. I will just note for the record, it is
11 Respondent's Exhibit 68(a) through (c). I don't have specific
12 questions, I'm just noting that for the record.
13 JUDGE SANDRON: Okay. So noted.
14 Q BY MR. HILGENFELD: Will Harley Marine Financing -- does
15 it have revenue?
16 A No.
17 Q Okay. And how would you define revenue?
18 A Revenue is -- we receive revenue for services that we
19 perform, and the Opcos perform those services.
20 Q Who receives the revenue for the services performed?
21 A The Opcos.
22 Q What is it -- are you familiar with direct costs,
23 financial statements?
24 A I am.
25 Q What is a direct cost?

1 A Direct costs are costs that are directly related to the
2 revenue. And primarily that is vessel costs, the cost to run
3 the vessels. The number one costs for running the vessels is
4 crew wages.
5 Q Aside from depreciation, which you just talked about, will
6 Harley Marine Financing have any other direct costs in their
7 financial for dri -- for direct costs?
8 A No, because they have no revenue. Indirect costs are
9 related to revenue.
10 Q What -- are you familiar with the general administrative
11 expense reports.
12 A The -- the gen -- the G&A on the trial balance, yes.
13 Q And what is that?
14 A General and administrative is any expenses incurred by the
15 Opco that are not related to crew costs. It could be
16 facilities or administrative staff.
17 Q Is Harley Marine Financing responsible for any
18 professional services that are rendered on behalf of its
19 entity?
20 A Yes. Any -- any professional for -- any professional
21 services related to the securitization will fall on the Harley
22 Marine Financing financials.
23 Q Mr. Parry, turn your attention now to Centerline
24 Logistics. Does Centerline Logistics maintain its own
25 financial records related to revenue and expenses?

1 A It does.
2 Q Does it maintain its own profit loss statements or income
3 statement?
4 A It does.
5 Q Okay.
6 MR. HILGENFELD: And just note for the record, this is
7 Respondent's Exhibits 154(a) through (c).
8 JUDGE SANDRON: Yes.
9 Q BY MR. HILGENFELD: Mr. Parry, will Centerline Logistics
10 have any revenue that it receives?
11 A Centerline Logistics does not operate vessels, so no, it
12 does not.
13 Q And will Centerline Logistics have any direct costs?
14 A No, no, because there's no revenue.
15 Q If there is a minimal direct cost, do you have an
16 explanation for that?
17 A I believe there is a very small direct cost on there, and
18 that was sim -- sometimes things are misquoted and there is a
19 small piece in there that was missed and not reclassed. I'm
20 not even sure how much money it is, but I know it's
21 significantly immaterial.
22 Q Kind of, does Centerline Logistics also maintain a general
23 administrative expense general ledger?
24 A Yes.
25 Q And what are covered within those expenses?

1 A Primarily administrative staff, personnel, and logistics.
2 And I believe all of the -- oh, all the professional fees. All
3 the professional fees for Centerline nonrelated to the
4 securitization run through Centerline Logistics.
5 Q The Centerline Logistics have any responsibility for legal
6 fees related to the Opcos?
7 A It's my understanding they do because of the
8 securitization and the managers agreement.
9 Q Mr. Parry, I -- we're going to try something new here for
10 me, so I hope I don't mess it up.
11 A All right.
12 Q But please bear with me if I do.
13 MR. HILGENFELD: Thomas, my reports. Thank you.
14 Q BY MR. HILGENFELD: Okay. This has been previously
15 admitted as GC Exhibit 255, and it's been identified as a
16 revenue general ledger for Westoil Marine Services for the year
17 2020. Are you familiar with this information?
18 A I am. Could you possibly scroll to the top, please?
19 Q Absolutely.
20 A Yes, that's the transactional detail for Westoil Marine
21 Services revenue for the period January 2020 -- for the -- for
22 the for the year 2020.
23 Q And so, we're going to filter some of these documents.
24 And I have specific questions. I have some exhibits that are
25 based on the filters that we'll be handing out as we go through

1 this. But we're going to keep this up on here.
2 JUDGE SANDRON: Okay. And for the record it's on the
3 screen.
4 MR. HILGENFELD: Thank you, Your Honor.
5 Q BY MR. HILGENFELD: Under the account description for
6 column F I'm going to filter by Aegean charter hires. First
7 off, Mr. Parry, do you have an understanding of what it means
8 on the Aegean charter hire?
9 A I do. You can see there's twelve months there. So the
10 time charter was on charter for twelve months. If you scroll
11 to the right, Chris, please. You can see all of the amounts
12 that are in there and that is the time charter revenue.
13 Q So we will turn this. I'm going to hand you what has been
14 pre-marked as Respondent's Exhibit 330. And Mr. Parry,
15 Respondent's Exhibit 330, first I'm going to -- I have stopped
16 this at reference and if you look for the rest of these
17 columns, there's -- there's nothing in the columns on the
18 Excel. So for purely the ability to be able to see the
19 document, those aren't included in this document and that would
20 be columns Q through W. But as we walk through it, I'd like to
21 walk you through the different pieces in this trial ledger for
22 me to have a better understanding of what I'm looking at.
23 First off, if we look at the top of this document, WMS who is
24 WMS?
25 A Operating company, Westoil Marine Services.

1 Q And if I see a company, OTB, who is OTB?
2 A OTB is Olympic Tug and Barge.
3 Q Who would be H, M, F?
4 A H, M, F as in Frank is Harley Marine Financing.
5 Q Who would be H, M, S is in Sam?
6 A HMS is Centerline Logistics.
7 Q If I see S, M, S, who would SMS be?
8 A SMS is Leo Marine Services.
9 Q If I see M, M, I, who is MMI?
10 A West Oil Services.
11 Q Where they formerly known as Millennium Maritime?
12 A They were.
13 Q Okay. And then you see the start date, the end date.
14 This is from January 1st, 2020 to the end, December 31st, 2020.
15 Is that the start and end date of these ledger transactions?
16 A Yes.
17 Q And account category. We've talked about revenue. So
18 this would be the revenue sheet. Do I understand that,
19 correct?
20 A Yes.
21 Q So I'm going to now turn your attention to the second
22 column, which is column B on the screen. That's TRX date.
23 What's TRX stand for?
24 A TRX Date, that is an abbreviation that is used by our
25 financial software, Great Plains, and its simply transaction

1 date.
2 Q What does transaction date indicate?
3 A It -- that indicates the date that the invoice was.
4 It's -- it's the date of service for that time charter, which
5 is January 1st, 2020.
6 Q And is there a -- is there something unique about time
7 charters? That looks like it's the first of every month.
8 A Right? I -- I believe I had brought that up before. A
9 very high percentage of our longer term time charters are
10 billed in advance. So the transaction date is January 1st.
11 The dollar amount up to the right, just to get a little bit
12 ahead of myself is $325,500. Divide that by thirty-one days in
13 the month and that's the daily rate of the charter hire.
14 Q The third column, account, what does account indicate? Or
15 column C?
16 A The account is what is set up in our financial system, and
17 this is what this account means. Zero six is the Opco company
18 number, 8, 5 --
19 Q In this case, would 06 be Westoil?
20 A I'm sorry. Yes. Westoil Marine Services.
21 Q Okay. And then what's 857?
22 A 857 denotes the barge. So 857 is the Dale Frank Jr.
23 Q Okay.
24 A And the revenue was recorded to the barge.
25 Q Why is the revenue recorded to the barge?

1 A Generally, on time charters we have all of our revenue
2 recorded to the barge. That -- that is our -- our accounting
3 policy. However, if -- there are times that we time charter
4 just a tug for somebody that wants to utilize our tug for
5 however long a period, that time charter would be designated in
6 that case to the tug.
7 Q When you -- I guess, are you barges self-propelled --
8 propelled?
9 A No, they are not.
10 Q If a barge is chartered, what is -- does a tug come with
11 it or how does that work?
12 A Good question. It's so there's quite a few time charters
13 that we have. And I would say it's the majority of the time
14 charters we have is for a tug and a barge together, and they
15 are billed at a set rate in advance on the first day of the
16 month. However, there are some time charters that we have
17 where only the barge is -- the barge is part of the charter
18 hire, and that gets a daily rate.
19 However, any time a tug moves that barge under certain
20 time charter contracts, we only bill for the amount of time
21 that the tug is with the barge. And there's probably a handful
22 of contracts that are like that.
23 Q The third segment, 4120, what does that indicate to you?
24 A So any account with the segment -- an in segment three
25 that begins with the number four is a revenue account.

1 Anything that is 41 series is time charter. Anything that's 42
2 series is bunk -- spot bunker revenue. Anything that's 46
3 series is terminal services time charter. I'm sorry, anything
4 that's 40, 4160, I believe, I'm not positive on that, is
5 terminal time charter.
6 Q So the four would indicate revenue. The next digit,
7 whatever that is, would indicate the type of revenue?
8 A Right. Four is revenue. One is for time charter. Oh,
9 sorry, guys. I want to make sure I have this clear. If it
10 starts with 41, it's time charter. If it's 42, it's spot
11 bunker. If it's 46, it's spot terminal service.
12 Q Okay.
13 A The first two digits.
14 Q And we say spot terminal services would terminal transfer
15 be basically synonymous with that term or does it mean
16 something different?
17 A Basically, it's -- it's terminal services. Sometimes
18 lightering can be involved in that account.
19 Q And the next -- the 2, 0, what does that indicate? So 4,
20 1, so 41 would be a time charter, and what's the 2, 0?
21 A The 2, 0 is designated specifically to this customer.
22 Q And who's the customer?
23 A In this instance, it is Aegean.
24 Q And this is the -- the account description. And it says
25 charter hire; is at the same thing as a time charter?

1 A Yes.
2 Q And account description, who inputs the account
3 description? Or is it already in -- in the program?
4 A So when you have a new vessel, you go into the accounting
5 software and the controller will enter in. If it's an -- if
6 it's a new vessel or if it's -- it's a vessel and a new
7 company, he will designate a vessel ID to each vessel. And if
8 there is a new time charter, he will create segment three to
9 specifically tie to that time charter customer. There are
10 times when we will just use the 4100 account or 4105 account
11 for sometimes shorter term charters just to make sure that we
12 capture that.
13 And we, if it's a six month time charter, we may not give
14 it its own account designation for specific to the customer
15 because we don't know how long it's going to last. And we only
16 have so many numbers we can use.
17 Q Column G for JE number. What's JE number stand for?
18 A JE number stands for journal entry number, and that is a
19 number that is automatically assigned by the financial software
20 for every transaction.
21 Q What is a journal entry?
22 A It -- it -- a journal entry, it -- really, what it just
23 denotes is that somebody put in a -- a sales, a sales journal
24 or a general journal, and that is the number that it's assigned
25 to, to show -- you can look up individual journal entry numbers

1 if you wanted to see that the original transaction. It's a
2 marker.
3 Q And then what? Underneath, if you look at the first one,
4 it looks like that is 1, 0, 2 comma, 5, 4, 5 if I'm reading
5 that correct.
6 A Yeah.
7 Q What does that indicate?
8 A That is the journal entry number.
9 Q Okay. Does every transaction have its own unique journal
10 entry number?
11 A It does.
12 Q What is a nux column? Column H appears to be source
13 document. What's the source document?
14 A A source document is the type of entry. And in this case,
15 this is a general journal, GJ.
16 Q And are there other types of source documents?
17 A There are.
18 Q What are some other types of source documents?
19 A An SJ will be a sales journal. If it begins with P, it'll
20 be a payables journal. Actually, I'm not sure on the P off the
21 top of my head, but we'll see some examples coming up that we
22 have there. We can look at those. But GJ is general journal
23 and it -- when we enter in sales transaction, I know it's in
24 sales journal.
25 Q And then if you go to the next column. Which is column I,

1 original master ID. What is the original master ID?
2 A So any time a customer is set up in our system, we have to
3 create that customer. And let's say it's a -- it's a -- say
4 it's Aegean, it would be a shortened version of Aegean, may --
5 maybe like four letters for the master document. And then
6 the -- and then the original master name would be Aegean.
7 Q Is there a reason that Aegean is not in the original
8 master ID or name?
9 A Yes, there is.
10 Q And why is that?
11 A So I had stated earlier on a lot of our -- on a lot of our
12 billing that we do for time charters that we bill two weeks in
13 advance. So this original invoice for these transaction was
14 probably billed around February 15th. However, we can't
15 recognize that revenue until it's in the charter month that
16 it's booked for. So every month our billing manager goes in
17 for any time charters that were billed and does a journal entry
18 to move it into revenue when we can recognize it on the first
19 day of the month. And that is an example of when we got
20 audited the first time for the securitization that the auditors
21 they review every -- all of our transactions, they take samples
22 out of all of our Opcos. And that's an example where the
23 auditors came in and said, You need to change your process for
24 this because you need to do it this way. They'll always make
25 recommendations to us to make sure that we follow GAAP, and to

1 make sure that we follow the rules of the securitization and
2 accounting.
3 Q When you say GAAP, what do you mean?
4 A Generally applying accounting principles.
5 Q G, A, A, P?
6 A Yes.
7 Q If I go to the next column that appears to be original
8 source. What is original source? And that's column A.
9 A That is also a system generated transaction number.
10 Q And who generates it?
11 A It's auto -- automatically generated by the software.
12 Q And it looks like it has the first on the first one, of
13 January 1st, 2020, Jan space N, X, N, space zero one dash zero
14 six. Does that have any meaning to you?
15 A It does. That is a -- that source document is a label
16 that my billing manager and XM is Nancy Xiong Moua designated
17 that it's her journal entry, and that she is putting it in on
18 the month of January and it looks like she did this reclass
19 around January 6th.
20 Q And again, what's a reclass?
21 A It's when she reclass -- when she originally put the sales
22 journal and she reclassed the revenue to the month that we can
23 recognize the revenue.
24 Q And if you go to the next column in column L, the original
25 treatment source, what is that number?

1 A The original transaction source?
2 Q Transaction, excuse me. Thank you.
3 A Yeah, I'm sorry. That is the -- that is the one that I
4 referred to. That is an automatic -- automatic -- automatic
5 automatically generated system. It's -- it's similar to the
6 journal entry and frankly we use journal entry to look items
7 up. General transaction is just part of the software.
8 Q Is -- is this a column that you would utilize?
9 A No.
10 Q Okay. The next column, a debit. What does debit
11 indicate?
12 A A debit to revenue is a decrease to revenue. A credit to
13 revenue is an increase to revenue. And I can actually point
14 something out to you here. So it's a twelve-month time
15 charter, right? But if you look, there's actually fourteen
16 columns here. There's fourteen lines. So I can tell you what
17 happened. And I -- just by looking at it, I know what
18 happened. She went in and she billed January for 325,000 and
19 she billed February for 304,500. She may have made an error.
20 And then she billed March for 325. She may have done a double
21 entry by accident. So that debit is just canceling out one of
22 the other credits. You cancel those out, you get twelve months
23 worth of time charter.
24 Now, all of them won't be as clean as this. There are
25 times when we have a time charter where the equipment breaks

1 down and we're required by the customer -- we only have a
2 certain amount of time that you will have adjustments to time
3 charter revenue if you have off hire periods. So there's quite
4 often debits to the -- to the time charter. Ideally, the
5 equipment works all the time and you can recognize all the
6 revenue.
7 Q And so in this, if my understanding is correct, that
8 the -- and I -- the March -- there's a double entry in March.
9 The debit double entry would be essentially removing revenue
10 from Westoil Marine Services of 340,000, 304 or 5, $304,500.
11 A Yeah. She caught herself. She saw that there was two
12 entries for 304,000, so she reversed one of them.
13 Q And then --
14 A And so you can see on the reference number it say, Back
15 out journal entry 10287 And if you go over to journal entry
16 number 102 -- oh it's cut off, it's probably 102872. So she
17 reversed that entry.
18 Q Then what does the credit indicate to you?
19 A A credit is -- is an increase to revenue.
20 Q It is -- what does this what does this show regarding
21 revenue allocated to Westoil Marine Services related to June
22 time charter in 2020?
23 A This is Westoil recognizing the revenue for -- for the
24 Aegean time charter.
25 Q Okay. You had mentioned previously if a piece of

1 equipment is no longer available. Well, I think we actually
2 talked about that. We've already talked about that. Going to
3 the next column, reference column P. What does reference
4 indicate?
5 A That is entered in by whomever performs the journal entry,
6 and it is a explanation as to what this journal entry is for.
7 MR. HILGENFELD: At this time, Your Honor, we would move
8 for Respondent's Exhibit 330 under the protective order.
9 JUDGE SANDRON: Voir dire?
10 MR. RIMBACH: Your Honor, I don't have objections to this
11 as long as it's clear that it's simply a selected portion of
12 what's already been admitted as GC Exhibit 255.
13 JUDGE SANDRON: The document is received.
14 **(Respondent Exhibit Number 330 Received into Evidence)**
15 JUDGE SANDRON: Yes, this document will be placed under
16 seal pursuant to the protective order.
17 Q BY MR. HILGENFELD: Next, I have filtered -- removed the
18 filter and adding another filter in the account description for
19 terminal transport for Chemoil for the David Fanning. That has
20 been pre-marked as Respondents Exhibit 331.
21 And so when we're talking about this, and this has account
22 numbers for account 06707-4600 -- 620 and 21 series; is that
23 correct?
24 A Yes, it is.
25 Q And then what does the 4620 Segment 3 indicate? Column E.

1 A So this is Westoil Marine Services' revenue for terminal
2 transport. And the 46 series recognizes it as a spot terminal
3 work.
4 Q And then what does the 20 recognize it as?
5 A The 4621 -- oh, the 4620 is -- is denoted for Chemoil.
6 Q And then going down to March 31st, there is a 4621 series
7 that is a demurrage, what -- what's a demurrage?
8 A So anytime that you do a spot terminal move, there's
9 contracted rates that you are allowed to use for the amount of
10 product that you are moving. So just as a high-level example,
11 if you're moving 2,000 -- if you're moving 20,000 barrels of
12 fuel, and their contracted rate is $2 per barrel, you are
13 allowed to bill $40,000. However, they are also limited in the
14 amount of time that they can deliver that product. So that is
15 designed -- it's a standard that's set.
16 Demurrage just means that if you are allowed 40 hours'
17 worth of total load time and discharge time, that if you exceed
18 40 hours, that you are allowed to bill a customer an hourly
19 rate for anything over those hours. And that is called
20 demurrage. And that protects the operator if there are weather
21 issues or if they go to discharge -- it's not uncommon in Los
22 Angeles, that the docks are -- that the discharge docks are
23 backed up. That if you're ready, and they're not ready,
24 they're on the clock.
25 Q And this is terminal transports for Chemoil. Does Chemoil

1 go by a different name?
2 A Glencore.
3 Q When -- why is it referenced as Chemoil in this column?
4 A The original contract was under Chemoil. Like us, a lot
5 of other companies changed their names, and I'm not sure
6 when -- when Chemoil changed to Glencore. There are times
7 we'll be up on it, and we'll edit what the -- what the
8 descriptive field is. I don't even know if we have, but
9 Chemoil -- Chemoil is related to that Glencore contract.
10 Q Do you have an understanding of whether this -- well, I
11 guess -- whether this -- under what contract Westoil's
12 performing this one for Glencore?
13 A This would be under the Chemoil/Glencore COA.
14 Q It's contract of affreightment?
15 A Yes.
16 Q For?
17 A 2020.
18 Q What area of the world?
19 A This is -- this is Westoil Marine Services, this is the
20 L.A., Long Beach.
21 Q What is -- do you know, what is a David Fanning?
22 A The David Fanning is a 31,000-barrel barge.
23 Q And then I just know that it looks like on the demurrage
24 it says Lovel. I believe it got cut off, but do you have an
25 understanding of who Lovel is?

1 A Yeah. It's -- if you look at the segment number 107 --
2 excuse me, that's Lovel Briere, and the one above it, the
3 description field isn't as long, so it's also Lovel Briere, as
4 you can see from that. And that is a 50,000-barrel barge.
5 Q And then it has the Lily Blair. What size of barge is the
6 Lily Blair?
7 A That -- that is also 31.5.
8 Q And then how about the Anne Elizabeth?
9 A That is also a 31.5.
10 Q Is there anything unique about the journal entry number of
11 the source document numbers relates to terminal transfers?
12 Different from what you just testified to?
13 A It -- it's unique from the other one, because we did a
14 journal entry to recognize the revenue and move it over from
15 when we built it. But this is an actual sales journey --
16 journal, so we entered it into the -- the period that the
17 revenue was recognized. So you know, on a terminal move, just
18 a -- you can understand the billing process for spot. A
19 Westoil Marine Services dispatcher will go into the dispatch
20 schedule, also called a web-schedule, create that job based on
21 the requirements of Glencore as to when and where it's in
22 how -- how much fuel is going to take place.
23 When that job is completed, the dispatcher will then move
24 that job from pending to complete with all the correct data in
25 there -- the data in there. And with that data, you can also

1 calculate the merge if applicable. Once it is reviewed from
2 completed -- once -- once it hits completed, billing that
3 Centerline Logistics in support of the Opco to generate
4 invoices for them, will go in and review the web-schedule on a
5 daily or bi -- or three times a week basis. Look to see what
6 jobs are completed, review to see that the jobs are completed,
7 and they will create an invoice based on the documents that are
8 in that system, generate the invoice, and then accounting then
9 will also send that invoice to the customer. And then it is
10 also entered into our financial system, which is here. This is
11 where the final invoice gets entered.
12 Q This has an original master ID of Chem-50. What does that
13 mean?
14 A That is the -- so that is what we -- that was what I
15 talked about, the master ID is a shortened version of what the
16 customer's name in, and the original master, we called it --
17 well, so we did edit this one. So the original master ID was
18 Chemoil-50, and then we did change the accounts on this, so
19 they represents not the current name of the company, which is
20 Glencore. We just don't change the master ID.
21 Q And what's -- does the 50 have any significance?
22 A It -- it doesn't really. We -- we generally use 50 for a
23 customer, to show the original customer, it -- but there's no
24 real significance to that.
25 Q Is there anything unique to the original transaction

1 source as it relates to a terminal transport rather the type of
2 revenue?
3 A The SLS just stands for sales.
4 Q And -- and looking at -- in this, on the first line, what
5 does this indicate to you as to revenue received or lost by
6 Westoil for the January 31st?
7 A I'm not sure -- I'm not sure what your question means?
8 Q Can you -- was -- was revenue allocated or taken away from
9 Westoil regarding their initial entry?
10 A This is Westoil operating revenue, so this is in -- a
11 credit to revenue, is an increase to revenue.
12 Q And do you have an understanding why there's a debit on --
13 it looks like about seven lines down of $12,862.60?
14 A There would have been -- that was an entry, and it
15 probably reverses the second line.
16 Q And do you have a -- a reason of why that may have
17 occurred?
18 A No. On this particular one, I do not. But I'm pretty
19 confident that that is what it is, because generally these are
20 pretty unique numbers because it's based on oil delivered. So
21 it's not common to have exactly the same amount. So an -- very
22 educated guess says that that is reversing that entry and it
23 was them probably rebuild it if -- if there was a correct entry
24 needed.
25 Q I ask about the transaction date on the first document,

1 the transaction date on this document, column B, what does that
2 indicate?
3 A That is the date that it was entered into the system.
4 Q So it is not the date the service was performed?
5 A No. You'll -- it's typically the date it was entered into
6 the system, because -- because if we entered the date, we put
7 it into the system and we send the invoice to that customer.
8 You know, customers are required to pay within 30 days. It's
9 generally 30 days from the invoice date. If we put in -- if we
10 put in the actual date the service was provided and it took us
11 eight or nine days to bill it, then it's not fair to the
12 customer that we would start aging that invoice on the service
13 date. It's -- it's the date that it was signed in.
14 MR. HILGENFELD: At this point, we move for Respondent's
15 Exhibit 331, under the protective order.
16 JUDGE SANDRON: Mr. Rimbach?
17 MR. RIMBACH: Again, just with the same understanding that
18 this is simply a selected portion of GC Exhibit 255, it looks
19 like.
20 JUDGE SANDRON: All right. That -- that's noted. The
21 document -- this would also be the same, right?
22 MR. RIMBACH: Under the protective order, please.
23 JUDGE SANDRON: Protective order. Okay. Then it'll be
24 under seal as well.
25 **(Respondent Exhibit Number 331 Received into Evidence)**

1 Q BY MR. HILGENFELD: Now, Mr. Parry, I'm going to clear the
2 filter for the account description. And now do a filter for
3 bunkering with Chemoil under Segment 3. And Segment 3, filter
4 it for 4220. And what is Segment 3, 4220, Mr. Parry?
5 A That is spot bunker -- the 42 denotes spot bunker, the 2 0
6 denotes the customer number in this case.
7 Q And who's the customer in this case?
8 A The customer in this case is Glencore.
9 Q And in looking at the bunkering, what does Respondent's
10 Exhibit 332 tell you as it relates to whether Westoil received
11 revenue from Glencore for bunkering in 2020?
12 A This is all the transactions for bunkering spot for 2020
13 with Glencore at Westoil Marine Services, and they -- and they
14 recognized all that revenue.
15 Q Okay. And Mr. Parry, is there anything that's uniquely
16 different regarding Respondent's 332 as opposed to the document
17 regarding the terminal transfer work?
18 A Is there any difference?
19 Q As far as what you're looking at here to highlight.
20 A Same exact concept, just spot and terminal compared to
21 spot and bunker.
22 Q And if we allocate -- if we filter by 4220, is that going
23 to capture all the -- the bunkering work for Chemoil for this
24 particular period for Westoil?
25 A It will capture all of the bunkering revenue for the

1 delivery per the contract. There are other revenue items for
2 Glencore. For example, if we -- if we bunker a vessel at
3 anchor, we get extra money. And that would be if you filter --
4 if you choose anything with 42 in front of it. Yeah. Anchor
5 fees, and if you could -- and there's some demurrage on these.
6 Q What is an anchor fee?
7 A An anchor fee just means that we charge a little bit extra
8 if we're not bunkering to a ship that is at a terminal. That
9 we bunker at a ship that is at anchor. It's just built into
10 the contract that we're allowed to bill extra for that.
11 Q Does most of the bunkering occur at a terminal or at an
12 anchor?
13 A Can -- could you scroll down, please? We can tell it just
14 by looking at this. So there's about 40 -- well, so if we
15 have -- you can just tell with how many pages we have in here,
16 and I know there's some fuel surcharges in there. I would say
17 that it's probably estimation forty percent. So it's not all
18 the time. It's definitely a certain percentage. There are
19 other charges in there. We're allowed to also charge fuel
20 surcharge. Under the COA, Glencore is not required to pay us
21 direct fuel use, but we are allowed to use a fuel surcharge
22 calculation based on the contract for -- based on the number of
23 jobs that we do.
24 Q And I'm going to highlight which -- row 139 on January
25 31st, 2020, journal entry 102, 635. And it says fuel

1 surcharge. Would that be the type of surcharge you're
2 referencing?
3 A Yes. But so you know, that's a general journal. So we
4 bill fuel surcharge quarterly to them. So that's an accrual
5 just for the month, so we can accrue, and then it'll reverse
6 the next month. And then we accrue the next month for two
7 months, and then until we bill the actual -- we capture it.
8 JUDGE SANDRON: I think you testified the -- on, let's
9 see. Respondent's Exhibit 330 that time charter is the same
10 thing as the -- what was the other term? Charter fire.
11 THE WITNESS: Yes.
12 JUDGE SANDRON: And so those are synonymous.
13 THE WITNESS: They are synonymous, yes.
14 JUDGE SANDRON: And then is terminal transfer synonymous
15 with spot work?
16 THE WITNESS: Yes. I would say that it is. Most -- there
17 are -- it is. And the -- the trickiest part is that when you
18 have a time -- piece of time-chartered equipment, we're calling
19 it time chartered because we're getting a daily rate for that.
20 JUDGE SANDRON: Right.
21 THE WITNESS: But under a time charter, you can perform
22 bunker moves, terminal moves, --
23 JUDGE SANDRON: I see.
24 THE WITNESS: -- de-bunkering --
25 JUDGE SANDRON: I see.

1 THE WITNESS: -- lightering.
2 JUDGE SANDRON: So it could be any of the other functions.
3 THE WITNESS: It could be, but -- but -- so if it's under
4 bunkering or terminal, it denotes that it's spot.
5 JUDGE SANDRON: I see.
6 THE WITNESS: And I do want to -- I just want to qualify
7 that a little bit. Not so much in these companies, but there
8 are times that somebody will want to do a spot -- that -- that
9 they'll a daily rate for a spot move, and that spot move could
10 only take 15 days. Generally, that is still recorded to spot
11 terminal moves.
12 Q BY MR. HILGENFELD: You had mentioned the revenue, and we
13 talked about the bunker revenue. If -- if we look through
14 here, in 2020, was their ship assist work performed on the West
15 Coast for Centerline affiliated companies?
16 A Yes.
17 Q Would ship assist -- how does ship assist differ from the
18 terminal transfer bunkering lightering that you've discussed?
19 A Ship assist is generally tug work, and we had tugs that
20 would be a -- sometimes there are vessels that need to -- need
21 assistance to come into a harbor, whether they're escorted or
22 assisted -- we call it an assist -- where they're -- that --
23 that tug provides a service to help a vessel maneuver within a
24 port. And it's the requirement of some ports. There's also
25 times when you have -- when we have our own tug and barges that

1 are moving, and depending on what's required in that particular
2 port that if you're transporting a certain amount of fuel and
3 you're loaded, that it's required to have a second tug with it
4 for assist for safety reasons.
5 MR. RIMBACH: I'm sorry. Just for clarification, I
6 believe you referred him to the spreadsheet on the screen, but
7 it only says bunkering. So could you please clarify the --
8 THE WITNESS: He had asked me what an assist was.
9 MR. RIMBACH: Oh, where it is -- how -- where it's
10 indicated here --
11 THE WITNESS: It's -- yeah, it's not on the -- it's not on
12 the sheet.
13 MR. RIMBACH: Oh, okay. Thank you.
14 THE WITNESS: Yep.
15 Q BY MR. HILGENFELD: Does Westoil perform any ship assists?
16 A No.
17 Q Have they ever performed a ship assist?
18 A No.
19 JUDGE SANDRON: So you were talking more generally?
20 THE WITNESS: We were talking generally. There -- there
21 was a -- we used to perform ship assists with another company
22 that was in Los Angeles, and the name of that company was
23 Millennium -- Millennium Maritime. We sold some of the vessels
24 in Millennium Maritime to Saltchuk in February of 2021.
25 Q And we've just had testimony regarding ship assists, so

1 I'm -- when we're looking at these documents, I just want to
2 make sure it's clear what we're talking about for evident,
3 yeah.
4 MR. HILGENFELD: We'll move to offer Respondent's 332
5 under the protective order?
6 JUDGE SANDRON: Any objection?
7 MR. RIMBACH: No objection. Again, just with the
8 clarification that this is still selected portion of GC Exhibit
9 255.
10 JUDGE SANDRON: Okay. That -- that's noted.
11 And Respondent's Exhibit 332 is admitted under seal.
12 **(Respondent Exhibit Number 332 Received into Evidence)**
13 Q BY MR. HILGENFELD: Now I'm going to turn your attention,
14 Mr. Parry, to General Counsel 258, which of the Westoil Marine
15 Services 2020 direct costs. General ledger.
16 A Okay.
17 Q It's -- it is going to be coming up on the screen here and
18 we will be going through the same --
19 MR. RIMBACH: Sorry, Chris. Are we only looking at the
20 screen on this one?
21 MR. HILGENFELD: Right now we're just looking at the
22 screen.
23 MR. RIMBACH: Okay.
24 MR. HILGENFELD: So the screen has General Counsel Exhibit
25 258, which has been admitted under the protective order.

1 Q BY MR. HILGENFELD: And looking at this, Mr. Parry, can
2 you tell what company and what period of time this is dealing
3 with?
4 A This is all the detailed transaction for January, 2020, to
5 December, 2020, so it's the entire year for company --
6 operating company Westoil Marine Services. And this is for
7 direct costs, which are all vessel cost related to revenue.
8 Q How is it determined whether something is a direct cost or
9 not?
10 A It generally is tied to the boats.
11 Q Walking through a little bit of the same process here, I'm
12 going to filter under column F, by Anne Elizabeth IBU health
13 and pension. For direct costs, we will walk through this in
14 the same manner to start out with. A company identifies W and
15 S, is that -- is that Westoil Marine Services for all
16 accounting information or input that you see?
17 A It is.
18 Q Transaction date, is there -- what is a transaction date
19 for the direct costs?
20 A For -- for this particular entry, the transaction date, it
21 looks like the journal entries were done at the end of the
22 month.
23 Q In looking at the account again, it looks like a 06, what
24 does that indicate?
25 A 06 is Westoil Marine Services. Bless you.

1 Q 855, do you know what that indicates?
2 A That's vessel Anne Elizabeth.
3 Q And 5205?
4 A 5205 is going to be IBU health pension account.
5 Q And what does this Respondent's Exhibit 333 show you?
6 A Crew wages, a part of direct costs. And then after crew
7 wages, there's other employee costs that come with that -- the
8 IBU health and -- the IBU health pension. This is the portion
9 that is applied to that vessel for the pension costs for the
10 month.
11 Q If I understand correct, this would be the pension costs
12 of the employees for Westoil that worked on the Anne Elizabeth
13 for that period of time?
14 A Correct.
15 Q In looking at these if this was a general journal, and why
16 is that?
17 A That was a journal entry. I'm not -- I'm very confident
18 that this was actually created by payroll, because they
19 generally do their -- their entries at the end of the month and
20 this falls under their responsibility. So they do -- so they
21 run ADP, they pay the employees, they -- they are also
22 responsible for paying Union pensions and health. And so at
23 the end of the month, they would have done a journal entry
24 based on their reports that allocate the costs of what was paid
25 out for that.

1 Q And then do you have knowledge of whether MMI and Westoil
2 Marine Services were under the same labor agreement?
3 A I'm sorry?
4 Q Do you have knowledge whether MMI and Westoil Marine
5 Services were under the same labor agreement?
6 A I -- I believe that Westoil was IBU, and Millennium was
7 SIU; is that correct? No. I'm -- I'm not positive.
8 JUDGE SANDRON: Okay. That's all right. If you don't
9 know, that's fine. But you can't ask questions.
10 THE WITNESS: Yeah.
11 Q BY MR. HILGENFELD: The original source TL Jan 31-006,
12 what does that indicate?
13 A That's the name of the staff accountant who input the
14 journal entry. And at that time it would have been Tina Le.
15 Q And then a debit of 20,500 --
16 JUDGE SANDRON: Just so -- just so we -- Lee is L-E- --
17 THE WITNESS: L-E.
18 JUDGE SANDRON: L-E.
19 Q BY MR. HILGENFELD: A debit of the first entry being
20 $20,547.97, that is showing that an expense was made --
21 allocated Westoil Marine Services for IBU pension contributions
22 in January of 2020? Am I reading that correct?
23 A Yes.
24 Q Down below, on the original master name list, and it may
25 be easier to see on the screen because it's cut off on the

1 sheet that you have. But if you note on the top there,
2 mmi/wmsunionallocation.
3 JUDGE SANDRON: Let's see. And which line are you on?
4 MR. HILGENFELD: So if -- Your Honor, if you are on
5 January 31st, 2020, the second of those two lines.
6 JUDGE SANDRON: Right.
7 MR. HILGENFELD: You go all the way down to column J, or
8 the original master name list. It's cut off, mmp-wnsunion.
9 JUDGE SANDRON: Right.
10 MR. HILGENFELD: But if you look up at the screen. Up
11 top, Your Honor.
12 JUDGE SANDRON: Yes. It's hard to see it through the
13 plexiglass.
14 MR. HILGENFELD: Yeah. And I -- I -- I will submit it,
15 and I assume that General Counsel will be okay with this.
16 JUDGE SANDRON: That's okay as long as --
17 MR. HILGENFELD: That it says Union allocation right
18 there.
19 JUDGE SANDRON: Okay. Okay. That's fine.
20 Q BY MR. HILGENFELD: And then if I go farther down on that
21 same line, and IC -- IC:MMI,journal:133051. Do you see that,
22 Mr. Parry?
23 A I do.
24 Q What does IC indicate?
25 A It means it's an intercompany entry between Millennium

1 Maritime and Westoil Marine Services.
2 Q And what does that mean?
3 A That means a portion was -- was taken from one piece and
4 put to -- taken from one company and put to the other.
5 Q In this specific instance, what does that mean?
6 A I am not positive. My -- because I know that some IBU
7 employees work on -- some of the deckhands would work on
8 sometimes Millennium ship assist vessels, but I can't
9 definitively tell you. I wasn't responsible for this back in
10 2020.
11 Q When it's an intercompany, what would this mean regarding
12 what money is going where and to what companies?
13 A So this -- this is showing that -- this is showing that
14 12,400 -- $12,241 is leaving -- is leaving the expense,
15 lowering the expense in Westoil, and going over and increasing
16 the expense is Millennium Maritime. So my guess is, is that
17 the original entry had all Westoil and a piece had to be
18 allocated to Millennium Maritime.
19 Q And --
20 JUDGE SANDRON: Now which one did it increase?
21 THE WITNESS: It increased Millennium Maritime and
22 decreased Westoil Marine Services.
23 JUDGE SANDRON: Okay. Thank you.
24 Q BY MR. HILGENFELD: Would that be true with any indication
25 where there's an IC reference?

1 A Where -- where there's an intercompany entry, it does mean
2 that you are making an entry between two different companies,
3 and you can -- and you can see on the general ledger typically
4 who that goes to.
5 Q What's the purpose of that?
6 A The purpose is to be able to record intercompany
7 transactions.
8 Q To make sure each company is responsible for all the
9 revenue and their debts?
10 A That's why you would do an intercompany entry, yes.
11 Primarily that is why. There are times that it -- it could be
12 reclassing a mistake, but primarily it -- it is used to make
13 sure it's allocated.
14 MR. HILGENFELD: At this point, we would offer
15 Respondent's Exhibit 333.
16 MR. RIMBACH: Again, just with the same understanding that
17 this is a selected portion of the Excel spreadsheet that's been
18 admitted as GC Exhibit 258.
19 JUDGE SANDRON: Yep. And this would also be admitted
20 under protective order is sealed? This document?
21 MR. HILGENFELD: I -- I don't believe this needs to be
22 under the protective order, Your Honor.
23 JUDGE SANDRON: All right. That's fine. All right. And
24 this one -- this be admitted as Respondent's Exhibit 333.
25 **(Respondent Exhibit Number 333 Received into Evidence)**

1 Q BY MR. HILGENFELD: Mr. Parry, I'm now going to go back
2 and highlight an -- the account description filter, and
3 Elizabeth wages.
4 A Thank you.
5 JUDGE SANDRON: 334, Elizabeth?
6 MR. HILGENFELD: No, Your Honor. There's no 334.
7 JUDGE SANDRON: Okay. So it skips and 333 to 335.
8 Q BY MR. HILGENFELD: And Mr. Parry, looking Respondent's
9 335, going to Segment 3, what does 5100 indicate?
10 A 5100 is the wages, and in this case it's for Anne
11 Elizabeth. And wages, you can see off to the far right, it
12 says "payroll import." This -- these wages are taken right
13 from ADP report after payroll has been processed.
14 Q And will there be wages and expenses for all Westoil
15 operated pieces of equipment that have employees on them?
16 A Yes.
17 Q So ease of reference, I've highlighted here the Anne
18 Elizabeth, just to make it a one-pager.
19 A Okay.
20 Q Is there original source -- what does the original source
21 indicate?
22 A The original source indicates the individual who created
23 this entry.
24 Q And who would BG be?
25 A Bobbie Garneau is the payroll manager.

1 Q Now I know --
2 JUDGE SANDRON: Do you have the spelling of that?
3 MR. HILGENFELD: I'm not sure.
4 Do we? Okay.
5 Yes, we do.
6 JUDGE SANDRON: Do you want to spell it? If you know?
7 THE WITNESS: G-A-R-N-E-A-U.
8 JUDGE SANDRON: Thank you.
9 Q BY MR. HILGENFELD: And then about the third line down, we
10 have TL, would that be Tina Le as well?
11 A It would be.
12 Q And then what does the first line show you for the Anne
13 Elizabeth for wages paid on January 15th, 2020, as to the
14 amount, what was paid?
15 A 25,267. So we run payroll twice per month. So this is
16 the first -- the payroll for the Anne Elizabeth for the first
17 15 days of the month in January.
18 Q And then in the next column, PR import, for the last
19 column over. What is -- what is a PR import?
20 A She's referencing that this data is imported from ADP, but
21 it's in the form of a journal entry. So there are reports
22 that'll run at the end of payroll where you can see where all
23 payroll -- what vessels per crew and operating companies, what
24 vessels have incurred what payroll.
25 Q And PR, would that by payroll?

1 A Yes.
2 Q The third line down, I see that there is a vacation
3 allocation. What does that indicate?
4 A That indicates there's a -- there's a report that runs,
5 and Tina Le was the staff accountant. She calculates the
6 portion of vacation accruals that are associated with that
7 payroll.
8 Q Would all the wages for all the pieces of equipment and
9 all the companies be done predominantly the same manner as
10 this?
11 A Yes.
12 Q Is that true with all the other expenses that we've talked
13 about so far?
14 A Yes. I will say on this, too, though, for the -- for the
15 wages piece, wages -- for payroll -- wages isn't the only crew
16 expense, there are other expenses that are associated with it,
17 but we drilled in on just what the actual wages were.
18 MR. HILGENFELD: At this point, we'll offer Respondent's
19 Exhibit 335.
20 JUDGE SANDRON: Is there anything -- you know they have
21 different reference numbers. Does that mean anything? There's
22 1.5, 1.31?
23 THE WITNESS: Yeah. Everybody kind of denotes dates a
24 little bit differently. So it's for January 15th. Some people
25 use the slash, some people use the dash.

1 JUDGE SANDRON: Oh, I see what you mean, yes. I see.
2 Okay. So is this -- does it just correlate to the date?
3 THE WITNESS: Yeah. Actually it -- it -- it should
4 correlate to the date. But this is a -- the date isn't a -- is
5 a transaction generated --
6 JUDGE SANDRON: Right.
7 THE WITNESS: -- the references typed in by the individual
8 that creates the journal entry.
9 JUDGE SANDRON: I see.
10 Okay. Other than your previous comments regarding that
11 it's taken from General Counsel Exhibit 255, do you have any
12 other comments?
13 MR. RIMBACH: No, Your Honor. But just that I believe
14 this was a portion of GC Exhibit 258 now.
15 JUDGE SANDRON: Oh, 258. Excuse me. Thank you. Yes.
16 The other one was 255.
17 So there'll be no objection, the document is received.
18 **(Respondent Exhibit Number 335 Received into Evidence)**
19 Q BY MR. HILGENFELD: Now I'm going to turn your attention
20 to Respondent's 336.
21 JUDGE SANDRON: Which exhibit?
22 MR. HILGENFELD: Respondent's 336.
23 JUDGE SANDRON: Oh, okay.
24 THE WITNESS: Thank you.
25 JUDGE SANDRON: And this is also from GC Exhibit 258?

1 MR. HILGENFELD: It is, Your Honor. And it's been
2 filtered out with Anne Elizabeth PR taxes.
3 Q BY MR. HILGENFELD: Mr. Parry, what does -- PR taxes stand
4 for?
5 A Payroll taxes.
6 Q And it looks like this corresponds with the wages that
7 were paid; is that correct?
8 A Yes. As you can see, it looks like it's right on the same
9 journal entry.
10 Q And --
11 A And it is on the same journal entry. 1025- -- 102507.
12 Q So this general entry would indicate the wages as well
13 as --
14 A Payroll taxes. Yes.
15 Q And are all the operating companies responsible for their
16 own payroll taxes?
17 A Yes. All -- yes. Every -- every Opco files their payroll
18 taxes quarterly.
19 Q And is there anything else on here that's different than
20 the wages sheet that we discussed previously?
21 A Other than the fact that it's payroll taxes and not wages,
22 no.
23 MR. HILGENFELD: At this point we would move for
24 Respondent's 336.
25 MR. RIMBACH: No objection. Again, with the understanding

1 that this is a portion of -- a selected portion of GC Exhibit
2 258.
3 JUDGE SANDRON: All right. The document is received.
4 **(Respondent Exhibit Number 336 Received into Evidence)**
5 Q BY MR. HILGENFELD: Now, going to filter GC Exhibit 258 in
6 column F. With crew travel to the Anne Elizabeth? And this
7 has been marked as Exhibit -- Respondent's Exhibit 337.
8 A Thank you.
9 JUDGE SANDRON: 337.
10 Q BY MR. HILGENFELD: Mr. Parry, what is Segment 5275
11 indicate?
12 A 5275 indicates crew travel.
13 Q And I'm not sure if we asked, but Respondent's 336 had a
14 Segment 5150, does the 5100 series have a significant -- any
15 significance?
16 A 51 is generally wages.
17 Q And what would 52 be?
18 A 51 is crew wages taxes. 52 -- there -- there may be
19 multiple items in there, but it is related to direct cost
20 for -- for crew. But it's not related to wages.
21 Q And if you look at the first crew travel of the Anne
22 Elizabeth, again, is that for the crew travel for individuals
23 employed at the Anne Elizabeth?
24 A Yeah.
25 Q Actually, just so we match up with documents here, I

1 think. If this has a source document as PMTRX, what does that
2 stand for?
3 A That's accounts payable.
4 Q And the original master appears to be Southwest Marine
5 Resources LLC, do you know who that is?
6 A I don't. I -- I believe it's a shuttle for crew travel.
7 I believe that they -- they're -- we may have needed to move
8 crew from one place to the other, and it -- and that gets coded
9 as an expense to crew travel.
10 Q And coded to what company in this case?
11 A It's a Westoil Marine Services operating expense, because
12 we're moving barge crew.
13 Q And looking at the original source again, would PMTRX, and
14 then a number, also signify accounts payable? Or does that
15 signify something else?
16 A It's -- it's a payables transaction, it's just the source
17 document. We really don't use the source documents; they're
18 automatically generated by the system.
19 Q Understood.
20 A Based on the dollar amount of $200, it sounds like that
21 that is a crew launch.
22 JUDGE SANDRON: So what -- what is a crew launch?
23 THE WITNESS: So if -- you know, if -- if crew members are
24 starting to get over their -- their amount of time that they've
25 worked or we need to get crew out to a barge and we don't have

1 a tug available or a tug's not going over there, we would hire
2 a crew launch that we could put the crew on and move them over.
3 Or to drive them in the shuttle to -- to move them over. It's
4 just -- it's moving crew, and it's a cost that's associated
5 with it. It's a vendor that we use.
6 JUDGE SANDRON: And that's not -- that's not overtime and
7 such?
8 THE WITNESS: No. It's -- it's just getting -- getting
9 the crews to a particular spot.
10 JUDGE SANDRON: And are they still on regular time when
11 that occurs?
12 THE WITNESS: They -- they're on the clock.
13 JUDGE SANDRON: On the clock, but they get extra for that
14 travel?
15 THE WITNESS: No.
16 JUDGE SANDRON: I mean --
17 THE WITNESS: We pay for -- we pay to get them there. But
18 no, they're just on the clock as a regular --
19 JUDGE SANDRON: Oh, I see. They don't get -- so who gets
20 that money?
21 THE WITNESS: That's an expense --
22 JUDGE SANDRON: Right.
23 THE WITNESS: -- for the operating company to -- to move
24 the crew members.
25 JUDGE SANDRON: Oh, because the operating company?

1 THE WITNESS: Yep.
2 JUDGE SANDRON: I see.
3 Q BY MR. HILGENFELD: And the operating company is paying,
4 in this case, to what company on the first line?
5 A South -- the -- the operating company is Westoil Marine,
6 and they are paying South -- what was -- Southwest Marine.
7 JUDGE SANDRON: Oh, I see. Southwest Marine.
8 Q BY MR. HILGENFELD: And so Southwest Marine would be a
9 third-party vendor?
10 A Yes.
11 JUDGE SANDRON: So -- so the customer gets the payment?
12 THE WITNESS: Yeah.
13 Q BY MR. HILGENFELD: Do the references in the far column
14 have any specific input -- and just to note for the record, the
15 column stops on pages at the reference point. But do those
16 reference indications have any special meaning for these
17 expenses?
18 A There's a purchase order number on there, and then there's
19 a service date to the far right?
20 Q When does a purchase number indicate to you?
21 A It's a -- a purchase number from a Coupa procurement
22 system. Somebody input this and said, you know, we require
23 this service. So the purchase orders match to the invoice to
24 make sure that we're not getting overbilled.
25 Q And what -- is there a system used for purchase orders?

1 A There is. It's Coupa.
2 Q And how does Coupa operate between the operating
3 companies?
4 A So every operating company, if they need a service or
5 material, they will enter a PO system -- a PO into the Coupa
6 that the vendor will invoice us. And it's a way for accounts
7 payable to match up what we are billed to what we ordered, to
8 make sure that what we ordered is in line.
9 Q And so in this -- for in this case, Westoil Marine
10 Services would enter something into the Coupa system
11 potentially?
12 A Yes, we would.
13 Q Is it -- do customers have access to the Coupa system?
14 A They do. Customers can send invoices through our Coupa
15 system. Generally to our email, so that we -- we have that.
16 This also goes hand in hand with what you had asked me this
17 morning concerning credit applications. In order to establish
18 a customer into Coupa, we require that the Opcos make a request
19 for -- to create a vendor. And then sometimes the vendor asks
20 us for those credit applications, which I think -- I believe we
21 discussed today.
22 Q Do the different -- as it relates to the Coupa system, do
23 the different operating companies have access to the other
24 operating companies?
25 A They -- they -- they should not. There are a few -- there

1 are a few people that might have access, but they should not
2 have access to other companies.
3 Q Is that true with the expense reports and revenue reports
4 as well?
5 A The -- through dynamics, through -- through Great Plains
6 Software.
7 Q Correct.
8 A The Opcos do not have any access at all to our Great
9 Plains accounting software, because that is a -- an accounting
10 function in support of the Opcos.
11 MR. HILGENFELD: At this time I move to admit Respondent's
12 337.
13 JUDGE SANDRON: Mr. Rimbach, other than your previous note
14 that this comes from General Counsel's Exhibit 258, do you have
15 any objection to the document?
16 MR. RIMBACH: No, Your Honor.
17 JUDGE SANDRON: The document is received.
18 **(Respondent Exhibit Number 337 Received into Evidence)**
19 Q BY MR. HILGENFELD: Now going to filter in the description
20 fuel and lube for the Anne Elizabeth. And Respondent's 339.
21 A Thank you.
22 Q Mr. Parry, looking at Respondent's 339 or up on the screen
23 at GC -- I think it's Exhibit 258, what is the Segment 3, the
24 5500 series?
25 A 5500 is fuel and lube expense. And this is related to

1 fuel and lube expense for the Anne Elizabeth.
2 Q What type of expenses are -- what types of vessel related
3 expenses are the operating companies responsible for?
4 A They are responsible for fuel and lube.
5 Q Is there a threshold where the operating companies are no
6 longer responsible for any repair work or expenses?
7 A For repair work, anything over $10,000 the Opco is not
8 responsible. That's considered capital expenditure. But they
9 are responsible for supplies, repair and maintenance, fuel and
10 lube.
11 Q If you look at this column, the original source is DNL.
12 Do you know who DNL is?
13 A You guys are going to ask me to spell this name. It's
14 Derek Lill- -- I'm going to -- can I say it -- can I spell it
15 phonetically?
16 JUDGE SANDRON: Yes.
17 THE WITNESS: Lillejord. L-I-L-L-E-J-O-R-D-E.
18 JUDGE SANDRON: Okay. As best as you know.
19 Q BY MR. HILGENFELD: And who's Mr. Lillejord?
20 A He is -- he's a staff accountant, and he is responsible
21 for fuel for each Opco.
22 Q And that would be a staff accountant for Centerline?
23 A He is a staff accountant for Centerline, providing support
24 to the Opcos.
25 Q And any fuel lube expenses then, would the Opcos be

1 responsible for those for any other pieces of equipment?
2 A They are responsible for -- they are responsible for fuel
3 and fuel expenses. However, I want to qualify that, that
4 sometimes when we have time charters at various companies, we
5 build into the time charter that the customer is responsible
6 for certain types of fuel and lube. And in Westoil, generally,
7 the Opcos are responsible for the fuel and lube. There's no
8 passive doable on those time charters. OTB is a different
9 story. And it's -- and it's primarily because the way that the
10 contracts are set up. Because if a customer is only paying for
11 tug time or tug usage, the fuel is built into that rate for
12 them, so that operating company pays for the fuel, but the
13 charter is going to pay an hourly rate for the use of the tug.
14 MR. HILGENFELD: At this time we'd offer Respondent's 339.
15 JUDGE SANDRON: I'm noting that it's still under General
16 Counsel's Exhibit 258. Any objection?
17 MR. RIMBACH: No, Your Honor.
18 JUDGE SANDRON: Respondent's Exhibit 339 is received.
19 **(Respondent Exhibit Number 339 Received into Evidence)**
20 Q BY MR. HILGENFELD: Mr. Parry, I'm now going to identify
21 in the filter system, inspections, license, and fees for the
22 Anne Elizabeth.
23 Hand out to everyone Respondent's 334 -- 340.
24 A Thank you.
25 Q Mr. Parry, and looking at its -- I guess, what is Segment

1 35790?
2 A 5790 is inspections, licenses, and fees.
3 Q And what types of inspection licenses and fees would the
4 operating company be responsible for?
5 A If you scroll to the right so that we can look at the
6 vendors. There's ABS fees, that Phillips 66, they would have
7 performed an inspection or an ABS. Harbor testing lab, we may
8 test the tanks. And then U.S. Coast Guard for -- there's
9 documentation that they require on vessels. That -- these are
10 all examples of licenses, inspections, and fees. As a note, if
11 you look at then income statements for the Opcos, licenses,
12 inspections, and fees falls under the category "other." I just
13 want to point that out, because it's not actually a line item
14 on the -- there's -- there's a few -- there's a few different
15 accounts that roll into "other." This is the primary account
16 for that "other."
17 Q And under original master name, -- I guess, let's say on
18 the first line, if we go all the way to the right on reference,
19 it looks like there's been a credit for 1800 for a reclass
20 passthrough. Do you know what that is?
21 A Well, I did the journal entry. We would have -- I would
22 have -- it was -- what it meant was we -- we reviewed the data
23 and we realized that it was coded to the wrong account. So I
24 reclassed it.
25 Q Okay.

1 A And so this is actually a good example of its -- if it's
2 $1,800, that means, you know, we -- we had taken that as an
3 expense, but when we went through -- somebody put it through
4 payables as an expense to licenses and fees. One of our common
5 things that we review at month-end is to make sure that there
6 aren't items that are expensed that could be passed through
7 billable to a customer. That particular item that I found, I
8 reclassed it to pass through, and we billed it to the customer.
9 Q So then if we go down to the original source on column,
10 FEB SP 28-1. SP is Stephen Parry?
11 A That is me.
12 Q Feb, is that February?
13 A Yes.
14 Q What -- do you know what 28-1 stands for?
15 A February 28th, the first general entry I did for the day.
16 Q So the original -- if -- if I'm reading this right, the
17 original transaction date would have been on February 1st and
18 you reclassified it on February 28th?
19 A That's correct. Oh, no, no, no. Chris, that is not
20 correct. That just means that I put in a transaction date of
21 2/1 when I did the journal entry.
22 Q Okay. Thank you. On the original master names on the
23 second item, ABS Americas. Who is ABS Americas, if you know?
24 A I sh -- I should know this, I -- I just can't think of it
25 off the top of my head. They perform inspections for our

1 barges that are required by Coast Guard.
2 Q Okay. Are they connected with Centerline or an
3 independent group?
4 A They are independent third-party.
5 Q And then, I'm going to assume that Phillips 66 is also an
6 independent?
7 A They are independent. They -- because they're a large oil
8 company, they can actually perform inspections on equipment.
9 Q So this would have been an inspection that Phillips 66
10 performed?
11 A Yes. And it's pro -- that's probably what I reclassed,
12 that $1,800.
13 Q Okay. And then Harbor Testing Lab, who's Harbor Testing
14 Lab?
15 A Harbor Testing Lab may be -- employee drug testing.
16 Q A third-party vendor?
17 A Third-par -- they're all third-party vendors, yes.
18 Q So everyone in J for this group is a third-party vendor
19 that's listed there?
20 A Yeah, correct. And I know Marine Exchange is the next
21 one. That's part of the port -- the port charges us for times
22 with our vessels in the harbor for services that if they want
23 to give us data, that $215 is for the Port of L.A..
24 Q And on -- second to the bottom there, I see that Harbor
25 Testing Lab was credited 450 and it says void open transaction

1 11/20/21.
2 A Yeah. So look at the original transaction source and
3 scroll at the bottom that says PMV on column L. If you click
4 on that one right there, the VV means voided transaction.
5 Q And what is a voided transaction mean?
6 A It means that a constable probably double billed it, or we
7 were double billed, and we figured it out and they voided that
8 transaction.
9 MR. HILGENFELD: Okay. And if you look right above that,
10 it looks like there's two $405 entries to Harbor Testing. Just
11 noting for the record.
12 JUDGE SANDRON: Yes.
13 Q BY MR. HILGENFELD: U.S. Coast Guard. What would be the
14 reason to pay the U.S. Coast Guard?
15 A In this particular instance, I'm not sure. It could be an
16 inspection, if -- I'm not sure.
17 Q If it has IC colon HMS under column P for the -- the last
18 line here, what does that indicate?
19 A That indicates in 2020 at some time, that the -- that the
20 expense for this was coded to Harley Marine Services. Harley
21 Marine Services has no vessels, somebody caught it when we were
22 reviewing the -- reviewing transactions and -- and reclassed it
23 to where it was supposed to go. And that is what that is.
24 Q And HMS would be Centerline?
25 A HM -- in 2020 --

1 Q Would not be Centerline, the same entity?
2 A Yes.
3 MR. HILGENFELD: At this point, we move for Respondent's
4 340.
5 JUDGE SANDRON: Again noting it's taken from General
6 Counsel's Exhibit 358. Does the General Counsel have an
7 objection?
8 MR. RIMBACH: No, Your Honor.
9 JUDGE SANDRON: Respondent's Exhibit 340 is received.
10 **(Respondent Exhibit Number 340 Received into Evidence)**
11 Q BY MR. HILGENFELD: Mr. Parry, I'm now going to go to the
12 filter on the account description. And filter for Anne
13 Elizabeth lease expense. Respondent's 341. Mr. Parry, on
14 Respondent's 341, it has an account 5775 in segment 3, what
15 does that indicate?
16 A 5775 is lease expense.
17 Q And what does the lease expense mean?
18 A The Anne Elizabeth is a third-party lease, and this is the
19 expense associated with that lease.
20 Q And for the first -- the original source, it has Capital
21 Source, what does that indicate?
22 A That is the vendor name.
23 Q And in the original source, it has ICP under slash DEST,
24 under slash TRN, underclass 01 IC, does that have any meaning?
25 A That's an intercompany. That's an intercompany journal

1 entry.
2 Q And it looks like at the end, if we go all the way to the
3 end, it's IC colon HMF; what does that indicate on the form?
4 A It was -- it was an intercompany transaction reclass for
5 the lease expense for the third-party on the analyst.
6 Q And by who? Who initially made or who was initially
7 allocating the payment?
8 A It was a -- initially Harley Marine Financing and this is
9 done through -- this is done through accounts payable, which
10 you can tell in the source document, which is PM.
11 Q What does PM stand for?
12 A It's -- it's an acc -- it -- it just didn't list it as an
13 accounts payable transaction.
14 JUDGE SANDRON: So this was TransOil -- or Westoil, I
15 mean?
16 THE WITNESS: This is --
17 MR. HILGENFELD: Harley Marine?
18 THE WITNESS: -- Westoil Marine Services is responsible
19 for the -- the lease expense.
20 JUDGE SANDRON: And it was originally with Harley Marine
21 Financing, and it's transferred over?
22 THE WITNESS: The -- so the tables transit -- yes, yes
23 that's correct. It's -- but the payable transaction -- so the
24 payables transaction is to Capital Source. I assume they
25 changed their name four or five months in.

1 Q BY MR. HILGENFELD: To what?
2 A American Inland --
3 Q Marine, LLC?
4 A Yes. Is that what -- is that what the rest of it is?
5 JUDGE SANDRON: So this expense went to the Capital
6 Source/American Inland customers?
7 THE WITNESS: Yeah. The payment goes to them, yep.
8 MR. HILGENFELD: At this point, we would move to offer
9 Respondent's 341.
10 JUDGE SANDRON: Again noting, it's General Counsel's
11 Exhibit 358. Mr. Rimbach, any objections?
12 MR. RIMBACH: No, Your Honor.
13 JUDGE SANDRON: The document is received.
14 **(Respondent Exhibit Number 341 Received into Evidence)**
15 MR. HILGENFELD: Now in GC-258, I'm going to filter for
16 repairs and maintenance for the Anne Elizabeth. And this has
17 been marked as Respondent's 343. Oh, I forgot, 342 didn't have
18 a second page, I apologize. It's a two-page document.
19 JUDGE SANDRON: Okay, the second page.
20 MR. HILGENFELD: The first 342 missed the second page, so
21 (audio interference). I just gave it to General Counsel.
22 JUDGE SANDRON: All right, I see.
23 MR. HILGENFELD: You can toss 342.
24 JUDGE SANDRON: This is now --
25 MR. HILGENFELD: 343.

1 JUDGE SANDRON: What's been marked as 342 is not all --
2 MR. HILGENFELD: Yeah, 342 is withdrawn. It -- it only
3 printed one page on it, so it wasn't complete.
4 **(Respondent Exhibit Number 342 Withdrawn)**
5 JUDGE SANDRON: All right. So this is 343.
6 Q BY MR. HILGENFELD: Mr. Parry, I have Respondent's Exhibit
7 343 that's for repairs and maintenance to the Anne Elizabeth.
8 What is segment 3, 5600 indicate?
9 A 5600 is all repair and maintenance.
10 Q And I think it's in there, but just for clarity's sake,
11 what repairs and maintenances are Westoil an operating company
12 responsible for?
13 A They're responsible for any repair and maintenance under
14 $10,000.
15 JUDGE SANDRON: And this, it's probably in the record, but
16 who pays it over $10,000?
17 THE WITNESS: So if it's over 10,000, it's considered a
18 capital expenditure --
19 JUDGE SANDRON: Right.
20 THE WITNESS: -- and then it is paid by Harley -- it's
21 Harley Marine Financing.
22 JUDGE SANDRON: All right.
23 THE WITNESS: And it's -- it's depreciated.
24 JUDGE SANDRON: Oh, I see. Harley Marine Financing takes
25 care of it over that amount?

1 THE WITNESS: Yeah. So they -- so it does not show on the
2 operating -- it does not show on the profit and loss for the
3 operating company.
4 JUDGE SANDRON: Okay. Thank you.
5 Q BY MR. HILGENFELD: This is probably clear, but just in
6 case it's not, do capital expenditures have differing tax
7 issues than a straight cash payment for an expense?
8 A I'm not sure what you mean?
9 Q What's the effect of depreciation on taxes for capital
10 expenditure?
11 A Well, you -- you recognize -- you recognize the expense
12 over -- over the life of -- over the life of the improvement.
13 Q And is that life of the improvement in the year that the
14 expense occurred or over a period of time?
15 A It -- it could be two and a half years, ten years.
16 Q In this -- on here in the original master name list, are
17 those third-party vendors?
18 A They're all third-party vendors. Please note, wherever
19 you see that there's no name under the original master name,
20 that is, because if you look off to the far right, it says
21 accounts payable accrual. All it means is that those are
22 invoices that have not been processed through our software
23 system that were for this period and we accrue them so that we
24 can make sure that our financial stays even as possible and
25 that we try to -- we try to show the expe -- the expense in the

1 month that it's incurred. It's not perfect, it doesn't happen
2 all the time, but you have an accounts payable accrual. That
3 accrual will then reverse the first day of the next month and
4 then the actual invoice should be posted.
5 Q And what -- what is an example of that in this document?
6 A Well, I -- I will not be able to match up an invoice with
7 you because an -- an accounts payable accrual could be five or
8 six different invoices.
9 Q Okay. And with the debit and credit -- I guess what I'm
10 looking at is lines 4 where it starts with 3600 and the
11 debit --
12 A Yep.
13 Q -- and then it looks like line 7 has 3600 in credit --
14 A Yep.
15 Q -- 3150 -- 3150 7,080. What does that indicate to you?
16 A That -- that indicates that we -- we accrued an expense
17 and then the next month it reversed right out with the hope
18 that that invoice would be posted in that month. And it looks
19 like we accrued 36 and 3150, the very next month, which still
20 means that invoice had not been processed and it may not have
21 been processed because matching with the P.O., there may have
22 been issues. We may have gone back to the vendor and said, you
23 may have overbilled us based on what we have for our records.
24 That's an example. But it looks like it took a couple months
25 for it to get in.

1 Q If you go to the second page, third from the bottom, a two
2 cent credit CIP to R&M.
3 A That's --
4 Q What is CIP?
5 A That is construction in progress.
6 Q Okay. And it looks like it's R&M Rounding. What does
7 that indicate?
8 A That indicates that some -- that Tina did a reclass --
9 Tina Le did a reclass to round out an entry that she had. To
10 me, it's not even worth two cents, the time that it takes, but
11 she did it.
12 MR. HILGENFELD: At this point, we'd move for Respondent's
13 343.
14 THE WITNESS: She was very meticulous.
15 JUDGE SANDRON: I can tell. So I'm noting again this is
16 from GC Exhibit 358. Any objection?
17 MR. RIMBACH: No objection, Your Honor.
18 JUDGE SANDRON: Respondent's Exhibit 343 is admitted.
19 **(Respondent Exhibit Number 343 Received into Evidence)**
20 Q BY MR. HILGENFELD: Mr. Parry, I'm now going to go to GC-
21 258 and filter --
22 JUDGE SANDRON: 258 --
23 MR. HILGENFELD: It -- it's what's on the screen, Your
24 Honor, and I'm going to filter that for --
25 JUDGE SANDRON: Oh, another filter, okay.

1 MR. HILGENFELD: Yeah.
2 JUDGE SANDRON: That same --
3 MR. HILGENFELD: Same process. So WO crew physical drug
4 testing. This has been marked 344.
5 Q BY MR. HILGENFELD: Mr. Parry, what does segment 5885
6 indicate for a direct cost?
7 A 5885 is designated to physicals and drug testing for crew
8 members.
9 Q And it has WO crew, any understanding of what WO is?
10 A They denoted it as Westoil, WO.
11 Q And when you say they, who do you mean?
12 A I'm sorry, whomever created this account, which would have
13 been so -- somebody in my accounting staff, but it could have
14 been a long time ago. Instead of using WOS crew, they used WO.
15 They were inconsistent.
16 Q And in this, what -- what does this show as to how the --
17 I guess how the -- who -- who performed the drug testing?
18 A Concentra performs physicals and drugs tests for us for
19 new hires. They also -- or for people that are coming back to
20 work that need to pass a fitness test.
21 Q And what does the IC HMS indicate?
22 A That indicates that it's intercompany because it was
23 originally -- it may have originally been coded to -- in this
24 case, Harley Marine Services, known as Centerline Logistics.
25 So the correct costs being put into the correct segment.

1 Q And that would be Westoil?
2 A Westoil Marine Services, right.
3 Q For drug testing for Westoil employees on the Anne
4 Elizabeth?
5 A Yes. And a reclass like that would stick out like a sore
6 thumb in Centerline Logistics level because there is no crew
7 costs.
8 MR. HILGENFELD: What does -- I guess the -- I think
9 that's fine. We'll move for Respondent's exhibit 344.
10 JUDGE SANDRON: And this -- this company does it for all
11 the operating crew members?
12 THE WITNESS: At this time they did. We do still use
13 Concentra, but yes.
14 JUDGE SANDRON: All right. I'm noting this is from
15 General Counsel Exhibit 348. Any objections?
16 MR. RIMBACH: No, Your Honor.
17 JUDGE SANDRON: Okay. It is received.
18 **(Respondent Exhibit Number 344 Received into Evidence)**
19 MR. HILGENFELD: This would probably be a good time, Your
20 Honor, for a 10- or 15-minute afternoon break.
21 JUDGE SANDRON: All right. We'll take our afternoon
22 break. Be back in 15 minutes.
23 MR. HILGENFELD: Okay. Thank you.
24 JUDGE SANDRON: Off the record.
25 (Off the record at 3:01 p.m.)

1 JUDGE SANDRON: Back on the record.

2 **RESUMED DIRECT EXAMINATION**

3 Q BY MR. HILGENFELD: Mr. Parry, are you familiar if one
4 operating company needs to utilize the services of a different
5 operating company, is there payment for those services?
6 A Yes.
7 Q If -- and what's that payment based on, if you know?
8 A It's based on -- it's based on the -- the overflow
9 agreement. It's $750 per hour and it's tracked by Centerline
10 accounting on behalf of the (audio interference) and they
11 generate an invoice.
12 Q And what would be an example of when such a service may be
13 needed?
14 A Primarily tugs. If there's a -- if there's a tug for --
15 say for example a tug for Leo Marine Services needs to move a
16 barge for Westoil Marine Services.
17 Q Does the operating companies also use third-parties for
18 subcontracted tug work to move barges or perform assists?
19 A There's quite a bit of third-party subcontractor work that
20 we have for third-parties that we need tug services.
21 Q And what are some of the third-parties in Southern
22 California that may provide assistance to either Westoil Marine
23 Services or Leo Marine Services?
24 A Crowley, I'm not sure how much we use Foss, and maybe --
25 I'm not sure if AMNAV is San Francisco or Los Angeles, and I

1 know Baydelta is -- does have a tug in Los Angeles. Those are
2 the typical third-party subcontractor tugs that I can think of
3 on the -- of the top of my head.
4
5 JUDGE SANDRON: What was the third one you said?
6 THE WITNESS: AMNAV or Baydelta.
7 JUDGE SANDRON: Yes.
8 THE WITNESS: A-M-N-A-V.
9 JUDGE SANDRON: That may be in the record already.
10 Q BY MR. HILGENFELD: I'm going to hand you what's been
11 marked as Respondent's 138. Mr. Parry, what is Respondent's
12 Exhibit 138?
13 A I'm sorry Ch -- Chris, can you say that again please?
14 Q Sure. What is Respondent's 138?
15 A What is --
16 Q What is the document show?
17 A Oh, okay. These are -- let's see. This is 2020 and this
18 shows -- this shows all the -- all of the companies that we
19 used for third-parties. And it explains the description. So
20 it looks like we have Crowley, AMNAV, Foss -- we don't use them
21 much. And those are the main.
22 Q And what does the report go through?
23 A So for example, in January on the first line item, January
24 2nd, 2020, the marine vessel Nikos P, we need -- we were -- we
25 needed to utilize Crowley tug services to do a job with us and

1 they billed us two times $2,000 for a total of $6,000. And it
2 was two tugs and it's probably at -- actually, let me see, two
3 each 6,000. Oh, I see. It's two each at two billed -- no
4 actually, the math doesn't tie out on the first one. It does
5 on the third one, it does on the second one. My guess is that
6 it was two tugs at four thou -- it cost $4,000.
7 Q And is this kept in a system for Centerline Logistics?
8 A Yes. This was -- this was analysis back from 2020 to --
9 for us to -- to -- to determine who we were using for our
10 subcontractor expenses.
11 JUDGE SANDRON: Is that for all the operating entities?
12 THE WITNESS: This -- this is -- this was, at the time for
13 Millennium Maritime because it was 2020.
14 JUDGE SANDRON: I see, MMI is Millennium Maritime?
15 THE WITNESS: Yes.
16 Q BY MR. HILGENFELD: And who provided the tug services for
17 Westoil in 2020? What operating company?
18 A That -- that was Millennium Maritime.
19 Q Does Westoil have any tug support?
20 A Westoil only has barges.
21 Q Would this indicate if an MMI tug was not available, would
22 Crowley, for instance in the first line, have been used to move
23 a Westoil barge or assisted?
24 A That's correct. That -- this was business of ours that we
25 didn't have tugs available, and we needed them.

1 Q And if you go to page 11, does that indicate the length of
2 where the report would have gone through?
3 A Yes. This is an annual report.
4 Q And what -- what's the end date for the report?
5 A The end -- I'm sorry, it is not an annual report. The end
6 date for this report -- so this was from January 2020 all the
7 way through 2022.
8 Q And would this show the end -- subcontracting tugs that
9 have been utilized by operating companies in L.A. Long Beach in
10 this period of time?
11 A That -- yes, that is correct. And Baydelta is on here. I
12 knew that Baydelta moved to Los Angeles at some time, I wasn't
13 sure, you know, how much we were using them, but the fourth tug
14 party that we are using. What's not listed in here -- oh, no,
15 I'm sorry. Foss is. Let's see.
16 Q And if you look on page 9, indicates WMS. Who would be
17 WMS?
18 A Westoil Marine Services.
19 Q And what system is this information contained on?
20 A This is maintained in our accounting files.
21 Q Is that part of the regular course of business that the
22 records are maintained?
23 A Yes. We always used to analyze our third-parties just
24 because there was such an expensive cost.
25 MR. HILGENFELD: At this time, we would move to admit

1 Respondent's 138.

2 JUDGE SANDRON: Any voir dire?

3 MR. RIMBACH: Yes, Your Honor.

4 **VOIR DIRE EXAMINATION**

5 Q BY MR. RIMBACH: How is this spreadsheet created?

6 A This would have been created off of our ship assist data.

7 Q Where is this ship assist data kept?

8 A So if you -- we could look at subcontractor expenses and

9 you would see your subcontractor expenses in the Great Plains

10 financials. And you could see subcontractor expenses for this

11 time frame for what we paid out at various companies. This was

12 probably then run for more detail and may have been run out by

13 looking at the dispatching schedule.

14 Q When you say Great Plains, that's Microsoft Dynamics?

15 A It is.

16 Q And so only -- you had access to this data as a Centerline

17 employee?

18 A Only -- yes.

19 Q Okay. Did you access this data yourself to create this

20 Excel spreadsheet?

21 A I did not create this Excel --

22 Q Do -- do you know who created this?

23 A I do not know who created this. I will tell you that

24 this -- this report was very common for -- to be run by our

25 sales team so that they could review subcontractor expenses.

1 It's a huge part of our expenses and we always try to look at
2 it. And part of the issue that we had was we use a lot of
3 company for subcontractor expenses, but sometimes they would
4 use us when we had our Millennium tugs and sometimes we felt
5 like we were getting the short end of the stick.
6 Q And when you say sales team, that's Centerline's sales
7 team?
8 A Yes. Jennifer Beckman would have a been a person that
9 pulled this data quite often. I don't know if she pulled this
10 particular report.
11 Q What is UOM (phonetic throughout) on the first page?
12 JUDGE SANDRON: Where is that Mr. --
13 MR. RIMBACH: It's one of the columns.
14 THE WITNESS: I do not know. I should know but I do not
15 know what UOM means. It's got to be an acronym for something.
16 Q BY MR. RIMBACH: So you don't know whether this is -- do
17 you know what the different is between each and hours?
18 A I don't and that's why I was confused on line item 1
19 because that math does not tie out. But if we go down, it does
20 look like it ties out for -- now see, I'm a little bit confused
21 on the -- on some of the math that they have here.
22 Q Okay.
23 A Some of it ties right out.
24 JUDGE SANDRON: I'm not sure we have an adequate
25 foundation for this document.

1 MR. HILGENFELD: He -- he's testified to all the
2 information comes from the system, he doesn't have to be the
3 one that actually prints it.
4 JUDGE SANDRON: Well, I'm not sure that he can explain
5 everything on it. He can't really vouch --
6 THE WITNESS: Unit of measure.
7 JUDGE SANDRON: What's that?
8 THE WITNESS: I believe it's unit of measure.
9 JUDGE SANDRON: That. Okay, but I'm not sure that he can
10 state with certainty how it was prepared, he doesn't know who
11 prepared it.
12 MR. HILGENFELD: I don't believe he needs to know who
13 prepared it, Your Honor. He's testified to where it comes from
14 and the basis of the information.
15 JUDGE SANDRON: Well, presumably, but he didn't -- he did
16 not have any role in preparing it so how do -- how do we know
17 that the person ran it did it accurately or that it really
18 reflects what it purports to be? I don't have a -- the
19 General -- what's the General Counsel's position?
20 MR. RIMBACH: I agree with Your Honor, lack of foundation.
21 Also, this witness does not know what the information in here
22 is -- is with respect to each versus hours or how these figures
23 were even calculated, so I would object on that basis, Your
24 Honor.
25 JUDGE SANDRON: I -- I don't think it's been a proper

1 foundation laid.

2 MR. HILGENFELD: I'll continue, Your Honor.

3 JUDGE SANDRON: Anyway, I'll -- we can hold this advance

4 if we can get the proper foundation at a later point. It won't

5 be considered for now.

6 **(Respondent Exhibit Number 138 Rejected)**

7 Q BY MR. HILGENFELD: Mr. Parry, do you have an

8 understanding of what the price would indicate?

9 A The price would indicate about what we're charged. If you

10 take a look at our Great Plains Dynamics -- if you take a look

11 right at the spreadsheet, we're going to be able to see

12 subcontracted expenses by vendor. What this report does is it

13 extrapolates that -- that detail and -- and probably our sales

14 team went through there to put the detail for exactly what we

15 needed for. And they -- they may even be tracking this and

16 this could be a report right from Jennifer Beckman because she

17 always would track the -- the subcontractors. I'm not saying

18 if for a fact, but we'll see -- we will see expenses for

19 subcontractor expenses in Great Plains Dynamics. Great Plains

20 Dynamics doesn't give you the detail for this. It gives you

21 the detail of what we were invoiced and who the vendor is and

22 what the amount is. She would keep a report like this because

23 she'd want to see, hey, are we -- are we subbing them in for

24 them to help on -- on ship assist back in 2020? Or are we

25 subbing them in because we need a tow tug? Or are we subbing

1 them in because we need a third-party tug? Are we subbing them
2 in because we need an escort?
3 JUDGE SANDRON: So you -- you can't really say for certain
4 on how this was prepared -- how it was prepared?
5 THE WITNESS: The -- I -- I could say that somebody could
6 prepare it by looking at our individual invoices that were
7 received from our customers, comparing it to what we have in
8 our financial system, and also comparing it to what's in our --
9 in our dispatch schedule.
10 JUDGE SANDRON: All right.
11 Q BY MR. HILGENFELD: Are you familiar with the -- the nu --
12 the frequency that subcontracting is generally used in L.A.
13 Long Beach as it's related to tug help from Crowley, AMNAV,
14 Foss from 2020 to the present?
15 A Am I familiar with it?
16 Q Yes.
17 A I am. There was more activity -- there may have been a
18 little bit more activity in 2020 is my -- but we constantly
19 need subcontracted tugs to help us do our work.
20 Q And where does -- what sources does the inter -- the
21 company's -- I think you've testified, Crowley. Who's Crowley?
22 A Crowley is a tug and barge company, but they provide tug
23 services in Los Angeles and I believe, San Francisco.
24 Q Who's AMNAV?
25 A AMNAV is also another tug company that provides ship

1 assist escorts in L.A.
2 Q Who's Foss?
3 A Foss is also another tug and barge company, but they
4 provide tug service -- tug services for ship assist. We --
5 Foss is part of Saltchuck, we sold Saltchuck all of our ship
6 assist tugs.
7 Q And then who's Baydelta?
8 A Baydelta is a tug company. They were formerly only
9 operating in San Francisco, but they expanded at some point in
10 the last couple years to Los Angeles.
11 JUDGE SANDRON: And what's the purpose that you want this
12 document received, Mr. Hilgenfeld?
13 MR. HILGENFELD: The purpose is that there has been
14 testimony from Mr. Sogliuzzo regarding the fact that no
15 subcontracting services were provided by anybody until Glencore
16 and that occurred in 2021. So this is being offered for the
17 fact that -- fact fairly consistent for 2020, 2021, 2022 of
18 services being provided to MMI and Westoil in that period for
19 those services.
20 JUDGE SANDRON: De we have any idea of -- we still have a
21 foundational issue of when this was, you know, prepared, by
22 whom, and how.
23 Q BY MR. HILGENFELD: I understand, Your Honor, but I
24 believe I'm still allowed to ask questions.
25 JUDGE SANDRON: Yeah. You can ask questions and you know,

1 if you want an opportunity, perhaps the -- be able to get --
2 it's up to you, but if you think you can get the proper
3 foundation for it, I'll -- I'll certainly reconsider.
4 MR. HILGENFELD: Understood, the -- I -- I appreciate
5 that, Your Honor. Thank you.
6 JUDGE SANDRON: So I think we have the spellings of those
7 different companies in the record, if we don't have the
8 document.
9 MR. HILGENFELD: Oh, can we turn it back on, Thomas? I'm
10 sorry.
11 MR. RIMBACH: Oh, I think it went to sleep.
12 JUDGE SANDRON: You're turning it off? Do we need that
13 again?
14 MR. HILGENFELD: We do, Your Honor.
15 JUDGE SANDRON: Are we going through a different -- or the
16 same one?
17 MR. HILGENFELD: This is General Counsel's Exhibit 259. I
18 have filtered it out to subcontracting for AMNAV and these
19 are --
20 Q BY MR. HILGENFELD: Do you have an understand of what the
21 AMNAV subcontracts would be here that's listed for -- on the
22 screen, it appears the transaction dates are from April 30th to
23 August 31st. Do you see that, Mr. Parry?
24 A I do.
25 Q And what would those trans -- what would the

1 subcontracting costs be here?
2 JUDGE SANDRON: Are you going to have him -- it that an
3 exhibit you want to ask him from the --
4 MR. HILGENFELD: I'm asking him from the screen.
5 JUDGE SANDRON: Oh, it's GCs exhibit.
6 MR. HILGENFELD: It's already been admitted.
7 JUDGE SANDRON: And it's a little hard to read it.
8 MR. HILGENFELD: I'll try to -- I'll try to blow it up,
9 Your Honor.
10 JUDGE SANDRON: So -- okay. As -- can we blow it up at
11 all.
12 MR. HILGENFELD: I -- I'm trying to.
13 UNIDENTIFIED SPEAKER: On the right, do you see the plus
14 sign? All the way to the right?
15 MR. HILGENFELD: Yeah.
16 UNIDENTIFIED SPEAKER: Yeah.
17 JUDGE SANDRON: You're going to have --
18 MR. HILGENFELD: The plus sign?
19 UNIDENTIFIED SPEAKER: Yeah.
20 JUDGE SANDRON: -- glasses time in the way as well, but I
21 can -- I can see -- you can go ahead and move on. General
22 Counsel can see it, I can follow along and have -- so what --
23 what does this represent? Or what are you asking about?
24 Q BY MR. HILGENFELD: So in the account description, what do
25 you see, Mr. Parry?

1 JUDGE SANDRON: Oh, let me just ask one thing. Is this
2 taken from GC Exhibit --
3 MR. HILGENFELD: This is taken from GC -- it's not taken.
4 But this is GC Exhibit 259 and it's been filtered for
5 subcontractor and --
6 JUDGE SANDRON: And I don't know do we need it as an
7 exhibit because --
8 MR. HILGENFELD: Well, it's in -- it's going to be -- the
9 exhibit has been introduced in Excel form --
10 JUDGE SANDRON: Right.
11 MR. HILGENFELD: -- and so anyone who goes to Excel form
12 in the account description can filter it through that.
13 JUDGE SANDRON: All right. Does General Counsel have any
14 issue with that?
15 MR. RIMBACH: I don't, Your Honor. I just would like to
16 know that the period of time that this shows starts at April
17 30th 2021 onwards.
18 JUDGE SANDRON: Well, okay the only concern I have is that
19 when it comes to going through the exhibits when I go through
20 the exhibits and if at a certain point it goes up to the Board,
21 it may be hard -- it may be a little bit unwieldy to have to go
22 to the Excel spreadsheets to -- to find the filters without
23 going through, you know, all the spreadsheets. I mean, how
24 would say going back and reviewing what you're showing on the
25 screen, how would I get to that?

1 MR. HILGENFELD: Maybe if I can make a suggestion.
2 JUDGE SANDRON: Yes.
3 MR. RIMBACH: After you do the filter, it still shows the
4 row numbers, so maybe you can identify the row numbers as well.
5 MR. HILGENFELD: Yeah, we'll do it -- we'll -- I think
6 we'll just describe what we're going to do, and it'll be in the
7 record.
8 JUDGE SANDRON: All right.
9 MR. HILGENFELD: Your Honor, if you go to column F.
10 JUDGE SANDRON: All right, you're going to have to
11 describe it in --
12 MR. HILGENFELD: Column F has a filter.
13 JUDGE SANDRON: All right.
14 MR. HILGENFELD: You can filter for subcontracting, which
15 is what's been done here. And this has all the various types
16 of subcontracting --
17 JUDGE SANDRON: Okay. Yeah, I -- I don't know if I want
18 to be in the position when I'm writing the decision of having
19 to filter out terms, you know, it's up to the parties to
20 present me with the evidence and I'm not sure -- sure that I've
21 maybe even technically able to -- to do it in a meaningful way
22 with the filters.
23 MR. RIMBACH: I -- I plan on using the filters as well,
24 Your Honor. I think maybe if you could explain just from start
25 to finish maybe how you sort certain filter and then pick the

1 filter function.

2 MR. HILGENFELD: I -- I'm fine with that, but I heard

3 that's not what Your Honor wants. My understanding is that's

4 not what you want. So I -- what I would ask, Your Honor, is I

5 would move on with the line of questioning on this. We're -- I

6 would ask to have a little leniency --

7 JUDGE SANDRON: All right.

8 MR. HILGENFELD: -- when we end the day to be able to

9 recoup this issue and have an opportunity to print things off

10 that need to be printed off.

11 JUDGE SANDRON: Yes. Yes.

12 MR. HILGENFELD: I'm happy to do that and that way we

13 can --

14 JUDGE SANDRON: That'd be --

15 MR. HILGENFELD: That way we can have the printed things

16 and --

17 JUDGE SANDRON: Okay, that'd be fine.

18 Q BY MR. HILGENFELD: Al right. So moving on, Mr. Parry.

19 This is -- oh boy, 160 is locked.

20 (Counsel confer)

21 JUDGE SANDRON: Okay. 160, if it does go -- most likely

22 will go up to the Board. I -- I don't think the Board writers

23 would be happy having to go through Excel spreadsheets and

24 doing searches. I'm not sure they would be very pleased with

25 that.

1 MR. HILGENFELD: Totally understand, Your Honor. We
2 will -- we will go a different route here and we'll -- we'll
3 move on a little --
4 JUDGE SANDRON: If you want to go ahead now with this, I'm
5 fine if you want to provide them later.
6 MR. HILGENFELD: Yeah. What we'll do is we'll move on,
7 finish up some other pieces. A little leniency to bring it
8 back tomorrow.
9 JUDGE SANDRON: That'd be fine.
10 MR. RIMBACH: I'm sorry. Can we please go off the record
11 for one minute?
12 JUDGE SANDRON: You want to go off the record?
13 MR. RIMBACH: Yeah. I just have a question off the
14 record.
15 JUDGE SANDRON: Off the record.
16 MR. RIMBACH: Thank you.
17 (Off the record at 3:44 p.m.)
18 Q BY MR. HILGENFELD: Mr. Parry, we're back to GC-259 --
19 258, it's on the top, it's on the screen right there.
20 A Okay.
21 Q On column F, the account description, I am going to filter
22 by maintenance and cure.
23 JUDGE SANDRON: (Indiscernible, simultaneous speech).
24 MR. HILGENFELD: I have a document for this, Your Honor.
25 JUDGE SANDRON: Oh, okay. (Audio interference) got it

1 together. (Indiscernible, simultaneous speech) for this one,
2 okay, good.
3 MR. HILGENFELD: And hand out to you Respondent's 347.
4 JUDGE SANDRON: Okay.
5 Q BY MR. HILGENFELD: And Mr. Parry, what is segment 5820?
6 A 5820 is maintenance and cure.
7 Q And what does -- what maintenance and cure is included in
8 Respondent's Exhibit 347?
9 A It's maintenance and cure that would have been paid to an
10 employee who was hurt on the Dale Frank, Jr.
11 Q Okay. What is maintenance and cure?
12 A Under Jones Act, when a seafarer gets injured on a vessel,
13 we -- the company is responsible for paying daily maintenance
14 and cure, which is hospital bills, until that seafarer has
15 reached maximum medical improvement.
16 Q And -- and who's responsible for maintenance and cure for
17 Westoil employees?
18 A Who's responsible --
19 Q What company is responsible for Westoil employees?
20 A Westoil bears the cost for their -- on their -- on their
21 operating expenses.
22 Q And if I look at Respondent's 347, on the third line is
23 Aasgard Summit. Are they a vendor?
24 A Yes, Aasgard Summit preforms medical or rehab services.
25 Q And when it -- on that column, it goes over to IC colon

1 HMS, what does that indicate?
2 A Yeah. Let me be clear on this, let's see. So what that
3 indicates is this is an accounts payable transaction that was
4 originally the invoice is billed to Centerline Logistics, which
5 is HMS. Centerline Logistics reviews the invoice and sees
6 within the invoice that there are more than one company that
7 the services for that invoice are provided for, so it is
8 reviewed and the cost that is Westoil's responsibility is
9 $889.20 and it's a payables transaction and it comes over
10 through intercompany from Centerline Logistics.
11 Q Would that be true for intercompany payments elsewhere in
12 the general transaction log?
13 A Where it say intercompany and there's a PM transaction,
14 it's an accounts payable.
15 JUDGE SANDRON: So it is a PM, it means --
16 THE WITNESS: Yeah. Where you have the source document
17 that begins with PM, which is the --
18 JUDGE SANDRON: Oh, I see. All of those --
19 THE WITNESS: Yep.
20 Q BY MR. HILGENFELD: So column A should be an instance
21 where Harley Marine Services paid the bill -- allocated expense
22 for Westoil to be responsible for, for that portion?
23 A Yes.
24 Q And does that occur any time any of the companies would be
25 responsible for one bill or another and paid a portion?

1 A Yes.

2 JUDGE SANDRON: So -- so how would the portion --

3 Centerline would pay the bill initially?

4 THE WITNESS: Yeah. The invoice would come to Centerline.

5 JUDGE SANDRON: Right. And then how -- how would it be a

6 portion to the operating company, in this case Westoil.

7 THE WITNESS: So accounts payable would go through and

8 review the document and verify which -- which operating

9 companies --

10 JUDGE SANDRON: Oh, I see.

11 THE WITNESS: -- it's responsible for. Or and what's

12 Centerline is responsible for.

13 JUDGE SANDRON: I see. But how would it -- how would it

14 not be sole responsibility to operating company?

15 THE WITNESS: Sometimes it is if an invoice is -- if an

16 invoice is sent to Centerline --

17 JUDGE SANDRON: Yes.

18 THE WITNESS: -- they'll -- this vendor will perform

19 services for all of our mariners and they can all work for

20 different outposts.

21 JUDGE SANDRON: In other words, if the employee is injured

22 working for -- on a --

23 THE WITNESS: On the Dale Frank, Jr.

24 JUDGE SANDRON: Yeah. Why wouldn't Westoil really have

25 the whole responsibility for --

1 THE WITNESS: They only -- Westoil Marine Services only
2 has the responsibility for the maintenance and cure for that
3 one -- for that one mariner that's hurt.
4 JUDGE SANDRON: Maybe I didn't -- maybe you can clarify.
5 MR. HILGENFELD: Yeah.
6 Q BY MR. HILGENFELD: So Mr. Parry, Aasgard Summit, could
7 they potentially have a bill submitted to Centerline for a
8 variety of mariners?
9 A Yes.
10 Q And those mariners work for a variety of companies?
11 A Yes.
12 JUDGE SANDRON: Oh, I see.
13 Q BY MR. HILGENFELD: Would Westoil be responsible for all
14 of the Westoil employees under that bill?
15 A Just the Westoil invoices.
16 JUDGE SANDRON: Oh, I see. So if other companies are
17 involved, they would -- it'd be a portion?
18 THE WITNESS: Correct.
19 JUDGE SANDRON: Okay. Thank you. That's helpful.
20 MR. HILGENFELD: At this time, Your Honor, we'd move for
21 Respondent's 347.
22 JUDGE SANDRON: Again noting it's from General Counsel's
23 Exhibit 358. Does General Counsel have any objections?
24 MR. RIMBACH: No, Your Honor.
25 JUDGE SANDRON: Document's received.

1 **(Respondent Exhibit Number 347 Received into Evidence)**
2 MR. HILGENFELD: Now, Your Honor, I'm going back to
3 General Counsel's Exhibit 258 and filtering for Fencer
4 Insurance (phonetic throughout). I'm handing out Respondent's
5 Exhibit 349.
6 Q BY MR. HILGENFELD: And do you know who Fencer Insurance
7 is, Mr. Parry?
8 A I'm not familiar with that vendor.
9 Q Okay. Does -- does each operating company have
10 responsibility for their own company insurance?
11 A Yes, they do. I'm sorry, that -- that is not a vendor.
12 Q The Fencer -- the Fencer (phonetic throughout) is a vessel
13 in Westoil Marine Services.
14 JUDGE SANDRON: All right.
15 MR. HILGENFELD: Thank you.
16 Q BY MR. HILGENFELD: And so this would be insurance for
17 that vessel?
18 A Yes.
19 Q And would Westoil be responsible for that insurance then?
20 A Yes.
21 JUDGE SANDRON: Is 5700 insurance?
22 THE WITNESS: Yes.
23 Q BY MR. HILGENFELD: And T.L., I believe is Tina Le?
24 A Yes.
25 Q Under the original source?

1 A I'm sorry, wait, what year it this, 2020. For this
2 transaction, this may be Trevor Lykstad. T-R-E-V-O-R
3 L-Y-K-S-T-A-D.
4 JUDGE SANDRON: Thank you.
5 Q BY MR. HILGENFELD: And if you look at the reference
6 column that identifies -- it appears to be -- is a month and a
7 day, or a month and a year, maybe a month and a year, do you
8 have an understanding?
9 A I know that the insurance renewals are on April 1st of
10 each year -- or around April. So are you asking --
11 Q It says January 20, do you have an understanding of
12 whether that's January of 2020 or January 20th?
13 A Oh, I would say that it is for January 20th just because
14 it's recorded in -- on January 20 in every entry going down.
15 JUDGE SANDRON: And just -- what is this insurance
16 represent?
17 THE WITNESS: It's vessel insurance.
18 JUDGE SANDRON: Oh, I see. So it's a fairly small amount.
19 THE WITNESS: Yeah, this is a very small vessel. But we
20 have to insure every vessel.
21 MR. HILGENFELD: And so if you -- it's not very clear, but
22 just to make clear for the record, if you pull up the box on
23 GC-258, the reference has for the first column, January 20th
24 and a hyphen vessel insurance. And on this, insurance got cut
25 off on the print.

1 JUDGE SANDRON: Oh, okay. I see.
2 MR. HILGENFELD: At this point, we would move to offer
3 Respondent's 349.
4 JUDGE SANDRON: Again, it comes from General Counsel's
5 Exhibit 258. Any objections?
6 MR. RIMBACH: I don't, Your Honor. I'd just like to also
7 note that this printout cuts off at column F, I believe, but
8 the actual spreadsheet goes from G all the way through P.
9 MR. HILGENFELD: This cuts off on column P and just note
10 for the record, Q through W has no -- no writing, no
11 information in it.
12 MR. RIMBACH: Yeah so I just wanted to note that this
13 isn't a full printout of what's actually on the Excel
14 spreadsheet for these rows. Which is the problem, I believe
15 with the printouts of these spreadsheets.
16 JUDGE SANDRON: All right. Well, I don't think the other
17 columns are blank would have to be concerned with, I'm not
18 seeing the exhibit.
19 MR. RIMBACH: And there are about seven columns that have
20 information on it that aren't included on the printout. But I
21 just wanted to note it for the record, Your Honor. But no
22 objection otherwise.
23 JUDGE SANDRON: All right. I take Mr. Hilgenfeld, you're
24 not -- you're offering the document, but you're -- the other
25 columns are not relevant to what your offer?

1 MR. HILGENFELD: Correct, Your Honor.
2 JUDGE SANDRON: All right. Mr. Rimbach, your comments are
3 noted. General Counsel Exhibit 349 is admitted.
4 **(Respondent Exhibit Number 349 Received into Evidence)**
5 MR. RIMBACH: And I'll just -- I'll just make a standing
6 comment that I believe that's true for these other printouts as
7 well that have already been admitted, so I won't repeat
8 myself --
9 JUDGE SANDRON: All right. That's fine.
10 MR. RIMBACH: -- if more of these are offered.
11 JUDGE SANDRON: Okay. I'll note your continuing comment.
12 Again, a doc -- again even though a document may have more in
13 it, counsel's not required to enter the whole document if
14 there's only a portion that he wishes to use.
15 MR. RIMBACH: I'm not objecting, Your Honor.
16 JUDGE SANDRON: All right.
17 MR. RIMBACH: I'm just noting on the record because it's
18 unclear.
19 JUDGE SANDRON: Oh, I see.
20 MR. RIMBACH: I just wanted to make it clear for the
21 record that the printout is only -- goes from column A through
22 column P, but the columns on the actual Excel file go through
23 column W.
24 JUDGE SANDRON: Okay. And just to -- I think we already
25 have it on the record, but you had difficulty getting the

1 spreadsheets into like Word documents or forms that would be
2 copied for the length of the page.
3 MR. RIMBACH: Yes, Your Honor. And that's the issue with
4 printouts unfortunately, is that even on this size paper
5 that's, you know, with Respondent's Exhibit 349, it cuts off
6 many of the columns that come after column P. And so it's just
7 very difficult to translate the electronic file to a printed
8 version.
9 JUDGE SANDRON: Right.
10 MR. RIMBACH: And you also lose the row numbers here on
11 the left hand side.
12 JUDGE SANDRON: Well, I don't know if the -- if it becomes
13 an issue, then I suppose -- I don't know if you can copy it in
14 very small, you know, font.
15 MR. HILGENFELD: The difficulty we had, Your Honor, is it
16 would be almost unreadable.
17 JUDGE SANDRON: Okay.
18 MR. HILGENFELD: And so --
19 MR. RIMBACH: We have tried that. And I'm okay, I just
20 wanted to note for the record. I'm not objecting to these
21 documents, I just wanted to note it because it's not completely
22 clear, just in case.
23 JUDGE SANDRON: All right.
24 MR. RIMBACH: Sorry.
25 JUDGE SANDRON: No, that's all right. I mean, if -- it

1 wouldn't have -- here at this point what's cut off on the
2 documents -- the exhibits is going to be a problem, in terms of
3 parties wanting to go beyond what's in the Respondent's
4 Exhibit. If it is then, I suppose there's a way we can get
5 into the spreadsheet, if it gets to that, which may -- may
6 not -- not occur.
7 MR RIMBACH: Just for example, the screen that's displayed
8 right now for shop allocated cost -- the PDF version is not
9 going to have the row numbers that start with 195, 506, 715,
10 958 and so on, so you lose that information. So it's hard to
11 tell where that is in the electronic file. So I just wanted to
12 note that on the record, but I'm not objecting to these
13 documents, Your Honor -- to the admission of these documents.
14 I just wanted to clarify that on the record.
15 JUDGE SANDRON: Mr. Higlenfeld, any -- any comments?
16 MR. HILGENFELD: There's not an objection, so I'm not
17 sure. I need to make a copy, unless you'd like me to.
18 JUDGE SANDRON: All right.
19 MR. HILGENFELD: General Counsel 258, I filtered out for
20 shop allocated costs 999. What is segment 352 -- first off,
21 I'm going to hand this out. This is Respondent's 351.
22 JUDGE SANDRON: 351 (indiscernible, simultaneous speech).
23 Q BY MR. HILGENFELD: What does -- on the segment 3 5260
24 connotate?
25 A I'm sorry Chris, which segment? Oh, 5260. That's shop

1 allocated cost.
2 Q And what -- it says shop allocated cost 999. Does that
3 have any meaning to you?
4 A No. I don't know why he put the 999 in.
5 Q And did Westoil share a shop with another operating
6 company in LA Long Beach Harbor?
7 A Yeah. Millennium Maritime.
8 Q And what does this indicate as to what was occurring?
9 A This is my staff accountant reclassing out the portion of
10 shop costs to -- to Millennium Maritime, so Westoil was bearing
11 all of the costs, but it should be allocated between both
12 companies because they were sharing the shop.
13 Q So this is an allocation now that West -- that Millennium
14 Maritime would pay their portion and Westoil would pay their
15 portion. Did I understand that correctly?
16 A Yes, correct.
17 Q And Respondent's 351 ends at the end of column P. And
18 just to note for the record, columns Q through R or Q through W
19 are blank on there. Column P -- let's spread this out.
20 JUDGE SANDRON: If you want you could read what it says
21 into the record.
22 MR. HILGENFELD: Yeah. So it's a little broken up on the
23 reference section.
24 Q BY MR. HILGENFELD: The first line should be WNS
25 allocated shop cost. What does that mean, Mr. Perry.

1 A It means they're allocating the shop costs to Millennium
2 Maritime, their portion.
3 Q Is that why it's seen as a credit not a debit?
4 A Exactly.
5 Q And what is -- the second line is allocate shop expenses.
6 What does that mean?
7 A He's doing the same journal entry. He's just using a --
8 a -- he's not using -- it's -- if you notice Vlad Godunok did
9 journal entry number two. And so he just used a different
10 description. He wasn't consistent in his description field.
11 Q I have four -- you're going to have to spell Godunok.
12 A Oh. We don't have Vlad Godunok on -- okay. I'm going to
13 do this one phonetically too. I'm going to go with Vlad,
14 V-L-A-D, Godunok, G-O-D-U-N-O-K.
15 JUDGE SANDRON: Okay. We'll go with that.
16 THE WITNESS: Yeah. Actually, I think that is the right
17 spelling.
18 Q BY MR. HILGENFELD: What position does Mr. Good -- and I
19 believe there was a conversation -- some testimony regarding a
20 Vlad doing financial performance notes. Would this be the same
21 individual?
22 A That is the same individual.
23 Q And what is Vlad's current position with Centerline
24 Logistics?
25 A Vlad is the finance manager who reports to the CFO.

1 Q And how long has he had that position?
2 A Oh, boy. He's been finance manager, for I would say, two
3 years, two and a half years.
4 Q And do you know who had the position before him?
5 A A gentleman by the name of William Backe, B-A-C-K-E.
6 Q The third line just to make sure Respondent's 351 is
7 clear, is March 20 shop allocation. The fourth line is APR 20
8 shop allocation. The fifth line is allocate shop exp May 20.
9 Next, shop allocation JUN 20 -- next, shop allocation JUL 20.
10 Next, shop allocation AUG 20 -- next, shop allocation SEP 20.
11 Next, shop allocation OCT 20 -- next, shop allocation NOV 20.
12 And then the last MMI/WMS shop allocation December 20.
13 JUDGE SANDRON: Yeah. That's helpful. One -- one thing
14 is -- is -- it has credits?
15 MR. HILGENFELD: Yes.
16 JUDGE SANDRON: And then all that, so where's it show --
17 so it shows an even split between the two companies?
18 THE WITNESS: It -- it doesn't show -- it doesn't show
19 what the other companies. It just shows the portion for
20 Millennium that's coming out of Westoil. So the cred -- the
21 credit is to Westoil.
22 JUDGE SANDRON: Oh. I see.
23 Q BY MR. HILGENFELD: So if we look at MMI, would there be a
24 debit?
25 A Yes.

1 JUDGE SANDRON: Oh, okay.
2 Q BY MR. HILGENFELD: And it would be in this amount for
3 January $19,690?
4 A Yes.
5 Q And there is in this column O, the amount, and it's in red
6 parentheticals. What does that mean for you?
7 A This spreadsheet shows credits as red.
8 Q Would that be a negative?
9 A I mean, it's a credit to the expense account, so it is a
10 negative.
11 MR. HILGENFELD: We move to offer Respondent's 351.
12 JUDGE SANDRON: All right. If it comes with the General
13 Counsel Exhibit 215, any objections?
14 MR RIMBACH: No, not other than just noting that it's cut
15 off like I previously mentioned.
16 JUDGE SANDRON: All right. Respondent's Exhibit 351 is
17 received.
18 **(Respondent Exhibit Number 351 Received into Evidence)**
19 JUDGE SANDRON: I take it you'll have a standing comment
20 regarding any of the exhibits that are based on General Counsel
21 Exhibit 258, the spreadsheet?
22 MR RIMBACH: Yes, Your Honor. Thank you.
23 JUDGE SANDRON: Noted on the record.
24 MR. HILGENFELD: Back to GC 258 column F, filter for
25 intercompany subcontract Anne Elizabeth. And I will hand out

1 Respondent's 352.
2 Q BY MR. HILGENFELD: Mr. Perry, Respondent's 352 has
3 segment 3. What does the 58 mean?
4 A 58 is sub -- 58 is subcontract expense. 5841
5 specifically, is intercompany subcontract expense.
6 Q What would be the difference between subcontract expense
7 and an intercompany subcontract expense?
8 A Subcontract expense -- subcontract expense would typically
9 be third-party, unless an actual invoice was entered in, and
10 then it would be -- it -- it -- that could also be in there too
11 for subcontract expense.
12 Q For instance, you mentioned Crowley and math. Could those
13 potentially be subcontract expense?
14 A Absolutely.
15 JUDGE SANDRON: So -- so 541 is -- is that likely a
16 subcomponent of general sub -- subcontracting in general?
17 THE WITNESS: Yeah, but it's specially designated to
18 intercompany expenses instead of third-party.
19 JUDGE SANDRON: So 58 is any kind of --
20 THE WITNESS: Subcontract.
21 JUDGE SANDRON: -- subcontract. And then the 41 is
22 limited to an intercompany.
23 THE WITNESS: Exactly, yes.
24 Q BY MR. HILGENFELD: And when we say intercompany, those
25 are company Centerline affiliate companies?

1 A Yeah. Another Opco doing work for another Opco.
2 Q And in this case, column F is broken up. But it is
3 intercompany for the Anne Elizabeth. Is that correct?
4 A That is correct.
5 Q And can you tell from this what company was performing --
6 receiving payment from what company?
7 A It's Millennium Maritime supplied the type of services for
8 Westoil, so it's Millennium -- Millennium Maritime.
9 Q And this shows -- where does this -- where can you see
10 that Millennium Maritime is provided these services?
11 A If you look under the -- the reference, it says
12 intercompany Millennium Maritime. Oh. Actually, it also says
13 it under the original master view. Okay.
14 Q So looking under the original master name, up above it has
15 MMI-WNSIC JAN 2020. What does that indicate?
16 A This indicates to me that this is the tug services related
17 to moving Westoil equipment. So Millennium Maritime is moving
18 Westoil equipment, so therefore they are being charged for that
19 expense.
20 MR RIMBACH: I'm sorry. Just a note for the record. The
21 full text is only in the Excel spreadsheet that is being
22 displayed, not in the printed version of this document.
23 JUDGE SANDRON: All right. That's noted, the parties
24 agree.
25 Q BY MR. HILGENFELD: And on the second line of the Excel

1 spreadsheet in General Counsel 258, it states MMI - Peninsula
2 IC Jan 2020 -- is slightly cut off on the print document. What
3 does that indicate?
4 A That's the tug time used specifically to the Peninsula
5 time charter.
6 Q And was that the time charter with what company -- or
7 who -- who was operating the services for Peninsula at Long
8 Beach?
9 A Westoil Marine Services had a time charter with Peninsula.
10 This is the tug service being charged by Millennium Maritime to
11 Westoil Marine Services.
12 JUDGE SANDRON: Oh, I see. So in this column, it says
13 orig master name -- that -- those were the entities that
14 received payment from Westoil. Do I got that right?
15 THE WITNESS: This is -- this is Westoil being -- so
16 Westoil does not have any tug -- tugboats.
17 JUDGE SANDRON: Oh, I see.
18 THE WITNESS: And they only have barges. So they have --
19 so they need tugs to move their -- their barges.
20 JUDGE SANDRON: Oh, I see.
21 THE WITNESS: (Indiscernible, simultaneous speech).
22 JUDGE SANDRON: And that's paying them for that service?
23 THE WITNESS: This is what Millennium, who is our other
24 Opco, has the tugs to move that barge. That's the expense
25 piece.

1 JUDGE SANDRON: Oh, I see. So Westoil paid MMI for that?
2 THE WITNESS: Yeah. It's the expense that's associated
3 with that -- with that service.
4 JUDGE SANDRON: I see. So -- so these were all expenses
5 to Westoil to the other operating companies?
6 THE WITNESS: Expenses yeah -- yeah --
7 JUDGE SANDRON: For services.
8 THE WITNESS: Yeah.
9 JUDGE SANDRON: I guess -- payment for services.
10 THE WITNESS: Yeah.
11 JUDGE SANDRON: Okay, very good.
12 Q BY MR. HILGENFELD: The next line in General Counsel 258
13 states MMI - Westoil IC February 2020. Is that the same as the
14 previous one in January?
15 A Yeah, yeah. And it should go month by month.
16 Q And the next one's Peninsula, MMI - Peninsula IC Feb 2020.
17 Would that be the same?
18 A Yes.
19 Q And the next is MMI - Peninsula IC March 2020. Would that
20 be the same?
21 A Yes.
22 Q And the next is MMI - WMSIC March 2020. Is that the same?
23 A Yes.
24 Q And then that is repeated down until there is as blank.
25 Do you know why there is a blank here?

1 A There may be a report glitch on that one. I'm not sure.
2 It looks like she actually had -- had a reclass on there to do
3 it correctly, so it's just a little bit of a different entry
4 format for her.
5 Q And that would be on the reference side where you see
6 reclass?
7 A Yes.
8 Q And then starting the next one has June 2020 IC red
9 MMI/Peninsula -- worded a little bit differently, but is that
10 your understanding it's all with Peninsula?
11 A It is. Same entries.
12 Q And going through the rest of these entries, are those
13 just a repeat of what was involved in the first couple?
14 A Yes.
15 Q Now, turn your attention to the reference number in this,
16 and the Respondent's Exhibit 352 is cut off. But there are
17 journal entries associated with those reference numbers. Is
18 that correct?
19 A That is correct.
20 Q And when it says IC: MMI -- what does that mean?
21 A That's the intercompany journal entry number.
22 Q Okay. And each of those -- when do you create a journal
23 entry?
24 A Anytime you create a trans -- transaction, a journal entry
25 is -- is automatically created.

1 Q And it appears the journal entry number is also in the
2 original document number. Do I have that correct?
3 A That is correct in the reference.
4 MR. HILGENFELD: And just for the record, that is column Q
5 on GC 258, and it is not in Respondent's 352, but it would be
6 in the column to the far right for reference.
7 JUDGE SANDRON: So were all these -- were all these
8 payments made from Westoil to MMI?
9 THE WITNESS: Westoil or Millennium Maritime for the tug
10 services.
11 JUDGE SANDRON: Right. And there's one thing that
12 reclass -- that's the only thing in the last line?
13 THE WITNESS: Yeah. And if you look -- if -- if you
14 look -- I have a feeling the original entry went awry because
15 it's right in line. The -- so -- so that was a little bit of a
16 different entry that she had to do to reclass it. It may
17 have --
18 JUDGE SANDRON: Oh, I see.
19 THE WITNESS: -- it may have been a bum transaction, so
20 she had to put it in under a different format.
21 JUDGE SANDRON: And -- and that was still with MMI?
22 THE WITNESS: Correct.
23 JUDGE SANDRON: So they're all MMI.
24 MR. HILGENFELD: That's correct. At this time we move for
25 Respondent's 352.

1 MR RIMBACH: No objection, other than my standing --
2 JUDGE SANDRON: So Respondent's Exhibit 352 is received.
3 **(Respondent Exhibit Number 352 Received into Evidence)**
4 MR. HILGENFELD: In -- now, I'm going to turn your
5 attention -- we're going to go away from this momentarily, but
6 we'll come back. So turn your attention to away for a little
7 bit to two different exhibits, Respondents 213 and 262.
8 Q BY MR. HILGENFELD: First, I'm going to turn your
9 attention, Mr. Perry, to Respondent's Exhibit 213. Do you see
10 invoice number 420000?
11 A Yes.
12 Q What does this invoice show?
13 A This is a Harley Marine Financing invoice for the Opco
14 Westoil billing Leo Marine Services for tug usage for $2,100.
15 Q And why is there an invoice? I guess, who -- who
16 performed the work?
17 A The work was performed by -- the work was performed by the
18 Royal Melbourne, which is a Westoil Tug Services tug. So
19 therefore Leo Marine Services owed Westoil Tug Services for
20 their service. It's an intercompany invoice.
21 Q And are invoices -- are invoices done for all intercompany
22 exchanges for services like this?
23 A They are for -- from 2021 forward, yes. We actually
24 invoice.
25 Q And what was done before 2021?

1 A Primarily, it was done by intercompany journal entry where
2 we didn't actually process trans -- didn't process the
3 transaction.
4 Q What was the purpose of the change creating the invoice?
5 A I'm not 100 percent positive. It could've been on the
6 recommendation of the auditors, but I'm not 100 percent sure.
7 But there is -- there are invoices now generated for any
8 intercompany related operations.
9 Q And would these invoices then also be replicated in the
10 general ledger, such as GC 258?
11 A You should see a sales journal for all these invoice
12 numbers.
13 Q And in looking at Exhibit 213, does that occur -- does
14 every operating company have -- pay or receive to the other
15 operating company, if the intercompany payment -- service has
16 been performed?
17 A Yeah. An actual payment is made. An invoice is
18 generated. An actual payments are paid by one Opco and
19 received by the other Opco.
20 Q And looking at Respondent's Exhibit 262, what is
21 Respondent's Exhibit 262?
22 A This is a Harley Marine financing invoice where Leo Op --
23 Operating company, Leo Marine Services build Olympic tug and
24 barge for intercompany tug use. So it looks like Leo Marine
25 Services provide tug service to an OTB barge -- just bear with

1 me.
2 Q Oh, sorry. Going back to Respondent's 213, you're looking
3 at page 1. Turn over to front and back page, what is page 2?
4 A Oh, page details -- page 2 shows the detail, so it's the
5 overflow rate of the $750 per hour.
6 Q And is that the same overflow rate that you talked about
7 previously?
8 A Yes, sir.
9 Q And on Respondent's 13, if you go to -- if we end up
10 looking at the Leo Marine general ledgers, will they receive a
11 debit or a credit coming from Leo Marine to Westoil tug?
12 A So this invoice would be -- let's see. You were looking
13 at Exhibit 213, correct?
14 Q Correct.
15 A So this would be recorded in Westoil Tug Services as
16 revenue, and this was recorded in Leo Marine Services as
17 expense.
18 Q And if you go to the back of Respondent's Exhibit 262,
19 what is that?
20 A This is the -- it's -- this is a similar invoice,
21 different op codes, and it just gives you the detail for the --
22 gives you the detail for what tugs were used for that vessel.
23 She didn't put the hours on this, but it's $750 per hour. Oh,
24 yeah. She did. It's 5.58 hours. And she breaks -- she breaks
25 it up by the tugs that won the service.

1 Q And how -- how does -- how does Centerline logistics
2 accounting group receive this information?
3 A So in our dispatching schedule, which is also known as the
4 web schedule, the dispatchers for one Opco will record the --
5 will record the job in the web schedule. And then it will be
6 moved over to completed, and the billing department reviews the
7 dispatching schedule. And they run reports, and then they bill
8 based on the data that is in there that is completed.
9 JUDGE SANDRON: Okay. Now -- now, for example, in
10 Respondent's Exhibit 262, would that ordinarily make the entry
11 with the -- the one that owed the -- to the other company --
12 company that was -- was owed or owed?
13 THE WITNESS: Right, okay. So Westoil Tug Services
14 performed the work.
15 JUDGE SANDRON: Right.
16 THE WITNESS: So they -- the dispatcher for Westoil Tug
17 Services would enter into the dispatch --
18 JUDGE SANDRON: I see.
19 THE WITNESS: -- dispatch of that job, and Leo Marine
20 Services would be billed for that.
21 JUDGE SANDRON: Oh, okay. I see. So -- so the one that
22 was owed the payment would mostly likely enter it?
23 THE WITNESS: Right. Yes, because they're generating the
24 invoice.
25 JUDGE SANDRON: Okay.

1 THE WITNESS: And we -- so in our accounts receivable
2 department generates invoices --
3 JUDGE SANDRON: Right.
4 THE WITNESS: -- off of the web schedule where the jobs
5 are created by the op codes.
6 JUDGE SANDRON: Oh, okay. Thank you.
7 THE WITNESS: You're welcome.
8 MR. HILGENFELD: At this time, we would move for
9 Respondent's 213 and 262 into evidence.
10 JUDGE SANDRON: Any objection?
11 MR RIMBACH: Yes, Your Honor. If you look at Respondent's
12 Exhibit 213, on page 2, this information isn't part of the
13 invoice. Is it?
14 THE WITNESS: No. This was probably a second page that
15 was back-up.
16 MR RIMBACH: I'm sorry. What does that mean?
17 THE WITNESS: So if there -- this -- this information is
18 not part of the invoice. This information -- so this would've
19 been maybe a two page document that was copied, and they just
20 did front to back copy. So two pages copied onto one.
21 MR RIMBACH: So page 2 isn't part of page 1? They're
22 separate documents?
23 THE WITNESS: Separate documents.
24 MR RIMBACH: Where's this information from page 2
25 obtained?

1 THE WITNESS: Directly from the dispatching web schedule.
2 MR RIMBACH: Did you create this document?
3 THE WITNESS: I did not create this document.
4 MR RIMBACH: Who created it?
5 THE WITNESS: This would've been created by my billing
6 manager -- would've run the report. Oh. I'm sorry, not my
7 billing manager. My billing specialist, and based on the
8 company, it would've been Katlyn Prophet.
9 MR RIMBACH: How do you spell that?
10 THE WITNESS: K-A-T-L-Y-N P-R-O-P-H-E-T.
11 MR RIMBACH: And what her job title?
12 THE WITNESS: She was a billing specialist.
13 MR RIMBACH: She worked for Centerline?
14 THE WITNESS: She worked for Centerline Logistics, and
15 her -- one of her -- her responsible companies to bill was Leo
16 Marine Services and Westoil Tug Services. This is -- this is
17 all data. Anytime you see an invoice like this, this is all
18 data that is almost always taken directly from the web
19 schedule, which is where the dispatchers enter their
20 information.
21 MR RIMBACH: And page 2, that information is taken from
22 the web scheduler as well?
23 THE WITNESS: That -- the -- page 2 -- page 2, I believe,
24 is a report that they can run right off of the -- right off the
25 web schedule dispatching schedule. If it is not a report, I'm

1 pretty confident there's a report specifically for these
2 because there are some pretty large -- there can be some pretty
3 large tug usage between the companies, especially, Westoil
4 Marine Services uses Leo Marine Services tugs quite a bit, so
5 there's a lot of data in there. There's a report that can be
6 run right off there, and it gives the detail so that they can
7 build that right off the web schedule.
8 MR RIMBACH: No objection to Respondent's Exhibit 213, but
9 I'd like -- I have voir dire for Respondent's Exhibit 262 as
10 well.
11 JUDGE SANDRON: All right. Go ahead.
12 **VOIR DIRE EXAMINATION**
13 Q BY MR RIMBACH: Can you please look at page --
14 Respondent's Exhibit 262?
15 A Yeah.
16 Q Sir, I'd like to just note for the record that it's
17 labeled pages 1 of 21 and 2 of 21, but I believe this is only 2
18 pages total. Is that right?
19 A That's correct, just an error.
20 Q So on page 2, where did this information come from?
21 A This would've come from the web schedule also.
22 Q Did you create this document?
23 A I did not -- I did not create this document.
24 Q Do you know who did?
25 A This would've also been Katlyn Prophlet -- Prophet. Oh.

1 Actually, wait, what year -- we're in 2023. Katlyn may have
2 been gone by then. It would've been who -- whomever was
3 responsible for billing -- billing Leo Marine Services -- I
4 mean, billing OT -- Leo Marine Services in this case. I'm not
5 sure who that billing specialist would've -- would've been, but
6 the accounting manager -- the billing manager is Nancy Xiong
7 Moua.
8 Q So this was -- would've been an employee of Centerline who
9 pulled this information.
10 A An employee of Centerline from the billing department,
11 yes. It's there responsibility. They do it every month. It's
12 just part of our monthly accounting close.
13 Q Do you know why -- I'm just trying to compare it to the
14 other one. This seems to be lacking information with respect
15 to hours and rate?
16 A So the -- it -- it is a little bit different, the format.
17 In that, there may be a reason for the format change, because
18 this -- it may have just started around this time, but if you
19 look at Exhibit 262 on the front page, it gives you the hours.
20 And if you multiply that times 750, you do get the total. And
21 they did the allocation for all the tugs that were used for
22 that.
23 Q Do you know why it says intercompany revenue July 2021 at
24 the top of page 2 of Respondent's Exhibit 262, and it doesn't
25 on page 2 of Respondent's Exhibit 213?

1 A So when -- again, like I said, they may have just started
2 on this one. Also, understand to that, sometimes billing
3 specialists just like journal entry descriptions, sometimes
4 have -- have their own. I think that this may be more
5 standardized now, because this one -- this is a better
6 representation, but it could've of depending on the billing
7 specialist who put it in and puts better detail in. Some -- we
8 try to -- we try to make everything uniform. If there -- if
9 there are fields that they can put in their own description,
10 because we want to make it uniform so everyone understand what
11 it is.
12 JUDGE SANDRON: So you think Respondent's Exhibit 262 is a
13 more accurate version of the current practice?
14 THE WITNESS: I -- I like the front page that is tell you
15 how many hours is being billed right on the front page of the
16 invoice.
17 JUDGE SANDRON: So as far as you know, this is more
18 standard now?
19 THE WITNESS: I believe it is more standard now, but I'm
20 not 100 percent positive about that.
21 MR RIMBACH: No objection, Your Honor.
22 JUDGE SANDRON: All right. The documents are received.
23 **(Respondent Exhibit Number 213 and 262 Received into Evidence)**
24 JUDGE SANDRON: Respondent's 216 and --
25 MR. HILGENFELD: 262.

1 JUDGE SANDRON: -- 262 are received.
2 MR. HILGENFELD: And we would ask these be put on
3 protective order, Your Honor. Actually, they don't need to.
4 They're fine.
5 JUDGE SANDRON: We have about 25 minutes. (Indiscernible,
6 simultaneous speech).
7 MR. HILGENFELD: Mr. Parry -- oh. I'm sorry, Thomas.
8 Could you --
9 MR RIMBACH: Sure.
10 MR. HILGENFELD: Sorry about that.
11 MR RIMBACH: It just goes to sleep on itself.
12 MR. HILGENFELD: Well, I unplugged it to take away focus.
13 I'm going to go back to GC, not GC -- change --
14 JUDGE SANDRON: Not GC 258?
15 MR. HILGENFELD: No, Your Honor. I'm going to go down to
16 GC 261.
17 JUDGE SANDRON: Okay.
18 Q BY MR. HILGENFELD: Mr. Parry, can you see GC 261? What
19 is GC 261?
20 A It's a tri-balance line item by transaction for Westoil
21 Marine Services. This is under general and administrative
22 expenses, and the calendar year 2020?
23 Q What are general and administrative expenses?
24 A So -- so direct expenses are related to revenue created by
25 the vessel. General and administrative expenses are

1 administrative, basically, administrative expenses for expenses
2 that are not related to the vessel.
3 Q So these would be nonvessel related expenses for Westoil
4 Marine Services in 2020?
5 A Correct.
6 Q And I'm going to go through a little bit of the same thing
7 here. We're going to filter, and this case to automobiles
8 operations and handout what's Respondent's 354. And going back
9 through the first part again, this is a little different. We
10 have account 06. I believe you testified that that's Westoil
11 Marine Services for account first two letters. Is that
12 correct?
13 A That is correct.
14 Q And do you know what 056 indicates?
15 A 056 is a department code for operations.
16 Q And then what does 6,400 indicate?
17 A It's automobile expense.
18 Q And what are these -- do you have any idea of what these
19 automobile expenses are?
20 A Ooops, sorry. I didn't mean to snap my paper like that.
21 No. I am not positive of what they are. It does look like
22 they're referencing expense reports, so it may have been
23 expense reports for somebody that was traveling for costs,
24 and -- and this is where it was coded.
25 Q Do you know what company they would've worked for?

1 A They were -- it would've been Westoil Marine Service
2 operations expense reports individuals.
3 Q And this cuts off on column P, but if you look at columns
4 Q and W on the Excel sheet are blank. And is -- is there
5 anything else in this sheet that's different than what you had
6 in the direct cost sheet that you testified to, regarding the
7 columns or the field?
8 A No.
9 Q Thank you.
10 A Chris, I do want to point one thing out. You know, we've
11 gone through a lot of these ledgers, and we look at these. And
12 sometimes there's questions as to what's in the ledger, and I
13 can't -- I can't emphasize this enough. We get audited on
14 everything that we do, so our auditors will look at this -- and
15 if they have any questions ever for -- for any entries of items
16 that we have in here, they will let us know.
17 JUDGE SANDRON: Do you have any idea -- I don't know if
18 you would have an idea to why there -- there's two entries that
19 are very small -- $12 and approximately $46 and there's one for
20 a thousand. Do you have any idea why there's a --
21 THE WITNESS: The 1000 could be a rent-a-car rental, and
22 the $12 could be an Uber.
23 JUDGE SANDRON: Okay. All right.
24 MR. HILGENFELD: At this point, we move for Respondent's
25 354.

1 JUDGE SANDRON: Other than your previous comments, any
2 objection?
3 MR RIMBACH: No objection, Your Honor.
4 JUDGE SANDRON: The document is received.
5 **(Respondent Exhibit Number 354 Received into Evidence)**
6 Q BY MR. HILGENFELD: Now I'm going to filter out through
7 here for cellular phone in the account description, handout
8 Respondent's 355. This has account 06-000, so segment 2 is all
9 triple zeros. What does that indicate to you?
10 A This is -- there just -- they're not putting it to a
11 particular department, but it is going to Westoil Marine
12 Services. So basically, anybody at Westoil Marine Services
13 that has a company telephone, these are their -- these are
14 their expenses.
15 Q And then what is 6360 indicate?
16 A That's the -- that's the cellular -- cellular phone
17 account.
18 Q And then the original master name looks like Verizon.
19 What does that indicate?
20 A Verizon is the vendor.
21 Q And then at the end it indicates IC: Journal: 21520. What
22 does that indicate?
23 A So we have one cell -- cell phone account in 2020 for
24 Verizon. That's how you get your best discounts. There is op
25 codes under -- there's all different op codes under that. The

1 invoice was generated to Centerline Logistics. The invoice is
2 allocated to the appropriate op code for whomever has the cell
3 phone to where they work. And the journal entry references the
4 intercompany journal entry reference number in the original doc
5 number. It -- it should be the Verizon invoice, and I am
6 unsure why one has four extra digits on one of the ones. And
7 to me it seems like somebody just -- just had a clerical error.
8 Q And you're looking at it looks like --
9 JUDGE SANDRON: Where you have the extra 008?
10 THE WITNESS: Yeah. It was probably clerical, because the
11 first number's actually jive. If you go -- you go down and
12 look at this sequentially, those are the invoice numbers
13 they -- they probably had someone just either kept their hand
14 on the keypad or --
15 Q BY MR. HILGENFELD: And so this would be the allocated
16 amount for Westoil employees utilizing a cell phone --
17 A Correct.
18 Q -- that was being paid by Centerline?
19 A That's correct.
20 JUDGE SANDRON: So Westoil paid Centerline for that bill?
21 THE WITNESS: Center -- the -- the whole invoice, you
22 mean, for all the different op codes -- they got that portion
23 of it.
24 JUDGE SANDRON: Oh. I see.
25 Q BY MR. HILGENFELD: So this is the portion Westoil was

1 responsible for?
2 A Correct.
3 MR. HILGENFELD: This point we move for Respondent's
4 Exhibit 355.
5 JUDGE SANDRON: Mr. Rimbach?
6 MR RIMBACH: No objection.
7 JUDGE SANDRON: Respondent's Exhibit 355 is received.
8 **(Respondent Exhibit Number 355 Received into Evidence)**
9 JUDGE SANDRON: I think we might have time for one more,
10 so --
11 MR. HILGENFELD: Sure. When -- whenever, Your Honor.
12 JUDGE SANDRON: We -- we could probably get in one more.
13 MR. HILGENFELD: Okay. I'm going to filter out on this
14 one for company vehicle expenses, and the account description
15 for General GC 261 -- handout Respondent's 356, where's that
16 filter.
17 Q BY MR. HILGENFELD: Mr. Parry, looking at segment 2 again,
18 would 000 have the same new department as the prior --
19 A Yeah.
20 Q -- two of them?
21 A Yeah.
22 Q And 6,400, what does that indicate?
23 A 6,400 is company vehicle -- vehicle expenses, and these
24 are for employees that drive company owned vehicles.
25 Q And would these be for -- this be for Westoil employees

1 that drive company vehicles?
2 A Westoil Marine Services operating employees, yes.
3 Q And it looks like the original master name, the first one
4 is Wex Bank and is that -- do you have any idea who Wex Bank
5 is?
6 A It's -- it -- it's part of the vehicle ownership. I'm not
7 sure exactly. I don't know all the details on the -- on the
8 company vehicles.
9 Q Could be a third-party vendor of some sort?
10 A Definitely.
11 Q Enterply -- Enterprise Fleet and that's man -- but if you
12 look above, it's Management Inc. Would that also be a third-
13 party vendor?
14 A Yes.
15 Q And in going back, I see that there's also an IC: HMS for
16 this as well. If you go to the reference on column P, is this
17 similar to the cell phone that you testified to?
18 A Yes.
19 Q And so am I paraphrasing correctly that this is Westoil's
20 allocated portion that they owed Harley Marine Services for
21 their employees vehicle expenses?
22 A Yes.
23 Q Down below, I see kind of half way down on line 236 dated
24 June 29, 2020 -- payables TRX entry. What -- what is that, if
25 you know?

1 A Payables TRX entry?
2 Q On references, about halfway down -- it looks like payable
3 transaction entry of some type.
4 A Is it that DMV renewal that you're looking at? I'm sorry.
5 Q Yeah. If you look at DMV renewal, but then you go over to
6 the reference column.
7 MR RIMBACH: It might be easier if you look at the screen
8 that's highlighting the row.
9 A Oh, yes. Oh. I'm sorry, yeah. That was -- so it is a
10 payable transaction. That was entered directly into Westoil
11 Marine Services instead of being an intercompany entry from
12 Centerline Logistics.
13 Q So Westoil was expensed this directly, as opposed to
14 Centerline Logistics?
15 A Correct. And that's -- and that's because the -- on the
16 DMA -- on the DMV -- when they renewed the tabs, they probably
17 processed that right through Westoil Marine Services Opco.
18 Q I also noticed that there's a credit of $204.40. Do you
19 know what that credit is for?
20 A There could've been a bill that came from that vendor that
21 had a credit amount for an overpayment, or for a service they
22 stopped providing or whatever it may be. And that credit was
23 applied to whatever Opco that -- that it belonged to.
24 Q Are the separate Opcos having -- they have transactional
25 items for every single transaction that occurs, whether they

1 pay for it or whether another company pays for it? That
2 probably was overly broad. I -- I'll reframe the question.
3 A Okay.
4 Q Are there any general transactions regarding direct costs
5 that will not show up on a Westoil sheet that direct cost is
6 incurred by Westoil employee or Westoil equipment?
7 A In a direct cost -- you -- you won't see securitization
8 depreciation.
9 Q Will you see any debt servicing?
10 A You will not see any debt servicing also, so the -- with
11 the securitization the -- the securitization entities bear the
12 burden now for paying the principal and interest on them, 400-
13 and 500-million-dollar loan.
14 Q Is that also true for the general and admin expenses?
15 A For the what?
16 Q For the other expenses reported as well? We asked about
17 direct cost. Is that also true for G&A?
18 A It -- it is. You -- well, you won't see -- you won't see
19 any debt service. You won't see any depreciation expense for
20 vessels.
21 Q Okay.
22 MR. HILGENFELD: We would offer Respondent's Exhibit 356.
23 JUDGE SANDRON: Mr. Rimbach?
24 MR RIMBACH: No objection, other than my comments.
25 JUDGE SANDRON: Respondent's Exhibit 356 is received.

1 **(Respondent Exhibit Number 356 Received into Evidence)**
2 JUDGE SANDRON: So I think this might be a good time to
3 break up. I called Respondent's Exhibit 138 in abeyance. I
4 don't know --
5 MR. HILGENFELD: Thank you, Your Honor.
6 JUDGE SANDRON: That's -- that's not admitted or objected,
7 but I don't know if you will reconsidered, maybe you would want
8 to see what you can do with it.
9 MR. HILGENFELD: Very good.
10 JUDGE SANDRON: And maybe the parties can discuss, I don't
11 know -- I don't want to make things overly complicated with
12 respect to the spreadsheet. So if you can think of a way to
13 that maybe they can be redone differently, but I think the way
14 Mr. Hilgenfeld has been doing it is probably the best way to
15 get them into the record in a -- in an easy form. But if the
16 party, you know, if you have other ideas, you can let me know
17 when we resume tomorrow.
18 MR. YASSERI: Thank you, Your Honor.
19 JUDGE SANDRON: Okay. So I will see everybody in the
20 morning. Have a good evening.
21 MR. YASSERI: Thank you.
22 MS. YUFA: Thank you, Your Honor.
23 JUDGE SANDRON: And we'll start tomorrow for the last day
24 of this screening. And -- and maybe tomorrow, we can just get
25 it -- something of an idea of how many more days we'll need

1 when we resume. Although, I -- I know it's hard to give,
2 but --
3 MR. HILGENFELD: Yeah. I think I'll have a decent idea,
4 Your Honor, by -- by the end of the day.
5 JUDGE SANDRON: All right. And then we can see if General
6 Counsel plans any rebuttal, we can kind of work with, you
7 know, -- tentatively plan around that. We have the week
8 blocked just in case, so everybody have a good evening. Off
9 the record.
10 MR. YASSERI: Thank you, sir.
11 **(Whereupon, the hearing in the above-entitled matter was**
12 **recessed at 4:52 p.m. until Friday, February 10, 2023 at 9:00**
13 **a.m.)**
14
15
16
17
18
19
20
21
22
23
24
25

1 **C E R T I F I C A T I O N**

2 This is to certify that the attached proceedings before the
3 National Labor Relations Board (NLRB), Region 21, Case Numbers
4 19-CA-273208, 19-CA-273220, 19-CA-273226, 19-CA-273928, 19-CA-
5 273985, 19-CA-273771, 19-CB-273986, 21-CA-273926, LEO MARINE
6 SERVICES, INC., OLYMPIC TUG & BARGE, INC., CENTERLINE LOGISTICS
7 CORPORATION, WESTOIL MARINE SERVICES, INC., AND
8 HARLEY MARINE FINANCING, LLC and SEAFARERS INTERNATIONAL UNION,
9 INLANDBOATMEN'S UNION OF THE PACIFIC, AND INTERNATIONAL
10 ORGANIZATION OF MASTERS, MATES & PILOTS, AFL-CIO, held at the
11 National Labor Relations Board, Region 21, 26 Federal Plaza,
12 Room 36-130312 N. Spring Street, Suite 10150, Los Angeles,
13 California 90012-4701, on February 9, 2023, at 9:09 a.m. was
14 held according to the record, and that this is the original,
15 complete, and true and accurate transcript that has been
16 compared to the reporting or recording, accomplished at the
17 hearing, that the exhibit files have been checked for
18 completeness and no exhibits received in evidence or in the
19 rejected exhibit files are missing.
20
21
22
23 JACQUELINE DENLINGER
24 Official Reporter
25

OFFICIAL REPORT OF PROCEEDINGS

BEFORE THE

NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:

Leo Marine Services, Inc., Olympic Tug & Barge, Inc., and Centerline Logistics Corporation,	Case Nos.	19-CA-273208
and		
Olympic Tug & Barge, Inc.		19-CA-273220
and		
Centerline Logistics Corporation,		19-CA-273226 19-CA-273928
and		
Leo Marine Services, Inc.		19-CA-273985
and		
Centerline Logistics Corporation, Westoil Marine Services, Inc., and Harley Marine Financing, LLC,		19-CA-273771
and		
Seafarers International Union,		19-CB-273986
and		
Inlandboatmen's Union of the Pacific,		
and		

escribers
www.escribers.net | 800-257-0885

Centerline Logistics Corporation, Leo Marine Services, Inc., and Olympic Tug & Barge, Inc.

21-CA-273926

and

International Organization of Masters, Mates & Pilots, AFL-CIO.

Place: Los Angeles, California

Dates: February 10, 2023

Pages: 3594 through 3817

Volume: 24

OFFICIAL REPORTERS
eScribers, LLC
E-Reporting and E-Transcription
7227 North 16th Street, Suite 207
Phoenix, AZ 85020
(602) 263-0885

UNITED STATES OF AMERICA

BEFORE THE NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:	
LEO MARINE SERVICES, INC., OLYMPIC TUG & BARGE, INC., AND CENTERLINE LOGISTICS CORPORATION	Case Nos. 19-CA-273208
and	
OLYMPIC TUG & BARGE, INC.	19-CA-273220
and	
CENTERLINE LOGISTICS CORPORATION	19-CA-273226 19-CA-273928
and	
LEO MARINE SERVICES, INC.	19-CA-273985
and	
CENTERLINE LOGISTICS CORPORATION, WESTOIL MARINE SERVICES, INC., AND HARLEY MARINE FINANCING, LLC	19-CA-273771
and	
SEAFARERS INTERNATIONAL UNION	19-CB-273986
and	
INLANDBOATMEN'S UNION OF THE PACIFIC	
and	

escribers
www.escribers.net | 800-257-0885

CENTERLINE LOGISTICS CORPORATION, LEO MARINE SERVICES, INC., AND OLYMPIC TUG & BARGE, INC. and INTERNATIONAL ORGANIZATION OF MASTERS, MATES & PILOTS, AFL-CIO	21-CA-273926

The above-entitled matter came on for hearing, pursuant to notice, before **IRA SANDRON**, Administrative Law Judge, at the National Labor Relations Board, Region 21, 312 North Spring Street, Tenth Floor, Los Angeles, California 90012, on **Friday**, **February 10, 2023, 9:01 a.m.**

1 **A P P E A R A N C E S**

2 **On behalf of the General Counsel:**

3 **THOMAS RIMBACH, ESQ.**
SANAM YASSERI, ESQ.
4 NATIONAL LABOR RELATIONS BOARD
312 North Spring Street
5 Tenth Floor
Los Angeles, CA 90012
6 Tel. (213)634-6411
Fax. (213)894-2778
7

On behalf of the Charging Party:
8

ESTEPHANIE VILLALPANDO, ESQ.
9 BUSH GOTTLIEB, A LAW CORPORATION
801 North Brand Boulevard
10 Suite 950
Glendale, CA 91203
11 Tel. (818)973-3242

12 **On behalf of the Respondent:**

13 **CHRISTOPHER L. HILGENFELD, ESQ.**
DANIEL SPURGEON, ESQ.
14 DAVIS GRIMM PAYNE & MARRA
701 Fifth Avenue
15 Suite 3500
Seattle, WA 98104-7055
16 Tel. (206)447-0182
Fax. (206)622-9927
17

18

19

20

21

22

23

24

25

1 **I N D E X**

2

3 WITNESS	DIRECT	CROSS	REDIRECT	RECROSS	VOIR DIRE
4 Stephen Parry	3599 3617	3679			3606 3615

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 **E X H I B I T S**

2

3 EXHIBIT	IDENTIFIED	IN EVIDENCE
4 **General Counsel:**		
5 GC-297	3725	3725
6 GC-298	3725	3727
7 **Respondent:**		
8 R-108	3720	WITHDRAWN
9 R-159	3798	NOT ADMITTED
10 R-357	3600	3603
11 R-359	3603	3608
12 R-361	3608	3613
13 R-362	3613	3617
14 R-363	3617	3626
15 R-365	3631	3646
16 **Joint:**		
17 5	3713	3713

18

19

20

21

22

23

24 (REPORTER'S NOTE: Respondent's Exhibit 365 was ordered sealed

25 on page 53, lines 7 and 8.)

1 **P R O C E E D I N G S**

2 JUDGE SANDRON: Before we proceed further, the MMP is
3 represented today by another attorney who has not yet entered
4 an appearance. Ms. Villalpando, do you want to state your name
5 for -- for the record?
6 MS. VILLALPANDO: Yes, Your Honor. Estephanie Villalpando
7 from Bush Gottlieb, counsel for MMP.
8 JUDGE SANDRON: So now -- now you're formally an attorney
9 of record.
10 So Mr. Hilgenfeld, do you want to then go forward with
11 resuming direct examination?
12 MR. HILGENFELD: Yes, Your Honor. Mr. Rimbach, would you
13 mind turning on the --
14 **RESUMED DIRECT EXAMINATION**
15 Q BY MR. HILGENFELD: Good morning, Mr. Parry. How are you
16 today?
17 A Good morning. I'm doing well, thank you.
18 Q Okay. Mr. Rimbach (sic), I'm going to turn your attention
19 to what's been admitted as GC Exhibit 261 that's up on the
20 screen. Do you see that?
21 A This is for me?
22 Q Correct.
23 A Yes, I do.
24 Q And what is GC Exhibit 261?
25 A This is Westoil Marine Services general and administrative

1 expenses for calendar year 2020.
2 Q And I believe you testified to what general administrative
3 expenses are. But just to be sure, what are general
4 administrative expenses?
5 A They're ex -- they're expenses related to the Westoil
6 Marine Services opco for nondirect expenses related to revenue
7 on a vessel, administrative.
8 Q And Mr. Parry, it's before -- I'm going to go to column E
9 and filter out through the account description for office
10 supplies and postage. Okay. And I've marked a Respondent's
11 Exhibit 357 that I'm going to hand out to everybody.
12 JUDGE SANDRON: Okay.
13 THE WITNESS: Thank you.
14 Q BY MR. HILGENFELD: And briefly, I -- I -- just to be
15 clear, are the same columns that are found in the general
16 administrative expenses general ledger the same that you
17 testified to regarding revenue as well as direct cost journal
18 ledgers?
19 A Yes.
20 Q And are all the terms or codes similar to all the general
21 ledgers?
22 A Yes.
23 Q And Mr. Parry, on the original source, does this provide
24 any information to you as to the type of expense that's been
25 allocated in this matter -- in this instance?

1 A Yes. The -- the original source states Amex, which is
2 American Express, and it does say travel. The -- typically,
3 the American Express cards are -- are considered travel.
4 However, there are times that those cards are used for
5 purchasing, in this particular instance, supplies and postage.
6 Q And so would these be travel supplies and postage utilized
7 by Westoil employees?
8 A These are supplies and postage that were -- the credit
9 card was used and those costs were allocated to the opco.
10 JUDGE SANDRON: Is there any difference where it says Amex
11 TR and Amex TRV?
12 MR. HILGENFELD: I believe, Your Honor, if you look into
13 the original --
14 JUDGE SANDRON: Oh, I see.
15 MR. HILGENFELD: -- source --
16 JUDGE SANDRON: Oh, okay.
17 MR. HILGENFELD: -- up above --
18 JUDGE SANDRON: I see.
19 MR. HILGENFELD: -- that if you expand this, you'll see
20 that it's interchangeable --
21 JUDGE SANDRON: Oh, I see.
22 MR. HILGENFELD: -- using TR, TR Travel --
23 THE WITNESS: Right.
24 MR. HILGENFELD: -- TRV.
25 JUDGE SANDRON: Well, on the spreadsheet it shows --

1 MR. HILGENFELD: Correct.
2 JUDGE SANDRON: Fine.
3 THE WITNESS: They're not all exactly the same. They're
4 done by the same person. She just doesn't use exactly the same
5 labels.
6 JUDGE SANDRON: Oh, I see. So if we have these small
7 variations in how they're entered?
8 THE WITNESS: Yeah. Yes. When there's -- when there's
9 data fields that are not set by the software, they can actually
10 type in. It should be very consistent with what they type in.
11 It's -- it's reasonably consistent.
12 JUDGE SANDRON: Okay.
13 MR. HILGENFELD: And if you look at the reference label --
14 I'll just point out for the record on the GC Exhibit 261, if
15 you expand the column -- the P column, you can see that it
16 actually spells out Amex travel. Just noting that for the
17 record.
18 JUDGE SANDRON: So noted. Thank you.
19 MR. HILGENFELD: I would also note for the record, Your
20 Honor, that there are also columns related to PO number, CR
21 number, or quarter, start date/end date, and those are all
22 blank on the screen. At this point, we would move -- we would
23 offer Respondent's Exhibit 37 -- 57.
24 JUDGE SANDRON: Mr. Rimbach?
25 MR. RIMBACH: No objection other than my comments from

1 yesterday to clarify that this is just a portion of GC Exhibit
2 261.
3 JUDGE SANDRON: All the right. The document is received.
4 **(Respondent Exhibit Number 357 Received into Evidence)**
5 MR. HILGENFELD: Next, I'm going into the account filter
6 for -- for professional fees and other. I will hand out
7 Respondent's Exhibit 359.
8 Q BY MR. HILGENFELD: Mr. Parry, in Respondent's Exhibit
9 359, I -- I'm -- I believe you testified, but just so we're all
10 on the same page, the second segment is 000. What does that
11 indicate?
12 A It -- it would just indicate that it's not related to a
13 vessel or a specific department in -- in this case. But
14 it's -- it's general -- general ad -- it's -- it's a general
15 account for general and administration expenses.
16 Q And then 65 -- 6450 in segment 3, what would that
17 indicate?
18 A It -- it's the account, professional fees other.
19 Q And then the original mastering has CT Corporation
20 (phonetic throughout). Do you have an understanding of who
21 that is?
22 A It is a third-party vendor.
23 Q And would professional fee -- what types of in -- what
24 types of fees would be included in professional fees other?
25 A In this particular case, CT Corporation provides a

1 service. And frankly, I'm not exactly sure what CT Corporation
2 supplies. But it would be a professional service because it's
3 here specifically for Westoil Marine Services opco.
4 Q And it has the source docket PMTRX (phonetic throughout).
5 What is that, again?
6 A That's generated directly out of the accounts payable
7 system.
8 Q And I will note for clarity of the record that
9 Respondent's Exhibit 359 ends on a batch number, which is
10 column R. If you go into GC-261, you'll notice that for the PO
11 number, it has call, dom, D-O-M -- or Cali -- excuse me,
12 CaliDOM, dart -- .REP as a PO number. Do you have an
13 understanding of what that is?
14 A I'm sorry, Chris. Which column is that?
15 Q So if you go to column S, the PO number.
16 MR. RIMBACH: And just for the record, he's being -- the
17 witness is being referred to the TV monitor that's displaying
18 GC Exhibit --
19 JUDGE SANDRON: Right.
20 MR. RIMBACH: -- 261. Just so it's clear.
21 A Oh, yes. So on the -- on the PO number, they put in a
22 reference for what it's for. Cal -- oh. So this is a
23 professional fee. This is for a registration fee for a
24 California annual report for Westoil Marine Services Corp.
25 Q BY MR. HILGENFELD: And then under PO on the third box,

1 you'll see it says Cali annual report. Do you understand what
2 that is for?
3 A The Cali annual report?
4 Q Correct.
5 A Yes. That's for the -- it would be either an application
6 fee or a registration fee for that Cali --
7 Q Would that be the state of California?
8 A Yes, sir.
9 Q And then column T, I'm not sure we've had this because I
10 don't think we've had any -- too much descriptions in here.
11 But CAR#, what would be in that column?
12 A When you see data in the CRA (sic)#, that's a -- a capital
13 ac -- acquisitions request for -- that's related to a purchase
14 order when you have a -- an expenditure over $10,000. That's
15 going to be a capital improvement to a vessel.
16 Q And would the -- on column U, work order, what would be in
17 the work order column? This is blank on GC-261.
18 A Ty --
19 Q But if there was something there, what would be there?
20 A Typic -- typically work orders refer to anything that's a
21 capital acquisition request.
22 Q And then in GC Exhibit 261, for the first line, there's a
23 start date of 4/1/2020 and an end date of 3/31/2021. Do you
24 have an understanding of what that is for?
25 A That is the date of the term for the California annual

1 report that this fee applies to.
2 Q And then on the third line, there's a 7/28/2020 and then a
3 7/28/2020. Do you have an understanding of what that --
4 A That would be --
5 Q -- refers to?
6 A That should just be a one-time fee.
7 Q And what other types of professional fees may be in an
8 opco's general administrative expenses?
9 A Accounting fees could be -- could be in there. Any -- any
10 service rendered by a professional to the -- for the admin
11 opco.
12 Q Would these be third-party fees?
13 A Always third-party fees, yes.
14 MR. HILGENFELD: At this time, we'd move for Respondent's
15 Exhibit 359.
16 JUDGE SANDRON: Mr. Rimbach?
17 MR. RIMBACH: I'd just like to voir dire --
18 JUDGE SANDRON: Yes.
19 MR. RIMBACH: -- Your Honor.
20 **VOIR DIRE EXAMINATION**
21 Q BY MR. RIMBACH: If you look at the second row in
22 Respondent's Exhibit 359, it corresponds to row 312 on GC
23 Exhibit 261. What does "fix IC" under the reference column
24 mean?
25 A My educated assumption on that is that there are times

1 when an invoice is inted (sic) -- entered into accounts
2 payable. And if it's -- if it's entered in and it needs to be
3 allocated to an opco -- the invoice may have, you know, several
4 different opcos on there. And I discussed it yesterday, that
5 you would see an intercompany entry that would come over to --
6 to hit that opco. In this particular instance, the -- the
7 intercompany entry probably got hung up in the system and
8 somebody saw that it got hung up and did a -- a manual journal
9 entry to move -- move it where it was supposed to go. But I
10 can't definitively say that that is the case. But generally,
11 that is what occurs.
12 Q What is this transaction for?
13 A I -- I cannot tell you what that -- exactly what that
14 transaction's for because it's not in the description field. I
15 could if -- if I were -- if somebody came to me and -- went to
16 accounting and said, hey, what exactly is this journal entry
17 for, you can look up that journal entry and -- and you could
18 see exactly what that was for. But I can't definitively say.
19 Q For the column original source, it says VGJUL31-500. What
20 does that mean?
21 A That is the individual's label who created the journal
22 entry. And that would be Vlad Godunok that entered that
23 journal entry.
24 MR. RIMBACH: Thank you. No objection other than my
25 standing comments.

1 JUDGE SANDRON: All right. The document is received.

2 **(Respondent Exhibit Number 359 Received into Evidence)**

3 **RESUMED DIRECT EXAMINATION**

4 Q BY MR. HILGENFELD: Mr. Parry, I'm now going to filter in

5 the account description of GC Exhibit 261 using the select item

6 for rent.

7 MR. HILGENFELD: Hand it out to everybody, Respondent's

8 361.

9 JUDGE SANDRON: Thank you.

10 THE WITNESS: Thank you.

11 Q BY MR. HILGENFELD: Mr. Parry, again this is zero --

12 account 000 on segment 2. This one is segment 6300. What is

13 6300 for?

14 A 6300 is for the rent for Westoil Marine Services.

15 Q And then it has a P -- sorry. If you go to the source

16 document, it has a PMTRX. What is PMTRX?

17 A That is an accounts payable entry.

18 Q And then under the original master ID, port-112. What is

19 port-112?

20 A That's the master ID that is used for Port of Los Angeles.

21 Q And do you know what rent this would be associated with?

22 A This rent is associated with the facility in Los Angeles.

23 Q LA301?

24 A Yes, sir.

25 Q And under the original source, it has ICP under slash --

1 or _DDST_TRN_01. Does that have any significance?
2 A Yes. That means that this came through as an -- the
3 intercompany portion of what the rent is for Westoil Marine
4 Services. I believe the rental agreement in 2020 with the Port
5 of Los Angeles was with Millennium Maritime. So the original
6 document would be entered into Millennium Maritime. They would
7 get their portion. And this is the allocated portion to
8 Westoil Marine Services.
9 Q So this is response -- Westoil was responsible for, for
10 rent at LA301?
11 A Yes.
12 Q And then if you look at reference, is that where you get
13 the intercompany regarding Millennium Maritime?
14 A Yes. Oh, yes, it is stated there. And the invoice number
15 is on there, too.
16 Q And where would be the invoice number?
17 A I believe the invoice number is the 13006.
18 Q After journal?
19 A Yes, sir.
20 Q And so is an invoice submitted from -- from who -- from
21 who to whom for this payment, if you know?
22 A The -- the invoice from the vendor?
23 Q Um-hum.
24 MR. RIMBACH: I'm going to object, assuming facts not in
25 evidence.

1 JUDGE SANDRON: What's that?
2 MR. RIMBACH: The -- the question assumes facts not in
3 evidence that there was an invoice.
4 MR. HILGENFELD: Well, he just testified there was an
5 invoice because that's the invoice number.
6 JUDGE SANDRON: Right.
7 MR. RIMBACH: But between --
8 JUDGE SANDRON: Yeah.
9 MR. RIMBACH: Between Westoil and Millennium Maritime?
10 The question was confusing.
11 JUDGE SANDRON: Well, I -- I think -- can you -- can you
12 answer that?
13 THE WITNESS: I -- I can.
14 JUDGE SANDRON: Then go ahead.
15 THE WITNESS: The -- the original invoice -- the invoice
16 number that -- that is listed here was billed to -- from Port
17 of Los Angeles to Millennium Maritime, and is entered into
18 Millennium Maritime pro -- accounts payable and the invoice is
19 allocated between Millennium Maritime and Westoil Marine
20 Services. And this is the portion that Westoil gets. And so
21 under the reference, they reference that invoice number that's
22 entered into the Millennium -- Millennium accounts payable.
23 JUDGE SANDRON: So it -- is this rent that's paid to the
24 city for Port of Los Angeles?
25 THE WITNESS: Yes.

1 JUDGE SANDRON: All right. Not -- not to a private
2 vendor?
3 THE WITNESS: No.
4 Q BY MR. HILGENFELD: And Mr. Parry, original docket (sic)
5 number. In this case, what's the original docket (sic) number?
6 A The -- the original document number that references the
7 invoice.
8 MR. HILGENFELD: And I -- I'd also note that Respondent's
9 Exhibit 361 ends at batch number, column R. If you go to GC
10 Exhibit 261, that I will try to pull up for everybody.
11 Q BY MR. HILGENFELD: It has the CR number -- CPL for a
12 number of the entries. What is CPL? It's up top, Mr. Parry.
13 You're not going to see it on there.
14 JUDGE SANDRON: On the screen.
15 MR. HILGENFELD: So column T.
16 A Oh. That stands for critical payment list. What a
17 critical payment list is in accounts payable, they -- they keep
18 track of what critical payments are. And rent is considered a
19 critical payment because it's due on the first of the month.
20 And we have to -- we have -- if we do not pay it, then we could
21 either get extra fees or we could get -- we could have issues
22 with the contract for rent for being in default.
23 JUDGE SANDRON: Do you -- do you know if -- how the rent
24 is apportioned between the two companies?
25 THE WITNESS: The -- the allocation, I believe, is based

1 on vessel count. So they'll take how many vessels there are in
2 one company, how many vessels there are in another company and
3 apportion that.
4 JUDGE SANDRON: So -- so that could vary from month to
5 month?
6 THE WITNESS: No, they -- they use a pretty static -- they
7 use a pretty static number for that.
8 JUDGE SANDRON: I see. So it -- it stays pretty much the
9 same throughout the year?
10 THE WITNESS: Yes.
11 Q BY MR. HILGENFELD: And Mr. Parry, you see column U, work
12 order. This one has a zero, I will just note, in GC Exhibit
13 261. Do you -- do you have an understanding of why zero was
14 inputted here up in column U?
15 A I don't know exactly why. My assumption is there's no
16 work order associated with it.
17 Q And then for start date/end date, it looks like it starts
18 the first of every month and ends the last day of each month.
19 What does that indicate?
20 A That's the rent term.
21 MR. HILGENFELD: At this point, Your Honor, we'd move for
22 Respondent's Exhibit 361.
23 JUDGE SANDRON: Mr. Rimbach?
24 MR. RIMBACH: No objection other than the same comments,
25 Your Honor.

1 JUDGE SANDRON: The document is received.

2 **(Respondent Exhibit Number 361 Received into Evidence)**

3 MR. HILGENFELD: At this point, I'm going to select

4 telephone, Respondent's Exhibit 362.

5 JUDGE SANDRON: Bless you.

6 MR. RIMBACH: I'm sorry. Mr. Hilgenfeld, just for the

7 record, could you refer to the column number where you're

8 selecting the filter just so it's clear?

9 MR. HILGENFELD: Certainly.

10 MR. RIMBACH: Thank you.

11 MR. HILGENFELD: For all the filters -- just so I can put

12 it on the record. All the filters that I've done are based on

13 column F, which is the account description.

14 MR. RIMBACH: I appreciate it.

15 Q BY MR. HILGENFELD: So Mr. Parry, on Respondent's Exhibit

16 362, we have segment 2000, which we talked about. Segment 3, 6

17 thrive -- 6350. What does that indicate?

18 A That -- that is the -- excuse me. That is utilities

19 telephone.

20 Q And it has an original master name of MegaPath Inc. Do

21 you have an understanding of who MegaPath Inc. is?

22 A I do not.

23 Q Do you have an understanding -- is this an internal or

24 third-party vendor?

25 A This is a third-party vendor.

1 Q And when it says source PMTRX, what does that indicate?
2 A That is an accounts payable entry.
3 Q And again, Respondent's Exhibit 3 -- I guess first off, is
4 this a -- is this a third-party vendor that's paid directly by
5 Westoil Marine Services or allocated in column R?
6 A Thi -- this is -- this is direct, I believe. Under the --
7 can I see the reference?
8 Q Of course. So column P is the reference.
9 A It's dir -- it's direct.
10 Q Okay. So when it's a payables tax entry, that -- what
11 does that mean?
12 A That it -- it -- that the invoice was billed directly to
13 Westoil Marine Services and paid by -- directly by Westoil
14 Marine Services.
15 Q And again for batch numbers, am I reading this right? It
16 appears to go from -- first of -- first of January and then
17 goes through the end of the year.
18 A Yes. So these are monthly invoices.
19 Q Respondent's Exhibit 362 ends on batch number. And the PO
20 number, the CAR number, and the work order are all blank.
21 There is a start date and end date. And it looks like it is
22 the first of each month and the end of each month. What does
23 that indicate?
24 A That's the monthly invoice for -- for this particular
25 vendor for Westoil Marine Services.

1 MR. HILGENFELD: At this point, we'd move to offer
2 Respondent's 362.
3 JUDGE SANDRON: Mr. Rimbach?
4 MR. RIMBACH: Just a quick question for voir dire.
5 JUDGE SANDRON: Yes, go ahead.
6 **VOIR DIRE EXAMINATION**
7 Q BY MR. RIMBACH: In the column for batch number, what does
8 USBCC mean? It's kind of cut off for some of the entries.
9 USBCC or USBC? Do you know what --
10 A I don't know what that means. I -- I -- it's -- somebody
11 put the code in there. It's -- it's for telephone related, but
12 I'm not sure what the specific service is for. I don't
13 recognize the vendor.
14 JUDGE SANDRON: So do -- do you know, on some of them --
15 I'm looking at the screen. Some say CCUSB -- USBC. To your
16 understanding, are they -- is that all the same -- related to
17 the same company?
18 THE WITNESS: I would -- I would say that it is because it
19 has USB all the way through. I know it relates to the same
20 company because the vendor name is the same. I'm just not sure
21 exactly what this service for -- is for. But I -- I do know
22 that it is pretty consistent in how it's quoted monthly and
23 it's directly paid by Westoil. So I'm very confident that it
24 is a Westoil Marine Services service.
25 JUDGE SANDRON: I -- I mean like the -- so the batch

1 numbers, would -- would different individuals maybe put in the
2 name different -- slightly differently or would it be
3 automatic?
4 THE WITNESS: Under this, it's slightly different. That's
5 human.
6 Q BY MR. RIMBACH: And what does the batch number here refer
7 to exactly for these entries?
8 A The batch number is a description. There's a description
9 field.
10 Q A description of what?
11 A It -- it's -- it's a data field that who -- whomever
12 inputs the entry can put a description in there. And it's not
13 extremely specific, but my -- I would say that this vendor
14 would -- there would be a USB in there. I've not sure what USB
15 stands for. If it said, you know, telephone I would know. But
16 it's related to communica -- it's related to Westoil Marine
17 Services telephone.
18 Q Sorry, is the vendor here USB, or is it MegaPath?
19 A No, the ven -- the vendor is MegaPath.
20 Q Okay, so you don't know what USB is at all?
21 A USB refers to something in the service that is being
22 billed. I don't know what USB means.
23 Q Okay, thank you.
24 A You're welcome.
25 MR. RIMBACH: No objection other than my standing

1 comments.

2 JUDGE SANDRON: The document is received.

3 **(Respondent Exhibit Number 362 Received into Evidence)**

4 **RESUMED DIRECT EXAMINATION**

5 Q BY MR. HILGENFELD: Mr. Parry, I'm going to again go to
6 column F and filter in the account description. And at this
7 point, I'm going to filter for utilities.

8 MR. HILGENFELD: And I've marked this as Respondent's
9 Exhibit 363.

10 Q BY MR. HILGENFELD: And Mr. Parry, again, we have segment
11 2 as 000. Segment 3 in this case is 6310. What does that
12 indicate?

13 A 6310 is utilities.

14 Q And then if we go to the department master name, which is
15 column J. I'd just note for the record that column J in
16 Respondent's 6 -- 6 -- 363, was cut off. And so the first
17 line, if I look at GC Exhibit 261, is Department of Water and
18 Power, City of Los Angeles. What would that indicate, Mr.
19 Parry?

20 A That is the water bill and potentially ele -- electrical.
21 I'm not positive about that for utilities. But definitely the
22 water bill from the City of Los Angeles for the -- for the use
23 of the facility.

24 Q All right. The next is Athens Service. Do you have an
25 understanding of who Athens Service is?

1 A I don't. I know that they're a third-party vendor, and
2 it's related to utilities. I specifically don't know what
3 service they provide.
4 MR. RIMBACH: I'm sorry, I don't mean to interrupt, but I
5 think it would be helpful to refer to the row numbers, since
6 you're referring to the screen. Would that be okay?
7 MR. HILGENFELD: I think I had said before that I was
8 referring to column J, the original master name list. And we
9 talked about the --
10 MR. RIMBACH: Right, but the specific row number. So it
11 says 41, because it doesn't appear on the PDF.
12 MR. HILGENFELD: That's fine, I -- I can do that.
13 MR. RIMBACH: If not, it wouldn't be clear on the record
14 what you're referring to.
15 MR. HILGENFELD: It -- it would be, because you go to the
16 record and filter, and then it asks you filter, I set it to the
17 second line of the filter, and it's also in Respondent's 363,
18 but I can certainly identify by row. If you go to row 41,
19 Athens Service, in column J.
20 Q BY MR. HILGENFELD: Mr. Parry, just to finish your answer,
21 do you have an understanding of who Athens Service is?
22 A I don't know what -- I -- I've never heard of -- I -- I --
23 Athens Service, I don't know what service they are -- they
24 supply.
25 Q Just some third-party vendor?

1 A It is.
2 Q Okay. And then it looks like there's a few blanks, but it
3 alternates between Department of Water and Power, City of Los
4 Angeles and Athens Service throughout Respondent's 363 as
5 identified in GC-261. Do you see that?
6 A I'm sorry, Chris, can you ask that again? I'm sorry.
7 Q Sure. The two vendors that are listed in GC-261, column
8 J, aside from a couple of blanks, are Department of Water and
9 Power City of Los Angeles and Athens Service?
10 A Yes.
11 Q Go to --
12 JUDGE SANDRON: Oh, one thing. It looks like there was a
13 March charge from the Department of Water and Power, and then
14 it was reversed. Do you know what that represented?
15 THE WITNESS: Let's see. It looks like -- yes, I do know
16 what that is. So in -- in March -- on March 31st --
17 JUDGE SANDRON: All right.
18 THE WITNESS: -- there was an entry for $829. That was
19 done by a journal entry.
20 JUDGE SANDRON: Right.
21 THE WITNESS: And it may have been my accountant doing an
22 accrual. And then typically, you want to make sure you try to
23 capture expenses in the month they occur.
24 JUDGE SANDRON: All right.
25 THE WITNESS: So the invoice may not have been input. He

1 accrued it, and then it reverses the next month, so it's net
2 zero. And then if you go down the page a little bit, it looks
3 like he was accruing Athens Service for $829.44. That came
4 in -- looks like it came in May or June.
5 So basically, the accountant was trying to make sure
6 that -- he had come across an invoice that had not been put
7 into accounts payable yet.
8 JUDGE SANDRON: Was -- was that the same company? I'm
9 just trying to --
10 THE WITNESS: Well on the journal entry, he just has for
11 description, utility expense. But because it's a unique number
12 to the actual invoice that was then posted two months later, I
13 know that's what he is accruing.
14 JUDGE SANDRON: Well, I mean, the only thing is, it
15 look -- I may not -- it might be -- I may not be reading this
16 right, but it looks like the first 829.44 was the Department of
17 Water and Power. And then that was credited. And then it
18 looks like the 829.44 further down was Athens Services.
19 THE WITNESS: So -- so yeah, it -- it -- there's no
20 original master name in -- in this. So -- so that is an
21 accrual. It was -- he didn't designate who it was in his
22 original accrual -- accrual.
23 JUDGE SANDRON: Oh.
24 THE WITNESS: But when the actual invoice comes in, which
25 is about one, two, three, four, five lines down, the vendor's

1 name is Athens Service.
2 JUDGE SANDRON: Oh, I see, so that was the correct vendor?
3 THE WITNESS: Yes.
4 JUDGE SANDRON: Thank you.
5 Q BY MR. HILGENFELD: In this, the original source column,
6 does this have any significance in looking at these general
7 lectures, as it relates to utilities?
8 A Yes. It looks to me, according to this data, that the
9 Department of Water City of Los Angeles, is an intercompany
10 payable's transaction. So that is the portion for -- that is
11 the portion for water -- can you scroll to the left a little
12 bit, please, Chris?
13 Q Left or right?
14 A Left. Oh, a little bit right. I want to see column J.
15 So this is -- this is the portion for Westoil for -- from the
16 Department of Water and Power for the City of Los Angeles.
17 This is the portion that is related to Westoil Marine Services.
18 Q And so if we look on the very first one, it's row 19 on
19 G2C -- G-261 (sic), or the first column on our Respondent's
20 363. Original source, ICP. What does ICP mean?
21 A That's the intercompany entry.
22 Q And if you look at the seventh -- second one, PMTRX. What
23 does that indicate?
24 A That indicates that the invoice was billed directly to
25 Westoil Marine Services.

1 JUDGE SANDRON: Which one -- what's that? You say the --
2 where it has IC MMI, that was apportioned?
3 THE WITNESS: That was -- yes, that's the allocated
4 portion for Westoil Marine Services.
5 JUDGE SANDRON: And -- and that was billed to MMI, which
6 then billed Westoil Marine --
7 THE WITNESS: When they -- when they input the invoice
8 into the --
9 JUDGE SANDRON: All right.
10 THE WITNESS: -- payable system, a portion is directly
11 related to Millennium Maritime, and a portion is directly
12 related to Westoil Marine Services for their portions.
13 JUDGE SANDRON: So -- so MMI doesn't bill Westoil Marine,
14 they each bill separately?
15 THE WITNESS: Each -- each is billed separately. Each --
16 it's coded separately, the invoice, and this is the portion
17 that gets coded to Westoil.
18 JUDGE SANDRON: I see.
19 Q BY MR. HILGENFELD: And in this we have a debit from
20 Westoil. If you look at the MMI general administrative expense
21 for these utilities on this day, will we see a debit or a
22 credit to MMI in that entry?
23 A You would see -- you would -- if it's a debit here, you
24 would see a credit too MMI.
25 Q Okay. And would that show that there's an expense being

1 paid from Westoil to MMI for that service?
2 A If you looked at MMI -- MMI's expenses for this, you would
3 see their portion for the -- the power.
4 Q Mr. Parry, we have general ledgers for Westoil for res --
5 JUDGE SANDRON: Oh, can I ask -- can I ask you one other
6 thing? The Athens Services, were those paid directly by
7 Westoil Marine?
8 THE WITNESS: Yes. So they're paid -- if they're billed
9 directly to Westoil Marine Services, it would show up as that
10 PM transaction, so yes.
11 JUDGE SANDRON: I see. And those are -- that's not --
12 those are not apportioned?
13 THE WITNESS: That is not apportioned.
14 Q BY MS. YASSERI: And if you look in the reference column
15 of column P, does that indicate whether something is
16 intercompany or payable directly from Westoil?
17 A It -- it does.
18 JUDGE SANDRON: On P, which was -- it's not -- P is on --
19 MR. HILGENFELD: P is reference. P -- column P is the
20 reference column.
21 JUDGE SANDRON: Oh, I -- yes, I see. So any -- anywhere
22 as I see is the apportioned, and then the others are directly
23 payable?
24 THE WITNESS: Yes.
25 JUDGE SANDRON: Or -- or directly billed, I should say?

1 THE WITNESS: Yes.
2 Q BY MR. HILGENFELD: And looking at the reference, on
3 column P -- partway down on Respondent's 363, but if you look
4 at GC-261, row 217, you'll see it says, "Fell off autopay." Do
5 you know what that means?
6 A I don't. It -- there are some bills that we have that are
7 autopay. But obviously, something fell off in the transaction,
8 so they had to enter it in.
9 Q Okay.
10 A It looks to be, based on the description -- can you scroll
11 to the right please? Oh, I'm sorry, Chris, can you scroll to
12 the left? Yeah, I'm not sure what Athens is for. But I do
13 know that it -- it's directly related to Westoil, based on this
14 accounting.
15 MR. HILGENFELD: And Respondent's Exhibit 363 ends at
16 batch number, which is column R, in General Counsel 261. Just
17 to make sure the record is clear; column S is PO number for
18 General Counsel 261. And if you go down to row 217, you have a
19 PO number for three months for row 217 that is, fell off
20 autopay for Athens. And I'm just noting that for the record.
21 JUDGE SANDRON: Okay, thank you.
22 MR. HILGENFELD: And there are no other entries in the PO
23 number. Whoops. In column T of General Counsel 261, it is
24 carry number. And just to note, for the record, row 77 is the
25 journal entry that was the fourth journal entry down on

1 Respondent's 363, which was a payment to Department of Water
2 and Power and City of Los Angeles. And it has a carry number
3 and then CPL.
4 Q BY MR. HILGENFELD: What, again, does that stand for?
5 A Critical payment list.
6 Q And then if you go down to row 201, which was a
7 transaction to Department of Water and Power transaction on May
8 31st, 2020. It also has a CPL entry on the carry number
9 column. And then it appears that that is true, going down for
10 the other entries for Department of Water and Health (sic). Do
11 you have an understanding of why Water and Health (sic) has a
12 critical payment list?
13 A Yes. It's -- it's important that we pay our utility bills
14 so the -- the power does not get shut off.
15 MR. HILGENFELD: And just so the record's clear, on column
16 U, I'll just note that work orders that have a CPL in row 77,
17 201, 285, 334, 416, 473, row 498, also have a zero entry for
18 the fourth quarter. Just noting that for the record.
19 JUDGE SANDRON: Yes.
20 Q BY MR. HILGENFELD: And then on the start and end dates
21 for these transactions, do you have an understanding of what
22 those start and end dates are on General Counsel's 261, which
23 are columns U, V, and W?
24 A Those should be the service dates.
25 MR. HILGENFELD: At this point, we would move for

1 Respondent's 363.

2 MR. RIMBACH: No objection other than my standing

3 comments, Your Honor.

4 JUDGE SANDRON: All right. The document is received.

5 **(Respondent Exhibit Number 363 Received into Evidence)**

6 JUDGE SANDRON: I think what would be helpful is if we

7 could -- and maybe make it a joint exhibit, but to have a li --

8 to have it set out in a document, in writing, what the

9 different columns are. Because we've had testimony about them.

10 But you have to go through the testimony to figure out --

11 because the document -- these exhibits don't have columns. And

12 we've had a lot of reference to columns.

13 So I -- I think -- and I'm sure the parties can reach a --

14 a very quick stipulation on, you know, just setting out, like,

15 column A is company TRX paid account, seg 3, seg -- seg 2, seg

16 3, source -- you know, just so there's a legend. I think that

17 would be a lot easier, especially for people who are not

18 familiar. Anybody who's going to be reviewing the record, so

19 that they won't be confused as -- as far as what -- where the

20 references have been. So I'll ask the parties to do that. You

21 don't -- you don't have to do it right now.

22 MR. HILGENFELD: Okay.

23 JUDGE SANDRON: But -- but I think that would be helpful,

24 for the record.

25 MR. HILGENFELD: Thank you, Your Honor.

1 Q BY MR. HILGENFELD: Mr. Parry, we've reviewed Westoil's
2 general ledgers for revenue. We've reviewed for 2019 -- 2020,
3 we've reviewed Westoil's general ledgers for general
4 administrative expenses for 2020, and we've reviewed Westoil's
5 direct cost expenses in the general ledger for 2020. We've
6 also provided those same general ledgers for Westoil for 2021,
7 and those same for 2022.
8 Your testimony regarding 2020, as to what things mean,
9 generally speaking, and the terms that are used, are they going
10 to be consistent throughout?
11 A Generally speaking, yes.
12 Q Is -- we also have Harley Marine Financing general ledgers
13 for 2020 for direct costs. Harley Marine Financing 2021,
14 direct cost ledgers. Harley Marine Financing 2022, direct cost
15 ledgers. Harley Marine Financing 2020, general administrative
16 expenses. Harley Marine Financing 2021, general administrative
17 expenses. Harley Marine Financing 2022, general administrative
18 expenses. Are those going to be consistent with Harley Marine
19 Financing as to your testimony related to Westoil Marine
20 Services?
21 A Generally speaking, yes.
22 Q Same question for Centerline. We've -- have into evidence
23 Centerline direct cost general ledgers for 2020, Centerline
24 direct costs for 2021, Centerline direct costs for 2022,
25 Centerline direct -- sorry, general administrative expenses for

1 2020, Centerline general administrative expenses for 2021,
2 Centerline general administrative expenses for 2022. What --
3 is your explanation that you provided for Westoil also be
4 consistent with the accounting that was done for Centerline on
5 those general ledgers?
6 A Generally speaking, yes.
7 Q And we provided the same direct cost general
8 administrative expenses, and monthly -- and revenue for Olympic
9 Tug & Barge for 2020, 2021, and 2022. Would your answers that
10 you provided for Westoil in relation to 2020 be using the same
11 general accounting terms and principles that you used for
12 Westoil?
13 A Yes.
14 Q And last one, we've also provided -- it's been put into
15 evidence, Leo Marine revenue for 2020, '21 -- '21, 2022. Leo
16 Marine direct cost for 2020, 2021, and 20 -- excuse me, 2021,
17 2022, not 2020, because it was not in existence. And Leo
18 Marine direct -- general administrative expenses for 2021 and
19 2022. Will the explanations that you provided regarding
20 Westoil as to the accounting practices and principles for 2020
21 follow for those general ledgers as well?
22 A Yes.
23 JUDGE SANDRON: And let me -- I -- I just want to make
24 sure I have this. I believe the spreadsheets were put on a
25 thumb drive, and that was the week of January 22nd that you

1 provided the thumb drive?
2 MR. RIMBACH: Yes, Your Honor.
3 MR. HILGENFELD: There are a few that were provided
4 previously in October.
5 JUDGE SANDRON: I see. They're not on the thumb drive?
6 MR. HILGENFELD: They're not on the thumb drive, Your
7 Honor. They were not in excel form.
8 JUDGE SANDRON: Oh.
9 MR. HILGENFELD: They were in paper copy form.
10 JUDGE SANDRON: Oh, I see. So --
11 MR. HILGENFELD: But this -- the information is still --
12 JUDGE SANDRON: Okay, thank you.
13 Q BY MR. HILGENFELD: Mr. Parry --
14 JUDGE SANDRON: Oh, excuse me, just one thing. Which --
15 which were the ones -- exhibits on the thumb drive, which he --
16 I -- I think maybe Mr. Hilgenfeld discovered them in his --
17 MR. RIMBACH: They were GC Exhibits 242 through GC Exhibit
18 283.
19 JUDGE SANDRON: Okay. And -- and these were among these
20 spreadsheets referenced by Mr. Hilgenfeld?
21 MR. RIMBACH: Yes, Your Honor.
22 JUDGE SANDRON: Okay.
23 MR. HILGENFELD: And just to note for the record, Your
24 Honor, the Harley Marine Financing general administrative
25 expenses is Respondent 70.

1 JUDGE SANDRON: Okay.
2 MR. HILGENFELD: And the Centerline -- and that is for
3 2021. And the Centerline general and administrative expenses
4 general ledger for 2021 is Respondent's 158(a). I believe
5 there is a 158(b) and a 158(c) as well. Although --
6 JUDGE SANDRON: And the -- for Harley Marine Financing,
7 that was 20 -- or Exhibit 70 was 2021 and which expenses?
8 MR. HILGENFELD: Yes, that was general administrative
9 expenses --
10 JUDGE SANDRON: No --
11 MR. HILGENFELD: I believe, Your Honor, there's also a
12 direct -- not a direct cost, there's -- there's general
13 administrative expenses, yes.
14 JUDGE SANDRON: Okay, thank you.
15 MR. HILGENFELD: Okay. And I -- I would just note for the
16 record, and we'll provide a written form, Your Honor. The
17 columns that were provided in Respondent's exhibits that we've
18 gone through regarding the general ledger, they start on column
19 A, and they go sequentially until those columns end on there.
20 So we'll -- we'll put that in the record. But I'm just making
21 a note of that.
22 JUDGE SANDRON: All right, thank you. Yeah, that would be
23 good -- good to have.
24 Q BY MR. HILGENFELD: All right so Mr. Parry, we're going
25 away from those.

1 A Okay.
2 Q A little more fun -- more fun stuff. Now, I'm going to
3 turn your attention to Respondent's 365, which is the Westoil
4 Marine Services monthly income statement for December of 2020.
5 MR. HILGENFELD: I will note for the record that the Excel
6 version is on a flash drive provided to Your Honor in GC
7 Exhibit 253.
8 JUDGE SANDRON: Okay, that's GC-253 on the flash drive.
9 Okay. I'll just make a note of that, then. Okay. Okay, yes?
10 Q BY MR. HILGENFELD: Mr. Parry, are you familiar with the
11 operating company's monthly income statements?
12 A I am.
13 Q And what -- I guess, first off, what do -- what is the
14 monthly income statements for the operating companies?
15 A A monthly income statement is a statement of revenues with
16 the expenses related to those revenues for a certain period of
17 time.
18 Q I guess, first off, does this include all expenses related
19 to the operating companies?
20 A This shows the operating transactions. What is not
21 included in here is any debt service to the securitization for
22 principle and interest payments that are made for -- for the
23 securitization.
24 Q When you say debt services, you mentioned that yesterday.
25 What are you -- what are you referring to?

1 A It -- it's the principle and interest payments that you
2 have to make to the securitization monthly.
3 Q Do you have a -- a general idea? Are we talking thousands
4 of dollars or mill -- millions of dollars in debt services?
5 A I believe the original agreement was about 450 million
6 over -- over a period of time. So you're talking thousands and
7 thousands of dollars in monthly payments.
8 Q Okay. And that will not be included on these income
9 statements for the operating companies.
10 A No, that's -- that -- that is -- that is not paid by the
11 opcos.
12 Q We've also had discussion regarding capital expenditure
13 depreciation. Would those be included on the monthly income
14 statements for the operating companies?
15 A For depreciation expense and capital costs, those do not
16 run through the opcos for any securitized vessels. So any
17 vessels that are owned by Harley Marine Service -- Harley
18 Marine Financing and -- and they're operated by Westoil Marine
19 Services, any capital -- capital costs do not run through the
20 opcos.
21 Q Is there a difference between capital depreciation and
22 third-party depreciation?
23 A Yeah. If there's a -- if there's a lease for equipment
24 for -- for third parties, then the capital cost will run
25 through the opco.

1 Q So in looking at Respondent's 365, December of 2020; are
2 you familiar with this document?
3 A Yes.
4 Q And I guess, walk me through before we -- we get into
5 this. What -- what is the process for -- for creating a
6 monthly income statement?
7 A Well, we just went through at length all of the accounting
8 transactions on the trial balance, that -- everything that we
9 just looked at. So you have accounts payable, you have
10 accounts receivable. There's journal entries that are put in
11 for every transaction. Wherever those particular transactions
12 are coded, roll up into the line items that are on this -- that
13 are on this PNL.
14 Q When you say PNL, what do you mean?
15 A Oh, I'm sorry. This -- this profit and less statement,
16 which is an income statement.
17 Q Do you have any -- do you differentiate between a PNL and
18 an end-month income statement?
19 A No. I should say income statement, because --
20 JUDGE SANDRON: Well either way.
21 THE WITNESS: Yeah.
22 Q BY MR. HILGENFELD: I just want to make sure it's clear,
23 that when you say -- what -- whatever you say, you're talking
24 about the same document.
25 A Yes, sir.

1 Q And you've talked about reclassification in the general
2 ledgers and going through -- I'll refer to it generally as kind
3 of a scrubbing of some of that process. Is there a process of
4 that similar to income statements?
5 A Well, you -- there's transactional accounting that rolls
6 up into these. But -- so these should reflect what has been
7 scrubbed. However, when you look at the numbers, or other
8 people look at the numbers, they may go back to the details to
9 see, hey, why is this number a little bit higher or lower than
10 it has been in the past?
11 Q And when are -- I guess, how frequently are the PNL and
12 monthly income statements created?
13 A So there's a monthly closing cycle for each calendar
14 month. The accounting department is responsible for entering
15 in transactions on behalf of the opcos. Typically, they're
16 done with their transactions around the 12th of the next month.
17 So for example, September's financials, they should be done
18 with their transactional accounting on the 12th. There's a lot
19 of transactions to go through, there's a lot of transactions
20 that people review. Different managers, the controller, the
21 finance manager, and myself will -- we will review some of
22 the -- the -- the data once it is complete. It is then put
23 into statement -- income statement format by our finance
24 manager. And we try to review it monthly will all of the
25 managers.

1 Q Does that happen every -- every single month?
2 A It doesn't happen every single month, but it happens for a
3 very high percentage of that time.
4 Q And when you say your managers, are you talking about the
5 operating companies?
6 A The -- the managers at the opcos, yes.
7 Q Is there an audit process that also goes to the monthly
8 income statements?
9 A Yes. The audit occurs once per year. And the auditors
10 start their audit in October of the current year that they are
11 auditing, to do a preliminary audit. And they will choose
12 sample transactions from all different types of accounts, from
13 every opco.
14 Q And in that process, is this Harley Marine Financing in
15 that audit process, or do they have a separate audit process?
16 A Harley Marine Financing is part of both pro -- they --
17 they're audited twice. They get audited for transactional
18 accounting. But the securitization process is audited
19 separately -- separately by the auditors. So anything related
20 to securitization transactions are audited separately.
21 Q And what would be typical securitization transactions?
22 A Anything related to the securitization. Typically, it's
23 the -- the cash transactions. There are weekly and monthly
24 reports created by the accountants for all the activity related
25 to securitization. And those are put into reports, and those

1 reports are reviewed monthly and weekly by Matt Godden for
2 Harley Marine Financial, and then audited at year end by the
3 auditors.
4 Q In looking at Respondent's 365, we'll walk through the
5 revenue. First off, how does the revenue correspond with the
6 general ledger revenue sheets that we went through for Westoil
7 in 2020?
8 A For the detail transaction that we went through,
9 anything -- any revenues with a 42 series, is represented in
10 that line item for -- for bunkering revenues. And that's spot
11 bunkering.
12 Q And then I guess, first off in alliance is -- do you -- do
13 you know why there was no revenue for assist escort revenues
14 for Westoil Marine Services in 2020?
15 A Yeah. Westoil does not perform assists, they don't have
16 tugs.
17 Q What company in L.A./Long Beach has tugs in 2020?
18 A In 2020, that would have been Millennium Maritime.
19 Q Is this assist escort for Millennium Maritime what was
20 sold from Saltchuk -- from Centerline to Saltchuk?
21 A Yes.
22 Q Bunkering revenue, you said that was line 42, or -- I
23 guess not line 42, but segment 42; is that correct?
24 A Yes, that's spot bunkering, yes.
25 Q And what is the charter revenues?

1 A Charter revenues are any -- are related to any units that
2 are on time charter with customers, where they pay a day rate
3 for a specific period of time.
4 Q And do you know the -- would -- can you tell if that is
5 spot bunkering, lightering, or the terminal transportation?
6 A No. Spot bunkering would be in spot bunkering, charter
7 revenues would include the -- the service they could provide
8 would be, they could provide bunkering, terminal moves,
9 delightering, typically those services.
10 Q And then terminal transportation, is there a difference
11 between terminal to terminal moves in terminal transportation,
12 or is that the same thing?
13 A Terminal transportation is terminal to terminal moves on a
14 spot basis.
15 Q And that's moving petroleum from one terminal to another
16 terminal?
17 A It is. If there's a spot delightering -- or a spot
18 lightering, that would also fall under this line item.
19 Q Okay. And do you know what segment account would be for
20 terminal transportation?
21 A Terminal transportation is 46XX. XX meaning the last two
22 digits could be different.
23 Q Okay, so the bunkering would be 42XX?
24 A Yes.
25 Q And then what was the charter revenues?

1 A 41XX.
2 Q And there's no revenue utilized for Westoil Marine
3 Services for terminal services in 2020. Do you have an
4 understanding of why?
5 A We only have one company that performs terminal services.
6 And they're -- they're not part of the securitization, but they
7 are an opco. I am terribly sorry.
8 JUDGE SANDRON: That's all right. Turn it off, it'll be
9 fine.
10 THE WITNESS: I will turn it off right now.
11 A There's only one company that performs terminals --
12 terminalling services. And to be consistent with all the
13 financials, that's a line item on the revenue, because this
14 should represent any -- any opco that we have.
15 Q What -- what company is -- what Centerline affiliated
16 company is that?
17 A That is Pacific Terminal Services.
18 Q PTSI?
19 A Yes.
20 Q And where are they located at?
21 A Portland, Oregon.
22 Q And what are harbor and contract services?
23 A Harbor and contract services typically entails if --
24 there's no tugs in Westoil Marine Services. But for a company
25 that does have tugs, if somebody hires a -- a tug to -- to tow

1 a piece of their equipment, that would fall into harbor
2 services. There are some assistant escorts sometimes that fall
3 in harbor services. But there are none for this particular
4 opco.
5 Q Intercompany revenues. What does that mean?
6 A That would be if one opco provided a service for another
7 opco, they would report intercompany revenues.
8 Q And then miscellaneous revenue, what would that be?
9 A You know, a good example of miscellaneous revenue is some
10 TV shows sometimes like to use our facility in Los Angeles to
11 film a TV show. And they'll say, hey, if we can come down and
12 use this unused piece of the dock, we'll pay you a couple
13 hundred thousand dollars, and we'll put it into miscellaneous
14 revenue.
15 Q Going down to direct costs, what are personnel costs?
16 A Personnel costs are -- personnel costs are wages plus the
17 burden rate.
18 Q And then --
19 A I'm sorry, not plus the burden rate. Plus the burden
20 costs.
21 Q And what do you mean by burden costs?
22 A Benefits that are associated with -- with those wages or
23 the employees.
24 Q And then what are fuel expenses?
25 A Fuel expenses are the fuel that is consumed during the

1 month for the operations for that opco's equipment.
2 Q And then what are supplies and small tools?
3 A Any -- any consumable supplies and small tools that are
4 ordered and related to the opco.
5 Q And then what about repairs and maintenance?
6 A Any costs associated with repairing or maintaining the
7 vessels, that is under the $10,000 per capital expenditures.
8 Q And then what about the insurance?
9 A That is insurance costs related to each vessel. It rolls
10 up into this line before the opco.
11 Q And then I believe we talked about depreciation, but
12 what -- what type of depreciation is this referencing?
13 A It -- this depreciation represents any -- any capital
14 improvements to third-party leased equipment.
15 Q And then subcontracts, what's being referenced here?
16 A Subcontracts represents third-party -- third-party
17 services. In this case, for Westoil Marine Services. But it
18 also includes intercompany subcontract expense.
19 Q So for instance, this could include, I believe you
20 testified that Crowley or AMNAV occasionally provide
21 subcontracting work for Westoil; is that correct?
22 A Yes, and that would be included in this line.
23 Q And MMI also will occasionally provide third --
24 intercompany moves for Westoil?
25 A Yes, when they moved Westoil equipment.

1 Q Okay. So this would be both of that?
2 A Correct. Combined, yep.
3 Q Lease expense, what does the lease expense indicate?
4 A Under direct cost, if there's third-party leases for --
5 for vessels utilized by Westoil Marine Services.
6 Q And what is moorage and docking?
7 A Moorage and -- and moorage and docking is the -- any
8 moorage expenses that we get per month for Westoil Marine
9 Services equipment. This is their -- this -- this is their
10 moorage expense.
11 JUDGE SANDRON: Okay. And then who -- to whom is that
12 paid? Is that the port?
13 THE WITNESS: Yeah, Port of L.A. will -- it's -- they're
14 very strict about charging us moorage at the facility, and they
15 do it by vessel.
16 Q BY MR. HILGENFELD: And will -- for instance, in 2020,
17 will MMI be allocated a portion of the moorage, and would
18 Westoil be also allocated a portion of the moorage for their
19 pieces?
20 A MMI would not be allocated a portion of their moorage
21 because only barges are charged for -- for moorage. Tugs
22 typically moor on the outside of the barge. But if there's OTB
23 equipment that is moored down there, OTB would get the -- a
24 moorage expense for that portion.
25 Q Okay. Would they be responsible for that portion?

1 A They would be responsible.
2 Q Other operating expenses, what does that indicate?
3 A That's three- or four-line items in the direct cost. The
4 most -- we went through one yesterday. The most common one
5 is -- was licenses and fees. That's -- that's considered
6 other.
7 Q And then going down to general administrative expenses,
8 what does administrative personnel cover?
9 A That is non-crew personnel wages and benefits.
10 Q And then what would facilities expense cover?
11 A Facilities expense is their portion of the rent, and I
12 believe utilities is also included in that number.
13 Q And what about communications?
14 A Anything related to communica -- communications expense in
15 Westoil Marine Services that -- I believe, I just want to make
16 sure. I believe that would have been telephone, that we looked
17 at today, would -- would be one item that rolls up into that.
18 Q And then auto?
19 A Any automobile-related expenses to -- to GNA, we went
20 through that one also.
21 Q And then what about professional fees?
22 A We -- we went through professional fees. That would be an
23 example of what rolls up into Westoil Marine Services.
24 Q Insurance?
25 A Insurance related to the facility is that line item. And

1 it's their portion.
2 Q And then travel --
3 JUDGE SANDRON: And that's -- that's insurance, not -- not
4 for the vessels, but that's for the insurance for --
5 THE WITNESS: The facility.
6 JUDGE SANDRON: The facility.
7 Q BY MR. HILGENFELD: And if there was insurance for the
8 vessels, would -- would that be in the direct costs?
9 A Yes.
10 Q And what is the travel and sales expense?
11 A Any -- any expense related to administrative personnel in
12 Westoil for travel.
13 Q And then what is the licenses fees and taxes?
14 A Any -- any licensing fees related to administrative
15 personnel.
16 Q And then office and other depreciation?
17 A That's any office equipment or -- or -- any other --
18 that's any office equipment or -- that's also any improvements
19 we may have made to the facility. That's capital cost, that's
20 depreciated.
21 Q There -- there are no expenses to contributions. But do
22 you have an understanding of what contributions expenses could
23 be?
24 A I believe that's generally charitable contributions.
25 Q And then other administrative expenses. There are none

1 here, but do you have an understanding of what those would be
2 allocated, for other administrative expenses?
3 A It's a few line items for expenses. I'm not exactly
4 positive which roll up to them.
5 Q Does the -- is the income statement an attempt to capture
6 just Westoil's revenue and expense?
7 A It's just their -- their operating expenses, as we had
8 discussed earlier.
9 Q Does it include any other operating companies, or
10 Centerline itself, expenses attributable to Centerline, or
11 Harley Marine Financing?
12 A No, this is Westoil Marine Services.
13 Q And we've looked at 2020. Would 2021, and 2022 for
14 Westoil Marine Services be the same?
15 A Yes.
16 Q And with the operating companies, would your answers be
17 the same with those operating companies?
18 A Yes.
19 Q With Centerline Logistics, would your answers -- I guess
20 would -- you've mentioned before, Centerline Logistics, do you
21 have revenue?
22 A Centerline does not have revenue.
23 Q Does Centerline Logistics have direct costs?
24 A They do not.
25 Q Aside from not having revenue or direct costs, would the

1 income statements look the same for Centerline Logistics, and
2 would their responsibility be the same?
3 A Yes.
4 Q And how about Harley Marine Financing. Does Harley Marine
5 Financing have revenue?
6 A They do not.
7 Q And aside from the depreciation you've talked about
8 regarding direct costs and capital expenditures, would they
9 have any other direct costs?
10 A No.
11 Q Would the Harley Marine Financing for 2020 -- 2020, 2021,
12 2022, be consistent with your testimony beyond this?
13 A Yes.
14 Q Are each of these individual com -- operating companies,
15 Centerline Logistics, Harley Marine Financing -- Financing
16 responsible for their own -- ultimately responsible for their
17 own profits and losses?
18 A Yes.
19 MR. HILGENFELD: At this time, Your Honor, we would move
20 for Respondent's Exhibit 365, under the protective order.
21 JUDGE SANDRON: Any voir dire?
22 MR. RIMBACH: No objection. It's the same as GC Exhibit
23 252.
24 JUDGE SANDRON: All right, 252 I thought was 250 --
25 MR. RIMBACH: 252 is an excel sheet, Your Honor.

1 JUDGE SANDRON: And that was 252?
2 MR. RIMBACH: Yes, Your Honor.
3 JUDGE SANDRON: Okay, the document is received.
4 **(Respondent Exhibit Number 365 Received into Evidence)**
5 JUDGE SANDRON: I think I must --
6 MS. YASSERI: Under seal.
7 JUDGE SANDRON: This will be -- yes, this will be placed
8 under seal, pursuant to the protective order.
9 I'm going to make another suggestion. And -- and I know
10 it's going to be a little more work for counsels, but I think
11 it would be worth it. We've had a lot of testimony about
12 various financial records. And I think it would be helpful to
13 have a -- a desc -- a description. We have a lot of companies;
14 we have a lot of years. And I -- I think it'd be very helpful
15 if -- if you could basically describe each of the -- those that
16 are on the -- on the thumb drive, and then those that the
17 Respondent submitted, so that there won't be confusion.
18 Because I -- I can see with all of the years, with all of the
19 companies, it's going to be a very -- it -- it's going to be,
20 perhaps, confusing and -- and maybe difficult to try to narrow
21 down which relates to which, and what year.
22 So I -- I think the parties should do that. Maybe not do
23 it right this minute, but I think we -- we need it before we
24 close the record. I think that would make it a lot easier for
25 me and for -- and for counsels as well, when you're writing

1 your briefs, and then for anybody who reviews the record at a
2 later point.
3 MR. HILGENFELD: Yes, Your Honor.
4 JUDGE SANDRON: So it -- so I think at this point we're
5 resting with the witness?
6 MR. HILGENFELD: No, Your Honor.
7 JUDGE SANDRON: Oh, you're not, okay.
8 MR. HILGENFELD: Sorry.
9 JUDGE SANDRON: No, that's all right.
10 MR. HILGENFELD: I -- I am changing topics.
11 JUDGE SANDRON: No, I -- I wasn't trying to rush you,
12 the -- your examination.
13 MR. HILGENFELD: I can't say with certainty this next
14 topic is much shorter.
15 JUDGE SANDRON: All right. Well, we're here for the day,
16 so --
17 Q BY MR. HILGENFELD: Mr. Parry, changing topics on you.
18 A Okay.
19 Q In your role, do you have responsibilities that relate --
20 I guess, who owns the contracts or operations that are
21 performed, what entity?
22 A Harley Marine Financing.
23 Q Do you have a role of monitoring expiration dates of where
24 contracts are coming up, and when contracts are coming due?
25 A I do.

1 Q And -- and what is that role?
2 A We need to track all contracts to make sure that there's
3 notification periods in there, that we're following the terms
4 in the contract. If they're about to expire, we want to make
5 sure there's -- that our -- the people involved with the -- the
6 negotiations with those, make sure that they get renewed, or if
7 they don't get renewed. So I track that. I track that on a
8 spreadsheet.
9 Q And did you have that role in 2020?
10 A I did.
11 Q And in that role, were you familiar with or tracking the
12 Glencore con -- COA in L.A./Long Beach?
13 A I was.
14 Q And do you have an understanding, at that time, when the
15 end -- the term was going to expire for the COA for Glencore
16 and L.A./Long Beach?
17 A The term end on that Glencore was at the end of 2020. So
18 the five-year term was expiring.
19 Q Do you know if there was an option renewal as part of that
20 agreement?
21 A There was, of a -- a five-year option renewal on that.
22 Q And who -- who had the right to renew the contract, or
23 those -- those exact terms?
24 A So the contracts are all -- they're all different.
25 Sometimes -- well, but in this case, Glencore had the option to

1 renew or not renew.
2 Q In -- sometime in 2020, did you become aware of providing
3 Glencore a discounted rate under the COA?
4 A Yes. Doug Houghton informed me that with COVID, there was
5 a lot of issues in the Port of L.A., and -- and Glencore was
6 having issues, and they wanted a ten-percent discount. And I
7 believe it was for a three-month period in 2020, midway through
8 the year.
9 Q Do you know how Mr. Dough -- Mr. Houghton originally
10 informed you?
11 A We spoke about it, and there's email communications on
12 that.
13 Q I'd like to turn your attention to Respondent's -- I
14 guess, first off, what do you recall about the phone
15 conversation you had with Mr. Houghton?
16 MR. RIMBACH: Objection, calls for hearsay.
17 MR. HILGENFELD: We're just talking about Mr. Parry's
18 understanding of what was happening at this period in time.
19 It's not hearsay.
20 JUDGE SANDRON: Well, I -- I think we're -- again, you
21 know, we get into issues of hearsay. But I think generally, in
22 these proceedings, it -- it -- it goes more to whether the
23 hearsay should be given weight. And we're not talking about
24 hearsay on hearsay. So I'll allow the testimony.
25 Q BY MR. HILGENFELD: What did -- do you recall

1 approximately when that phone conversation occurred?
2 A It was mid-2020. He informed me that we had --
3 JUDGE SANDRON: All right, yeah, I think, you know, as
4 best as you can recall -- what did -- can you recall as best as
5 you can, what he said, actually? Not -- you know, instead of
6 informed, what he said.
7 THE WITNESS: Okay.
8 JUDGE SANDRON: You know, the -- as close as you can, and
9 what words he used.
10 THE WITNESS: Sure.
11 A The -- well the first issue with the Glencore contract was
12 that Glencore was looking for a ten-percent discount. So he
13 had informed me -- and I spoke to him about it. He said,
14 Glencore needs a ten-percent discount, and I agreed to that.
15 And he also has -- that should be in an email also.
16 Q Do you recall Mr. Houghton telling you anything else at
17 that time?
18 JUDGE SANDRON: And think for a minute, if you can.
19 A Yeah. For that -- at that particular time, it was -- it
20 was for the ten-percent discount.
21 Q BY MR. HILGENFELD: Do you recall what you told Mr.
22 Houghton?
23 A That we would apply the ten-percent discount to the -- to
24 the billing.
25 Q I'm going to your attention to what's already been

1 admitted as Respondent's Exhibit 5. I believe it's already
2 been admitted. Mr. Parry, do you recognize Respondent's
3 Exhibit 5?
4 A Yes.
5 Q And what is Respondent's Exhibit 5?
6 A That was the follow-up email with him confirming that we
7 would be providing a ten-percent discount to Glencore. And I
8 passed that onto our billing department, and they put it into
9 the contract folder, so that they could have a basis for the
10 auditors, that Glencore was getting a ten-percent discount per
11 contract.
12 Q Does this -- do you believe you spoke with Mr. Houghton
13 before receiving this email, or after?
14 A I -- I believe I spoke to him before.
15 JUDGE SANDRON: Do you -- do you recall about how much
16 before? About how long before?
17 THE WITNESS: It -- it probably would have been within a
18 couple days, because -- and the reason I say that is that it
19 was May 27th that he sent this email. And per this email,
20 the -- the discount was going to be for May, June, and July.
21 So that means that our billing department would have to go back
22 and apply that ten-percent discount to May's activities.
23 So he probably called me pretty quickly to make sure that
24 the main bill was reflected with this agreement.
25 Q BY MR. HILGENFELD: As it relates to this ten-percent

1 discount, do you recall having any other conversations with Mr.
2 Houghton on the Glencore COA?
3 A No.
4 Q As part of your responsibilities, Mr. Parry, did you keep
5 informed as to whether Glencore elected to renew its option for
6 the 2020 COA except L.A./Long Beach?
7 A Well, as part of our -- we have weekly sales meetings.
8 And as part of my sales meetings, contract issues are brought
9 up. So on my contract sheet, you know, that Glencore contract
10 sits on my contract sheet with the terms that are in there.
11 And there's a -- there's an expiration date and a notification
12 date. Off the top of my head, I don't know if the notification
13 date was 90 days before the expiration date, or 180 days before
14 the expiration date. All contracts are different.
15 But it was definitely discussed that this was the last
16 year for that particular term, for Glencore. And it was -- and
17 it's pretty common knowledge, because of that contract sheet.
18 Q And I'm going to turn your attention to what's been marked
19 GC-199. It's been put into evidence. I don't have copies; I
20 would just like Mr. Parry to identify this -- talking about
21 this thing.
22 JUDGE SANDRON: Okay, let me -- does the General Counsel
23 have it available? Do we have -- I'm not sure. I think we
24 have 194.
25 THE COURT REPORTER: No, we don't have that.

1 JUDGE SANDRON: I don't think I have that one. Maybe it
2 was introduced earlier, before we --
3 MR. HILGENFELD: I really just want Mr. Parry to identify
4 that this is the document that he's referencing.
5 JUDGE SANDRON: All right, let me just take a look at it,
6 and you can share with him, so I see what it is.
7 THE WITNESS: It's on the back.
8 MR. HILGENFELD: Yeah, two pages.
9 JUDGE SANDRON: So General Counsel has it?
10 MS. YASSERI: Yes.
11 MR. RIMBACH: Yes, I have it, Your Honor.
12 JUDGE SANDRON: Okay. All right. You can show it to the
13 witness, that's fine.
14 Q BY MR. HILGENFELD: Mr. Parry, do you see -- it's a little
15 hard to read, at least with my old -- my eyes. But can you see
16 what GC-199 is?
17 A Yes. So I sent out an email with detail for the contract
18 summary sheets. And this is a rep -- a response from Matt
19 Godden.
20 Q Okay. And this is the -- this -- the sheets -- the
21 summary sheets that you were referencing earlier?
22 A Yes, this is the spreadsheet I was referencing.
23 Q Okay. And did those -- can you tell if it -- I believe it
24 has comment on there by Glencore. Can you read that?
25 MR. HILGENFELD: I can make a note for the record.

1 JUDGE SANDRON: Yeah, well, I think it speaks for itself.
2 MR. HILGENFELD: It does -- I just want to --
3 JUDGE SANDRON: Yeah. I mean, if he can --
4 THE WITNESS: I do want to look at a piece of -- I want to
5 look at a piece of information, if that's okay.
6 JUDGE SANDRON: I know it's very small print. And I
7 believe Mr. Godden already testified about it.
8 MR. HILGENFELD: Mr. Godden did, but Mr. Parry's the one
9 who created the document.
10 JUDGE SANDRON: I see.
11 THE WITNESS: I -- I just wanted to look at the
12 spreadsheet --
13 JUDGE SANDRON: No, that's fine.
14 THE WITNESS: -- because I wanted to see what the
15 notification period was.
16 Q BY MR. HILGENFELD: And what was the notification on the
17 spreadsheet?
18 A The notification period for that contract is 90 days.
19 Q And I just note for the record, on GC Exhibit 199 -- call
20 them contracts needing attention, Glencore WNSCOA expires
21 12/31/2020, Doug is working on. Is that the L.A./Long Beach
22 COA?
23 A That is.
24 Q And when Doug -- what Doug is this referring to?
25 A Doug Houghton.

1 Q Did Mr. Houghton reach out at any point in time
2 regarding -- I guess did you play a -- were you actively
3 negotiating the Glencore COA?
4 A No.
5 Q Do you actively negotiate any contracts that are owned by
6 Harley Marine Financing?
7 A I do not negotiate. Every so often there are a few
8 customers that I will let them know that their notifications
9 are coming up, but that's a very small portion. It's almost
10 always held -- negotiations that are not held by me.
11 Q And what is your role as it related to the Glencore COA
12 negotiations, if you had a role?
13 A In -- for negotiations? I --
14 Q For support.
15 Q For support. Well I do know on the ten percent that
16 they -- Doug then notif -- notified us that Glencore came back
17 to him and asked him to extend the ten-percent discount monthly
18 all the way through the end of the year. I do know that. And
19 then Doug -- Doug did relay to me there's -- on that contract
20 it's -- there's minimum barrels that are a part of that
21 contract. So the contract had 400,000 minim -- minimum
22 barrels, which means in any given month it's variable how
23 much -- how much barrels are del -- Glencore delivers. But if
24 they -- in a month if they only -- per the contract -- if they
25 only deliver 250,000 barrels, we are allowed, under that

1 contract, to bill 400,000 barrels because there is a minimum in
2 there. And Doug relayed to me that Glencore wanted to -- that
3 they may not be -- that they -- I think that they weren't going
4 to extend the contract, but he -- they were negotiating for new
5 terms on the contract and they wanted to lower their barrel
6 count somewhere in the 200 range, I believe.
7 Q And what's the -- I guess, what's the practical effect of
8 lowering the barrel count?
9 A So if you lower the barrel account, then obviously it
10 creates a little bit more exposure for us. But quite frankly,
11 if they lowered the barrel count too low, and then that was
12 their minimum requirement and then they didn't deliver those
13 barrels and the -- and we can only bill, say, 250,000 barrels,
14 well our equipment costs are not fixed but very closed to being
15 fixed -- I'll explain a little bit why to that -- but you ha --
16 you run a risk if you only bill 250,000 barrels that you would
17 lose money on the contract. So for example --
18 JUDGE SANDRON: All right, wait, hold on.
19 THE WITNESS: Sure.
20 JUDGE SANDRON: So before you go further with that; when
21 did -- did you -- do you recall when you had that conversation
22 about the barrels -- the Glencore barrels with him, you know,
23 after this email?
24 THE WITNESS: I -- I do. Doug -- we had email
25 correspondence back and forth.

1 JUDGE SANDRON: Oh, okay. Is that in the -- an email?
2 MR. HILGENFELD: The conversation is not, but the email
3 is, Your Honor, and we can -- we can put that -- we'll be
4 putting that in there shortly.
5 JUDGE SANDRON: Okay, we haven't got to that yet.
6 MR. HILGENFELD: Correct.
7 JUDGE SANDRON: All right. Well, just in terms of
8 conversation, then you can go on with your explanation about
9 the barrels.
10 THE WITNESS: Okay.
11 JUDGE SANDRON: But when he had this conversation with
12 you -- I guess you might as well lay the foundation for it.
13 You want to lay the foundation for it before we go further?
14 MR. HILGENFELD: I -- I will, but before we go further,
15 you mentioned a couple of things I would just like to clear up
16 for the record and I -- I don't think I did.
17 Q BY MR. HILGENFELD: When you talked about ten-percent
18 discount.
19 A Yes.
20 Q What is the ten-percent discount referencing?
21 A The ten-percent discount references the -- what we were
22 billing to Glencore.
23 Q And if the Glencore contract -- and there was a 400,000-
24 barrel minimum in the contract, would that be ten percent of
25 that minimum?

1 A So the minimum -- the mim -- the minimum could be 360,000
2 if -- if we billed over the minim -- minimum, it's whatever we
3 billed was ten percent.
4 JUDGE SANDRON: Let's start with the ten percent.
5 THE WITNESS: Sure.
6 JUDGE SANDRON: Was -- was that a concession to Glencore?
7 In other words, giving them a -- a -- a benefit so to speak?
8 THE WITNESS: Dough Houghton gave them that concession.
9 JUDGE SANDRON: And then -- and maybe you'll cover it in
10 the phone conversation but when they were talking about
11 lowering the -- the barrel -- I -- I --I didn't say that quite
12 right, but you know what I'm saying.
13 THE WITNESS: Yeah.
14 JUDGE SANDRON: Did you and he talk about what your
15 reaction was to that? Maybe you can cover the conversation
16 then we'll go forward.
17 MR. HILGENFELD: Certainly, Your Honor.
18 Q BY MR. HILGENFELD: Do you recall when you had that second
19 conversation with Mr. Houghton regarding the Glencore COA?
20 A I don't know the exact date but there is an email that he
21 asked me to run some -- some numbers for him.
22 Q Okay.
23 JUDGE SANDRON: Is that -- is he -- well, why don't we
24 cover it. Do you recall how you had a conversation with him?
25 Was it in person or by phone?

1 THE WITNESS: So for the ten-percent discount, he -- we
2 had spoken about it and --
3 JUDGE SANDRON: Right.
4 THE WITNESS: And then he sent an email --
5 JUDGE SANDRON: Right.
6 THE WITNESS: -- and said we're going to have ten percent
7 for this period of time. I notified billing.
8 JUDGE SANDRON: Right.
9 THE WITNESS: I don't know how -- when -- once they
10 extended that ten percent all the way through the end of the
11 year, I don't remember that conversation that we had, but I did
12 relay that to my billing department. I don't know -- I don't
13 remember if that was a verbal or an email but they did get the
14 discount through the end of the year, and then Doug was
15 negotiating the -- a new contract with them and it was
16 discussed that they wanted a minimum barrel reduction.
17 JUDGE SANDRON: Okay.
18 THE WITNESS: It was sometime in the Nov -- October-
19 November range.
20 JUDGE SANDRON: And do you remember how he communicated
21 that to you?
22 THE WITNESS: There -- there is an email.
23 JUDGE SANDRON: Was it by email that he -- or was it by
24 phone, if you remember? Because I think you said a
25 conversation and an email that followed or was it the same way?

1 THE WITNESS: For the barrel reduction?
2 JUDGE SANDRON: Yeah.
3 THE WITNESS: It may have just been email and there's an
4 email --
5 JUDGE SANDRON: All right.
6 THE WITNESS: -- that we have for that.
7 JUDGE SANDRON: All right. So -- so you don't recall
8 specifically a phone call in addition to the email?
9 THE WITNESS: I don't know if he called me about the
10 barrel reduction but he definitely asked me for -- to try to
11 run some numbers to see what we could come up with.
12 JUDGE SANDRON: All right.
13 Q BY MR. HILGENFELD: If you have a barrel reduction, does
14 that have an effect on whether your expenses are being lowered
15 or remaining approximately the same?
16 A So Glencore is allowed to use two -- two barges under the
17 COA. So we have to have two dedicated barges to them. They --
18 they do have an option for a third barge also. So what's
19 tricky on the Glencore contract is they don't know how many
20 barrels they're going to move. They could move 100,000
21 barrels; they could move 500,000 barrels. But if they only
22 move 100,000 barrels in a month, we're allowed to bill a
23 minimum. However, we always have to have those vessels ready
24 no matter what they're going to move and they have to be
25 crewed. So we have to pay the crew costs and have the vessels

1 available so those -- so those costs -- those costs -- it's
2 still -- it costs us money regardless of how much they move.
3 So if they move lower amounts, we still have to pay the cost
4 for the crew on tho -- on those vessels.
5 JUDGE SANDRON: So were they in effect asking for another
6 concession or another benefit to them in the contract?
7 THE WITNESS: The -- on the existing contract they got the
8 benefit of ten percent --
9 JUDGE SANDRON: Right.
10 THE WITNESS: -- but in ne -- in negotiations with Doug --
11 JUDGE SANDRON: Right.
12 THE WITNESS: -- they were asking to have the same
13 contract, but lower minimum barrels.
14 JUDGE SANDRON: I see. So that would have -- would've
15 been in essence another concession to them for a new contract?
16 THE WITNESS: It definitely would have been a reduction.
17 Q BY MR. HILGENFELD: I'm going to -- this has been admitted
18 into evidence, Respondent's Exhibit 6. And I'm going to turn
19 your attention, Mr. Parry, to the second page which is the
20 start of this email chain of the email sent from Doug Houghton
21 to you on October 5th, 4:17 p.m., and cc'd to Matt Godden.
22 Subject: Glencore. What -- Mr. Houghton states, "We need to
23 start negotiations." What is your understanding of
24 negotiations for what?
25 A Well the subject on that email was Glencore, so I knew

1 that he was referring to the Glencore COA.
2 Q Was there any other Glencore contract that Doug would have
3 been referring to?
4 A No.
5 Q Mr. Houghton? When he asked for -- and is this the email
6 you were referencing before?
7 A Yes.
8 Q What does it indicate to you as it relates to the renewal
9 option when Mr. Houghton is saying we need to start
10 negotiations?
11 A What does it indicate to me?
12 Q Correct. If anything?
13 A It indicates to me that there was going to be a
14 negotiation for Glencore if there was going to be a renewal.
15 Q In 17 monthly volumes, do you have an understanding of 17
16 volumes of what?
17 A He was asking for -- because Glencore is variable in what
18 they deliver, he was asking for 17 months' worth of -- he
19 wanted to see what Glencore delivered in the last 17 months.
20 Q And then go to page 1. This is an email from you to Doug
21 also on October 5th, 2020, and it -- the subject line is now
22 Glencore BBL Data. What's Glencore BBL data mean?
23 A That -- that's their build on the amount of barrels they
24 deliver. So I was saying this is the -- I scrub every month to
25 verify barrels delivered.

1 Q BBL is shorthand for barrels?
2 A Yes.
3 Q When you say I scrubbed every month to verify the BBLs,
4 what does scrubbing mean?
5 A Well, we can bill by barrel rate but there's also fuel
6 surcharges in there, sometimes there's demurrage, sometimes
7 there's anchor fees and he just wanted to see what was billed
8 for barrels, so I tried to pull that information out so that I
9 could provide him what he asked for.
10 Q Next, the current per BBL rate is one dollar -- $1.2765.
11 What does that mean?
12 A That means for every barrel moved, Glencore is billed --
13 was billed that rate under the con --
14 Q And where is that rate found?
15 A So it's a five-year contract. The rate is in the
16 contract; however, you know, they had made renewals but every
17 year that contract is subject to an escalation based on either
18 the CPI or the producer price index and so the rates are
19 reestablished during a contract every year based -- based on
20 those rates.
21 Q So would this barrel rate be unique to that Glencore COA?
22 A Yes.
23 Q And you have -- it showed what the revenue would look like
24 based on 400K, 350K, 300K, 250K BBL MINS. First off, what does
25 400K, 350K, 300K, and 250K indicate?

1 A The -- those would be barrel minimums.
2 Q And is that 400,000 barrels per month?
3 A Yes.
4 Q And why did you have the range -- why did you start at
5 250K, if you know?
6 A Doug had asked me to run a range after he sent this email,
7 just run a range to show me if the barrel minimums were 250,
8 and then do it in increments of 50,000 up to -- to what it was
9 currently. And I believe -- but I'm not positive -- Glencore
10 asked for barrel minimums to be significantly reduced down to
11 250,000 barrels.
12 JUDGE SANDRON: Okay, just so I'm clear.
13 THE WITNESS: Yeah.
14 JUDGE SANDRON: So for the first line it says, well, it's
15 from January 2019 to August 2020, and it says 400,000 BBL
16 minimum revenue and then total revenue. What does that
17 represent?
18 THE WITNESS: Yeah, I -- I don't have the spreadsheet in
19 front of me --
20 JUDGE SANDRON: I see.
21 THE WITNESS: -- so I only have this data but -- on a --
22 and I don't have a calculator here too -- but I don't -- but I
23 believe what I was trying to show here would be the total
24 rev -- the third column, total revenue on 400,000 barrels, that
25 is just taking whatever the minimum barrel is and multiplying

1 it by what the current rate is.
2 JUDGE SANDRON: So in other words, the -- you -- you were
3 showing what the -- how -- how the revenue would be affected by
4 having less barrels?
5 THE WITNESS: Yes.
6 JUDGE SANDRON: I mean, fewer barrels.
7 THE WITNESS: Yes.
8 Q BY MR. HILGENFELD: And Mr. Parry, in calculating this, in
9 looking at it the first column the 400K, sounds like you took
10 the 400 of something by the barrel rate. Would that -- would
11 those calculations for the revenue be the same regardless of
12 what operating company was performing that work?
13 A Yes, it would be. It's per barrel.
14 Q In the first column you have total revenue. Do you know
15 if that's total revenue by year or by month?
16 A I don't remember. I don't ha -- I don't have the
17 spreadsheet. At that time I was just providing him the
18 information that he had asked for.
19 Q The second one has average monthly versus 400K and it
20 appears to be subtracting each one by the 400K to get you to
21 that number. Am I looking at that correct?
22 A I believe so.
23 Q And that talks about monthly. Does that help refresh your
24 recollection as to whether this would have been a monthly
25 calculation or an annual?

1 JUDGE SANDRON: Well, if it does. I mean, I -- I know you
2 don't have your --
3 THE WITNESS: Yeah.
4 JUDGE SANDRON: -- other information with you.
5 THE WITNESS: Yeah, I -- I believe so.
6 Q BY MR. HILGENFELD: And you split off between January 2019
7 to August 2020, and then you also had a separate column,
8 January 2020 to August of 2020. Do you have a recollection as
9 to why you created those two columns?
10 A You know, I don't. And -- and I'm not sure if there were
11 averages, I don't know -- I'm not sure.
12 JUDGE SANDRON: All right. That's -- you know, whatever
13 you can recall. If you're not sure, that's fine. You know, if
14 it's what you remember.
15 THE WITNESS: Chris, can I have a minute just to take a
16 look at this?
17 MR. HILGENFELD: Oh please, I didn't mean to rush you.
18 THE WITNESS: No, that's fine. If I had my spreadsheet in
19 front of me, I could tell you exactly what's in here. It's --
20 so if you read, Chris, what I have written in my email, I
21 have -- I show that -- I am saying that, you know, hey, January
22 2020 through April 2020 averaged 424,000 barrels, and then May
23 through August averaged 200,000 barrels. So -- so I'm breaking
24 it up to show him, you know, you have some months where the
25 barrels are higher, some months where the barrels are lower.

1 And then I reference "Bill, can you please take a look" --
2 Bill's our finance manager, that's Bill Backe.
3 JUDGE SANDRON: Okay.
4 Q BY MR. HILGENFELD: Is Mr. Backe still with Centerline
5 Logistics?
6 A He is not.
7 Q And then you say, "I believe that is a very good middle
8 point for each side." What middle point are you referring to?
9 A Let's see. I am referring to the -- I'm referring to Matt
10 Godden's response on this, that 325,000 barrels.
11 JUDGE SANDRON: Well wait a minute, are you on his email
12 to Mr. Godden? Are you still on that?
13 THE WITNESS: Yeah, so well it goes bottom to top. It's
14 for -- so I sent the email on Monday, October 5th at 6:31 p.m.
15 JUDGE SANDRON: Right.
16 THE WITNESS: And I had Dough Houghton and Bill Backe,
17 who's the finance manager, and Matt Godden on -- on copy. And
18 Matt saw the -- the detail --
19 JUDGE SANDRON: Okay. Wait a second, I think you're going
20 on to the next email. I thought you were talking about his
21 email to Mr. Godden, are you now talking about the next one?
22 MR. HILGENFELD: I -- I was. I -- I'll provide a little
23 clarification.
24 Q BY MR. HILGENFELD: So Mr. Parry, in your August --
25 October 6th, 2020, 4:40 p.m. email -- that's the top string.

1 JUDGE SANDRON: Oh, at the top one. All right.
2 MR. HILGENFELD: You say "I think it would be a very good
3 middle point" --
4 JUDGE SANDRON: Okay, I see, so you were talking to the
5 top -- at the top one.
6 MR. HILGENFELD: Correct. I apologize.
7 JUDGE SANDRON: All right, that's fine.
8 Q BY MR. HILGENFELD: What -- what middle point are you
9 referring to?
10 A I'm referring to 325,000 barrels minimum. And that
11 325,000-barrel minimums, when the numbers were run, if we could
12 get 325,000 that means we probably would not go negative.
13 Whereas, our revenue would be less than what our expenses would
14 be.
15 Q And then the second line, Bill, and I'm assuming this is a
16 question to Bill Backe; is that correct?
17 A That is.
18 Q Okay. "Do we have a ballpark hurdle rate?" What is a
19 hurdle rate?
20 A A hurdle rate is just what your cos -- costs would be per
21 unit. It's your break-even point.
22 Q And you had said before that the equipment costs are not
23 fixed, but I believe you said they were close to fixed. What
24 did you mean by that?
25 A Well, you're still going to have all the -- we have to

1 have the vessels available to them, per the contract they have
2 to be available. And in order to be available, they have to be
3 crewed. And the problem is you can't -- if they -- if -- if
4 they even told us, which they don't, and said, hey, this month
5 we're going to have a really light month, we're only going
6 to -- we're probably only going to move 100,000 barrels, they
7 don't -- they don't tell us that. But you have to have the
8 crew available because we have to service the contract. So
9 regardless of whether they move anything, the crews are still
10 working.
11 So if we -- if we knew that they weren't going to be
12 moving barrels, we couldn't even potentially not have crews
13 there because if you start losing crew, then it's really
14 difficult sometimes to rehire crew. So we still have the cost
15 of the vessels because they have to be available and some crew
16 cost. There's a little bit of a reduction because you can cut
17 back on some of the hours, but your costs are -- your costs are
18 still going to be there.
19 Q Then you have a hurdle rate for 2 times 31.5 barges and
20 200 tug hours. What does the 2 times 31.5 barges mean?
21 A So in the opcos, there -- one of the standard-sized
22 barge -- barges that we built was a 31.5. And so Olympic Tug &
23 Barge has 31.5s, Leo Marine has 31.5s, Westoil Marine Services
24 has 31.5s. So that -- Bill Backe, who was the finance manager,
25 would run and say, hey, looking at our 31.5s this is -- this is

1 what the cost for those units are.
2 Q Was this question unique to any individual operating
3 company?
4 A No. So he look -- so he would look at the 31.5s for --
5 for -- for the company to see what the costs were.
6 Q And when 31.5s, what do you mean by 31.5s?
7 A That's the size of -- that's the size of the -- the
8 barges. Not all the barges, but that's the size of the barges
9 we built and -- and our most common size barge.
10 Q And would that be a 31,500-barrel capacity for the barge?
11 A Yes.
12 Q And then next you have, "In 200 tug hours, I ran tug hours
13 for Glencore February 2019 326K BBLS". Do you see that?
14 A Can you -- can you tell me again where that is?
15 Q So on the first email chain, the very last sentence after
16 the 31.5 barges and "200 tug hours. (I ran tug" hours -- or
17 "HRS for Glencore Feb 2019 326K BBLS)".
18 A Yeah, that determined -- there's approximately 200 hours
19 required when you move about 325,000 barrels.
20 Q Was there any particular reason you chose the February
21 2019 Glencore period?
22 A I -- I was able to find a month where we actually moved
23 close to the 325,000 barrels.
24 Q Why was it important to capture the tug hours if Westoil
25 Marine Services doesn't have a tug?

1 A You want to see -- you want to see how many hours it takes
2 to perform the minimum amount of -- of barrels that are
3 delivered.
4 Q Did the Glencore COA require tug support?
5 A Yes.
6 Q And in February of 2019, would MMI have been supporting
7 the tug support primarily for Westoil Marine Services?
8 A Yes.
9 Q I'm next going to turn your attention to Respondent's
10 Exhibit 7, which I believe has already been admitted as well.
11 (Counsel confer)
12 Q BY MR. HILGENFELD: And this appears to be, Mr. Parry, a
13 response from Mr. Backe regarding your October 6th, 2020, 4:40
14 email that was in Respondent's Exhibit 6; is that correct?
15 A Yes.
16 Q In the first line, it looks like Mr. Backe ran the
17 calculations and got to 365K per month and he says, "So we're
18 covered at 325K x $1.275 = 414K in revenue." What was your
19 understanding on the -- what Mr. Backe means by saying "So
20 we're covered"?
21 A That if we have that minimum -- minimum, we wouldn't be in
22 the negative.
23 Q How would that relate to the hurdle rate?
24 A Well the -- the hurdle rate is -- the hurdle rate is -- is
25 your break even.

1 Q So this would be -- you would be covered by over your
2 hurdle rate?
3 A Yes.
4 Q And then it says, "On the tugs, it only includes the 200
5 hours of expense, so this shows we make money while working on
6 the contract but is not counting for the other 500 hours of tug
7 time we're still on the hook for." What did Mr. Backe mean by
8 that?
9 A That the tugs -- there would be other -- there would be
10 other tug time that's not related to Glencore that would need
11 to be covered.
12 Q And when he says, "There's enough cushion there though for
13 it to work as long as we're not expecting this contract to
14 support a full tug boat." What is your understanding of that?
15 A That if it -- if it required to have a full tug just for
16 that, then we would not make money. So what he's saying is if
17 you use the tug for some Glencore work, we could cover it.
18 Q Do you have an understanding of whether there ended up
19 being an agreement of terms on the Glencore COA?
20 A Yeah, eventually it was renewed at the barrel min of
21 325,000 barrels.
22 Q And who negotiated those terms on behalf of -- or what
23 company were those terms negotiated on behalf of, if you know?
24 A Harley Marine Financing owns the contract.
25 Q So that would be Harley Marine Financing?

1 A Yeah.
2 Q And do you know who negotiated those terms?
3 A That would be Doug.
4 Q You mean Doug Houghton?
5 A I do mean Doug Houghton.
6 Q Did you have any role in creating the agreement that
7 solidified those terms that you just mentioned?
8 A No.
9 Q Mr. Parry, do you know who Vijayapriya Thangaraj is?
10 A Yes. She's an employee for Glencore.
11 Q Do you have an understanding of whether Ms. Thangaraj
12 negotiates any terms for Glencore?
13 A I have no idea.
14 Q Mr. Parry, we are getting to the -- the last document
15 here.
16 MR. HILGENFELD: Thomas, Mr. Rimbach would it be possible
17 to turn on the screen? This has been previously admitted as
18 General Counsel 240. Just putting it on the screen so everyone
19 can see it. I just have a couple questions.
20 Q BY MR. HILGENFELD: Mr. Parry, what is General Counsel's
21 Exhibit 240?
22 A This is -- we had discussed this earlier. This is notes
23 to financial performance for December 2020. It's -- it's the
24 monthly performance we re -- it gets reviewed by employees for
25 the opcos.

1 Q In December of 2020, do you know who created this
2 document?
3 A I don't. It's either Bill Backe or Vladimir Godunok.
4 Q Did Mr. Godunok replace Mr. Backe?
5 A He did.
6 Q Okay. And is this presented to the different operating
7 companies?
8 A Yes.
9 Q Does this document have any of the debt servicing that
10 you've discussed? I -- I guess --
11 A Pos -- possibly. To note, the financials that are -- that
12 are in these presentations, these aren't aud -- these are not
13 audited financials, these are our -- our monthly financials
14 that are run. So some -- all the operating revenue and direct
15 expenses that you'll see in here and administrative expenses,
16 those are what the month closed with.
17 They're -- in terms of the securitization documents, I'm
18 not positive if those are final documents. At year end, all of
19 our financial -- financials get audited and so the -- the
20 audited financials are -- are what's certified. But like this,
21 this right here, this would represent the revenue for the month
22 of December after the month had closed and it had been
23 reviewed.
24 Q And you're referencing page 19 in General Counsel 240?
25 A Yes.

1 Q So it sounds like these -- these are subject to change
2 through the general auditing accounting process?
3 A Possibly.
4 Q Yeah.
5 A They could be the final numbers or if something's -- as
6 part of this review, sometimes things come up on expenses or --
7 or revenue.
8 Q Would debt servicing be included in this page 19 for
9 L.A./Long Beach bunkering in terminal?
10 A No, there's no debt service in this.
11 Q And it talks about actual and plan. What's -- what's
12 actual mean?
13 A So in 2020, the actual column is what the December final
14 revenue numbers were, compared to the plan, which was the
15 budget that was created at the beginning of 2020 for the year.
16 Q And what's -- and right above that it looks like MTD,
17 December 2020. Is that month-to-date, December 2020?
18 A Yes, it is.
19 Q And then what's the variance mean?
20 A The variance is different -- the difference between actual
21 and plan.
22 Q And so if I look at bunkering revenues, I believe you had
23 mentioned these would be spot bunkering; is that correct? On
24 the revenue --
25 A Yes.

1 Q -- bunkering revenues?
2 A Yes.
3 Q The variance, in the red 299.6, is that positive or
4 negative?
5 A That's negative.
6 Q And that would mean that's 200 -- and I guess -- is --
7 what are -- are those in -- $299.6, thousand? How's that
8 connotated?
9 A Effectively it's $300,000 below budget.
10 Q And then if we go to actual versus plan, Y2D, is that
11 year-to-date?
12 A Yes, it is.
13 Q And then the year-to-date, would that be approximately 2.1
14 million below budget for bunkering; am I reading that right?
15 A For 2020, yes.
16 Q I'm going to turn your attention to the next page on this
17 document, page 20. First off, what is a revenue bridge?
18 A So the bridge just tells you -- you know, you have one
19 line item for -- for bunkering and tug charter. So the bridge
20 just tells you the customers that are specific to that line
21 item and it tells you whether they're over budget or under
22 budget.
23 Q And does -- all right, I'll go down a little bit. So it
24 looks like the first one is plan, and then the second one,
25 Glencore 52 in the red. What does that indicate?

1 A So the -- so the plan was 1.448 and Glen -- the Glencore
2 portion, they were under budget $52,000.
3 Q And would that be -- and if you look down --
4 A This is for both bunkering and time charter, yeah.
5 Q And it says, "In December of 2020, on the year a big
6 shortfall was in spot bunkering; 512 for Glencore and 1.6
7 million for Peninsula." And 512 for Glencore, is that in
8 thousands?
9 A It is.
10 Q And would that be under the Glencore COA?
11 A Yes.
12 Q And do you have an understanding where it says, "Glencore
13 484"? What does that mean?
14 A Can you do me a favor Chris and can you go to the next
15 page? I just want to see what's on the next page. Okay. You
16 can scroll back up. This is the actual number for the month
17 for that customer.
18 Q Is that a revenue number or an expense number?
19 A That's a revenue number.
20 Q Okay. Is that number consistent with the research you had
21 performed related to the work that Glencore had received in
22 2020 related to the Glencore COA negotiations? The shortfall?
23 A Yeah, that's consistent. It was under budget for the
24 year.
25 Q Mr. Parry, are you familiar with the SMS? The safety

1 management system?
2 A Yes.
3 Q Do you have any authority or control over the safety
4 management system?
5 A No, I do not.
6 Q Who -- what is the SMS?
7 A It's -- it's the -- it's the document that governs our
8 safety. It's put out by our health and safety, all the
9 protocols that crews need to go through for -- for safe
10 operations.
11 Q Does that apply to all the Centerline operating companies?
12 A It does apply to all operating companies.
13 Q Does Centerline Logistics have an employee handbook?
14 A Yes.
15 Q When, approximately, if you know, the employee handbook
16 was effective -- came into effect?
17 A The company handbook we have was created in 2010.
18 Q What comp -- what Centerline Logistics and operating
19 companies does that employee handbook apply to?
20 A It was -- at the time, it was Harley Marine Services.
21 Now, it's Centerline Logistics and subsidiaries excluding --
22 excluding unions.
23 Q The Union employees?
24 A Yes.
25 MR. HILGENFELD: Mr. Parry, I thank you for your time.

1 Respondents rest for questioning Mr. Parry.

2 JUDGE SANDRON: I take it the General Counsel would like

3 some time to prepare for cross?

4 MR. RIMBACH: Could we just take a short five-minute break

5 and then we can -- I can start asking questions for cross

6 before lunch, just to --

7 JUDGE SANDRON: Yeah, that's fine.

8 MR. RIMBACH: -- use our time wisely.

9 JUDGE SANDRON: Yes. I mean, if you feel you're ready to

10 start in a few minutes, that's fine.

11 MR. RIMBACH: Can we get an eight-minute break, come back

12 at 11:20?

13 JUDGE SANDRON: We can come back at -- we can take -- come

14 back at 11:30.

15 MR. RIMBACH: Okay, thank you.

16 THE WITNESS: Thank you, Your Honor.

17 (Off the record at 11:12 a.m.)

18 JUDGE SANDRON: Cross-examination.

19 **CROSS-EXAMINATION**

20 Q BY MR. RIMBACH: Good morning, Mr. Parry.

21 A Good morning.

22 Q I don't believe I ever introduced myself, my name is

23 Thomas Rimbach, I'm one of the attorneys representing the

24 General Counsel of the National Labor Relations Board. Thank

25 you for being here the last two days. Your current job title

1 is vice president of accounting and administration?
2 A Yes.
3 Q You are also head of human resources? Or you just
4 supervise human resources?
5 A Human resources manager reports to me.
6 Q Is there anyone else the human resources manager reports
7 to?
8 A No.
9 Q And there's only one human resources manager, Sally
10 Halfon?
11 A Correct.
12 Q Do you report to John Saltsman?
13 A I do report to John Saltsman.
14 Q What is his job title?
15 A He is the CFO.
16 Q Do you report to anyone else?
17 A I do not.
18 Q And John Saltsman, he is the CFO of Centerline?
19 A Yes.
20 Q How many employees are employed by Centerline?
21 MR. HILGENFELD: Objection. Form, vague as to what is
22 meant by Centerline.
23 MR. RIMBACH: Do you understand the question?
24 THE WITNESS: I do understand the question.
25 JUDGE SANDRON: Go ahead.

1 A You know, off the top of my head I do not know.
2 Q BY MR. RIMBACH: Is it about 700?
3 A For Centerline Logistics?
4 Q Yes.
5 A No, Centerline is well below that. It would probably --
6 it's probably closer to the 60 or 70 range.
7 Q How many employees does Westoil have?
8 MR. HILGENFELD: Objection. Form as to what time period.
9 MR. RIMBACH: At present.
10 A I --
11 Q BY MR. RIMBACH: Do you have an estimate?
12 A You know, I don't -- I don't even have an estimate. Let's
13 say over 20.
14 Q Do you know how many employees Olympic Tug & Barge has at
15 present?
16 A I don't.
17 Q Do you have an estimate?
18 A I would say -- I would say over 150, but I'm not positive
19 of the -- of the number.
20 Q Do you have an estimate of how many employees are employed
21 by Leo Marine Services?
22 A I don't. An estimate?
23 MR. HILGENFELD: I'm going to object to the extent this is
24 speculation.
25 JUDGE SANDRON: Well I think he -- to the extent of his

1 knowledge.
2 Q BY MR. RIMBACH: Just to the extent of your knowledge if
3 you can give an estimate?
4 A I -- I -- I'll give an estimate for Leo Marine. I'll say
5 over 70.
6 Q Are you a licensed accountant?
7 A A certified accountant? No, I am not.
8 Q When you say certified, you're not a certified public
9 accountant?
10 A A CPA? No.
11 Q And you don't have any other license as an accountant?
12 A No.
13 Q You are paid by Centerline; is that right?
14 A I am.
15 Q Are you paid by any other entity?
16 A I am not.
17 Q Do your paystubs say Centerline on them?
18 A Yes, they do. I haven't -- I -- I get my money by ACH so
19 I don't look at my -- but yes, it does say Centerline on it.
20 Q I don't think people get paper paychecks any more. Have
21 you ever received a paycheck from Harley Marine Financing?
22 A No.
23 Q Have you ever been paid or compensated by Harley Marine
24 Financing in any other way?
25 A No.

1 Q Have you ever received a paycheck from any other
2 subsidiary of Centerline?
3 A No.
4 Q Have you ever been paid or compensated in any other way by
5 another subsidiary of Centerline?
6 A No. Harley Marine Services. When it was Harley Marine
7 Services, just to be --
8 Q Yes.
9 A -- formerly known as?
10 A Thank you.
11 Q You said your office is on the fourth floor of the
12 building at Spokane Street?
13 A Yes.
14 Q Is that a private office or a cubicle?
15 A That is a private office.
16 Q And the third floor -- does Centerline have offices on the
17 third floor?
18 A There may be a couple of offices or cubicles with a
19 Centerline employee, but it is -- there is -- any OTB employees
20 are on the third floor.
21 Q Is there a kitchen at the building?
22 A Yes, there is a kitchen on the third floor.
23 Q Do Centerline employees on the fourth floor use the
24 kitchen on the third floor?
25 A Yes.

1 Q And that's the same kitchen that's used by OTB?
2 A Yes.
3 Q Is there a conference room at the building?
4 A There is -- there is. On the fourth floor there is one
5 large executive conference room. There is a conference room in
6 the corner that sits 12 to 14 people. There are -- there is
7 another conference room on the fourth floor in the other corner
8 that fits 6 people, and on the third floor there is a
9 conference room that seats 14 to 16. And there is a conference
10 room that also fits 14 to 16 people on the third floor. And
11 there is also a conference room that seats four to six.
12 Effectively, the corners -- most of the corners have a
13 conference room. Three of -- three -- three corners do.
14 Q Are any of those conference rooms designated for a
15 particular purpose?
16 A They are not designated for a particular purpose, but
17 predominantly on the third floor Olympic Tug & Barge will --
18 will use their conference room, and on the fourth floor,
19 Centerline will use their conference room. But there are times
20 that it -- it will -- if they're -- if you're full, OTB might
21 use, Centerline may use -- or mix-and-match. Sometimes I'll
22 have a meeting with Sven Titland in a conference room.
23 Q So -- and just so I understand, Olympic Tug & Barge might
24 use a conference room on the fourth floor and vice versa,
25 Centerline might use a conference room on the third floor?

1 A Very rarely, but yes. We -- people generally stick to
2 their floor where they're -- where they're located.
3 Q You perform work for Harley Marine Financing, correct?
4 A I su -- the accounting group, per the management
5 agreement, provides back-office support.
6 Q Can you describe your specific involvement in that back-
7 office support for Harley Marine Financing?
8 A Sure. The accounting group performs accounting
9 transactions and, you know, we went through a lot of the -- the
10 detailed ledger transactions that we -- for the revenue --
11 direct expenses and administrative expenses. So you know the
12 accounting group performs all those -- all of those line items.
13 Some -- some accounting that some of the accountants do does
14 provide service for Harley Marine Financing on the
15 securitization that -- that roll up into their particular
16 financials.
17 Q Do you use Centerline's computers to perform that work?
18 A Yes.
19 Q Do you use Centerline's IT system to perform that work?
20 A Yes.
21 Q Is Matt Godden the person who gives you instructions on
22 performing these duties for Harley Marine Financing?
23 A Matt Godden will -- well, so Matt -- Matt Godden reviews
24 the reports that the transactions are generated by. When the
25 securitization was first established back in 2018, he -- he

1 worked with John Saltsman, at that time, who was the
2 controller, just to make sure that the accounting -- John's
3 responsibility was to understand the accounting for Harley
4 Marine Financing so that the transactional accounting would be
5 performed in accordance with the securitization, with us as
6 managers.
7 Q Who at present do you interact with in terms of dealing
8 with issues related to Harley Marine Financing?
9 A The -- the -- the only person -- if I had issues with
10 Harley Marine Financing. Well, Matt is the one that
11 approves -- you know I -- I -- I'm in charge of accounting from
12 the operational accounting side piece. If there are issues
13 with Harley Marine Financing, really, I don't -- I don't know
14 if they would -- when you say issues -- if he had a question on
15 something that he was approving, is -- is -- you know -- it
16 could be -- it could be the finance manager, it could be the
17 controller if there's an issue.
18 But typically there aren't issues Matt's involved in with
19 that. Is that he -- you know, he signs the reports -- the
20 weekly reports and the monthly reports. If he has a question
21 on those reports, he will ask the accounting group to clarify
22 something if he -- if he has a question.
23 Q Now, I understand you create financial ledgers -- the
24 accounting department for Centerline creates financial ledgers
25 for Harley Marine Financing and that includes direct costs,

1 ledgers, and general administrative expense ledgers; is that
2 right?
3 A Harley Marine Financing doesn't have revenue. So there
4 wouldn't be -- for Harley Marine Financing there wouldn't be
5 any revenue or direct expenses but they're -- on the
6 administr -- on the administrative side for Harley Marine
7 Financing you -- there would be some entries for that. The
8 accounting group -- the accounting group would be responsible
9 for the transactional accounting for that.
10 Q Don't -- Harley Marine Financing does have direct costs,
11 correct?
12 A No.
13 Q Are those direct costs not the depreciation expenses?
14 A So --
15 MR. RIMBACH: Let me rephrase.
16 Q BY MR. RIMBACH: Are you aware of a direct cost ledger for
17 Harley Marine Financing?
18 A So I don't -- so Harley Marine Financing is the
19 securitization. If I had it in front of me, I would look at it
20 to see where the -- you wanted -- did you want to know where
21 the depreciation comes through or where the --
22 Q Well, I'll get to this in a bit, but my understanding is
23 that there is a direct cost ledger for Harley Marine Financing
24 that lists depreciation expenses. And I can display that for
25 you later.

1 A Okay. Yes, okay. So there -- for capital expenditures,
2 because Harley Marine Financing owns the assets, anything over
3 10,000 for capital cost is run through Harley Marine Financing.
4 Q As a direct cost?
5 A I want to look at your -- it -- it should be, now that I
6 think of it. I don't have it in front of me.
7 Q Sure.
8 A But once we look at it, I can talk to that. Sorry.
9 Q And the accounting department for Centerline also creates
10 monthly income statements for Harley Marine Financing; is that
11 correct?
12 A So the monthly -- the -- the accounting staff in general
13 provides the -- the detail for that and all that detail goes
14 out to a financial -- the finance manager creates our financial
15 reporting package each month.
16 Q Who is the finance manager?
17 A That's -- that's the -- Vlad Goodneck -- Godunok.
18 Q Who is the current controller?
19 A Jeffrey Mustonen.
20 Q What other financial reports are created for Harley Marine
21 Financing?
22 A For -- for Harley Marine Financing in a package you may
23 see an income statement, balance sheet, the annual reports will
24 have Harley Marine Financing included in Centerline Logistics'
25 consolidated package. And you'll see a statement of

1 stockholder's equity, which I don't deal with but you'll see
2 that in there, and you'll see statements of cashflow also,
3 for -- but that's under Centerline consolidated which Harley
4 Marine Financing is a subsidiary of Centerline consolidated.
5 Q You also mentioned weekly reports for Harley Marine
6 Financing?
7 A Yes.
8 Q What -- what are those?
9 A I'm not involved with the securitization, but there are
10 weekly reports called the allocation report, and there's a
11 monthly report that -- one of them is called the payment-day
12 report. They're all subject to requirements of the
13 securitization that Matt has to exercise.
14 Q Who handles the allocation reports for Harley Marine
15 Financing?
16 A There's -- the allocation reports are based on some of the
17 data entry that's -- that relates to the securitization. The
18 report is created by Derek Lillejord. And I think you already
19 have his name on file.
20 JUDGE SANDRON: Okay.
21 A He creates the report and emails it to -- to Matt and --
22 but Derek also reports to the controller, so if there's
23 questions on that.
24 Q BY MR. RIMBACH: And --
25 A He doesn't specifically only work on Harley Marine

1 Financing transactions but that is a piece of his
2 responsibility.
3 Q And Mr. Lillejord, he is a Centerline employee?
4 A He is a Centerline employee.
5 Q Who creates or manages the payment-day reports?
6 A You know, I don't know. I'm not sure. But it is the
7 accounting department.
8 Q And whenever you say accounting department, you're just
9 referring to Centerline's accounting department?
10 A When -- yes.
11 Q When you perform any duties for Harley Marine Financing,
12 do you use the same office that you use for Centerline?
13 A Well, I don't really perform a lot of duties for Harley
14 Marine Financing. I mean, if I'm -- I'm looking at financials,
15 Harley Marine Financing may be involved with that, but all of
16 our -- any duties that are performed for Harley Marine
17 Financing by Centerline Logistics employees are at their normal
18 work station.
19 Q And when you perform any work for Harley Marine Financing,
20 you don't keep track of those hours, do you? Specifically?
21 A No.
22 Q I'd like to show you GC Exhibit 199, which Mr. Hilgenfeld
23 previously showed you. The email that you sent to Mr. Godden
24 on November 20th, 2020.
25 A Yes. I sent this -- there's a distribution on this that

1 goes out automatically to all the people that are on this.
2 Q Were -- did you send this email on behalf of Harley Marine
3 Financing or Centerline or its subsidiaries?
4 A This -- sent on behalf of -- basically, well I
5 don't -- I -- I never think of -- I never think of emails in
6 for -- in terms of whom I send it on behalf of. I send it --
7 the -- our -- Centerline as the manager of securitization is
8 responsible for the contracts. So this is -- this is the
9 contract tracking sheet. So I send it out to -- as a
10 Centerline employee to other employees.
11 Q And can you explain the purpose of why you sent this
12 email?
13 A Sure. So on page 2 --
14 Q Yes.
15 A -- this is a -- a list of our current time charter
16 contracts and CO -- and we'll have the COA in there, too. We
17 mostly have time charter contracts. These are for -- these are
18 operated by all different opcos. These are the contracts that
19 are owned by Harley Marine Financing, again, that Centerline is
20 responsible as the manager. It's sent -- you know, this is how
21 we derive our revenue, not all of it, but this is a very
22 important component of all of our revenue. So it's very
23 important for us to track these time charters because we want
24 to make sure that we know when they're going to expire and when
25 a notification may be due from us or from a customer to make

1 sure that the contract is renewed.
2 There is pertinent data on this spreadsheet, as in
3 hourly -- daily rates for the time charters, and generally what
4 vessels are utilized for these contracts. And so this is sent
5 out generally every two weeks or every four weeks and it is
6 sent for -- I try to send it for the sales meeting that we
7 have, because in the sales meeting we go through the certain
8 performance of vessels and some of these sales -- some of the
9 sales managers are responsible for these customers and
10 contracts in terms of relations.
11 Q Okay.
12 A But it's -- it's also one of our most sensitive documents.
13 MR. RIMBACH: And just for the record, this document is
14 under seal.
15 MR. HILGENFELD: Right.
16 Q BY MR. RIMBACH: How many employees do you supervise in
17 total?
18 A Direct -- direct reports are three. Underneath the direct
19 reports -- my direct reports supervise their subordinates. So
20 do you want me to go through the whole?
21 Q Yeah. I think -- I think you said one of those were
22 Sally Halfon, who is the HR manager?
23 A Yes.
24 Q And she supervises two HR employees?
25 A Yes.

1 Q And then there's Jeffrey Mustonen, who is the logistics
2 corporate controller that you supervise?
3 A He is the corporate controller, yes.
4 Q How many employees does he supervise?
5 A He has two direct reports, his managers, and he directly
6 supervises the staff accountants, which there is three of them.
7 The billing manager -- the billing manager directly supervises
8 two employees and the accounts payable manager directly
9 supervises two employees.
10 Q And then the third direct report is Bobbie Garneau?
11 A Yes. Payroll.
12 Q And she is the payroll manager?
13 A She is. And she has two direct reports. Oh, I'm sorry.
14 two and a half.
15 Q Is Bobbie Garneau an employee of Centerline?
16 A Bobbie Garneau is a -- is a -- an employee of Centerline.
17 Q She handles payroll for Centerline and all of its
18 subsidiaries?
19 A She handles -- that's correct.
20 Q Are all of those employees located on the fourth floor at
21 the building?
22 A Yes.
23 Q What are the names of the two employees that Ms. Halfon
24 supervises? Uh-oh.
25 A Jenny -- no.

1 Q You don't know that many?
2 A Jack, you don't know that. Jenny Johnson (phonetic
3 throughout). I think it's Jenny Johnson.
4 Q Okay.
5 JUDGE SANDRON: Do you know how to spell her name?
6 THE WITNESS: Jenny. She goes by Jenny, J-E-N-N-Y. And I
7 think that's actually her --
8 JUDGE SANDRON: Okay. And Johnson is the --
9 THE WITNESS: Is Johnson.
10 JUDGE SANDRON: -- usual spelling?
11 THE WITNESS: Yeah.
12 JUDGE SANDRON: Remember Johnson can be J-O-N-S-O-N.
13 THE WITNESS: Right.
14 JUDGE SANDRON: Is it regular Johnson you think?
15 THE WITNESS: Yeah. Oh, my gosh. It's slipping my mind.
16 The write-up is at my office. Anna --
17 JUDGE SANDRON: The best you -- yeah. Just the --
18 THE WITNESS: First name Anna. I -- I'll know in five
19 minutes when you ask me a different question.
20 JUDGE SANDRON: Or if it comes to you, you can go back
21 over --
22 Q BY MR. RIMBACH: Are you the administrator of Centerline's
23 401(k) retirement program?
24 A I -- I'm in -- I'm not the administrator. No. I think --
25 you know, I -- I have participated in the 401(k) meetings, but

1 there is the CFO and Matt Godden are also involved in that
2 administratively on the 401(k) side. I -- I have some
3 involvement with that -- with that as a benefit.
4 Q Does the 401(k) program cover employees of all of
5 Centerline's subsidiaries?
6 A For nonunion, yes.
7 Q Do you know about union companies?
8 A There may be some union companies that are involved with
9 this. This is something that I can look up right on my
10 computer, but I don't have my computer in front of me. But
11 there may be different caps. But I do know that some unions
12 are not even involved at all in that 401(k).
13 Q So some of the unionized subsidiaries might be, you're
14 just not sure?
15 A They may be. I'm not sure and you know -- if we were in
16 my office, I'd have had that -- I could answer the question in
17 15 seconds by looking at my computer.
18 JUDGE SANDRON: That's all right. This is what you know
19 here.
20 THE WITNESS: Okay. Good to know.
21 Q BY MR. RIMBACH: You don't have homework. Are you
22 familiar with Centerline's application for a Paycheck
23 Protection Program loan?
24 A Application for a --
25 Q A PPP loan?

1 A Oh, I know that we receive money for it, but I was not
2 involved at all with the PPP loan.
3 Q Do you know -- are you aware that Centerline submitted an
4 application for the PPP loan on behalf of its subsidiaries?
5 A I -- I don't know. I know that we applied for it and I
6 know that we got the money. But I was not involved in the
7 process at all.
8 Q Was that $10 million?
9 A It was.
10 MR. HILGENFELD: Objection. He's already stated he had no
11 knowledge.
12 JUDGE SANDRON: Well, I --
13 MR. RIMBACH: I just said if he knows.
14 A Well, I knew it was -- I know it's $10 million because
15 it's a line item on the -- on the financials.
16 Q BY MR. RIMBACH: And that $10 million is for employees'
17 payroll, correct?
18 A I -- I don't know how it's earmarked.
19 Q Okay. What is the payroll for Centerline's own employees?
20 Centerline Logistics in terms of one year, if you know?
21 MR. HILGENFELD: Objection. Vague.
22 Q BY MR. RIMBACH: How much does it cost for the payroll for
23 Centerline's employees for one year?
24 A Oh, I -- I don't know. I -- I could look it up. I don't
25 know what the -- what the service costs.

1 Q Okay. Would it be less than ten million? No.
2 JUDGE SANDRON: If you have an idea.
3 A I -- are you talking about what the total salaries are?
4 Q BY MR. RIMBACH: Yes.
5 A Oh, I'm sorry. I thought you meant what it -- what it
6 costs to pay ADP for the software --
7 Q No.
8 A -- of processing. For Centerline, off the top of my head,
9 I -- I -- I don't know. I mean, you know, what I -- I'll see
10 payroll come through, but the number does not stick in my head.
11 JUDGE SANDRON: That's all right. That's fine.
12 Q BY MR. RIMBACH: Do you know if it's less than ten million
13 or more than ten million for one year?
14 MR. HILGENFELD: Objection. Already said he has no
15 knowledge about the --
16 MR. RIMBACH: If -- if he's able to answer.
17 JUDGE SANDRON: I guess, he can -- if you can say -- I
18 mean, if -- if you feel you can answer it. If not, you can say
19 you can't answer.
20 THE WITNESS: I can't answer. I could look at -- I could
21 look --
22 JUDGE SANDRON: All right. That's -- that's fine.
23 Q BY MR. RIMBACH: Do you have access to the email address
24 hr@centerlinelogistics.com?
25 A I can't send emails out on that, but I -- emails do come

1 in to my inbox through that. Yes.
2 Q So it's a group email where multiple people receive emails
3 to that email address?
4 A Yeah. Primarily, there's -- there's four people on it
5 or -- there's four people on it. Anybody involved in -- in HR.
6 Sally is in charge of -- of making sure that all of the emails
7 for -- that come through HR are taken care of.
8 Q So she's the one who has the ability to send out emails
9 using that email address?
10 A Oh, good question. I don't know if the other two do also.
11 I don't know if actually you can send from Harley Ma -- I
12 don't know. I don't know if -- if she responds to an email
13 that comes to HR, I believe -- if there's a response, it comes
14 from the individual person. I'm not sure if it actually comes
15 from the email address HR. I'm not positive about that,
16 though.
17 JUDGE SANDRON: Okay. Have you -- are you comfortable in
18 saying that you've seen that or you're not really sure?
19 THE WITNESS: No. I'm not really sure.
20 JUDGE SANDRON: And that's fine.
21 THE WITNESS: Okay.
22 JUDGE SANDRON: We don't want you to guess.
23 Q BY MR. RIMBACH: When Bill Backe was employed by
24 Centerline, did you work with him directly?
25 A No. Bill Backe was the finance manager, so he reports to

1 the CFO. He doesn't report to the accounting group. I did
2 work with him, but he -- but not as -- not -- he's -- he wasn't
3 in the accounting department.
4 Q In what capacity did you work with him?
5 A He would -- he was -- he was responsible for budgets. So
6 a big way that I worked with him is that he would take this --
7 this contract sheet and go through and model his budget based
8 on assumptions. And then he would sometimes ask me for -- for
9 any knowledge that I had. He would also ask the controller for
10 any knowledge that he had. That's probably the biggest piece
11 that I worked with him -- excuse me -- of.
12 Q And did he model budgets for Centerline Logistics?
13 A Bill Backe would put together -- he would put together a
14 template for the opcos and he would ask the ask the managers to
15 put together budgets. But he would -- he would finalize the --
16 the budgets as part of the process and build it in with input
17 from opcos and so Centerline Logistics employees.
18 Q And did he also assist with a model budget for Harley
19 Marine Financing?
20 A Geez, you know, I don't even know the -- if there is a
21 budget for Harley Marine Financing, yes, he would have done so.
22 MR. HILGENFELD: I'm going to move to strike if it's
23 speculation.
24 JUDGE SANDRON: Well, no. I -- I think, you know, based
25 on his knowledge of what functions --

1 MR. HILGENFELD: But he testified he doesn't know if there
2 is one or isn't one.
3 JUDGE SANDRON: He doesn't know --
4 MR. HILGENFELD: He testified he doesn't know there is a
5 budget for Harley Marine Financing or --
6 JUDGE SANDRON: Well, --
7 MR. HILGENFELD: -- there isn't.
8 JUDGE SANDRON: -- I think the question is if there was a
9 budget then he would have been the one to approve it. It
10 doesn't say -- he's not saying there was a budget but --
11 MR. RIMBACH: He would have the authority to handle that.
12 JUDGE SANDRON: Wait. Wait.
13 MR. RIMBACH: Oh.
14 JUDGE SANDRON: So he would have been responsible if there
15 was one. Okay.
16 Q BY MR. RIMBACH: Was the HR employee who reports to Sally
17 Halfon, was that Anna McMahon?
18 A McManus.
19 Q I'm sorry?
20 A McManus.
21 Q McManus. Do you know how to spell that?
22 A M-C-M-A-N-U-S, McManus.
23 Q Thank you.
24 A I think.
25 JUDGE SANDRON: That may already be in the record

1 somewhere. But just to be safe, we'll have it again.
2 Q BY MR. RIMBACH: I'm going to show you what -- I believe
3 you've already seen GC Exhibit 170.
4 JUDGE SANDRON: Okay. I'm going to have to look -- you'll
5 have to wait while I find it. GC-170. I think you're going to
6 have to -- if -- if they weren't in these -- in this group.
7 Some of these were already admitted a while back, so they
8 wouldn't be in these documents that were not. Thank you. I
9 have 170 now.
10 Q BY MR. RIMBACH: Are you familiar with Nancy Moua?
11 A Yes.
12 Q Okay. And she reports to Jeffrey Mustonen; is that right?
13 A She -- yes.
14 Q Do you work directly with her?
15 A She reports to Jeff. Jeff reports to me. But there are
16 times, yes, that I -- I work directly with her.
17 Q Is this a -- the typical format of this type of letter?
18 A Let's see. This is Westoil Marine Services. She is
19 escalating the COA -- let's see for -- sent to Mr. Heredia, who
20 does not work there anymore. No. She should have sent this --
21 let's see. This is -- this is on -- well, semantically --
22 semantically, she's escalating a Harley Marine Financing
23 contract that is operated by Westoil Marine Services. And it
24 looks like it's on Westoil letterhead, but it looks like she
25 put in her title, AR Manager, Harley Marine Financing, LLC.

1 She did this on her own. Yeah. I'm not sure that this is -- I
2 think that there is a clerical issue on this.
3 Q Are you aware that employees identify themselves as an
4 accounts receivable manager for Harley Marine Financing?
5 A No. She is -- her title is accounts receivable manager
6 for Centerline Logistics Corp.
7 Q Do you know whether -- have you ever instructed employees
8 how to identify themselves as in their letters?
9 A Like -- like this one?
10 Q Yes.
11 A No, I have not.
12 Q Thank you.
13 A Typically, you should use your title.
14 Q Okay.
15 A You know, I -- well, yeah. No, I have not instructed them
16 to use --
17 Q I'd like to show you GC Exhibit 171.
18 A Thank you.
19 Q Are you aware that Ms. Moua continued to identify herself
20 as AR manager in 2021, the year after, of Harley Marine
21 Financing?
22 A No. I was not aware about -- of this, you know, but I
23 have seen this document and I didn't even notice that she --
24 that -- that she put Harley Marine Financing at -- at the
25 bottom.

1 Q When did you review this document before?
2 A As part of the contract summary sheet that -- that -- that
3 I keep, I've seen -- for the escalated rate, I'll look at it to
4 make sure that I have the correct rate for -- for what the
5 contracts are.
6 Q Now, with respect to the opcos, such as Westoil Marine
7 Services, would you describe your role or involvement with
8 respect to those operation -- operating companies?
9 A On the accounting side, so for Westoil Marine Services,
10 their -- Centerline accountants perform support for
11 transactional accounting for Westoil Marine Services. They --
12 there are financials that are prepared for Westoil Marine
13 Services. Basic support for Centerline as the manager for
14 Westoil Marine Services.
15 Q And that would also be true with respect to Olympic Tug &
16 Barge and Leo Marine Services?
17 A Yes.
18 Q Now, you mentioned a web scheduling system, is that how
19 Centerline tracks the jobs performed by all of its
20 subsidiaries?
21 A So for any tug and barge company, each of those tug and
22 barge companies are billed off of that web schedule, except for
23 Pacific Coast Maritime. And that's because Pacific Coast
24 Maritime is -- does not haul oil. They -- they're -- they work
25 with the fishing industry or they'll move cargo on their -- on

1 their barges. So they don't put their jobs in the web schedule
2 like the oil companies do. And also, Pacific Terminal
3 Services, they -- they don't -- it's a -- it's -- we bill rent
4 for that. So there's nothing in the web schedule for them.
5 Everybody else, yes.
6 Q If I could just back up a little bit, what exactly is the
7 web schedule or can you describe it?
8 A Sure. So the web schedule -- and it's also referred to as
9 the dispatching schedule. So every opco has dispatchers that
10 enter into their -- the dispatch schedule and the OTB will
11 enter it in for OTB. They put in a schedule of jobs that
12 barges, you know, this is where they're going to load. This is
13 where they're going to discharge. This is the date that it's
14 going to occur. And they -- that's their schedule that they
15 follow with their vessels. And then the billing department
16 will bill off that work schedule once a job is complete.
17 Q So all of the operating companies have access to the web
18 scheduler then?
19 MR. HILGENFELD: Objection. Misstates the witness'
20 testimony. PCM and PTS side not included.
21 Q BY MR. RIMBACH: Oh. Excluding Pacific Terminal Services?
22 A So no, they may not have access to other companies, though
23 somebody, you know and -- and OTB may not have access to -- the
24 accounting department has access to all companies in the web
25 schedule. Dispatchers -- like dispatchers in Harley Marine

1 Gulf, and then -- in Houston, have no access to Olympic Tug &
2 Barge web schedule. At least, they shouldn't when it's
3 established. But I don't -- they don't.
4 Q Who oversees the web schedule? Is there someone in charge
5 of it or a department in charge of it?
6 A So -- so the -- so the web schedule is the dispatching
7 application, and the dispatchers are the ones that enter the
8 jobs into the web schedule. So it's whomever the dispatchers
9 report to.
10 Q Who at Centerline maintains the system or oversees that
11 system?
12 A So there is no Centerline dispatch. It's -- so at Olympic
13 Tug & Barge, the opco -- there are Olympic Tug & Barge
14 dispatchers, and they ultimately report to -- ultimately report
15 to Sven Titland -- they may have a dispatch manager who
16 reports -- who -- who reports to Sven Titland.
17 Q Got it. So it's kind of an interactive process between
18 the dispatching managers at each respective operating company
19 and the accounting staff at Centerline?
20 A Well, so -- so the dispatchers put the job in for the
21 opcos. The dispatchers move the jobs. Billing bills the jobs
22 off the web schedules. There may be times that -- that the
23 accounting department may have questions for the dispatchers if
24 they're confused about a job.
25 Q Now, we went through a lot of ledgers. What -- what does

1 it mean when a ledger is referred to as a general ledger?
2 A Well, you have a detailed general ledger. It's a -- it --
3 it -- semantically. So a detailed general ledger will show
4 the -- all the transactions for a particular company, it's a
5 trial balance. It's kind of -- I use the term a little bit
6 back and forth, but I -- that, what we looked at will show all
7 the trans- -- all the accounting transactions that roll into
8 the financials.
9 Q And in those general ledgers that we reviewed, those --
10 would there be anything missing from those, other than the -- I
11 believe you mentioned the debt payments?
12 MR. HILGENFELD: Objection, as to vague. Is there
13 anything missing in those about anything financial? There's
14 obviously things missing that aren't included.
15 MR. RIMBACH: Sure.
16 Q BY MR. RIMBACH: So for example, for Westoil Marine
17 Services -- Westoil Marine Services has a revenue ledger,
18 direct cost ledger and general administra -- general and
19 administrative expenses ledger?
20 A Yes.
21 Q Are there any credit cards or debit cards that are not
22 included in those ledgers?
23 JUDGE SANDRON: Other than the things relating to --
24 MR. RIMBACH: The debt servicing.
25 JUDGE SANDRON: Right. Debt servicing.

1 A If -- so all the transactions that are supposed to be
2 recorded for an opco are in those -- are in those ledgers.
3 Q BY MR. RIMBACH: So there are no other ledgers other than
4 those three for Westoil Marine Services?
5 A Well --
6 MR. HILGENFELD: Objection to form. Are we talking about
7 any of those ledgers regarding to the debit and the credit
8 related to the costs and expenses and revenue? Or are we
9 talking about other ledgers that may be communicated in
10 financials for any variety of sources?
11 THE WITNESS: So --
12 JUDGE SANDRON: I mean, we have the financial records that
13 I assume, both parties agree are relevant in the record, right?
14 MR. HILGENFELD: Well, we don't agree they're relevant,
15 Your Honor.
16 JUDGE SANDRON: Oh, okay.
17 MR. HILGENFELD: We've lost that objection, and we've
18 moved well on past it.
19 JUDGE SANDRON: That agreement -- that the Respondent
20 agrees the General Counsel considers relevant.
21 MR. RIMBACH: Let me rephrase.
22 JUDGE SANDRON: Go ahead.
23 Q BY MR. RIMBACH: Are there any that you are aware of that
24 are not included for Westoil Marine Services in its revenue,
25 direct costs or general and administrative expenses ledgers

1 other than the debt payments to Harley Marine Financing?
2 A Well, let me -- let me explain this a little bit. So --
3 so on the trial balance, the general ledgers, you have all the
4 detailed transactions that go in that are responsible for --
5 for Westoil Marine services. So when we look at the revenue
6 piece, we're -- you filter out by the revenue piece, it all
7 comes from the -- the same ledger or the -- or the report.
8 JUDGE SANDRON: Okay. Let me ask you this. Did -- I
9 believe that these records are subpoenaed, correct?
10 MR. RIMBACH: Yes, Your Honor.
11 JUDGE SANDRON: And Mr. Hilgenfeld, you --
12 MR. HILGENFELD: We --
13 JUDGE SANDRON: -- furnished all the --
14 MR. HILGENFELD: We provided the complete --
15 JUDGE SANDRON: Right.
16 MR. HILGENFELD: -- revenue expenses, the direct costs --
17 JUDGE SANDRON: All right.
18 MR. HILGENFELD: -- the general administrative costs for
19 all the financials that go into the income statements for that
20 other than the debt servicing and the capital expenditures.
21 JUDGE SANDRON: All right.
22 MR. HILGENFELD: So those have been provided for the
23 companies for the time period.
24 JUDGE SANDRON: All right. Then I think you're already in
25 the General Counsel's section.

1 MR. RIMBACH: My question is just that, is there anything
2 missing from those ledgers?
3 A Any -- any entries that our accounts are supposed to
4 record are recorded in those ledgers.
5 Q BY MR. RIMBACH: Okay. Thank you. Now, if a transaction
6 is recorded as a credit --
7 JUDGE SANDRON: Now, I mean, I would just say --
8 MR. RIMBACH: Oh.
9 JUDGE SANDRON: -- I would assume there might be a few
10 cash -- very small items that would not be put in the ledgers.
11 But I think we can safely assume that, you know, almost
12 everything else is included.
13 MR. HILGENFELD: Yeah. All debit and credits were
14 included and provided to the General Counsel.
15 Q BY MR. RIMBACH: And that includes intercompany
16 transactions as well, correct?
17 A Yes.
18 Q Now, when a transaction is described as a credit that is a
19 payment to the company; is that right?
20 A Yeah. This is where it gets a little confusing on the
21 accounting side. So in revenue, a credit, you're recognizing
22 the revenue. On an expense, a debit is incurring an expense.
23 So revenue and -- and expenses are a little bit -- are
24 opposite.
25 Q I apologize. I'm not an accountant, so --

1 A No. I know. Trust me, when I first started, it confused
2 me, too.
3 Q So credits are payments that a company receives and debits
4 are expenses that the company needs to pay?
5 A That -- that -- that's a good -- yeah.
6 Q Okay. Okay. And the ledgers for Centerline, Harley
7 Marine Financing, Westoil, OTB, and Leo Marine Services, these
8 are all maintained using Microsoft Dynamics; is that right?
9 A Microsoft Dynamics and Great Plains. Yeah, they're --
10 Microsoft bought out Great Plains. So sometimes I refer to it
11 as Great Plains. But yes, that's our financial software
12 system. Actually, can you say the question again?
13 Q Sure. All of those ledgers for each -- for Centerline and
14 its subsidiaries, those are maintained using Microsoft
15 Dynamics?
16 A Yes. Microsoft Dynamics/Great Plains. Yes.
17 Q And it's also referred to as Great Plains? Okay.
18 A Yeah.
19 JUDGE SANDRON: So why don't you ask a few more questions.
20 I think Mr. --
21 MR. RIMBACH: Okay.
22 JUDGE SANDRON: -- Parry has been testifying for about
23 three and a half hours so.
24 MR. RIMBACH: Yes.
25 JUDGE SANDRON: I think at 12:30 we'll take our lunch

1 recess.

2 MR. HILGENFELD: Thank you, Your Honor.

3 Q BY MR. RIMBACH: You said Centerline does not have any

4 revenue ledgers, correct?

5 A Correct.

6 Q How does an Centerline pay for its expenses then?

7 A So as part of the securitization -- I think I talked a

8 little bit about this yesterday, but I'll go through it again.

9 So as part of the securitization, Harley Marine Financing owns

10 all the revenue and contracts. So when invoices are generated,

11 the payments are paid to Harley Marine Financing. I'm giving

12 you a little bit of top level, but there are requirements in

13 the securitization that, number one, the securitization wants

14 to be paid back their principal and interest. And then there

15 are other restrictions that are on that securitization.

16 Centerline receives money after all those debts are -- all

17 the obligations for the -- all the restrictions are met. And

18 so Harley Marine Financing, who holds the cash, will pay it

19 down to Centerline Logistics. And Centerline Logistics will

20 pay those bills for the opcos.

21 Q And why aren't those transactions recorded in Centerline's

22 ledgers?

23 A Which transactions?

24 Q You said that Centerline receives money after all of the

25 payments are made?

1 A So -- so Centerline's bank account will receive the cash.
2 Q But those transactions are not recorded in Centerline's
3 ledgers, are they?
4 A The -- the -- the -- the receipt of cash?
5 A Yes.
6 JUDGE SANDRON: Okay. You have to be --
7 MR. HILGENFELD: Yeah. Be specific about which -- what
8 ledgers we're referring to.
9 MR. RIMBACH: Sure.
10 Q BY MR. RIMBACH: Centerline's --
11 MR. HILGENFELD: I guess we -- we would stipulate that the
12 money received from Harley Marine Financing and Centerline
13 logistics is not received -- is not put in a revenue
14 transaction ledger.
15 JUDGE SANDRON: Does that answer your question?
16 MR. RIMBACH: Yes.
17 Q BY MR. RIMBACH: And is the money received from Centerline
18 or Harley Marine Financing recorded anywhere in your accounting
19 system?
20 A Yes.
21 Q Where is that?
22 A There's -- it's cash application. So that would be a cash
23 account.
24 Q Why isn't that recorded in the ledgers?
25 A It's -- it's recorded -- it's not recorded in the ledgers

1 under revenue and expenses in administration. So revenue has a
2 four series account. Direct costs has a five series account.
3 Cash is recorded into a one series account.
4 Q And why is the one series not included in these ledgers
5 that we've gone through?
6 A Oh, I -- I do not know.
7 Q Okay.
8 MR. RIMBACH: I think this is a good time to take a break,
9 Your Honor.
10 JUDGE SANDRON: All right. So let's see. Why don't we
11 take an hour. Well, let's -- let's come back at 1:30. It's
12 just about 12:30. So everybody have a good lunch.
13 MR. HILGENFELD: Thank you, Your Honor.
14 JUDGE SANDRON: Off the record.
15 (Off the record at 12:26 p.m.)
16 JUDGE SANDRON: Back on the record. The parties have
17 submitted a Joint Exhibit 5, the legend that applies to all the
18 general ledgers that are in the record and to which we had
19 testimony. Joint Exhibit 5 is received.
20 **(Joint Exhibit Number 5 Received into Evidence)**
21 MR. RIMBACH: Thank you. And just to note for the record,
22 this legend, that's Joint Exhibit 5, it covers GC Exhibits 242
23 through 251, GC Exhibit 255 through 263, GC Exhibits 267
24 through 275, and GC Exhibits 278 through 283, as well as
25 Respondent's Exhibit 70, 70(a), 158 and 158(a).

1 JUDGE SANDRON: Wait, wait. So --
2 MR. RIMBACH: Oh.
3 JUDGE SANDRON: -- 178?
4 MR. RIMBACH: I'm sorry. It's Respondent's Exhibit 70 --
5 JUDGE SANDRON: Right.
6 MR. RIMBACH: -- 70(a) --
7 JUDGE SANDRON: Okay.
8 MR. RIMBACH: -- 158 --
9 JUDGE SANDRON: Okay.
10 MR. RIMBACH: -- and 158(a). And these are various
11 general ledgers that are broken down into direct costs, general
12 and admin expenses and revenue.
13 JUDGE SANDRON: Is that accurate?
14 MR. HILGENFELD: It is, Your Honor.
15 JUDGE SANDRON: All right. Fine. I think that's even
16 more helpful than those for which exhibits the ledger refers,
17 so I thank the parties for getting it together during our lunch
18 break.
19 So are we ready then for resumed cross?
20 **RESUMED CROSS-EXAMINATION**
21 Q BY MR. RIMBACH: Good afternoon, Mr. Parry.
22 A Good afternoon.
23 Q You mentioned that there were debt service payments made
24 by the operating companies to Harley Marine Financing; is that
25 right?

1 A No.
2 Q No. Okay.
3 A I -- I --
4 Q What were those or can you explain?
5 MR. HILGENFELD: I apologize, Thomas. I have to
6 interrupt.
7 MR. RIMBACH: Okay. Sure.
8 MR. HILGENFELD: Your Honor, just for the record, the
9 ledger that you received also would apply to the general
10 ledgers that we put into evidence on the filter yesterday and
11 today regarding -- so there's an assortment of other Respondent
12 exhibits.
13 JUDGE SANDRON: All right. Do you want to -- maybe at a
14 later point.
15 MR. HILGENFELD: I - we can -- I can -- I'll prepare a
16 list and give it over to General Counsel. We can make it.
17 JUDGE SANDRON: All right.
18 MR. HILGENFELD: I -- I just didn't want to forget that.
19 Thanks.
20 JUDGE SANDRON: All right. All right. That can be done
21 later.
22 Q BY MR. RIMBACH: Can you explain -- I believe you
23 referenced some sort of debt payment --
24 A Yes.
25 Q -- to Harley Marine Financing? All right. Can you

1 explain what those are?
2 A Sure. So the original securitization was for $455
3 million. The securitization purchased all the contracts in
4 assets from the opcos. And so now Harley Marine Financing, the
5 securitization entities own the vessels and own the contracts.
6 As part of the obligation to the securitization is principal
7 and interest payments. So the cash that is received through
8 the financials -- I'm sorry -- the cash that was received from
9 Harley Marine Financing goes through many different layers as
10 to when Centerline Logistics can get monies back. One of the
11 first requirements of this securitization is that Harley Marine
12 Financing pays the principal and interest that's due on that
13 original loan.
14 Q And I believe your testimony was that payments were made
15 by operating companies related to that; is that incorrect then?
16 A So the money will flow down eventually to Centerline
17 Logistics. And Centerline Logistics has that money and there's
18 check stock for each opco, and every time an invoice is paid
19 that -- it goes out on that check stock and it comes from this
20 Centerline Logistics checking account, and it's made on behalf
21 of the opco.
22 Q Why aren't any of those principal and interest payments on
23 any of the general ledgers that we've reviewed?
24 A That's -- that's a product of the securitization. The
25 requirement of the securitization is that Harley Marine

1 Financing pays that -- that debt service?
2 Q And why aren't those payments listed on Harley Marine
3 Financing's ledgers?
4 A The -- the -- so the flow is that all the money comes in
5 to Harley Marine Financing. Centerline, through those weekly
6 and monthly reports, is allowed to draw cash after all of the
7 obligations of the securitization. So there's very strict -- I
8 don't know all the minutia and I won't get into the minutia,
9 but there's very strict -- there's restrictions on what cash
10 Centerline Logistics can receive and they get it after they
11 pay -- after all the -- all the obligations of the
12 securitization are paid, cash can be transferred to the
13 Centerline logistics to pay the opco's bills.
14 Q And do you know why those transactions are not recorded in
15 any of the general ledgers for Harley Marine Financing or
16 Centerline?
17 A Which -- which ledgers?
18 Q The -- the --
19 A Well, no, I'm kind of -- I'm sorry.
20 Q -- the general ledgers for direct costs or general and
21 administrative expenses.
22 A So any time -- any time you see a payable -- do you
23 remember the PM -- I think it was PM. Anything with a --
24 payables --
25 Q Um-hum.

1 A -- in the opcos, those invoices are paid or eventually
2 will be paid in queue by the -- the money that's left over --
3 on behalf -- Centerline Logistics will pay on behalf of the
4 opcos and those -- the transactions flow through the opcos. So
5 those invoices that are payables invoices on direct costs or --
6 they will be paid.
7 Q Right. So my question is just that why aren't those
8 transactions in the ledgers for Harley Marine Financing?
9 A Why aren't those transa -- well, because Harley Marine
10 Financing --
11 Q It flows --
12 A -- doesn't pay the opcos. It's Centerline Logistics that
13 pays the opcos.
14 Q And why aren't those transactions listed in Centerline's
15 ledgers, either as a direct cost or a general or administrative
16 expense?
17 A Well, Centerline uses that money to pay the invoices that
18 are in the opcos. So you -- you see the expenses that are in
19 the opcos. Those are -- those are what is paid.
20 Q So the expenses are listed in the opco's ledgers, not
21 Centerline's ledgers?
22 A That's correct.
23 MR. HILGENFELD: Objection.
24 JUDGE SANDRON: He answered it.
25 THE WITNESS: Sorry.

1 Q BY MR. RIMBACH: So your answer is that's correct? Okay.
2 A Yeah.
3 JUDGE SANDRON: Well, he just said correct. I think you
4 should probably leave it. I mean, if -- if --
5 MR. HILGENFELD: I may have misunderstood question, but I
6 believe it mischaracterizes prior testimony. Noted for the
7 record.
8 JUDGE SANDRON: Did you characterize prior testimony?
9 MR. RIMBACH: No, Your Honor.
10 JUDGE SANDRON: I don't think he did. I think he asked
11 it, but anyway -- I don't believe he characterized it.
12 Q BY MR. RIMBACH: For the ledgers for each subsidiary, such
13 as the revenue, direct costs and general and administrative
14 expense ledgers, do the staff for each operating company have
15 access to those ledgers?
16 A The Centerline Logistics accountants have access to those
17 transactions. No, opco personnel does not have access to
18 Dynamics/Great Plains.
19 Q I believe your testimony is that Harley Marine Financing
20 has contracts with customers?
21 A Harley Marine Financing owns the contracts for all the
22 customers.
23 Q And Harley Marine Financing is the entity that receives
24 customer payments pursuant to those contracts, correct?
25 A Correct.

1 Q But Harley Marine Financing does not record the revenue
2 from those customer payments on its own ledgers, correct?
3 A All the revenue is recorded at the opco level.
4 Q The operating companies -- and the revenue from those
5 customers also did not appear on Centerline's ledgers, correct?
6 A Correct. There is no -- there is no revenue for the
7 contracts in -- at the Centerline level.
8 THE WITNESS: Thank you.
9 Q BY MR. RIMBACH: I'd like to show you what is marked as
10 Respondent's Exhibit 108, which has not been offered into
11 evidence yet. It appears to be three different credit
12 applications; is that right?
13 A So the first page is a credit application for Blair-Martin
14 Company/Basin Valve Company.
15 Q Can you explain what this first page is?
16 A The first page, yes. So opco Westoil Marine Services
17 needs a new vendor, which is stated on this first page as
18 Blair-Martin Company/Basin Valve Company. So these -- this is
19 all the information provided to them. The middle of the page,
20 local trade references. Those are references -- credit
21 references that we use, and these are customers that we tell
22 the new customer -- these are just customers that we use and
23 they may contact them if they want for cr -- pay our bills on
24 time. We always pay our bills. So these are just credit
25 references for -- for that company that we use.

1 And then we have the -- our bank reference and -- so this
2 is an example of a credit request made by Westoil Marine
3 Services because they need a new vendor and as manager --
4 Centerline Logistics, as manager for the opco, processes these
5 credit -- these -- the -- the customer set -- set-up. And we
6 spoke about this yesterday. Part of the reason why Centerline
7 Logistics performs this is one, is the manager and two, it's a
8 requirement for fraud because we want to make sure that we
9 don't have a rogue employee that's setting up a fake vendor so
10 that he can pay himself.
11 Q And you approve this on behalf of Westoil Marine Services?
12 A I -- I -- I approve this as manager for the securitization
13 for Westoil Marine Services.
14 Q And is this your signature at the bottom of this page?
15 A Yes.
16 Q Okay. The line, maybe about eight lines down, it says,
17 "person responsible for accounts payable"?
18 A Yes.
19 Q Who is Bethani Johnson?
20 A Bethani Johnson is in accounts payable specialist.
21 JUDGE SANDRON: I think you referred to her earlier.
22 THE WITNESS: I did.
23 JUDGE SANDRON: Okay. And I guess she spells Bethani with
24 an I.
25 THE WITNESS: Oh, did I -- sorry if I misspelled that.

1 JUDGE SANDRON: That's all right. We have it right here
2 with an I so.
3 Q BY MR. RIMBACH: And right above that who is Joanna Cruse,
4 J-O-A-N-N-A C-R-U-S-E.
5 A Joanna Cruse is the accounts payable manager. Did I spell
6 that one wrong, too?
7 Q And they both work for Centerline?
8 A Yes.
9 Q Does Westoil have authority to approve a -- or submit an
10 application of credit on their own?
11 A No, they do not. However, the request has to come from
12 the operating company -- or generally comes from the operating
13 company.
14 Q Does the request go directly to you?
15 A No. The -- there's a process. It comes through the
16 system to accounting and only one or two people -- and I'm not
17 sure who they are in the accounting department -- has the
18 approval to put an approved vendor into Great Plains/Dynamics.
19 Q And are pages 2 and 3 of this exhibit similar applications
20 for credit on behalf of Westoil Marine Services?
21 A Yes.
22 Q Okay. On page 2, who is Gersan Urraca, G-E-R-S-A-N
23 U-R-R-A-C-A; do you know?
24 A He would have been -- he's no longer with the company. He
25 would have been the purchasing agent for Westoil Marine

1 Services.
2 JUDGE SANDRON: And is that your signature on the bottom?
3 THE WITNESS: Yes.
4 Q BY MR. RIMBACH: Do you know who has access to the
5 payables@centerlinelogistics.com email address?
6 A Definitely the manager, Joanna Cruse and the AP
7 specialists. There may -- there may be potentially the
8 controller, but I'm not sure. Beyond those three, I'm not sure
9 who has access.
10 Q Then on page 3, Daniel Heath is another accounts -- or is
11 he a -- is -- is he a Centerline purchasing agent?
12 A He is.
13 Q And he has the authority to authorize this application for
14 credit on behalf of Westoil Marine Services?
15 A It's preferable that it comes through me. But let me see.
16 This is the set-up. He does for some that are -- are small,
17 but typically myself, and if I'm not in the office, the CFO may
18 sign also.
19 Q What's involved in ensuring that these applications for
20 credit are not fraudulent? What does the accounting department
21 do?
22 A Well -- oh, what is the -- the service? They -- they
23 verify that the -- the business exists.
24 Q And how -- how does the accounting department do that?
25 A I'm not sure of the full process, but they do research on

1 the company to make sure that they are a viable -- viable
2 vendor.
3 JUDGE SANDRON: Maybe he can spell Heath for the record.
4 You can spell it.
5 MR. RIMBACH: Oh. H-E-A-T-H. Daniel is D-A-N-I-E-L.
6 I'd like to offer Respondent Exhibit 108 into the record.
7 JUDGE SANDRON: Well, I think it's a matter of protocol.
8 I don't know if you can offer a Respondent's exhibit.
9 MR. HILGENFELD: I would presume they'll just put a GC
10 number on it, and we have no objection to this being offered
11 into the record.
12 JUDGE SANDRON: All right. There being no disagreement,
13 Respondent's Exhibit 108 is admitted.
14 Q BY MR. RIMBACH: I'd like to now show you what's marked as
15 Respondent's Exhibit 206.
16 A Thank you.
17 Q And take your time to review these, but my question is --
18 JUDGE SANDRON: Well, I'll tell you what, it might be a
19 little bit confusing to have documents that have been marked as
20 Respondent's exhibits offered by the General Counsel because
21 they're your exhibits. In essence, they're not the
22 Respondent's and it might be confusing at a certain point.
23 So I mean, you can maybe just -- I don't know how you want
24 to do it. As Mr. Hilgenfeld said, if you want to just -- I
25 know you already have exhibits with numbers. Can you put -- do

1 you have a last number on your exhibits and we can start these
2 from that last number?
3 MR. RIMBACH: Sure. Should I start with the previous
4 exhibit that I offered?
5 JUDGE SANDRON: Yes. I think that would be better.
6 MR. RIMBACH: Okay. So that exhibit can be GC Exhibit
7 297.
8 So if I could please ask the court reporter to please
9 change that at the bottom of the page. So now what was
10 previously marked as Respondent's Exhibit 108. That would now
11 be GC Exhibit 297.
12 JUDGE SANDRON: Yes, I think that would be better.
13 **(General Counsel Exhibit Number 297 Received into Evidence)**
14 JUDGE SANDRON: And you can -- and we could -- you can
15 show him the documents that have been marked as Respondent's
16 exhibits, but when you offer them, I would offer them as
17 General Counsel's and we can change them on the bottom on the
18 other copies, the redesignation, so you don't have to do it on
19 every copy.
20 MR. RIMBACH: Thank you, Your Honor.
21 Q BY MR. RIMBACH: If you could please look at, in front of
22 you, it's Respondent's Exhibit 206, but we're going to rename
23 it GC Exhibit 298. Are these similar credit applications
24 submitted on behalf of Leo Marine Services to various vendors?
25 A I'm just -- I'm just reading through that.

1 Q Sure.
2 JUDGE SANDRON: Just -- just to have it on the record.
3 Mr. Hilgenfeld, you have no objection to General Counsel 297,
4 which was your 108?
5 MR. HILGENFELD: We don't, Your Honor.
6 A Yes.
7 MR. HILGENFELD: And if it speeds it up, we want to
8 submit, these were submitted in the same manner previously for
9 Leo Marine Services for GC, and we would not object to this
10 document.
11 JUDGE SANDRON: So any of these documents that the General
12 Counsel shows the witness that have your exhibit number, you
13 wouldn't have an objection to them being received as General
14 Counsel exhibits?
15 MR. HILGENFELD: I don't know if I can say that so open
16 ended, but on this one, I do not object, Your Honor.
17 JUDGE SANDRON: All right.
18 MR. HILGENFELD: What GC exhibit was it that just --
19 MR. RIMBACH: 298.
20 MR. HILGENFELD: 298. Thank you.
21 Q BY MR. RIMBACH: And your answer would still be the same
22 with respect to Leo Marine Services. Leo Marine Services would
23 submit a request to have these credit applications approved and
24 then Centerline's accounting department would review these and
25 approve them?

1 A So the -- the opco requests that a vendor be set up and
2 then as manager for the securitization, Centerline Logistics,
3 will execute the -- the required documentation.
4 MR. RIMBACH: I'd like to offer GC Exhibit 298 into
5 evidence.
6 MR. HILGENFELD: I think I already agreed.
7 MR. RIMBACH: Oh.
8 JUDGE SANDRON: I understand there's no objection, right?
9 MR. HILGENFELD: Correct, Your Honor.
10 JUDGE SANDRON: Okay. The document is received and the
11 question.
12 **(General Counsel Exhibit Number 298 Received into Evidence)**
13 JUDGE SANDRON: One question; these were all for Leo
14 Marine Services in the San Francisco area?
15 MR. HILGENFELD: They are, Your Honor.
16 Q BY MR. RIMBACH: I'm displaying for you now what is GC
17 Exhibit 242. It's an Excel spreadsheet for Harley Marine
18 Financing's 2020 direct costs. The only direct costs for
19 Harley Marine Financing are depreciation expenses, correct?
20 A I'd have to look at the ledger, but I'm confident in that.
21 And I know that depreciation expenses is -- would be a direct
22 cost for each month.
23 Q Can you explain what depreciation expense is exactly?
24 A Sure. Would you mind scrolling a little bit to the right?
25 Q Sure. Let me know when to stop.

1 A Can you stop right there? I just want to look at the
2 initials that are on there. Thank you. And then if you can --
3 I think that may be the last common -- column, but let's see,
4 there may be another one. Okay. So -- can I see the date --
5 date range is 2020. Okay.
6 So depreciation expense. As a requirement of the
7 securitization, any capital costs for improvements over $10,000
8 for Harley Marine Financing owned equipment is depreciated at
9 the each HMF level. And what -- this is what depreciation
10 expense means. So let's say, for example, the top item is the
11 John Quigg (phonetic throughout), that there was a dry dock
12 that was required for the John Quigg. And what a dry dock
13 means is there is -- there is a required maintenance periods
14 for vessels depending on the class of their vessel, that they
15 go in and have service to them to make sure that they -- that
16 they are -- they follow Coast Guard regulations or they go in
17 because they're damaged and need to be repaired.
18 If it's over $10,000, whatever that amount is -- if the --
19 let's say the amount of the bill was $200,000, that amount is
20 paid by -- the amount paid is -- the amount of $200,000 is paid
21 through the securitization, and the life of the asset, let's
22 say if it's $200,000 and this was a dry dock, is expensed
23 evenly over ten years. So if you had $200,000, you would
24 divide 10 years by 10 years and 12 months. And it's a monthly
25 expense.

1 Q My question is -- so say in your example, a $200,000 cost
2 that would be paid by HMF?
3 A Yes.
4 Q Why isn't that cost -- why isn't there an invoice expensed
5 here?
6 A The depreciation expense is based on the amount that is
7 moved over to -- to the capital equipment. That -- there may
8 be five invoices that's associated with this particular cost.
9 The invoice is recorded -- I have to think about this -- where
10 the invoice is recorded for this. I know the answer to this,
11 but I can't think of it off the top of my head. But you will
12 not see the invoice in the 5750 account because that is a
13 depreciation expense account.
14 Q So I'd just like to go over an example. In row 10,
15 there's a depreciation expense for Dale Frank, Junior. And
16 so -- I'm sorry. Could you go through, what is the -- for the
17 account column in C, what is the 40?
18 A The 40 is the company number for Harley Marine Financing.
19 Q And what is 857? Is that the vessel?
20 A Yes.
21 Q And 5750, that's a depreciation expense?
22 A Yes.
23 Q And seg 2 and seg 3, it -- so seg 2 refers to a vessel
24 number?
25 A Yes, which is part of the account number.

1 Q And seg 3 refers to the account description?
2 A Yes.
3 Q Okay. And do you know why JE, the journal entry number in
4 column G, they're all 5240 for the first group of rows here?
5 A I do. And if -- can you scroll down a little bit, please,
6 to February?
7 Q Yes.
8 A So every month, there is -- there's a system that tracks
9 all the depreciation and -- and this particular journal entry
10 is done monthly with those reports. And if you scroll to the
11 right, all the depreciation entries for a month -- for the
12 month of January and for the month of February, it was the same
13 person's responsibility.
14 Q Okay.
15 A This is either Tina Le or Trevor Lykstad. I'm not sure
16 which. And that's -- that's their responsibility in the
17 accounting department.
18 Q So they enter in all those line items at the end of the
19 month?
20 A Yes.
21 Q Going back to row 10 --
22 JUDGE SANDRON: Just one thing, the amortization or the
23 depreciation --
24 THE WITNESS: Um-hum.
25 JUDGE SANDRON: -- schedule, that's set, right? If it's

1 like a ten-year life, it's spread out evenly over that period
2 of time?
3 THE WITNESS: Yes. And if it's -- and if it's -- and if
4 it's a smaller repair, that's over $10,000, like, say a dent in
5 the side of the boat, that would be 2.5 years, and then -- and
6 then any assets that we purchase, which there haven't been
7 asset purchases, is 20 years.
8 JUDGE SANDRON: I see. Thank you.
9 Q BY MR. RIMBACH: All right. So for row 10, the
10 depreciation expense is $37,066.02?
11 A For the month.
12 Q For the month. And do you know why the invoices for the
13 repairs or maintenance are not in Harley Marine Financing's
14 ledger here as a direct cost?
15 A They -- they wouldn't be in the ledger as a direct cost
16 because this is the depreciation entry. Originally, they --
17 the invoices would be -- would be in an account called
18 construction in progress. And then once all the invoices are
19 received and the service has been completed, then it -- then it
20 moves over to a capital asset, and this asset then gets
21 depreciated over that period of time.
22 Q Is that a separate ledger that's a construction in
23 progress ledger?
24 A There is a separate ledger. I don't know the account
25 number for that one.

1 Q And what is the system that tracks depreciation? What
2 were you referring to?
3 A There is a system that tracks it that all assets go in. I
4 don't work closely with it, Harley Marine Financing. But I
5 don't -- there is -- it's just like Coupa tracks accounts
6 payable, there is a -- I can't think at the top of my head what
7 it is, but there is a separate software package that -- that
8 tracks that.
9 Q And depreciation expenses can include maintenance and
10 repair costs?
11 A So any repair under $10,000 goes to the 5600 account,
12 which you see on your direct expenses. And then any -- any
13 repair is considered -- over $10,000 is considered capital and
14 it's depreciated.
15 Q Are there any other depreciation expenses other than
16 maintenance or repair costs?
17 A For purchases, too.
18 Q Purchases. Okay. Who pays for depreciation expenses that
19 are less than $10,000?
20 A The opcos.
21 Q Why is that?
22 A It -- it's normal -- it's considered normal routine
23 maintenance that occurs on vessels. And so that is at the opco
24 level.
25 Q So for example, in line 14 here, there's a depreciation

1 expense for Lissy Too, L-I-S-S-Y T-O-O. It says that there's a
2 debit of $6,530.08.
3 A Yes.
4 Q Is that less than 10,000 for -- sorry.
5 MR. RIMBACH: Let me -- let me rephrase.
6 Q BY MR. RIMBACH: Why is this in the -- why is this figure
7 in this ledger?
8 A So that depreciation expense, that's just the monthly
9 expense. So it's over the life of the loan. So if it was a
10 dry dock that was 10 years, it could really be a $300,000
11 capital improvement divided by 10 years, divided by 12.
12 Q Got it. So this is actually -- could be a much larger
13 figure, it's just divided up into monthly payments or monthly
14 debits, I mean?
15 A Yes.
16 Q Okay.
17 JUDGE SANDRON: And would that hold true of the vessels
18 themselves?
19 THE WITNESS: I'm sorry?
20 JUDGE SANDRON: The vessels. In other words, you know,
21 they have, I guess -- do they have an estimated lifetime?
22 MR. HILGENFELD: I'm sorry, Your Honor. I didn't hear
23 what you said. I'm sorry.
24 JUDGE SANDRON: Oh, I -- I said do the vessels, are they
25 considered to have a useful lifetime and depreciated over that

1 lifetime as well?

2 THE WITNESS: Yes. And -- and when you make a capital

3 improvement, like, a dry dock, it can actually -- it can

4 enhance the -- the useful life. If you have an engine overhaul

5 at seven years, you --

6 JUDGE SANDRON: I see. And what about the actual vessels

7 themselves? Do they have a fixed life or not? I -- I don't

8 know.

9 THE WITNESS: They -- they don't have a -- well, they --

10 there's a time period that is -- if -- if -- if you built a new

11 vessel and you had a new vessel --

12 JUDGE SANDRON: Right.

13 THE WITNESS: -- there's a -- there's a time period

14 originally when you purchase that asset, the 20, 30, 40 years,

15 whatever it may be.

16 JUDGE SANDRON: Right.

17 THE WITNESS: I'm not sure what the standard is for that.

18 JUDGE SANDRON: Right.

19 THE WITNESS: But that useful life can be extended, if --

20 you know, we have a lot of old equipment. And so you might

21 have to do steel work on equipment. Over time, the -- the

22 steel work degrades, and you can enhance the tug and add useful

23 life to it.

24 JUDGE SANDRON: Okay. And -- and when would the

25 depreciation schedule have been set on the vessels? I mean, at

1 what point would it have been?
2 THE WITNESS: It -- when it's placed in service.
3 JUDGE SANDRON: So in some cases that would go prior to
4 the time that Centerline or the operating companies actually
5 owned them?
6 THE WITNESS: If -- if we purchase a vessel, the -- if we
7 purchase a vessel, it's used, there's a -- there's a life that
8 is attributed to it. But it's -- purchased vessels generally
9 go into the ledger at 20 years. That -- that's my -- my
10 understanding.
11 Q BY MR. RIMBACH: Does Harley Marine Financing reimburse
12 the operating companies for expenses that are less than 10,000?
13 A So this goes with the -- the payment structure. So if
14 there is a repair and maintenance that's reported for $5,700 on
15 Westoil Marine Services operating ledger, that expense is
16 incurred there. And it's paid. That -- that 5 -- that $5,700
17 will be paid through Westoil Marine Services check, if it's
18 paid by check, with -- with the money that is allotted from
19 Centerline Logistics for that opco.
20 So every payable transaction that you see on these ledgers
21 is paid by -- is paid for Westoil Marine Services, and that
22 expense represents what is being paid.
23 Q And that payment comes from Harley Marine Financing?
24 A No. The -- the -- the payment -- the payment flows
25 through the Centerline Logistics checking account.

1 Q Okay.
2 A And at the time, it will be paid, that -- that $5,700 will
3 be paid with the check stock for Westoil Marine Services in
4 that -- so when -- remember when I told you that Centerline
5 gets money that's left over after the -- money that is left
6 over, we make generally weekly check runs and -- and there are
7 monies -- there are monies attributed to each opco to pay
8 bills.
9 Q And why aren't those transactions from, like, Centerline
10 paying that repair cost for Westoil Marine Services -- why is
11 that in -- why is that transaction not in Centerline's ledgers?
12 A So the -- because the money is -- because the money is
13 being paid on behalf of Westoil Marine Services. Does that
14 answer your question?
15 Q Well, I guess, you mentioned the money flows from
16 Centerline to Westoil Marine Services --
17 A Yes.
18 Q -- to pay that expense?
19 A Yes.
20 Q Why is that transaction not recorded anywhere in a ledger?
21 A The -- it -- the -- so that $5,700?
22 Q That's an example, yes.
23 A Right, right. So -- so that entry for $5,700 is in the
24 expense. And if that invoice is for $5,700 and it is paid,
25 that is the expense that is paid.

1 Q Right. So my understanding is that that expense would be
2 listed in Westoil's direct cost ledger or general -- it would
3 be direct cost?
4 A Yeah, yeah.
5 Q So why isn't there an intercompany transaction between
6 Centerline and Westoil for that cost if the money comes from
7 Centerline?
8 A The -- the opco is responsible for -- the opco is
9 responsible for the expense for their -- for their vessels.
10 Q But I thought you said the money comes from Centerline's
11 bank account?
12 A So the -- there's check stock. And it --
13 Q I'm sorry. Check?
14 A Like, if -- if you have a check, it's -- the check is made
15 payable from Westoil Marine Services and it draws off of the
16 Centerline Logistics checking account.
17 Q So even though --
18 JUDGE SANDRON: All right. So it goes through Harley
19 Marine Financing?
20 THE WITNESS: So Harley Marine Financing collects all the
21 money for the contracts.
22 JUDGE SANDRON: I see.
23 THE WITNESS: And then there are -- when monies are left
24 over for whatever the requirements are for the securitization,
25 Centerline is then allowed to take the cash that's --

1 JUDGE SANDRON: Right.
2 THE WITNESS: -- left over and use that cash to pay for
3 the obligations of the operation -- operating companies.
4 JUDGE SANDRON: And does that go directly to the operating
5 company or through Harley Marine Financing?
6 THE WITNESS: It -- it -- it's -- it started at Harley
7 Marine Financing, then --
8 JUDGE SANDRON: Right.
9 THE WITNESS: -- Centerline is allowed to -- to take that
10 money and as part of the securitization, as manager for the
11 securitization --
12 JUDGE SANDRON: Right.
13 THE WITNESS: -- Centerline Logistics is responsible
14 for -- for paying the -- the expenses of the opco.
15 JUDGE SANDRON: I guess my question is, does it go back to
16 Harley Marine Financing to distribute or give to the operating
17 companies or does it go directly to the operating companies?
18 THE WITNESS: It's -- it's used directly to pay the
19 operating expenses for -- for -- in this case, Westoil Marine
20 Services.
21 Q BY MR. RIMBACH: So -- so in this hypothetical example,
22 the -- Westoil would write a check for $5,700?
23 A Yep.
24 Q And that money would be withdrawn from Centerline's bank
25 account?

1 A That -- the Centerline -- the Centerline bank account,
2 yes.
3 Q Okay. And is that because Westoil's bank account and
4 Centerline's bank accounts, they're -- it's the same number or
5 how does that work?
6 A Centerline -- Centerline Logistic -- there is no bank
7 account for Westoil Marine Services.
8 Q Okay.
9 A With --
10 Q Is that true for all of the other operating companies?
11 A It is.
12 Q They don't have their own bank accounts?
13 A That's correct.
14 Q Just going to an example for -- to row 10 again. The
15 debit for $37,066.02, is this -- is it a standard formula to
16 calculate this depreciation expense? Can you just explain is
17 there, like, one invoice and it's just divided up over ten
18 years and that's how it's calculated?
19 A So if there's a capital improvement, it's -- it's not
20 uncommon to have multiple invoices because you may have
21 multiple vendors that are working on that. So it's the lump
22 sum divided by the number of years you're depreciating it.
23 Q Is it always ten years?
24 A No. It's only ten years if it is a dry dock. A dry dock
25 means that it will actually go to another facility and they

1 will sometimes take the boat out of the water and they will do
2 the -- the work at the facility. But there are times that it
3 doesn't go to a dry dock and you may have a -- you may have a
4 $45,000 repair that needs to be made, that -- maybe the tug was
5 dented and hit a pier and required $60,000, that would be --
6 that would be depreciated over two and a half years.
7 Q Who makes that decision, what period of time a cost is
8 depreciated over, like, ten years versus two and a half years,
9 for example?
10 A It -- there's a lot of standards. That is actually noted
11 by our auditors that -- that that is compliant with -- with
12 gap. So it -- you will -- you could -- in the actual auditor's
13 report they will address -- they actually address what the
14 terms are that we have.
15 Q So you don't have discretion to decide at what number of
16 years --
17 A There is --
18 Q -- an expense is depreciated over?
19 A It's generally standardized.
20 Q Okay. And Centerline's accounting staff inputs all of
21 this data and maintains it for the accounting ledgers?
22 A Everything -- every single transaction, revenue or
23 expenses that you see in an opco, it flows through Centerline
24 Logistics' accounting department as managers for the opco.
25 Q Does anyone outside of Centerline have access to these

1 ledgers?
2 A They --
3 MR. HILGENFELD: I'm going to object to form, as to what
4 ledgers we're referring to.
5 Q BY MR. RIMBACH: So just the general ledgers, expenses,
6 direct costs?
7 A No. It's really --
8 MR. HILGENFELD: For what company?
9 JUDGE SANDRON: Wait, wait.
10 MR. HILGENFELD: There's multiple companies involved here.
11 MR. RIMBACH: Sure.
12 Q BY MR. RIMBACH: So just the operating companies, like,
13 Westoil Marine Services for example?
14 A No. It's pretty private information.
15 Q What about Centerline's ledgers? Does anyone outside of
16 Centerline umbrella of companies have access to those ledgers?
17 A Well --
18 Q Other than auditors?
19 A Other than auditors.
20 Q Okay. And the same would be true for Harley Marine
21 Financing, other than auditors?
22 A You know, at the Harley Marine Financing level, everything
23 flows through Matt. So I don't know if -- he reports for the
24 securitization. I don't know if there's people involved with
25 the securitization that can review that --

1 Q Okay.
2 A -- that data.
3 Q I don't think I need to show you the direct cost ledgers
4 for the next two years for Harley Marine --
5 A Okay.
6 Q -- Financing. But they'd be -- your answers would
7 generally apply to those two years as well?
8 A Yes.
9 Q Okay. I'd like to show you what is GC Exhibit 245 now on
10 the screen. It's Harley Marine Financing's 2020 general and
11 administrative expenses ledger. There is 111 rows in total.
12 A Yeah.
13 Q Does Harley Marine Financing pay Centerline for any
14 professional services?
15 A So any professional services that you see at the Harley
16 Marine Financing level is directly related to the
17 securitization. So professional fees are separated for Harley
18 Marine Financing, and these are only related to the
19 securitization, not for any other professional fees.
20 Q So there wouldn't be any payments from Harley Marine
21 Financing to Centerline for professional services in this
22 ledger?
23 A No. This is all -- these are all expenses for the
24 securitization -- related to the securitization.
25 Q But Harley Marine Financing does pay Centerline for

1 professional services, correct?
2 A So -- so -- so they're -- so Centerline is allowed to get
3 cash for professional services that are not related to the
4 securitization. Centerline Logistics will pay those out of
5 their account, Centerline. And they're charged to Centerline
6 Logistics.
7 Q You mean Harley Marine Financing?
8 A I'm sorry. No, no. So Harley Marine Financing, these are
9 all just related to the securitization, but legal fees that are
10 not -- or professional fees -- which legal fees is a part of
11 professional fees -- that are not related to the securitization
12 flow through the Centerline Logistics financials.
13 Q And why aren't those transactions listed in the general
14 and administrative expenses ledger?
15 A For -- in Harley Marine Financing?
16 Q Yes.
17 A Because -- because Harley Marine Financing is responsible
18 just for the expenses related to the securitization.
19 Q So for example, Centerline's accounting staff performs
20 accounting duties for Harley Marine Financing, correct?
21 A Correct.
22 Q Does Harley Marine Financing pay Centerline for those
23 accounting services?
24 A No. They're the -- that -- under the securitization,
25 Centerline Logistics is designated as the manager.

1 Q So Harley Marine Financing does not pay Centerline for any
2 of those fees related to Centerline's management of Harley
3 Marine Financing?
4 A No.
5 MR. HILGENFELD: Objection. Asked and answered several
6 times.
7 MR. RIMBACH: Well, I was asking beyond just accounting --
8 JUDGE SANDRON: All right.
9 MR. RIMBACH: -- any other management related services.
10 A No. The only thing that Harley Marine Finance is
11 responsible for is any professional fees related to the
12 securitization.
13 Q BY MR. RIMBACH: Okay. I'd like to refer you to column G,
14 which is journal entry number -- oh, excuse me -- column H,
15 which is source document. What is CMTRX, do you know?
16 A I am not sure what that source document is because
17 payables is P, sales journal is -- you know, I'm not sure what
18 CMTRX is.
19 Q And just scrolling down to row 33, PMTRX is?
20 A So that -- that's actually a payables transaction.
21 Q I'd like to refer you to row 6. In the account's column,
22 column C, 6430 refers to professional fees for accounting?
23 A Yes.
24 Q Okay. And for -- sorry. I'm jumping around a lot.
25 A That's okay.

1 Q For column I, original master ID, do you know why there
2 are some entries that say U.S. Bank 1? And some that say U.S.
3 Bank 2?
4 A I believe that is because there are banks -- there are --
5 I believe it's because there's bank accounts set up, but that
6 would be two different vendors.
7 Q Now, in column L, original transaction source --
8 A Yeah.
9 Q -- my understanding is that if there was an intercompany
10 transaction that would be labeled as IC in this column?
11 A I believe so, yes. Actually, I'm not positive about that.
12 It -- that may be in a different column, but -- but I'm not
13 positive about that. I'd -- I'd have to look to see.
14 Q So for example, in row 35 --
15 A Yeah.
16 Q -- there's an IC in column L.
17 A Yep.
18 Q Would that mean intercompany transaction?
19 A Could you please scroll to the right a little bit? Let's
20 take a look. There -- in the description field, yes. There is
21 an intercompany transaction there.
22 Q And this would denote a payment of $572 from Harley Marine
23 Financing to Centerline?
24 A Let's see. That may have come from Centerline. That
25 may -- that may be because an invoice that should've been

1 processed through the securitization was processed through
2 Centerline, so Centerline put it to the correct place where it
3 belonged.
4 Q It's listed as a debit under column M. So would that
5 mean --
6 A It's an expense for this -- for HMF.
7 Q Okay. I'm -- I'm -- let me see. Let me see if I can
8 scroll left. Okay, so you -- you don't know what this would
9 mean, then, professional fees other?
10 MR. HILGENFELD: Objection to form.
11 A Well, it's a per -- I -- I do know that if it's in here
12 that is -- it is an expense for the securitization.
13 Q BY MR. RIMBACH: Okay.
14 A And it's just in a little bit of a different format.
15 Q Okay.
16 A Because somebody didn't enter it -- probably did not enter
17 it correctly where it belonged, and it was found, and it was
18 moved to where it was supposed to go, which is why it's an
19 intercompany entry. Probably.
20 Q Okay. So you think it was a miscategorization or
21 misplaced here?
22 A I do. And --
23 Q Okay.
24 A I do.
25 Q Got you.

1 A And -- it -- because it -- also if you scroll to the left.
2 The reason I think that is under column I --
3 Q Yes.
4 A -- general journal entry. Somebody general entry'd (sic)
5 it to where it's supposed to be.
6 Q Okay. And I believe -- so 42 is similar. There is an
7 intercompany transfer to Centerline which is denoted here in
8 row PS HMF -- H -- HMS, excuse me -- for $572 again? Okay.
9 A Yep.
10 Q And let's see. Okay. So there's a lot of similar charges
11 here. 56, 67. I won't bore you and go through all -- let me
12 just see if there's any that are different real quick. Row 82.
13 Row 93. 102. Okay. There's 102. And 110. Okay. So any
14 intercompany transaction here it could've been just a mistake?
15 A It -- it -- it could be recorded at -- in a different
16 company when it's supposed to be recorded here, and so they --
17 they move it over.
18 Q Where is the best place to look -- be to look for
19 intercompany transactions between Harley Marine Financing and
20 Centerline?
21 A Well, you -- you see the intercompany here. There may
22 be -- the -- you -- you may be able to see the opposite side in
23 Centerline.
24 Q But as far as you know, there are no other intercompany
25 transactions?

1 A For Harley Marine --
2 Q Between Harley Marine Financing and Centerline or any of
3 Centerline's subsidiaries?
4 A All I know is by looking at this account that there's --
5 that -- that these intercompany transactions came from
6 Centerline. I can't say to any other -- where -- where any
7 other may have come from.
8 Q Okay.
9 A If I were sitting at my desk, I could run a report.
10 Q Okay. And can you explain exactly how Harley Marine
11 Financing pays for these general and administrative expenses if
12 it does not earn revenue?
13 A It's -- as a -- so Harley Marine Financing doesn't have
14 any revenue.
15 Q Um-hum.
16 A But Harley Marine Financing is responsible for any costs
17 associated to the securitization. And these are -- these are
18 professional legal fees that -- you know, there's -- there's --
19 there's different fees that are associated with the
20 securitization that Harley Marine Financing is responsible for.
21 Q And --
22 JUDGE SANDRON: And -- and -- and those monies come from
23 Centerline or from Harley Marine Financing?
24 THE WITNESS: Those would be Harley Marine Financing.
25 JUDGE SANDRON: So it has a certain reserve or -- or money

1 that it can use?
2 THE WITNESS: Yeah.
3 Q BY MR. RIMBACH: And that reserve of money is Centerline's
4 Reserve of money? That's used to pay for these expenses?
5 A I believe so. But I'm -- I'm not 100 percent positive but
6 I believe so.
7 Q Okay.
8 JUDGE SANDRON: So -- so you don't know if it -- do you
9 know if it's reserve from Harley Marine Financing or Centerline
10 Financing, if you know?
11 THE WITNESS: I think it's Harley Marine Financing. I'm
12 not positive about that, though.
13 JUDGE SANDRON: All right.
14 Q BY MR. RIMBACH: Okay. I'd like to now show you GC
15 Exhibit 246, which is Harley Marine Financing's 2022 general
16 and administrative expenses ledger. We're skipping over 2021
17 just --
18 A Sure.
19 Q Okay. So it looks like here in row 22 there is
20 professional fees other and it's an intercompany transaction --
21 A Um-hum.
22 Q -- for $17,300. It looks like it's a credit from
23 Centerline; is that right?
24 A Yes.
25 Q Do you know -- can you explain what this transaction

1 means?
2 A Basically, it -- it means that somewhere along the way
3 somebody determined that there were fees that may have been
4 charged to Harley Marine Financing from Centerline that should
5 not have been.
6 Q Okay.
7 A So this is -- this is reclassing out of Harley Marine
8 Financing any fees and putting them into Centerline Logistics,
9 which, I'm not exactly sure why, but this would represent that
10 Harley Marine Financing was not responsible for whatever
11 that --
12 Q I just have a basic accounting question, so I apologize.
13 But if there is a credit, such as in column N -- so this would
14 be a credit of $17,300?
15 A Yep.
16 Q And the then the column for O is the amount. Why is it in
17 red -- the 17,300 -- and in parentheses -- doesn't that
18 indicate a debit?
19 A Yeah. So if you take column M plus column N equals column
20 O --
21 Q Okay.
22 A -- and if it's positive it's black. If it's negative -- a
23 credit is negative -- then they denote it as a total negative.
24 It's a -- it's a way so that you can look at it and they
25 highlight it red so it catches your eye.

1 Q Okay. So in column O if it's in red that actually denotes
2 a credit or a positive amount?
3 A It's a negative amount.
4 Q A negative amount?
5 A Right.
6 Q I apologize. Why would it be a negative amount if Harley
7 Marine Financing received a credit of 17,300?
8 A So the column on the left is the debit. When you have a
9 debit to an expense account, which is a 5-series account --
10 Q Okay.
11 A -- that -- that says that is an expense. If you have a
12 credit then they're taking a credit away, so -- so that -- that
13 is a negative number. Accounting debits and credits -- I know,
14 it can be confusing, but basically, what that says is that
15 their expenses are going down by $17,300.
16 Q I see. Okay. I think I understand. Okay. So now,
17 looking at row 29. This is another intercompany transaction of
18 $17,300, but this is listed as a debit. Do you know if this
19 relates to the previous row that we saw or?
20 A It probably does in -- in some capacity. And I see a pre-
21 paid charge-out. Basically, there's -- there's an accounting
22 that's going back and forth, and they are making sure that it's
23 being charged properly in the right period. If there's a
24 reason for it, I don't specifically know what the transaction
25 is, but, again, if I could see the information I would know

1 exactly why.
2 Q Got it. Okay.
3 A And -- and I want to note, too. On this, you know, you
4 do -- you see credits in and out. Some of them -- and you see
5 expenses that are pretty straight forward. And I know I've
6 said it a couple times, our transactions are audited so
7 we're -- we're double-checked by an audo -- and auditing
8 company. And the securitization entities are audited
9 separately too.
10 Q I'd like to highlight row 77 now. It's for professional
11 fees legal . It looks like it's for Mayer Brown, a law firm?
12 A Yep.
13 Q And it looks like there is a intercompany transfer of
14 14,523 to Centerline?
15 A Yep.
16 Q Do you know why Harley Marine Financing would be -- be
17 paying Centerline for a legal expense?
18 A So I can --I can make a very educated guess on this --
19 Q Okay.
20 A -- that there was a -- a legal invoice that came in,
21 either the whole amount that came in or a -- a partial legal
22 invoice. And -- can you scroll to the -- the right please?
23 Oh, I'm sorry. Can you scroll to the left? I want to see
24 the -- I want to see the debit and the credit.
25 Q Oh.

1 A So what this -- what this is telling me is that
2 originally, the transaction was either -- was entered into
3 Centerline's ledger, and it was this portion or all of it, if
4 it was all in the wrong place -- this portion of it went to
5 Harley Marine Financing because it's a securitization expense.
6 Q Now, just generally, these ledgers don't show Harley
7 Marine Financing reimbursing any of the operating companies for
8 their expenses, such as crew wages, correct?
9 MR. HILGENFELD: Objection. Asked and answered mul --
10 multiple times.
11 JUDGE SANDRON: Well, I --
12 MR. HILGENFELD: These don't -- these expenses don't show
13 a transaction on anything other than what's listed to the
14 securitization.
15 MR. RIMBACH: And I have a follow-up question.
16 Q BY MR. RIMBACH: Why is that?
17 A Why doesn't this -- why doesn't it show?
18 Q Any transactions -- any intercompany transactions showing
19 Harley Marine Financing reimbursing operating company's
20 expenses such as Westoil Marine Services crew wages?
21 A Harley Marine -- well, Harley Marine Financing doesn't
22 reimburse the opcos. It's -- it -- it flows from Harley Marine
23 Financing. Any cash that's left over goes to Centerline
24 Logistics, and then Centerline Logistics pays the opcos. So
25 this -- this here at the Harley Marine Financing level, what

1 we're looking at is we're looking at transactions that are
2 related to the securitization, and these are their expenses.
3 Q So I guess my follow-up questions is why do Centerline's
4 ledgers not show those intercompany transactions showing
5 Centerline reimbursing the operating company's expenses for
6 their operation, such as crew wages?
7 A The Centerline Logistics -- the -- they get the cash, and
8 they use that cash to pay the expenses that you have on the
9 opco. So you wouldn't see an intercompany entry for that.
10 You -- you see the actual expenses that are there, and that is
11 what is paid on the -- on the -- at the opco level.
12 Q So it's paid directly by Centerline, but it's just not
13 reflected in any ledgers?
14 MR. HILGENFELD: Objection. Mischaracterizes the
15 testimony.
16 JUDGE SANDRON: Well -
17 MR. HILGENFELD: He's stated multiple times it comes from
18 Centerline's account --
19 JUDGE SANDRON: All right.
20 MR. HILGENFELD: -- but on behalf of Westoil's letterhead
21 or Westoil responsibility. We've said it a half-a-dozen times.
22 JUDGE SANDRON: Do you accept that --
23 MR. RIMBACH: Well --
24 JUDGE SANDRON: -- representation --
25 MR. RIMBACH: -- I'm --

1 JUDGE SANDRON: -- based on the testimony?
2 MR. RIMBACH: I'd just like to know why it's not reflected
3 in a ledger --
4 MR. HILGENFELD: Your Honor --
5 MR. RIMBACH: -- that -- that transaction.
6 MR. HILGENFELD: -- I have a general objection that -- the
7 questions from General Counsel are against accounting
8 principles. They're confusing multiple different topics about
9 what direct costs and what direct expenses are. They --
10 there's been multiple testimony by Mr. Parry -- and even Mr.
11 Godden five days' worth -- about what these documents show.
12 They are what they are. They -- they don't show direct cost of
13 the operating companies. The why is immaterial because they're
14 related at a GAAP accounting level.
15 MR. RIMBACH: Well, my recollection of Mr. Godden's
16 testimony is that these -- those transactions were somewhere.
17 He didn't know where they were. So that's why I'm asking --
18 JUDGE SANDRON: All right.
19 MR. RIMBACH: -- Mr. Parry, who is the vice president
20 of --
21 JUDGE SANDRON: All right. Well, all right. Go ahead. I
22 don't recall, specifically, Mr. Godden's testimony on point,
23 but if -- if there's any question about it, go ahead.
24 Q BY MR. RIMBACH: So for -- so for expenses where
25 Centerline is reimbursing an operating company for its

1 operations, such as crew wages, why is that not reflected in
2 the general ledgers?
3 A So for -- for example, crew wages; in the opco a crew
4 wage -- payroll is run on May 18th for May 1st to May 15th.
5 Payroll -- payroll puts in the entry and what you see that hits
6 from payroll is anything that goes to wages. And there --
7 that's the expense. Those wages are paid out of Centerline.
8 And -- so because they're an expense on the opco, those wages
9 are exactly what is paid from the Centerline account. So
10 payroll flows through the Centerline account too.
11 Q Centerline just pays for those directly, basically?
12 MR. HILGENFELD: Objection. Mischaracterizes the
13 testimony.
14 JUDGE SANDRON: Well, it is cross, although I think his
15 testimony is -- is pretty, you know -- from what he's testified
16 on direct, and now I think it's pretty clear -- you know, how
17 the procedure works. Do you -- do you -- are you --
18 MR. RIMBACH: Well --
19 JUDGE SANDRON: -- do you think there's any ambiguity in
20 that?
21 MR. RIMBACH: I don't. I don't think there's ambiguity.
22 But if there is I'd like to know if -- I mean --
23 Q BY MR. RIMBACH: So the payments are made directly by
24 Centerline --
25 MR. HILGENFELD: Objection.

1 Q BY MR. RIMBACH: -- is that -- for those crew wages?
2 JUDGE SANDRON: What's -- what's the objection?
3 MR. HILGENFELD: It's been asked and answered.
4 JUDGE SANDRON: All right. Well, I -- I think we are --
5 we're kind of --
6 MR. RIMBACH: Well, it's just a "yes" or "no" question,
7 and I'll move on.
8 JUDGE SANDRON: All right. You get --
9 MR. HILGENFELD: He doesn't get one question. He's had 15
10 questions on this.
11 JUDGE SANDRON: All right.
12 MR. HILGENFELD: This is an allocation of monitoring --
13 JUDGE SANDRON: All right. Well --
14 MR. HILGENFELD: -- responsibility on the general ledgers.
15 JUDGE SANDRON: All right. You know, I -- I realize
16 the --
17 MR. RIMBACH: But this --
18 JUDGE SANDRON: All right. Just a second. You know, it's
19 a little complicated with going through these ledgers. It's
20 not something that -- where I don't think any of us, other than
21 the witness, are -- are used to addressing, so I -- I -- I will
22 give the General Counsel a bit of leeway. But it think, you
23 know, he's testified what each of the spreadsheets represents
24 and gone through in detail, you know, various aspects of them,
25 so I don't know if there's a lot of -- more you're going to get

1 on -- on cross beyond what he's already said. If -- if you
2 want to ask him if a few specific questions like you are now,
3 that's fine, but I don't think we need to go over everything --
4 MR. RIMBACH: It's --
5 JUDGE SANDRON: -- in the documents.
6 MR. RIMBACH: It's just one question, Your Honor. It's a
7 yes or no question.
8 JUDGE SANDRON: All right.
9 Q BY MR. RIMBACH: So Centerline paid those expenses
10 directly, the operating company's expenses, such as crew wages?
11 A No. So it's paid. So payroll -- we have our own separate
12 payroll for each company. And it is paid out of West --
13 Westoil is -- is the name of the payroll. The cash comes from
14 Centerline Logistics.
15 Q Okay.
16 JUDGE SANDRON: Does that answer your question?
17 MR. RIMBACH: Not exactly, but I'll move on.
18 Q BY MR. RIMBACH: Does Olympic -- sorry. So for example,
19 does Westoil Marine Services -- is anyone from Westoil Marine
20 Services responsible -- staff -- for fulfilling those payroll
21 obligations themselves? Like, processing them?
22 A Okay. So you have a Westoil employee who's working on a
23 barge. He clocks in; he clocks out. At the end of his pay
24 period, that dat -- that data -- oh, his time clock is approved
25 by somebody at Westoil. So when his payroll is approved, that

1 flows through the payroll process, and the -- whomever is in
2 charge in payroll for Westoil Marine Services reviews that
3 information and it is processed through the Westoil -- Westoil
4 Marine Services payroll through ADP.
5 Q Okay. I'd like to now show you GC Exhibit 247. This is
6 Centerline's 2020 direct costs. And the company listed here is
7 HMF -- excuse me -- HMS, which is Centerline. Under the row --
8 excuse me, column F for account description, do you know what
9 operations training education is?
10 A Could you scroll to the right, please? So can you scroll
11 back to the left, please? So let's see. What happened here is
12 this is Centerline Logistics -- scroll to the right again,
13 please. Sorry. Sorry.
14 Q Oh, no, you're --
15 A It --
16 Q Please, let me know where to -- I know it's a little
17 difficult on the screen, so.
18 A So Bobbie Garneau, the top line, is the payroll manager.
19 Q Yes.
20 A She created a transaction for whatever -- so we're in
21 Centerline Logistics. She created a payroll for -- through
22 payroll -- and there were some -- there were some costs in
23 there for -- can you -- I'm sorry; can you scroll back -- back
24 to the left? There were some costs in there for Westoil
25 Marine -- actually, scroll to the right again. Operations and

1 training -- I'm not sure why, but it -- she -- under payroll
2 import, she posted it to this company. Vladi -- Vlad Godunok,
3 who is my -- who is the finance manager at Centerline
4 Logistics, he reclassed those professional fees out, which
5 tells me that Bobbie put it to the wrong account. So at the
6 bottom you'll see the debits equal the credit. It's net zero
7 in here.
8 Q Got it. So there really should be no direct costs for
9 Centerline in 2020?
10 A Exactly.
11 Q Okay.
12 A And that's in -- in -- that's part of our close process
13 that he reviews to make sure that everything falls into the
14 correct bucket.
15 Q I'd like to show you GC Exhibit 248, which is Centerline's
16 2021 direct costs.
17 A So this is Centerline Logistics' direct costs?
18 Q Yes. Direct cost for 2021. I'd just like to highlight
19 rows 7 and 8. The category under segment 3 for 5790 -- those
20 are license taxes?
21 A Can you scroll to the right, please? Same thing.
22 Something was put in there, and then it was reclassified out
23 debit/credit, so it's net zero. There's no -- there's no
24 direct expense for that.
25 Q Okay. And I'd like to show you -- starting with row 11,

1 SMS crew wages. Is SMS Starlight Marine Services?
2 A March of 2021. I'm not sure about that, but could you
3 please scroll to the right? Let's see. Can you scroll down a
4 little bit, please? It looks like that was reclassed out. Am
5 I -- am I correct on that? Net zero. It's definitely a
6 reclass. And it does -- can you do me a favor and --
7 Q Yes.
8 A -- the -- what's the -- this is 2021?
9 Q Yes.
10 A Yeah. If you could zoom back a little bit --
11 Q Sure.
12 A -- that'd be great. Can you scroll -- this is from 11/1
13 to 11/30. I'm sorry. 1/1/21 to 11/30. Can you scroll to the
14 very bottom, please? And scroll to the right? Yeah.
15 Everything in there was cla -- reclassed out. And so that
16 means that the original entry was put to the wrong place. And
17 can I see who did the journal entry on there?
18 Q Oh, am I going to get someone in trouble?
19 A No. No, no, no, no.
20 Q Okay.
21 A No. It -- well, no. I want to see if there's -- if I can
22 see who's responsible for these journal entries. Bobbie will
23 be one. TDL, I am not sure who that is. could you scroll to
24 the bottom? Ah, so TDL in -- in this case is Trevor Lykstad.
25 He -- his responsibility is to go through and scrub these

1 accounts to make sure they're correct, and they caught this.
2 And so at year-end it's net zero.
3 Q Okay. So again, there shouldn't be any direct costs for
4 Centerline?
5 A There should not.
6 Q Okay.
7 A And they know this. They're trained on it. So that's why
8 they scrub it.
9 Q Got it. Okay. I'm -- I'm now displaying GC Exhibit 249,
10 which is Centerline's direct costs for the year 2022.
11 A Yep.
12 Q And can you just explain to me what row 7 is? It looks
13 like it says Crew EB Life Medical. Do you know what that
14 means?
15 A It -- that is -- scroll to the right, please? It's a
16 bene -- it -- it is a benefit. But if you noticed, that is
17 also cleared out net zero.
18 Q Oh, okay.
19 A So almost all of those are too. So you should see net
20 zero --
21 Q Oh.
22 A Yeah, it is. Okay. It is net zero. Good. They did
23 their job.
24 Q Okay.
25 A Well, they didn't do it right the first time, but somebody

1 corrected their job.

2 JUDGE SANDRON: The second time.

3 Q BY MR. RIMBACH: So this is all -- this is all incorrect,

4 then? I mean, the -- it shouldn't have been in this ledger?

5 A Right.

6 Q These --

7 A It should be net zero.

8 Q This -- these line items?

9 A Right.

10 Q In line -- in row 8, do you know what I-S is for -- the

11 reference, the row -- the column for P reference? IS --

12 A Yeah. That is a -- the reference is keyed in manually by

13 someone. They hit the S key instead of the C key.

14 Q It's a typo? Okay.

15 A Yeah.

16 MR. HILGENFELD: Is this a good time for an afternoon

17 break, Mr. Rimbach?

18 JUDGE SANDRON: If you want to.

19 MR. RIMBACH: Let me see. Yeah. I'm going to be on this

20 spreadsheet for a while, so sure.

21 JUDGE SANDRON: All right.

22 MR. RIMBACH: Yeah. That would be fine with me.

23 JUDGE SANDRON: Why don't we -- all right. It's 2 -- it's

24 2:55. Shall we take -- we'll come back at 3:10.

25 MR. RIMBACH: Okay. Thank you.

1 THE WITNESS: Thank you.

2 JUDGE SANDRON: Off the record.

3 (Off the record at 2:55 p.m.)

4 JUDGE SANDRON: Back on the record.

5 **RESUMED CROSS-EXAMINATION**

6 Q BY MR. RIMBACH: I'd like to show you GC Exhibit 250,

7 which is Centerline's 2020 general and administrative expenses

8 ledger. I'd like to refer you to row 23. And the account

9 description is HMS executive admin salaries . Can you explain

10 what salaries those are for -- this line item?

11 A That line -- line item is for anybody that is an

12 executive. There could be four or five people in there.

13 Q That would include Matt Godden?

14 A That would include Matt Godden.

15 Q Do Centerline's operating companies, such as Westoil, OTB,

16 or Leo Marine Services, pay Centerline for those services? The

17 executive -- the services that the Centerline executive

18 administration provides?

19 A No.

20 Q Scrolling down to row 26, the account description is

21 accounting/PR/admin salaries/accounting. Are you in that

22 category?

23 A I am not.

24 Q Oh, are you in the executive admin salaries category?

25 A I was not then, no.

1 Q Oh, in 2020 -- oh, are you included in any of these wage
2 descriptions; do you know?
3 A Can you scroll down, please? Account -- I'm -- I'm in row
4 54.
5 Q 54. Accounting/PR/admin salaries. Okay.
6 A Oh, no, wait. I'm sorry. That's payroll. I -- I
7 would -- there should be an accounting salary in there. There
8 should be a salary for --
9 Q This is accounting, but --
10 A Oh, maybe it's accounting and payroll? Oh, accoun -- it
11 is accounting payroll. Sorry. Yes, I am in that line item.
12 Q Oh, okay. Okay. So PR is payroll?
13 A Right.
14 Q Got it. Okay.
15 A I was thinking payroll accounting. But it's -- it's --
16 it's for the admin staff, but that's accounts.
17 Q So it's everyone that falls under your purview? Excuse
18 me. Not HR, though. Excluding HR? This would be the payroll
19 manager and who the payroll manager supervises, and then the
20 corporate controller --
21 A Yes.
22 Q -- and who the corporate controller supervises?
23 A The -- the corporate controller would be under the
24 accounting salaries.
25 Q Do Centerline's operating companies -- and by opcos

1 I'll -- I'll just -- I'm referring to Westoil, Olympic Tug &
2 Barge, and Leo Marine Services.
3 A Right.
4 Q Do they pay Centerline for these services, accounting and
5 payroll?
6 A There are no -- there are no accounting transactions from
7 the opco that pay for -- for these salaries. As managers for
8 the securitization, we're required to -- to supply
9 administration.
10 Q So -- so the operating companies don't reimburse
11 Centerline for any of those costs or make any kind of payments
12 or anything like that?
13 A There is no -- there's no transactional accounting where
14 the opcos reimburse Centerline Logistics.
15 Q Row 29, wages --
16 MR. HILGENFELD: Just to clarify. I just -- we're talking
17 about wages?
18 THE WITNESS: Yes.
19 Q BY MR. RIMBACH: For row 29, HSQE, does that mean health,
20 safety, quality, and environment?
21 A Yes.
22 Q And what Centerline employees fall under this category?
23 A That would be Brian (phonetic throughout) -- well, this is
24 2020?
25 Q Yes.

1 A That would've been Rob Sorter -- would've been one of the
2 people under there. I'm not sure whom -- whom else, but --
3 yeah. Rob Sorter was the director back then.
4 Q Do any of the operating companies reimburse, or are they
5 responsible for any portion of health, safety, quality, and
6 environment services provided by Centerline?
7 A Provided by Rob Sorter, no. And -- and he would've been
8 that -- the director.
9 Q Who is the -- you said it was Rob Sorter in 2022. Who is
10 it now?
11 A It was Rob Sorter in 2020 --
12 Q Oh, sorry.
13 A -- and now it is Bryon Fletcher. And that's B-R-Y-O-N.
14 JUDGE SANDRON: Thank you.
15 Q BY MR. RIMBACH: In row 32, this says wages engineering.
16 What Centerline employees fall under that category?
17 A Well, I can tell you, the vice president of engineering in
18 2020 would have been Steve Carlson.
19 Q Do any of the Centerlines operating companies reimburse,
20 or pay, or responsible for any share of engineering services
21 from Centerline?
22 A The opcos do not reimburse wages for -- for Centerline.
23 Q And what about row 35, wages administration; do you know
24 what that covers?
25 A I'm -- I'm not sure exactly who falls under admi --

1 administration. It may be -- it may be one of the secretaries,
2 but I'm not positive who falls under that. But it's not the
3 accountants. It's somebody else for Centerline Logistics
4 administration.
5 Q And the same question, the same operating companies, they
6 don't reimburse or pay any kind of pro-rata share for those
7 expenses from Centerline?
8 A They do not pay for wages.
9 Q And looking at row 37, wages human resources.
10 A Um-hum.
11 Q Is that Sally Halfon and the two employees that work under
12 her in HR?
13 A Yes. And in 2020, that may -- may have been also Sharon
14 Cunningham.
15 Q And the operating companies don't pay any share. They're
16 not responsible for any human resources services from
17 Centerline?
18 A No, they're not responsible for wages.
19 Q Sorry. And not just wages, but any human resources
20 related services. Operating companies don't pay for those for
21 Centerline?
22 A There's no transactional accounting in the opcos for
23 Centerline Logistics administration.
24 Q And when you say administration, that includes all of the
25 above categories that we just talked about?

1 A Yes.
2 Q Okay. For row 40, wages, sales, and marketing. Who from
3 Centerline is in this category of sales and marketing?
4 A That would be the salesmen, and the salesman managers.
5 I'm not sure at that time who -- who they all were.
6 Q And your same answer applies; the operating companies
7 don't pay any pro-rata share, or contribute, or pay for any of
8 those sales and marketing services of Centerline?
9 A They do not.
10 Q For row 43, wages operations. Do you know what operations
11 employees those are referring to?
12 A For Centerline Logistics, so you know, I don't. If I had
13 my computer in front of me, I could tell, but it's a Centerline
14 Logistics employee.
15 Q And the operating companies don't pay for any of
16 operations services that Centerline provides?
17 A They do not.
18 Q And row 46, wages legal. Do you know who falls under that
19 category?
20 A In 2020, I am not sure who was under that category. Yeah.
21 I -- I don't remember who -- who would have been that salary.
22 Q Again, the operations companies -- the operating companies
23 don't pay for any legal services that Centerline provides? I
24 guess in-house legal services that Centerline might provide.
25 A They do not.

1 Q For row 49, do you know who falls under the information
2 technology category in terms of wages for Centerline?
3 A The manager would have been Steven Miller.
4 Q Do any of the operating companies pay Centerline for
5 information technology services?
6 A For?
7 Q Wages, services, anything related to those costs that
8 Centerline might provide?
9 A For the centralized information technology, no. But there
10 may be computer supplies for the opcos that they pay for
11 themselves.
12 Q For 50 -- row 52, the description is wages facilities,
13 concierge. Do you know who falls under that category for
14 Centerline?
15 A The con -- the facilities is Matt Cunningham (phonetic
16 throughout).
17 Q What does facilities mean?
18 A The -- for this one, Centerline Logistics facility would
19 be for the headquarters in -- in Seattle.
20 Q And so OTB would be the only operating company that
21 utilizes those facilities?
22 A They would be the only one that utilized those facilities,
23 correct.
24 Q Does OTB, like, reimburse, pay, or otherwise responsible
25 for any of those expenses related to facilities and concierge

1 provided by Centerline here?
2 A That that -- that should be allocated. I'm not positive.
3 I -- I didn't look at an entry, but the rent is and the
4 utilities are definitely allocated. Those should be allocated.
5 I'm not positive that they are.
6 Q Now, looking at row 69, payroll processing fees.
7 Scrolling over, it looks like the vendor is ADP. Do
8 Centerlines' operating companies pay Centerline -- or reimburse
9 Centerline, for any of these fees -- the payroll processing
10 fees?
11 A There's no transactional accounting in -- for the opcos
12 for these fees.
13 Q I'm now highlighting row 128. There are various insurance
14 expenses, and it looks like operating companies are listed here
15 in, like, how -- descriptions for some of these insurance
16 costs. So for example, row 128, it says OTB insurance
17 administrative in column F. I'm just scrolling over now to
18 column P. It says, IS HMS. I'm just wondering, is this also a
19 typo then? It would be an intercompany transaction, but IS is
20 supposed to be IC?
21 A Hmm.
22 JUDGE SANDRON: If you can determine that.
23 A Well, it -- can you scroll back to the left for a second,
24 please?
25 Q BY MR. RIMBACH: Just let me know when to stop.

1 A Right there. So it is a journal entry, and it was all
2 made on one journal entry. So that description field is only
3 actually input once on a journal entry. I believe so. I
4 believe that it should say intercompany and not IS. Now, I'm
5 not 100 percent positive because now this is the second time
6 that we've seen it. But we may see some more that we can
7 compare it to, but I'm -- I'm pretty confident it was a typo.
8 Q Do you know what this insurance payment is for?
9 A I'm not positive for this particular insurance payment,
10 but -- can you please scroll to the right again, and hold on
11 one second? So the journal entry number for -- so these are
12 all the same journal entry number 241 -- 24 -- 214999. So if
13 you could simply scroll to the right again? So it is -- we are
14 under company HMS right now, correct?
15 Q Yes.
16 A So this looks like it is a type of insurance allocation,
17 and I am not sure what type of insurance that this may be, but
18 it does look to me like this is actually allocated to the
19 opcos.
20 Q If it's under one journal entry, or general entry, would
21 that mean it's a single insurance policy for -- that covers
22 each of these operating companies listed here in rows 128, you
23 know, down?
24 A It -- it may not be one insurance, but it may be an -- an
25 insurance expense that pertains to coverage that -- and when we

1 get insurance coverage, they will look at every operational
2 facility and that is why it's allocated. I'm not positive that
3 this is only one insurance policy. It probably is, but not
4 positive, because there's multiple insurance policies.
5 Q Are you aware of insurance policies that Centerline has
6 that does cover all of its subsidiaries?
7 A I don't work on the insurance -- on the insurance side.
8 Q Do you know how insurance costs are portioned between the
9 operations -- operating companies?
10 A The -- there is certain coverage. I know that they
11 inspect each facility. So if -- if it's one coverage and it
12 covers each insurance, the cost will go up because you have
13 multiple locations. So that's probably why it's allocated, but
14 I'm not one 100 percent positive on that.
15 Q I'd like to show you row 314, now. The account
16 description in column F is HMFs executive admin salaries. And
17 if you scroll over to the right, it looks like it's an
18 intercompany transaction with Westoil Marine Services. Do you
19 know why that would be the case? Oh, it also says in column J,
20 reclass admin expense, so I don't know if that helps. It's an
21 amount of $25,750, just for the record.
22 A Can you scroll to the left, please? Interesting. Can you
23 scroll -- scroll to the right, please? I do not know, but I
24 will tell you that if it -- if the intercompany is Westoil --
25 if Westoil got charged for something, they got credited out for

1 that, and it is hitting Centerline Logistics because it's a
2 debit to expense account. So Centerline Logistics is bearing
3 the expense for whatever this reclass is. The description does
4 not make sense to me.
5 Q Okay. And looking at row 318, the account description is
6 wages, sales, and marketing, and then scrolling over to the
7 right in column J, it says reclass admin expenses. And
8 scrolling over, it looks like it's an intercompany transaction
9 with Harley Marine, New York. Do you know what this would be?
10 A And this is 2022, or I'm sorry.
11 Q 2020. So this would be January 31st, 2020, is the date
12 for the line item.
13 A I am not positive about that, also. I do know that a
14 regional sales manager was -- was in New York at that time.
15 And even though he was regional, he could do sales elsewhere.
16 I'm not positive about that, so I can't speak to it. But
17 except for the fact that Centerline Logistics is bearing the
18 expense for this, not the opco.
19 Q Sorry. I hope I'm not giving anyone vertigo or anything.
20 Okay. So looking at row 4 -- excuse me, 535, this is another
21 row where -- for column F, it says HMS executive admin
22 salaries. And there's an intercompany transaction with
23 Westoil, again. Row K says, ICP_DEST_TRN_01.
24 A Yep.
25 Q Can you -- do you know what this is?

1 A I don't. And it, but it is the same thing that Centerline
2 is bearing the responsibility for -- for this particular
3 expense, and I'm curious now, so when I get back, I'm actually
4 going to look this up.
5 Q Okay.
6 A But I do trust in my accountants.
7 Q Okay. I'm going to move on to the next GC Exhibit --
8 A Just out of curiosity, did I -- did that go down the whole
9 spreadsheet, or did it end there?
10 Q I -- well, what I did was I sorted by your company --
11 JUDGE SANDRON: All right, well, you don't really --
12 THE WITNESS: Yeah.
13 MR. RIMBACH: Okay.
14 JUDGE SANDRON: Yeah.
15 THE WITNESS: It could --
16 JUDGE SANDRON: You don't go back and forth questions.
17 THE WITNESS: -- it could have been -- it could've been a
18 reclass error for --
19 JUDGE SANDRON: Oh, oh, I see.
20 THE WITNESS: -- for that particular period.
21 JUDGE SANDRON: Oh, okay. Well, if you want to go back
22 and then --
23 THE WITNESS: Yeah.
24 MR. RIMBACH: It's okay. We can find -- yeah.
25 JUDGE SANDRON: No, I mean, if the witness wanted to see

1 it for his answer.
2 MR. RIMBACH: Well --
3 THE WITNESS: I'm okay with it.
4 JUDGE SANDRON: Mr. Hilgenfeld, are you okay with this?
5 MR. HILGENFELD: I -- I think his answer was clear. If
6 Mr. Rimbach wants to provide additional --
7 JUDGE SANDRON: All right.
8 MR. HILGENFELD: -- information, he can. Or if -- if not,
9 I can always ask on redirect if I decide to.
10 MR. RIMBACH: I don't -- I don't mind moving on just
11 because of time, and -- and I -- I was just curious, more than
12 anything, because I just didn't understand that line item.
13 So --
14 Q BY MR. RIMBACH: Now, I'd like to show do you GC Exhibit
15 251, which is Centerlines 2022 general and administrative
16 expenses. We're skipping over 2021.
17 A Okay.
18 Q Just because it's easier to show the Excel files, and I
19 think they're similar enough. Okay. So now, I'm going to
20 highlight rows 25 through 30, which are all sales and marketing
21 line items according to column F. Scrolling over to column P,
22 it looks like there's intercompany transactions with Harley
23 Marine Gulf and Harley Marine New York. Do you know what these
24 are for?
25 A I do not, except for the fact that I know that Centerline

1 is bearing the -- the cost for this, because it's a debit to an
2 expense.
3 Q So this -- can you explain what that means, exactly?
4 A Whenever you have a -- with a -- with the left-hand
5 column, this is the debit. A debit to an expense account means
6 that it's an expense, a credit to the expense account, the next
7 column over, it means it's taking away from the expense.
8 Q So do you know if Harley Marine Gulf is paying these
9 costs?
10 A My guess is that it was originally charged to Harley
11 Marine Gulf, and then it was credited out of Harley Marine Gulf
12 and put into centerline Logistics.
13 Q So it could have been an error?
14 A It could have been an error.
15 Q Okay.
16 JUDGE SANDRON: Do you -- do you believe it was an error?
17 THE WITNESS: I'm -- I'm not sure.
18 JUDGE SANDRON: You're not sure. All right.
19 THE WITNESS: But I do believe -- but I do know for a fact
20 that Centerline -- that this reclass was done because they
21 believe this should be a Centerline Logistics expense.
22 JUDGE SANDRON: Oh, okay. So it was -- then there was
23 some kind of an error in the beginning.
24 THE WITNESS: Yeah. The -- the person could have been
25 coded in the wrong account, or something could have happened

1 on -- on payroll.
2 JUDGE SANDRON: So -- so it was a correction one way or
3 another?
4 THE WITNESS: I believe it's a correction.
5 Q BY MR. RIMBACH: Now, I'd to highlight rows 91 through 96.
6 These are, again, the account description in column F is
7 insurance administrative, and it lists six different operating
8 companies. Do you know what prepaid admin insurance is
9 referring to in column J?
10 A I don't. Typically, a pre -- a prepaid account -- a
11 prepaid accounting follows gap. And typically, what happens in
12 a pre -- prepaid account, if you get one invoice for a service
13 that takes 12 months, you don't put that whole expense into one
14 month. And so say the term runs from June 1st to May 31st, so
15 it spans two years, what you do is you -- you -- you put that
16 expense into a prepaid account, and you -- and you amortize it
17 over 12 months so that you accurately capture the expense in
18 the month that it was incurred.
19 So this could either be a correction or a reclass for
20 insurance. It is a credit to -- to insurance expense. I don't
21 know if that means that -- that it's -- it were -- there was an
22 error somewhere, they corrected it, and put it to the right
23 bucket. I don't know where or what it's for.
24 Q Okay. Can you tell just from looking at these line items
25 whether it was one insurance policy or separate ones?

1 A I -- I cannot. It is -- it looks like it's -- I don't
2 know if it's one journal entry or not, but I still -- even if
3 it's one journal entry, I can't tell if they did a -- a blanket
4 reclass for insurance.
5 Q Okay. Is your answer the same with respect to the year
6 2022 that the operating -- the various operating companies
7 don't pay Centerline for any of its services with respect to
8 those different categories, sales and marketing, executive
9 administration, accounting, HSQE, security, engineering, human
10 resources, operations, and IT?
11 A There is no transactional accounting for the operating
12 companies for those sources.
13 Q Okay. I'd like to refer you to line 239. The account
14 description is professional fees legal, and under -- sorry.
15 MR. HILGENFELD: Don't know who that could be.
16 Q BY MR. RIMBACH: For column J, it's Davis Grimm and Payne
17 (sic throughout), which I believe is the law firm representing
18 the Respondents in the present hearing. Now, scrolling over to
19 the right on line item 239, there's a figure for $2,575.75.
20 And in column S, it says, Leo. Who paid for this legal bill?
21 A This legal bill is paid for by Centerline Logistics.
22 Q Leo did not pay for this?
23 A Leo did not pay for that.
24 Q And line 240 -- excuse me, row 240, it's another bill from
25 Davis Grimm and Payne. Did Westoil Marine services pay for

1 this legal bill or did Centerline?
2 A They did not. Under the securitization, we -- we classify
3 all legal expenses as the manager of under Centerline
4 Logistics.
5 A So Centerline would have paid for all these legal
6 expenses?
7 Q Yes.
8 A Okay. And that's true for a law firm representing the
9 Respondents -- or the different operating companies for labor
10 relations matters?
11 Q Any -- I don't want to say 100 percent all the invoices.
12 I -- I haven't looked, but I'm pretty confident that all of the
13 legal invoices should be coded under Centerline Logistics
14 because of the securitization and the management agreement.
15 So --
16 Q Now, I'd like to show you row 242, which is another
17 professional fees legal from Davis Grimm and Payne. And this
18 one is noted as, for HMF in column S. So did Centerline pay
19 for this legal bill, as well?
20 A If it was -- I -- I don't know, and I'm -- I'm not going
21 to ask Chris what this was for. But -- but if it -- if
22 there's -- if there's expenses that are related to the
23 securitization, the legal expenses should be under the
24 securitization. I don't know if the label on -- on that for
25 HMF is because it's legal services for Centerline Logistics

1 to -- for on their side that deals Harley Marine Financing.
2 But that's the same thing. This -- unless this was credited
3 out and reclassed, which I do not know if it was, then this was
4 paid by Centerline Logistics.
5 Q And looking at row 243, this is another professionals
6 fee -- professional fees legal from Davis Grimm and Payne. Do
7 you know what general means in column S?
8 A I do not. It really, you know, those -- those
9 descriptions really depend on the accounts payable spec --
10 specialists that is inputting these invoices. And sometimes
11 they will just take a keyword off there.
12 Q Thank you.
13 A You're welcome.
14 Q I'd like to now show you GC Exhibit 256. I'm -- I'm just
15 showing you Westoil Marine Services 2021 revenue ledger as a
16 representative example. There's a 2020 ledger, and a 2022
17 ledger, as well.
18 A Okay. So this is 2021?
19 Q Yes.
20 A Okay.
21 Q I'm highlighting column F -- and let me try to expand this
22 so we can see what's in this text. I believe your testimony
23 was that bunkering jobs are classified as bunkering jobs in the
24 account description for this column?
25 MR. HILGENFELD: Objection. Mischaracterizes testimony.

1 Q BY MR. RIMBACH: I can ask how are bunkering jobs
2 classified in column F?
3 A When you -- when you say how are they classified can you
4 be more specific, please?
5 Q Or how are they denoted here; is there a specific account
6 number, segment number?
7 A Yes. So if you -- if you go to column C?
8 Q Yes.
9 A In Column C, the last four digits represent -- well, the
10 four represents that it's revenue. The one represents that
11 it's chartering revenue. Two represents that it is spot
12 bunkering work, and four six represents that it is spot
13 terminal work.
14 Q Okay. So in row 11, the account number ends in 46. Well,
15 it starts with four six. So that would be spot terminal work?
16 A Yes.
17 Q Okay. And it says terminal transport. Is that a
18 terminal-to-terminal transport?
19 A So under spot terminal tran -- terminal transport would
20 mean that it is either terminal to terminal, or lightering,
21 which is shipped to terminal.
22 Q And I'm highlighting row 6. The account description is a
23 Aegean charter hire, Dale Frank Jr. What does that mean,
24 exactly, if you know?
25 A Because it's under charter hire, it means that in the time

1 charter contract, there is a daily rate that Aegean pays for
2 the use of a tug and a barge, and they could perform terminal
3 services, bunkering services, lightering jobs, or debunkering
4 jobs.
5 Q Okay. And scrolling to the right, the revenue listed here
6 as credits. That revenue isn't listed in any other ledger for
7 Centerline or any of its other subsidiaries?
8 A No. This -- this is only recorded in West -- any revenue
9 is only recorded in the opco that they worked for.
10 Q Okay. Now, I'm going to skip over to Westoil Marine
11 Service's direct costs ledger --
12 A Okay.
13 Q -- for 2021.
14 A Okay.
15 JUDGE SANDRON: Which exhibit is that?
16 MR. RIMBACH: I'm sorry, it's GC Exhibit 259.
17 Q BY MR. RIMBACH: I'm highlighting row 1,226. The account
18 description is shop wages under column F. Scrolling over, it
19 looks like there is an intercompany transaction with Harley
20 Marine Services, which is Centerline. Can you -- do you know
21 what this transaction means?
22 A This -- can you scroll back over to the right, please?
23 This is -- this is allocating a portion of the shop to Westoil
24 Marine Services operating company. And I'm sorry, are we in
25 year 2021 or 2022?

1 Q 2021.
2 A What month?
3 Q It is September 30th, 2021.
4 A So that would be allocated between Western Marine services
5 and Leo Marine Services.
6 Q And this would be the shop that's located at LA301, that
7 berth?
8 A Yes.
9 Q And this ledger for direct costs, it wouldn't show any
10 intercompany transactions between Westoil and Centerline for
11 any of those services that Centerline provides again, like HR,
12 accounting, et cetera?
13 A It would not.
14 Q And I did a search for dispatch. It doesn't look like
15 there are any dispatch wages or line items in this ledger. Do
16 you know why that is?
17 A For 5100?
18 Q I'm sorry. Just for the -- the Westoil Marine Services
19 direct cost --
20 A Oh, sorry.
21 Q -- ledger.
22 A Can you scroll down, please? I'm sorry. Can you -- I'm
23 sorry, can you --
24 Q This -- just for the record, this spreadsheet has 1,738
25 rows, so --

1 A Oh, okay.
2 Q -- I don't know if there's anywhere you -- I can be
3 directed to show you, or -- but --
4 A I'm not -- I'm not sure why. Op -- any op -- it's --
5 it -- well, this is -- this is -- I'm sorry, what is the range
6 on this one; is this direct costs?
7 Q Yes. Direct costs.
8 A So direct costs is related to crew vessels. So -- so this
9 is -- this would only have wages for crew members.
10 Q So dispatch wouldn't be included in this?
11 A They would not.
12 Q Do you know how the shop wages are allocated between
13 Westoil Marine and Leo Marine?
14 A I -- I testified before, it's by -- I -- I believe it's by
15 vessel count. And if it weren't by vessel count, it would be
16 by head count. It's the -- it -- what we try to do is a fair
17 representation of what are the -- of the allocation is. And I
18 don't -- I don't specifically look at those allocations, but
19 they try to, in fairness, to allocate those as best to their
20 ability. And I know I've said it before, but we are audited.
21 Q I'd like to show you GC Exhibit 262, which is Westoil
22 Marine Services general and admin expenses leger for the year
23 2021.
24 A Okay.
25 Q I'm highlighting row 118, engineering salaries, and

1 scrolling over, column J says admin variants reclass. And then
2 March 2021, it looks like -- it looks like there's an
3 intercompany transfer, or intercompany transaction. And in
4 column P, I believe SMSI is Starlite Marine Services; is that
5 right?
6 A Okay. Let's -- let's -- let's back up on this one,
7 because this is at a transitional period between -- so we,
8 right now, are Westoil Marine Services.
9 Q Yes.
10 A And in its engineering salaries, and the general entry is
11 coming from Starlite Marine Services. I am not -- am not
12 positive what this would be for. I -- I would say that I trust
13 in my accountants that they're putting the correct salary into
14 the opco where it belongs.
15 Q Okay. There are a couple of other line items that look
16 similar. So on row 123, it says operations admin salaries.
17 And you scroll to the right, it says MMI admin reclass. And
18 then in column P, it says, IC, and then Starlite Marine
19 Services, again.
20 A Um-hum.
21 Q So could that just be an error then again?
22 A It's prob -- it's probably going to be a reclass, but we
23 also went through some name changes too, at this point. So
24 they -- they may have been correcting, or they're in error.
25 And that's my guess, is that they were. You'll notice that

1 some of these are debits and some of these are credits. So
2 they're charging the right company and taking away charges that
3 should not -- they -- they're charging the right company where
4 they're supposed to and taking away charges where they're not
5 supposed to.
6 Q And this ledger also doesn't have any intercompany
7 transactions for the Centerline services that are provided,
8 like HR, operations, IT, et cetera. But also, I don't believe
9 this has dispatch, either. So do you know why that would be?
10 A It -- it would probably be under operations.
11 Q Oh, okay. Okay. So for example, in row 114, operations
12 admin salaries, dispatch would fall under that?
13 A It probably would. I'm not 100 percent positive.
14 Q Do you know if the dispatchers -- the salaries for the
15 dispatchers, or expenses for the dispatchers are allocated
16 between Westoil and Leo Marine Services?
17 Q They -- they should be designated to their own companies.
18 I'm not positive about that. I don't know exactly the
19 structure. But if -- if -- if they're -- if they're employees
20 and they only do work for Westoil, it will go to Westoil. And
21 if they -- if it's for Leo Marine Services, it should go to Leo
22 Marine Services.
23 Q And if they're -- if they share dispatchers that are
24 employed by Centerline, would those be allocated between --
25 A They --

1 Q -- the two companies?
2 A -- they should be allocated.
3 JUDGE SANDRON: Do you know if they are, though?
4 THE WITNESS: With 100 percent certainty, I can't by
5 looking at -- at these --
6 JUDGE SANDRON: Okay.
7 THE WITNESS: -- transactions. If I were at my desk --
8 JUDGE SANDRON: That's fine.
9 THE WITNESS: -- I could.
10 JUDGE SANDRON: It's whatever you have before you.
11 THE WITNESS: Yep.
12 Q BY MR. RIMBACH: And just to save time, I'm not going to
13 show you the 2020 and 2022 ledgers, but your same answer would
14 apply to those years with respect to there being no
15 intercompany transactions between Westoil and Centerline for
16 any Centerline's --
17 MR. HILGENFELD: We've gone through this. He said all the
18 opcos were the same thing. We've had this question a dozen
19 times. It's not in dispute.
20 MR. RIMBACH: Okay. I can move on.
21 JUDGE SANDRON: All right.
22 MR. RIMBACH: It's fine. With that stipulation, I'll skip
23 over -- let's see, Olympic Tug & Barge's direct costs letters.
24 JUDGE SANDRON: All right.
25 MR. HILGENFELD: I would note for the record, it's not a

1 stipulation. It's been asked and answered. It's not the same.
2 JUDGE SANDRON: There's no dispute over that, though,
3 correct?
4 MR. RIMBACH: There's no dispute as to how Mr. Parry
5 testified.
6 JUDGE SANDRON: All right. It's getting close to 4, so
7 just --
8 MR. RIMBACH: I'm going to try to barrel through, Your
9 Honor.
10 Okay. Let's see.
11 Q BY MR. RIMBACH: I'm displaying GC Exhibit 274, which is
12 Olympic Tug & Barge's 2021 general and administrative expenses
13 ledger? Now, highlighting row 123, it says wages, operations.
14 And then it looks like it's an intercompany transaction with
15 PTS, Pacific Terminal Services. Do you know what this
16 transaction is for?
17 A I do, actually.
18 Q Okay.
19 A There was an OTB employee that was being paid through OTB,
20 and he was transferred to PTSI and they didn't do it internally
21 in ADP. So they reclassed it out of Olympic Tug & Barge into
22 PTSI, which is another operating company in Oregon.
23 Q And Centerline's accounting staff would have done that
24 reclassification?
25 A Yes. I can -- can you scroll left? Yes, that's a general

1 journal entry. And if you scroll right, I don't know why
2 there's not a label on it, but -- can you scroll left again,
3 please? I'm sorry. It is a general journal. Somebody just
4 didn't put the details in the description field.
5 Q Okay. I'm going to skip over Olympic Tug & Barge's
6 general and administrative expenses ledgers. Oh, excuse me.
7 The one for 2022, I mean. Okay. I'm going to show you GC
8 Exhibit 278, which is Leo Marine Service's 2021 revenue ledger?
9 I believe at the top, it's actually -- the company is as SMS,
10 but my understanding is that that's the same as Leo Marine
11 Services; is that right?
12 A And this is in -- well, on this particular spreadsheet, it
13 would have been Starlite Marine Services through February of
14 2021, and then Leo Marine Services after that.
15 Q So the same ledger was used for Starlight Marine Services,
16 and then LEO Marine Services?
17 A The same -- it's the same company number. They -- Leo
18 Marine Services used the tax ID from Starlight Marine Services.
19 You will note, though -- can you scroll down a little bit for
20 me, please?
21 Q Sure. There's over 2,000 rows here.
22 A Oh, I'm sorry.
23 Q Just let me know what row.
24 A Then never mind. All right.
25 Q Okay.

1 A I was -- I was curious.
2 Q Okay.
3 A 07, this is Starlight Marine Services.
4 Q So looking at row 6, Phillips 66 was serviced by Starlight
5 Marine Services at the time, in Jan -- on January 1st, 2021?
6 A Yes, that's in San Francisco.
7 Q In row 7, what is the security surcharge?
8 A So this is -- so it's a 44 account. I didn't bring up 44
9 accounts before, because it's not a -- it -- it actually rolls
10 into the 41 series account. When you do a ship assist, you can
11 charge for a couple different things. Depending on where you
12 are when you're doing a ship assist, you can charge a security
13 surcharge. On our financials, even though it's a 44 number, it
14 rolls up into the -- the ship assist -- the ship assist revenue
15 number. So for example, barge escort is -- it is 40.
16 Q Okay.
17 A It -- It'll roll into that account, so you can see ship
18 assist and escorts under one line item on a -- on a profit loss
19 statement.
20 Q Is tanker assist listed here in row 8, is that the same as
21 a ship assist?
22 A It is. It just designates that it's a larger one, and you
23 can get paid more for those. So we -- we change -- we try to
24 designate the coding on that.
25 Q Okay. And so row 11, where it says vessel ship assist,

1 those are smaller vessels or ships?
2 A Common ship assists, yes.
3 Q Okay. And I'm sorry, I think you just described what a
4 barge escort is, but can you explain that?
5 A Sure. On a ship assist, you have the third -- you --
6 there's a tug -- there's a ship, and on a ship assist you
7 actually can touch the vessel. On an escort, all you're doing
8 is you're in front of the vessel and you're escorting it
9 through a harbor.
10 Q So kind of clearing the path?
11 A It's for -- it -- it's required if you have certain amount
12 of cargo on board for safety reasons.
13 Q I'd like to show you GC Exhibit 283, which is Leo Marine
14 Services 2022 general and administrative expenses. So this
15 year would be all of Leo Marine services; is that correct?
16 Even though it says company SMS?
17 A I'm sorry. I -- I -- I didn't see the dates or hear the
18 dates. Yes. This would all be Leo Marine Services.
19 Q Scrolling to row 19, the account description is admin
20 wages L.A. In column F, and scrolling over it looks like
21 there's a intercompany transaction with Centerline. Do you
22 know why that is?
23 A Not 100 percent, but very sure. That means that when
24 payroll did their entry, they coded it wrong, and -- and they
25 moved it over with the journal entry to the correct operating

1 company.
2 Q Okay. And would that same thing be true for row 22, HSE
3 wages, which I'm assuming is health, safety, and environment?
4 Scrolling over --
5 A Yeah. I would -- I would say yes, that is the same thing.
6 Q And just a couple of more. Row 27, would that be the same
7 for dispatch wages L.A.? Scrolling over it says, it's a
8 intercompany transaction with Centerline.
9 A Correct.
10 Q Okay. And then for row 36, it says purchasing wages L.A.
11 And again, that's an intercompany transaction with Centerline.
12 So that was likely a mistake and it was reclassified?
13 A That's my understanding.
14 Q Is purchasing, is that the same thing as accounting staff?
15 A Yes. It is.
16 Q Or would it fall under --
17 A It -- it is. It may be classified differently there, but
18 purchasing provides support to accounting.
19 Q So Leo Marine services wouldn't have its own purchasing
20 staff. That that would be Centerline's purchasing staff?
21 A Well, no. There -- when you -- so when you purchase items
22 through Coupa, whom -- whomever's in the -- in the opco would
23 order those through the purchasing system. So if you have
24 purchasing wages, you may have a -- you may have a -- a
25 purchasing personnel. I don't know who that would have been

1 in -- in last year.
2 Q Okay. I'm going to give you a break from the ledgers. So
3 okay. Let's see. I believe on direct you testified that HR
4 looks at the job description supplied by the operating
5 companies?
6 A So yeah, I do -- I do believe that they do look at the job
7 descriptions. I do know that they work closely with somebody
8 that's hiring and they may work together to figure out an
9 accurate job description. Sometimes job descriptions change,
10 but I -- I believe they do provide that as support.
11 Q At headquarters in Seattle, do you know how rent and
12 utilities -- are they apportioned between Centerline and
13 Olympic Tug & Barge?
14 A Yeah. So the -- so the facility we had talked about, it's
15 four stories, and most of the third floor is operations. When
16 the facility was built in 2015, it is -- it's exactly the same
17 setup that it was then. Floor 2 is vacant. There is a moorage
18 spot that -- where the -- where the vessels moor. There is a
19 shop -- a pretty large shop building.
20 JUDGE SANDRON: Okay. Excuse me. I think you already
21 testified about it --
22 MR. HILGENFELD: He's testified about this this.
23 JUDGE SANDRON: -- that on direct, and we don't want to,
24 at this point in the day, repeat -- you know --
25 THE WITNESS: Yeah.

1 JUDGE SANDRON: -- you already put it on the record.
2 MR. RIMBACH: Okay. Sorry. I actually just had a follow
3 up question.
4 JUDGE SANDRON: Okay.
5 Q BY MR. RIMBACH: Who decided how rent and utilities are
6 apportioned?
7 A I don't know who, but that was 2015, and it -- and it's
8 the same set up. The rent amounts change, but the allocation
9 portion does not. That probably would have been decided at the
10 time by either the controller or the CFO. And you know, those
11 are reviewed. But it's -- it's the same allocation, because
12 nothing has changed at that facility in -- in eight years.
13 Q And it would be the controller or CFO of Centerline at the
14 time??
15 A Yeah, at the time, yes. It would have been the controller
16 of Centerline, yes.
17 Q I believe that you testified that Sven Titland sometimes
18 seeks guidance from HR. Do you know what he sought guidance
19 for?
20 A So Sven's in charge of OTB. He's got a large fleet. He
21 has probably more disciplinary responsibilities than most.
22 There are times when he has disciplinary issues that he
23 terminates without even letting -- letting HR know until he
24 requests a termination letter. He hires --
25 JUDGE SANDRON: All right. I think just go, you know,

1 limit your answers to the question.
2 MR. RIMBACH: Yeah.
3 JUDGE SANDRON: -- that would, I think, make things go
4 more --
5 Q BY MR. RIMBACH: Yeah. My question was just what has he
6 sought guidance for? I believe your testimony was that he
7 sought guidance from HR?
8 A He -- he will seek guidance if he has a disciplinary
9 issue, or he wants a third witness, too, when he interviews
10 somebody for an issue. So he'll come to human resources for --
11 for some guidance. Ultimately, he makes his own decisions.
12 Q But HR can provide input?
13 A Well, we -- there are times that even I -- I'm not sure
14 what to do. And I could -- I could contact outside legal --
15 legal counsel. The decision, ultimately, rests with Sven
16 Titland for his staff as to whom he's going to hire and fire.
17 Q I guess my question was, but HR has provided input?
18 A Well, when you -- can you define input?
19 Q For like, recommendations, advice to Sven Titland?
20 A He may want clarification.
21 MR. HILGENFELD: I would object. Sorry, Stephen, I would
22 object. That's compound. Advice is different than
23 recommendations.
24 JUDGE SANDRON: Well, why don't we just ask him. Can you
25 recall on what kind of matters he's asked for input from HR?

1 What situations that have arisen where he has wanted that
2 advice or input?
3 THE WITNESS: Yes, I can. I can.
4 JUDGE SANDRON: Go ahead.
5 THE WITNESS: So he has full time -- he has full time
6 dispatchers for OTB and they're paid salary. However, they're
7 short. They get -- they're short staffed, because they're --
8 the labor pool is tight. And so -- but he needs all -- he
9 needs coverage on dispatch. So their policy is that they're
10 paid salary. So he came to me and said, I want to change their
11 pay, and I want to create a policy where I can give them
12 supplemental pay. And so he wrote it out what he wanted to do.
13 And I sought legal counsel to make sure that we were following
14 Federal guidelines in -- for -- for pay, because they're
15 salaried wages, but they would be paid extra at an hourly rate.
16 That's an example.
17 Q BY MR. RIMBACH: And who paid for that legal counsel?
18 A That legal counsel was paid for by a Centerline Logistics.
19 Q Okay. Can you think of any other examples off the top of
20 your head?
21 A That's probably the best example that I have.
22 JUDGE SANDRON: Did he ever -- do you recall any specific
23 situation involving discipline or termination?
24 THE WITNESS: With Sven Titland?
25 JUDGE SANDRON: Yeah. With him.

1 THE WITNESS: Most of his discipline is routine, and he
2 handles it himself. But if it becomes if -- it -- if it's --
3 if it's serious in nature, he will come to HR, and we'll get on
4 the phone together with legal counsel.
5 JUDGE SANDRON: And -- and the purpose of that is to --
6 MR. HILGENFELD: Your Honor, I would object to the --
7 JUDGE SANDRON: Well --
8 MR. HILGENFELD: -- we're getting in the conversation
9 involving --
10 JUDGE SANDRON: Well, we're not getting into the substance
11 of the conversation, but it -- is that purpose -- well, I think
12 it's probably self-explanatory. Do you -- do you check with HR
13 and legal advice to make sure it's compliance with -- with the
14 law?
15 THE WITNESS: Yes. Exactly.
16 Q BY MR. RIMBACH: Do you have Respondent's Exhibit 159 in
17 front of you? It's the anti-discrimination and harassment
18 policy that --
19 A 159?
20 Q -- yes, that was introduced. Respondent's Exhibit 159.
21 A I'm sure you have it in here somewhere.
22 (Counsel confer)
23 Q BY MR. RIMBACH: Oh, sure.
24 A Yeah, I have it.
25 Q If you look at paragraph 2, it refers to the work

1 environment is not limited to the company or its subsidiaries
2 premises. Is there an understanding that this policy covers
3 subsidiaries premises, as well?
4 A And that's in paragraph 2?
5 Q Yes. The second sentence.
6 A This is a -- this is a Centerline policy on Centerline
7 Logistics letterhead. I am -- so I'm sorry. So can you ask
8 your question? It says subsidiaries premises. So I'm sorry,
9 so what exactly was your question on that?
10 Q Does this policy cover activity on subsidiaries premises?
11 MR. HILGENFELD: Objection to this. The document speaks
12 for itself.
13 JUDGE SANDRON: Well, we can --
14 MR. RIMBACH: I'm asking what his understanding is.
15 JUDGE SANDRON: -- okay, but I -- I believe his testimony
16 was the operating companies don't necessarily have to abide by
17 this policy and that the unionized companies are, you know,
18 don't -- they have the policies according to the Collective
19 Bargaining Agreements. Is that -- is that your testimony?
20 THE WITNESS: That is correct.
21 JUDGE SANDRON: All right.
22 Q BY MR. RIMBACH: And my question is, does this apply to
23 the subsidiaries premises as its stated here?
24 A Yeah.
25 MR. HILGENFELD: I'm going to object.

1 MR. RIMBACH: Well --
2 MR. HILGENFELD: This was asked and answered. He said
3 Centerline. By saying a premises, when you have LA301, he said
4 Centerline employees at LA301 this applied to. And in fact,
5 Counsel, in voir dire, asked this question.
6 MR. RIMBACH: Not that same question, Your Honor.
7 JUDGE SANDRON: Well, I -- but I believe he did testify
8 that its -- well, I think --
9 MR. RIMBACH: He said, yeah, so I can move on.
10 JUDGE SANDRON: Well, you don't have to.
11 MR. RIMBACH: It's fine.
12 JUDGE SANDRON: But I think he -- he testified on -- on
13 direct, you know, where that policy is in effect, and where it
14 isn't.
15 MR. RIMBACH: And I was --
16 JUDGE SANDRON: Yes. Well, if you --
17 MR. RIMBACH: -- I won't to ask again, Your Honor. I -- I
18 asked the question. I mean, he responded, so I'll move on,
19 Your Honor. Thank you.
20 JUDGE SANDRON: If you feel strongly about a question,
21 you -- you can pursue it.
22 Q BY MR. RIMBACH: I believe there was an interruption, but
23 your response was, yes, it does apply to the subsidiary's
24 premises, correct?
25 A It was.

1 Q Thank you. I don't think I need to show you the Exhibit,
2 but there is a policy for the fitness center at headquarters?
3 A Yes.
4 Q Do Centerline employees have to pay for that fitness
5 center?
6 A No. They don't.
7 Q Do Olympic Tug & Barge employees have to pay to use that
8 fitness center?
9 A Nobody pays to use that -- that fitness center. But
10 it's -- no, it's -- that fitness is not paid for.
11 Q But if an employee of Centerline or OTB uses it, they're
12 required to sign that policy?
13 A Yeah, I believe that Centerline was for -- that policy is
14 for Centerline. It was adopted by OTB. Nobody is supposed to
15 use that facility unless they have executed that -- that
16 agreement. It's for safety reasons is what it comes down to.
17 Q I believe you testified that you or HR will contact a
18 person's manager at an operating company if they have an -- if
19 they have a complaint they brought to HR, and that guidance is
20 sometimes provided. Do you recall that?
21 A I don't, but --
22 Q Okay.
23 JUDGE SANDRON: Well, you can just --
24 Q BY MR. RIMBACH: Well, what kind of guidance is sometimes
25 provided?

1 A So if -- if a manager -- if a manager -- same thing with
2 Sven Titland that -- that we would have. We want the managers
3 to make their decisions on hiring and firing. So you know, if
4 human resources provides support -- if there's somebody that
5 applies for -- for a job, and there's something that comes in
6 on their background check, we have to talk to that manager and
7 explain to them what they have on the background check and they
8 determine whether to hire or fire them.
9 JUDGE SANDRON: So HR does the background check, and then
10 leaves it up to the manager if there may be an issue?
11 THE WITNESS: Yeah. We provide the administrative support
12 for --
13 Q BY MR. RIMBACH: Is there -- is there ever an instance
14 where a background check reveals that an employee should not be
15 hired according to Centerline?
16 A There is.
17 Q And Centerline relays that information to the operating
18 company?
19 A They -- they will -- they will to that operating --
20 JUDGE SANDRON: And I think it's probably self-
21 explanatory, but then the applicant is not hired?
22 THE WITNESS: Correct.
23 Q BY MR. RIMBACH: You mentioned a program called Concur to
24 book flights that is used by the opcos; is that right?
25 A That is correct.

1 Q Is there someone from Centerline who assists opcos with
2 booking flights?
3 A So there's -- let's see, there are the highest travel
4 companies for crew travel is Harley Marine New York, because we
5 work up and down the East Coast, and Olympic Tug & Barge,
6 because we work in Hawaii and Alaska. The opcos in Los
7 Angeles, they're almost all local. So there is a travel person
8 in New York for -- that -- that is Harley Marine New York
9 operations. And there is a travel coordinator in Olympic Tug &
10 Barge that is paid by Olympic Tug & Barge operations. They
11 actually go in; they book the flights for -- through Concur.
12 The -- any -- any costs that are associated to the operating
13 crew members is allocated to those -- to those crew members for
14 costs, if -- if there are any.
15 Q And if an employee in Los Angeles who works for Leo Marine
16 or Westoil Marine, if they need to book a flight or travel, who
17 would they go to?
18 A I don't know.
19 Q Or does that just never happen?
20 A I don't know. That's a good question. I'm -- I'm not
21 sure.
22 Q Okay. Do you have access to Harley Marine financings bank
23 accounts?
24 A Do I personally?
25 MR. HILGENFELD: Objection. Vague.

1 JUDGE SANDRON: I don't think they have -- I don't believe
2 they have a --
3 MR. RIMBACH: They do have bank accounts, Your Honor.
4 JUDGE SANDRON: Oh, they do.
5 MR. HILGENFELD: But I think it's vague as to what -- what
6 it means to have access.
7 MR. RIMBACH: Well, can -- are you able to answer?
8 MR. HILGENFELD: Well, it's vague. There's a number of
9 ways. Access could be reviewing balance sheets. Access could
10 be actually going in and drawing money. Access could be
11 writing checks. It's a vague question.
12 MR. RIMBACH: I can follow up.
13 Q BY MR. RIMBACH: Do you have any level of access to Harley
14 Marine Financing's bank accounts?
15 A I have access to Centerline -- I -- I have the ability to
16 approve ACHs and wire transfers. I don't know if I -- I have
17 the ability to do -- to approve internal book transfers between
18 companies. My controller does. My finance manager does, and
19 the CFO does. And then we'd have a staff accountant who has
20 limited access to be able to view reports, but not to -- to
21 approve transactions, or create.
22 Q And when you say internal book transfers, that's between
23 Centerline and its subsidiaries?
24 A No, it would -- it would be between -- there could be
25 transfers between different accounts that are in there, but

1 none of them are subsidiary accounts. See the securitization
2 accounts are Centerline Logistics accounts.
3 Q Okay. And I'm sorry. I just want to be clear. So you
4 have access to performing those actions with respect to both
5 Harley Marine Financing and Centerline?
6 A I don't know if I can record a wire transfer for Harley
7 Marine Financing because I've never done it. My -- my role is
8 to approve wire transfers and ACHs. I don't know if I can
9 actually create one.
10 Q So approving ACHs and wire transfers for both HMF and
11 Centerline, then?
12 A I can definitely do book transfers for -- for HMF. No, I
13 don't think I've ever approved an -- I -- I don't think we have
14 the ability in HMF. I -- I believe those transfers are done by
15 securitization agents. I'm not positive about that.
16 Centerline logistics I can.
17 JUDGE SANDRON: Do you have a lot more?
18 MR. RIMBACH: I don't, Your Honor.
19 JUDGE SANDRON: Because we have to give Mr. Hilgenfeld a
20 chance --
21 MR. RIMBACH: Yes.
22 JUDGE SANDRON: -- and also if Ms. Villalpando --
23 Villalpando has any questions.
24 Q BY MR. RIMBACH: Who pays for the Moss Adam's audit?
25 MR. HILGENFELD: Objection, to multiple audits.

1 MR. RIMBACH: The annual audit.
2 MR. HILGENFELD: Objection. There's multiple audits.
3 Q BY MR. RIMBACH: Who pays for each audit --
4 JUDGE SANDRON: Of an operating company?
5 MR. RIMBACH: Well, so I'll --
6 MR. HILGENFELD: I think there's two audits as to
7 testimony. There's a Centerline Consolidated audit --
8 JUDGE SANDRON: Right. Right.
9 MR. HILGENFELD: -- and there's an HMF audit.
10 MR. RIMBACH: Okay.
11 Q BY MR. RIMBACH: So who pays for the Centerline
12 Consolidated audit?
13 A That's a loaded question, too, but I'm going to explain it
14 in -- explain it well. So Moss Adams audits center Centerline
15 Logistics Consolidated, and they audit Harley Marine Financing
16 separately. They also audit our joint venture, which is a
17 subsidiary of one of our companies. So when they audit the
18 subsidiary of our -- subsidiary joint venture company, we pay
19 for our portion. Our joint venture partner pays for the other
20 portion. When they audit Centerline Logistics, Centerline
21 Logistics pays for that audit. When they audit HMF, they are
22 doing so as Centerline's relationship as the manager to the
23 securitization audit, and I'm not sure who pays for that.
24 Q Do you have Respondent's Exhibit 71 in front of you still?
25 MR. HILGENFELD: Mr. Rimbach, which one is 71?

1 MR. RIMBACH: Oh. Respondents Exhibit 71, I believe,
2 is --
3 MR. HILGENFELD: What is it?
4 MR. RIMBACH: Oh, it might be GC Exhibit 71. Let me see.
5 Make sure -- I might be referring to the wrong document. Let
6 me double check.
7 THE WITNESS: Is it 171? I have 171.
8 (Counsel confer)
9 MR. HILGENFELD: It looks like it's GC-171, Stephen.
10 MR. RIMBACH: Oh, GC-171?
11 MS. YASSERI: No, no. It's Respondent's 71.
12 MR. HILGENFELD: This is 171.
13 MR. RIMBACH: I was trying to show him Respondent's
14 Exhibit 71, which I believe you showed him?
15 JUDGE SANDRON: 71 or --
16 MR. RIMBACH: But I'm not sure.
17 THE WITNESS: 71 is the HMF letter; the bank letter.
18 MR. RIMBACH: Yes.
19 MS. YASSERI: Yeah.
20 JUDGE SANDRON: Okay.
21 MR. RIMBACH: Oh, I have it. Okay.
22 THE WITNESS: I don't have it.
23 MR. RIMBACH: Oh.
24 THE WITNESS: But --
25 MR. RIMBACH: I can display it on my screen. Or on the TV

1 screen.
2 Q BY MR. RIMBACH: Do you know if this letter is still being
3 used today?
4 A What -- what -- do we know the date on this letter?
5 Q It's undated.
6 A Okay. Because she will update these letters every so
7 often, depending. So no, I don't know if it's still being
8 used.
9 Q Okay. And I believe you mentioned that -- you said that
10 there's a problem that a lot of people at Centerline will use
11 the headquarters address for HMF. Can you explain that?
12 A It has happened. The legal address for Harley Marine
13 Financing is a PO box.
14 Q But Centerline employees will use the headquarters
15 address --
16 A Well --
17 Q -- for HMF?
18 A -- most people -- most -- most people besides accounting
19 don't -- don't even know what Harley Marine Financing is,
20 because they don't understand it. But there -- there may have
21 been times where, inadvertently, the address of 910
22 Southwest -- Southwest Spokane Street may have been used for
23 Harley Marine Financing.
24 Q With respect to the PO box for Harley Marine Financing,
25 who picks up the mail for that PO box?

1 A You know, I don't know. We do have a -- an administrative
2 staff that does drop off mail every day that people drop in the
3 mailbox. You know, I don't know who picks up that mail.
4 Q It'd be Centerline administrative staff, though?
5 A I don't know.
6 Q Okay. I apologize if I've asked you this. It's been a
7 long day, but for expenses like maintenance or repair expenses
8 under $10,000, the operating company pays those expenses?
9 A That's correct.
10 Q And they are not reimbursed by Harley Marine Financing or
11 Centerline for those expenses?
12 A They are not. They're -- they're the responsibility of
13 the opco.
14 Q And is that a policy, or why -- why aren't those operating
15 companies reimbursed for those expenses?
16 A Quite simply, on an income statement, you have revenue,
17 you have direct expenses. An income statement -- our repair
18 and maintenance falls under direct costs. So any expenses that
19 are associated with the revenue are the responsibility of the
20 opco, and anything under $10,000 on a repair is -- is -- is --
21 is considered repairs and maintenance under direct expense.
22 Q Do you know who made that decision that costs under
23 $10,000 --
24 JUDGE SANDRON: Well, I'm not sure it makes any
25 difference.

1 MR. RIMBACH: Okay.
2 JUDGE SANDRON: You know, if that's the policy, it's the
3 policy.
4 MR. HILGENFELD: It's a gap accounting standard. It's
5 capital expenses.
6 THE WITNESS: It -- it's mentioned in our audit --
7 MR. RIMBACH: Okay.
8 THE WITNESS: -- our audit statements for what's capital
9 expenditure and what's not.
10 Q BY MR. RIMBACH: And my understanding is that different
11 operating companies can use -- like a tugboat, for example,
12 like Westoil and Leo Marine may use the same equipment at
13 times; is that right?
14 A That is correct.
15 Q Who pays for those maintenance and repair expenses then if
16 it's multiple operating companies using the same equipment?
17 A So you know, if let's say, for example, Westoil tug
18 service has one tug, and their goes down, and it needs repair,
19 and it's out for three days. They -- they will bareboat
20 charter in another piece of equipment, and they will put their
21 own crew on board. So they're paying for the crew that is on
22 board, and then it will be bare boated back out three days
23 later when they're done. So the hope is that there's no repair
24 and maintenance done during those three days that the boat
25 would occur.

1 Frankly, if the boat got damaged, they would bareboat it
2 right back to Leo Marine Services, and figure out where the
3 expenses go. I've never seen it happen where there's been
4 repair -- been a repair for that.
5 Q Okay. You mentioned that there was a change in invoice
6 practices at some point with respect to invoices being
7 generated for all intercompany transactions; is that right?
8 A In 2022, for intercompany -- for some intercompany
9 transactions, we would generate an invoice to the -- from one
10 opco to another, and the opco would book that payable from one
11 opco to another.
12 Q Why -- what prompted that change?
13 A I think at the time I testified, I -- I was unsure, and I
14 believe it may have been under -- that -- that auditors may
15 have suggested that we do. I'm not positive about that,
16 though.
17 Q Do you remember when in 2022 that change occurred?
18 A It was in 2022.
19 Q Okay.
20 A I'm sorry. It's been a couple of years. So it's 2021, I
21 believe.
22 JUDGE SANDRON: Okay. It's 4:30. So I don't know how
23 much more you have on --
24 MR. RIMBACH: I don't think I have that much more. But --
25 JUDGE SANDRON: Well, like I was saying, 5:00 is the --

1 the deadline, so if you can't finish, you know, we still have
2 to give Mr. Hilgenfeld an opportunity for any redirect.
3 MR. HILGENFELD: I don't think I need an opportunity, Your
4 Honor, so if we can be done --
5 JUDGE SANDRON: All right. Well, if maybe Mr. Rimbach can
6 finish, and then if -- I'm just saying that at this point, Ms.
7 Villalpando, you -- you don't have any questions at this point?
8 MS. VILLALPANDO: No, Your Honor.
9 JUDGE SANDRON: Okay. So it would be -- if we could
10 finish the witness today that would be --
11 MR. HILGENFELD: We would appreciate it, Your Honor.
12 JUDGE SANDRON: -- ideal.
13 Q BY MR. RIMBACH: I'm going to display GC Exhibit 240 on
14 the screen, which is the Centerline notes to financial
15 performance from 2020.
16 A Okay.
17 Q And this is page 20. And just here where it says
18 bunkering in terminal, what is up to 115 M/M?
19 A Month over month. So that -- so that's $115,000 change
20 month over month, is what he's making a note there for.
21 Q And that's -- can you explain more what month over month
22 means?
23 A So -- so I don't have the prior month report for this, but
24 that may mean that bunkering in terminal revenue was up 115,000
25 from the prior month.

1 Q And just from these figures here, I believe you said the
2 Glencore 484, that's 484,000?
3 A It is.
4 Q That's for a month?
5 A Yes.
6 Q Okay.
7 A That would be for this -- whatever month this represents.
8 Q And that's revenue?
9 A For Glencore that would be combined revenue for fuel
10 surcharge terminal, and spot -- spot terminal, and spot
11 bunkering.
12 Q And that's the same for Minerva. So that'd be $23,000
13 revenue for the month?
14 A Yes.
15 Q And for Peninsula, that's 17,000 revenue for the month?
16 A Yes.
17 Q And this would be just work performed by Westoil Marine
18 Services at the time?
19 A Can you scroll up a little bit, please?
20 Q For L.A. and Long Beach bunkering and terminal work in
21 2020?
22 A Yes.
23 Q Okay.
24 MR. RIMBACH: Can I just have one minute, Your Honor?
25 JUDGE SANDRON: Yes.

1 MR. RIMBACH: Thank you.

2 JUDGE SANDRON: Off the record.

3 (Off the record at 4:34 p.m.)

4 MR. RIMBACH: Oh, sorry.

5 **RESUMED CROSS-EXAMINATION**

6 Q BY MR. RIMBACH: I'm displaying GC Exhibit 278, which is

7 the Leo Marine Services revenue ledger for 2021.

8 A Okay.

9 Q I'm going to highlight row 232.

10 A Okay.

11 Q This row indicates a charter hire for the month, starting

12 in February 1st, 2021, with Starlight Marine Services; is that

13 correct?

14 A Yes.

15 Q And then scrolling down to row 443. This shows the same

16 Phillips 66 charter hire for the month starting in March 1st,

17 2021; is that right?

18 A Yes. But I believe now you're in company 11, so company

19 11 is now Leo Marine Services.

20 Q So there was no interruption in service to Philips 66?

21 A No, not that I'm aware of.

22 Q Okay.

23 (Counsel confer)

24 MR. RIMBACH: I have no further questions, Your Honor.

25 Thank you, Mr. Parry. I appreciate it.

1 THE WITNESS: Thank you.
2 JUDGE SANDRON: Okay, witness, I know you're anxious to
3 get out --
4 MR. HILGENFELD: Bolt away, yes.
5 THE WITNESS: I set the (indiscernible, simultaneous
6 speech).
7 MR. RIMBACH: I gave you 23 minutes, if you need.
8 THE WITNESS: I -- no, I appreciate it.
9 MR. RIMBACH: Instead of five.
10 THE WITNESS: I appreciate it.
11 JUDGE SANDRON: So I -- I understand Ms. Villalpando has
12 no questions. So do you have any redirect?
13 MR. HILGENFELD: No questions from the Respondents, Your
14 Honor.
15 JUDGE SANDRON: Okay. Mr. Parry, you -- you are finished
16 and --
17 THE WITNESS: Excellent.
18 JUDGE SANDRON: -- you don't have to come back. So --
19 THE WITNESS: All right. What do I do with this pile?
20 JUDGE SANDRON: You leave that there.
21 THE WITNESS: All right.
22 JUDGE SANDRON: You have a good trip back.
23 THE WITNESS: All right. Thank you, Your Honor. I
24 appreciate it.
25 JUDGE SANDRON: Okay, well --

1 MR. HILGENFELD: So we were back up on March 13th?
2 JUDGE SANDRON: Yes. Let's go off the record just -- just
3 one minute.
4 (Off the record at 4:38 p.m.)
5 JUDGE SANDRON: Is there anything else? We are scheduled
6 to resume on March 13th at 9 a.m., the same time as we've been
7 holding the hearings to this point. Is there anything else,
8 counsels, before we adjourn?
9 MR. HILGENFELD: Nothing from Respondents.
10 MS. YASSERI: Nothing from the General Counsel. Thank
11 you, Your Honor.
12 JUDGE SANDRON: All right. Well, I look forward to seeing
13 everybody back on March 13th. And we anticipate that will be
14 our finale as far as the trial.
15 So everybody stay well, in the meantime, and I'll see you
16 all back next month.
17 MR. HILGENFELD: Thank you.
18 MS. YASSERI: Thank you.
19 JUDGE SANDRON: And our court reporter, as well.
20 MR. SPURGEON: Thank you, Your Honor.
21 MR. HILGENFELD: Thank you. Thank you, Jackie.
22 JUDGE SANDRON: Off the record.
23 **(Whereupon, the hearing in the above-entitled matter was**
24 **recessed at 4:40 p.m. until Monday, March 13, 2023 at 9:00**
25 **a.m.)**

1 **C E R T I F I C A T I O N**

2 This is to certify that the attached proceedings before the
3 National Labor Relations Board (NLRB), Region 21, Case Numbers
4 19-CA-273208, 19-CA-273220, 19-CA-273226, 19-CA-273928, 19-CA-
5 273985, 19-CA-273771, 19-CB-273986, 21-CA-273926, Leo Marine
6 Services, Inc., Olympic Tug & Barge, Inc., and Centerline
7 Logistics Corporation and Olympic Tug & Barge, Inc. and
8 Centerline Logistics Corporation and Leo Marine Services, Inc.
9 and Centerline Logistics Corporation, Westoil Marine Services,
10 Inc., and Harley Marine Financing, LLC, held at the National
11 Labor Relations Board, Region 21, 312 North Spring Street,
12 Tenth Floor, Los Angeles, California 90012, on February 10,
13 2023, at 9:01 a.m. was held according to the record, and that
14 this is the original, complete, and true and accurate
15 transcript that has been compared to the reporting or
16 recording, accomplished at the hearing, that the exhibit files
17 have been checked for completeness and no exhibits received in
18 evidence or in the rejected exhibit files are missing.
19
20
21
22 JACQUELINE DENLINGER
23 Official Reporter
24
25

OFFICIAL REPORT OF PROCEEDINGS

BEFORE THE

NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:

Leo Marine Services, Inc., Olympic Tug & Barge, Inc., and Centerline Logistics Corporation,	Case Nos. 19-CA-273208
and	
Olympic Tug & Barge, Inc.,	
and	19-CA-273220
Centerline Logistics Corporation,	
and	19-CA-273226 19-CA-273928
Leo Marine Services, Inc.,	
and	19-CA-273985
Centerline Logistics Corporation, Westoil Marine Services, Inc., and Harley Marine Financing, LLC,	19-CA-273771
and	
Seafarers International Union,	
and	19-CB-273986
Inlandboatmen's Union of the Pacific,	
and	

escribers
www.escribers.net | 800-257-0885

Centerline Logistics Corporation, Leo Marine Services, Inc., and Olympic Tug & Barge, Inc.

21-CA-273926

and

International Organization of Masters, Mates & Pilots, AFL-CIO.

Place: Los Angeles, California

Dates: March 13, 2023

Pages: 3818 through 4038

Volume: 25

OFFICIAL REPORTERS
eScribers, LLC
E-Reporting and E-Transcription
7227 North 16th Street, Suite 207
Phoenix, AZ 85020
(602) 263-0885

UNITED STATES OF AMERICA

BEFORE THE NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:	
LEO MARINE SERVICES, INC., OLYMPIC TUG & BARGE, INC., AND CENTERLINE LOGISTICS CORPORATION,	Case Nos. 19-CA-273208
and	
OLYMPIC TUG & BARGE, INC.,	19-CA-273220
and	
CENTERLINE LOGISTICS CORPORATION,	19-CA-273226
and	19-CA-273928
LEO MARINE SERVICES, INC.,	
and	
CENTERLINE LOGISTICS CORPORATION, WESTOIL MARINE SERVICES, INC., AND HARLEY MARINE FINANCING, LLC,	19-CA-273985
and	19-CA-273771
SEAFARERS INTERNATIONAL UNION	
and	
INLANDBOATMEN'S UNION OF THE PACIFIC	19-CB-273986
and	

escribers
www.escribers.net | 800-257-0885

CENTERLINE LOGISTICS CORPORATION, LEO MARINE SERVICES, INC., AND OLYMPIC TUG & BARGE, INC. and INTERNATIONAL ORGANIZATION OF MASTERS, MATES & PILOTS, AFL-CIO	21-CA-273926

The above-entitled matter came on for hearing, pursuant to notice, before **IRA SANDRON**, Administrative Law Judge, at the National Labor Relations Board, Region 21, 312 North Spring Street, Tenth Floor, Los Angeles, California 90012, on **Monday**, **March 13, 2023, 9:04 a.m.**

1 **A P P E A R A N C E S**

2 **On behalf of the General Counsel:**

3 **THOMAS RIMBACH, ESQ.**
SANAM YASSERI, ESQ.
4 NATIONAL LABOR RELATIONS BOARD
312 North Spring Street
5 Tenth Floor
Los Angeles, CA 90012
6 Tel. (213)634-6411
Fax. (213)894-2778
7

On behalf of the Charging Party:
8

SARA YUFA, ESQ.
9 BUSH GOTTLIEB, A LAW CORPORATION
801 North Brand Boulevard
10 Suite 950
Glendale, CA 91203
11 Tel. (818)973-3206

12 **On behalf of the Respondent:**

13 **CHRISTOPHER L. HILGENFELD, ESQ.**
DANIEL SPURGEON, ESQ.
14 DAVIS GRIMM PAYNE & MARRA
701 Fifth Avenue
15 Suite 3500
Seattle, WA 98104
16 Tel. (206)447-0182
Fax. (206)622-9927
17

18

19

20

21

22

23

24

25

1 **I N D E X**

2

WITNESS	DIRECT	CROSS	REDIRECT	RECROSS	VOIR DIRE
Michael Castagnola	3823	3852			3831
Christopher Hilgenfeld	3891	3941			3916 3926 3937
Douglas Houghton	3973				

1 **E X H I B I T S**

2

3 EXHIBIT	IDENTIFIED	IN EVIDENCE
4 **General Counsel:**		
5 GC-301	3883	3887
6 **Respondent:**		
7 R-8	4021	4026
8 R-9	4026	4030
9 R-12 (Substituted)	4031	4033
10 R-134	3904	3912
11 R-135	3933	3935
12 R-136(a)	3918	3928
13 R-136(b)	3919	3928
14 R-139	3935	3938
15 R-140	3914	3917
16 R-141	3939	3941

17

18

19

20

21

22

23

24

25

1 **P R O C E E D I N G S**

2 JUDGE SANDRON: This is the resumption of the Leo Marine
3 trial. The General Counsel, the Respondent, and the MMP are
4 represented by counsel today.
5 Mr. Hilgenfeld, do you have your next witness, then?
6 MR. HILGENFELD: We do, Your Honor. We're calling Mike
7 Castagnola.
8 JUDGE SANDRON: Sir, if you'll please come up, I'll swear
9 you in. I'm Judge Sandron. If you can raise your right hand.
10 Whereupon,

11 **MICHAEL CASTAGNOLA**

12 having been duly sworn, was called as a witness herein and was
13 examined and testified as follows:
14 JUDGE SANDRON: Please come up to the witness stand, and
15 be seated. If you could state and spell your full and correct
16 legal name and provide us with an address, either work or home.
17 THE WITNESS: Michael Castagnola. That's M-I-C-H-A-E-L
18 C-A-S-T-A-G-N-O-L-A. And work address is 1610 Barracuda
19 Street, Terminal Island, 90731.
20 JUDGE SANDRON: All right. Thank you.
21 Please proceed.

22 **DIRECT EXAMINATION**

23 Q BY MR. HILGENFELD: Mr. Castagnola, there's water up
24 there, if you'd like some. So feel free to help yourself.
25 A Thank you.

1 Q Thank you for joining us this morning. Mr. Castagnola,
2 are you currently employed?
3 A Yes.
4 Q And where are you currently employed?
5 A Centerline Logistics.
6 Q And what is your position with Centerline Logistics?
7 A Port engineer.
8 Q And what are your job duties as the port engineer?
9 A A port engineer manages the vessel maintenance.
10 Q And what does it mean when it says manages the vessel
11 maintenance?
12 A I'm in charge of all repairs, preventative maintenance
13 aboard Centerline and affiliated assets.
14 Q And how long have you held this role?
15 A With Centerline, three years, roughly.
16 Q And who do you report to?
17 A Tom Larsen.
18 Q And what's Tom Larsen's position, if you know?
19 A Director of engineering.
20 JUDGE SANDRON: I think we have that spelling, don't we?
21 MR. HILGENFELD: I believe we do. But if we don't, it's
22 L-A-R-S-E-N.
23 JUDGE SANDRON: Thank you.
24 MR. HILGENFELD: Larsen.
25 Q BY MR. HILGENFELD: In this role, Mr. Castagnola, do you

1 supervise any employees?
2 A I have a shop crew of five people, including myself.
3 Q And who are those employees in the shop?
4 A Well, that's Nick Vartan, assistant port engineer, Matt
5 Jones, part mechanic. Ignazio Coppola, he's a dockworker. And
6 another dockworker, Jayvon Ratway.
7 JUDGE SANDRON: Do we have those spellings? I-- all of
8 them, I think. I know we have Nick Vartan. Do we have the
9 others?
10 MR. HILGENFELD: I don't believe we do.
11 JUDGE SANDRON: Can you spell the names as best as you
12 can?
13 THE WITNESS: Can I look them up?
14 JUDGE SANDRON: Yes. Go ahead.
15 MR. HILGENFELD: It's fine if it's fine.
16 JUDGE SANDRON: I don't think there's any problem with
17 that. We're just talking about spelling.
18 THE WITNESS: Nick Vartan is N-I-C-K V-A-R-T-A-N. Jayvon
19 Ratway is J-A-Y-V-O-N R-A-T-W-A-Y. Matt Jones is M-A-T-T
20 J-O-N-E-S. And then Ignazio Coppola is I-G-N-A-Z-I-O
21 C-O-P-P-O-L-A.
22 Q BY MR. HILGENFELD: Prior to working as the port engineer
23 for Centerline Logistics, who did you work for?
24 A I did work for Westoil.
25 Q And do you recall when Leo Marine Services was formed?

1 A Yes.
2 Q Did you become the port engineer before or after Leo
3 Marine Services was formed?
4 A For Leo Marine?
5 Q Before or after Leo Marine Services was formed?
6 A I'm sorry. The port engineer for Westoil or for Leo
7 Marine --
8 Q For Center -- for Centerline.
9 A Oh. For Centerline was just before Leo Marine started.
10 Q Okay. And if Leo Marine started in February of 2021, when
11 approximately would you have been the port mechanic for
12 Centerline?
13 A I don't exactly recall the date. Sorry.
14 Q Is it around that time?
15 A Yeah.
16 Q And prior to that, who did you work for?
17 A I worked for Westoil Marine.
18 Q And what was your position with Westoil Marine Services?
19 A The latest position was port engineer.
20 Q And how long did you hold that position approximately?
21 A Six, seven years, somewhere in there.
22 Q And before being Westoil port engineer, did you hold any
23 of other positions at Westoil Marine Services?
24 A I did. I was an engineer, tech engineer on the -- and
25 that started in 2003 up until I became port engineer.

1 Q In the deck engineer, were you a member of a union in that
2 position?
3 A I was.
4 Q And what union was that?
5 A That was IBU.
6 Q While you were the Westoil Marine Services port engineer
7 did you supervise any Westoil employees?
8 A All of the engineers at that time.
9 Q As the Centerline Logistics port engineer, do you
10 supervise any Westoil employees?
11 A I do not.
12 Q Do you know Nicholas Buzard, or Buzzard?
13 A I do.
14 Q And who's Mr. Buzard?
15 A He was a Westoil engineer, moved to Leo Marine as an
16 engineer. He's currently a captain with Leo Marine.
17 Q When Mr. Buzard was at Westoil Marine Services as an
18 engineer, did you have any supervisory capabilities of Mr.
19 Buzard at that time?
20 A At that time, yes.
21 Q When Mr. Buzard was an engineer for Leo Marine Services,
22 did you have any supervisory capabilities when he was Leo
23 Marine Services?
24 A No. At that point, I was a Centerline employee.
25 JUDGE SANDRON: Do you -- do you understand when he's

1 talking about supervisory authority --
2 THE WITNESS: Yes.
3 JUDGE SANDRON: -- over him? I don't know. Maybe you
4 just want to flesh that out a little bit.
5 MR. HILGENFELD: Sure.
6 Q BY MR. HILGENFELD: As -- at Westoil as a port engineer,
7 did you have the authority to discipline employees that were
8 Westoil employees?
9 A I do.
10 Q Did you have the authority to hire -- while you were
11 Westoil as the port engineer, did you have the authority to
12 hire Westoil employees?
13 A Yes.
14 Q While you're at Westoil, did you have the authority to
15 terminate or fire Westoil employees?
16 A Yes.
17 Q While you were at Westoil as a port engineer, did you have
18 the authority to disci -- I think I've asked discipline --
19 assign work to Westoil employees?
20 A Yes.
21 Q While you were at Westoil as a port engineer, did you have
22 authority to provide awards to Westoil employees?
23 A Yes.
24 Q While you were the Westoil port engineer, did you have the
25 authority to direct the Westoil employees?

1 A Yes.
2 Q And that list of questions is what I mean by supervisory
3 questions.
4 A Understood.
5 Q So rather than going through the whole list again, that
6 same list of questions as the Centerline Logistics port
7 engineer, do you have the author -- those authorities with any
8 Westoil employees?
9 A No.
10 JUDGE SANDRON: And when you had that -- that authority
11 that you have described, was -- were you able to make those
12 determinations on your own or did you need to have them
13 approved by higher authority?
14 THE WITNESS: It would depend on the, like, hire, fire,
15 but that's something that moves up the ranks. But an award or
16 a direction of work, that was -- that was for me.
17 JUDGE SANDRON: And did you ever issue discipline in that
18 role?
19 THE WITNESS: Very rarely. I'm a nice guy.
20 JUDGE SANDRON: But in terms of direction -- well, did you
21 have to approve changes in schedule or overtime?
22 THE WITNESS: So as the Westoil port engineer, I did have
23 schedule abilities. I did not have their time card ability.
24 That was something that our dispatch office did at that time.
25 JUDGE SANDRON: And what about leave or vacation time?

1 THE WITNESS: Leave or vacation, I would approve. Because
2 I was doing the schedule --
3 JUDGE SANDRON: I see.
4 THE WITNESS: -- so I would approve or disapprove leave or
5 vacation.
6 JUDGE SANDRON: Right. And you had authority to do that
7 on your own?
8 THE WITNESS: Yes.
9 JUDGE SANDRON: All right.
10 Q BY MR. HILGENFELD: And in your current role as a
11 Centerline Logistics port engineer, do you have that authority
12 for any Westoil employees?
13 A I do not.
14 JUDGE SANDRON: Would the General Counsel have any
15 question about his having had supervisory authority previously?
16 MS. YASSERI: With respect to limited to -- I'm sorry,
17 Your Honor. With respect to Westoil or are we talking about
18 Leo Marine as well?
19 JUDGE SANDRON: Well, let's see. We have -- he was
20 originally with --
21 MR. HILGENFELD: Westoil marine Services.
22 JUDGE SANDRON: -- Westoil. And I believe he was talking
23 about Westoil, or did I --
24 MR. HILGENFELD: He was talking about his supervisory
25 abilities as a Westoil port engineer --

1 JUDGE SANDRON: Right.

2 MR. HILGENFELD: -- with Westoil employees.

3 JUDGE SANDRON: So that's what he's talking about as far

4 as whether he was a supervisor at Westoil. Do you have any

5 issue with that or any questions you want to ask him about that

6 status?

7 MS. YASSERI: I do have one follow-up with respect to

8 that, Your Honor, if I may.

9 JUDGE SANDRON: Go ahead.

10 **VOIR DIRE EXAMINATION**

11 Q BY MS. YASSERI: Mr. Castagnola, good morning.

12 A Good morning.

13 Q My name is Sanam Yasseri. I'm one of the counsels for the

14 General Counsel. Thank you for being here today.

15 A No problem.

16 Q I wanted to ask you, with respect to your role as port

17 engineer for Westoil, were you held accountable for the

18 performance of the crew and the employees?

19 A Yes. I would say yes.

20 Q Okay. And how so?

21 A It was my job to make sure the vessel got its maintenance,

22 and that maintenance is derived somewhat through the vessel

23 engineers.

24 Q Did you ever receive any discipline as a result of a

25 performance shortcoming by a member of your crew?

1 MR. HILGENFELD: As a Westoil --
2 Q BY MS. YASSERI: As a Westoil port engineer?
3 A Probably. Yeah.
4 Q And I believe you testified you served in that role for
5 about six or seven years?
6 A I think so. I started with Westoil in 2003 as an
7 engineer, and I don't recall exactly when we made the switch.
8 Q And how many times do you recall being disciplined for the
9 performance of your crew during that period of time?
10 A I -- I don't recall. Not many.
11 Q Okay.
12 JUDGE SANDRON: Was anybody else besides you there on a
13 day-to-day basis in terms of -- of the people under your
14 supervision, you know, in terms of supervising them, other than
15 you?
16 THE WITNESS: No. I mean, we would have had our normal
17 office staff. But as far as the vessel maintenance itself, I
18 was the only port engineer at that time.
19 JUDGE SANDRON: And I think you said you had the authority
20 to assign work?
21 THE WITNESS: Yes.
22 JUDGE SANDRON: Any -- any --
23 MS. YASSERI: Nothing.
24 JUDGE SANDRON: Any question about his status at that
25 time?

1 MS. YASSERI: No, Your Honor.

2 JUDGE SANDRON: Supervisory status.

3 **RESUMED DIRECT EXAMINATION**

4 Q BY MR. HILGENFELD: Since moving over to Centerline
5 Logistics, the whole range of questions. Have you had any of
6 those hiring, firing, assigning work, awarding work to Leo
7 Marine employees?
8 A No. So the Leo Marine is working for Centerline, and I
9 only oversee the vessel maintenance re --
10 Q Describe -- just describe generally kind of a typical day
11 that you go through regarding port engineer.
12 A Oh. I wish there was a typical day. They're all
13 terrible. So we try to set our workload up the day before,
14 which never seems to work. Something happens, breaks. It goes
15 awry overnight.
16 We come in the morning. I meet with my shop crew. We
17 talk about what happened over the end of day last night. We
18 decide at that point what jobs came up that are high priority.
19 I assign those guys the task of getting any problems running
20 again.
21 And then we move on from there to our preventative
22 maintenance through our e-maintenance system, and shop
23 cleaning, oil changes, things of that nature to keep the assets
24 rolling.
25 Q What is your e-maintenance system?

1 A It's just an electronic maintenance system. It tracks the
2 vessel maintenance by time, engine, or asset hours. It gives
3 us a -- a way that we can track things remotely so anyone in
4 the company can see what we've done or not done. And we can
5 use that to diagnose failures. And that's -- that's really
6 what it's meant for.
7 Q Does it detail the vessel in question?
8 A Every vessel, yeah.
9 Q Do you order parts and items for the vessels?
10 A I do.
11 Q When you order parts or items for the vessels are those
12 charged to various vessels?
13 A Charged to the vessel that the part is assigned to.
14 Q And you have an understanding if the operating company has
15 responsibility for the vessel that it's using?
16 A Yes.
17 Q If you learn that a crew member requires an additional
18 spare part or it's needed, what's the process for getting a
19 part?
20 A They were put in in order request either through our
21 purchasing system, which is Coupa. But if it's an item that's
22 not readily available through that, meaning a vendor that's
23 easily accessed Grainger, McMaster, Home Depot kind of thing.
24 Specialty part, they might email that to me, and I would do the
25 legwork for it.

1 Q And how is the maintenance tracked?
2 A Through e-maintenance.
3 Q In your role at Centerline Logistics, do you provide
4 vessel maintenance for Westoil-operated vessels?
5 A I do.
6 Q How about Leo Marine-operated vessels?
7 A I do.
8 Q How about Olympic Tug & Barge-operated vessels?
9 A I do.
10 Q And where -- where is that record kept of those
11 maintenance?
12 A It's all in e-maintenance.
13 Q Who is your primary point of contact for Leo Marine
14 Services?
15 A Brian Vartan.
16 Q Has Mr. Vartan ever asked you for assistance in reviewing
17 engineering job applicants?
18 A Absolutely.
19 Q When -- when did Mr. -- When was the first time Mr. Vartan
20 asked for your assistance?
21 A At the conception of Leo Marine when he was getting it off
22 the ground.
23 Q And what did he ask you?
24 A He was really working hard. He was actually taking --
25 JUDGE SANDRON: I -- I think maybe you need to lay a

1 foundation for the conversation if it's important. And also,
2 you know, exactly what was said by both of them.
3 Q BY MR. HILGENFELD: So I believe you testified it was at
4 the conception of Leo Marine Services. Did I hear that
5 correctly?
6 A Yes, sir.
7 Q Do you recall if this conversation was in person, on the
8 phone, by email?
9 A All of the above, I'm sure. It was a pretty hectic time.
10 Q To the best of your recollection, what do you recall Mr.
11 Vartan asking you?
12 JUDGE SANDRON: Okay. I know -- how many conversations
13 about do you recall with him at that time?
14 THE WITNESS: That would have been many. You know, days
15 and days of conversation. It took quite a bit of work to get
16 the boats crewed and people in place.
17 JUDGE SANDRON: And do you remember any specific
18 conversations that you had with him, or do you remember them
19 generally what he expressed to you?
20 THE WITNESS: What he needed was help getting the -- he's,
21 by nature, a tankerman. So he was very capable of getting the
22 barges crewed. But he had almost no engineering background, so
23 he needed some help -- a lot of help getting the engineers
24 hired and -- and trained aboard the vessels.
25 JUDGE SANDRON: Do you remember specifically what he asked

1 you to assist him with?
2 THE WITNESS: He was asking if I could offer my expertise
3 to find engineers with him that were capable of running our
4 vessels.
5 JUDGE SANDRON: So you assisted him in -- in hiring
6 individuals for those roles?
7 THE WITNESS: I reviewed the people that he was looking to
8 hire to make sure they had the capability to maintain the
9 vessel.
10 JUDGE SANDRON: And who made the final decision on hiring?
11 THE WITNESS: That would have been him.
12 JUDGE SANDRON: And did he ask you any other specific
13 questions at that time that you recall?
14 THE WITNESS: No.
15 JUDGE SANDRON: All right. That's fine. Whatever you
16 remember.
17 THE WITNESS: Sorry.
18 JUDGE SANDRON: No. There's not -- it's not a matter of
19 any right or wrong answers, just what you remember.
20 THE WITNESS: Right.
21 JUDGE SANDRON: Go ahead.
22 Q BY MR. HILGENFELD: Did you attend interviews of those job
23 applicants?
24 A I did.
25 Q Did you make any hiring decisions for Leo Marine Services?

1 A Just recommendation.
2 Q And what was your recommendation based on?
3 A Based on their mechanical and engineering backgrounds.
4 Q In any of your recommendation, did union affiliation play
5 any part in your recommendation?
6 A No. That's the last thing I have time to worry about.
7 Q Do you recall reviewing Mr. Buzard's application for Leo
8 Marine Services?
9 A Yes, sir.
10 Q How long had you known Mr. Buzard prior to him working at
11 Leo Marine?
12 A Quite a while. We worked together at Westoil.
13 Q How familiar were you with Mr. Buzard's capabilities?
14 A Very.
15 Q Did you offer a recommendation as to hiring Mr. Buzard as
16 a -- or did you offer a recommendation as to Mr. Buzard being a
17 qualified applicant?
18 A I did.
19 Q And what was that recommendation?
20 A That he had been running our -- our Westoil vessels for
21 some time, and I saw no issue with him continuing to do that
22 with Leo Marine.
23 Q Who made the decision to offer Mr. Buzard employment at
24 Leo Marine, if you know?
25 A I'm sure that would have been Brian Vartan.

1 Q Did you?
2 A Did I? No.
3 Q Who informed Mr. Buzard he was being offered the position?
4 A I believe I did.
5 Q Do you call if the conversation was in person, on the
6 phone?
7 A Over the phone.
8 Q Do you recall approximately when this conversation took
9 place?
10 A No.
11 JUDGE SANDRON: Well, maybe, like, a month and year?
12 THE WITNESS: Whatever the -- I remember being at fuel
13 dock. What was the month that Leo Marine actually went into
14 effect?
15 JUDGE SANDRON: All right.
16 Q BY MR. HILGENFELD: Would it have been the month that Leo
17 Marine went into effect?
18 A Yes. It would have been right there toward the end of it.
19 Q The end of that month?
20 A Yes, sir.
21 Q And why did you reach out to Mr. Buzard?
22 A I think he reached out to me, actually. Or to Leo Marine.
23 JUDGE SANDRON: Well, do you know -- did you -- well, did
24 you -- did you call him at that time, or was -- did you
25 initiate a call to him or had he initiated --

1 THE WITNESS: I believe he called me.
2 JUDGE SANDRON: Just for the foundation, do you remember
3 what time he called you?
4 THE WITNESS: No. Sorry. I do quite a bit in a day. I
5 don't --
6 JUDGE SANDRON: All right. And do you recall what he --
7 did he open the conversation?
8 THE WITNESS: Yeah. All those --
9 JUDGE SANDRON: Well, just a minute. Do you recall what
10 he said to you?
11 THE WITNESS: Oh, no. I -- I couldn't verbatim repeat
12 that. I don't know.
13 JUDGE SANDRON: Well, do you -- do you -- did he say why
14 he had -- he had reached out to you?
15 THE WITNESS: He was looking for employment. And he knew
16 that Westoil was closing and -- or coming to an end, I should
17 say. And he wanted to maintain employment status.
18 JUDGE SANDRON: And do you recall what you -- how you
19 responded to him?
20 THE WITNESS: I think -- I think the initial phone call, I
21 just told him, well, talk to the proper people and that it
22 wasn't my place at the time.
23 JUDGE SANDRON: And did he call you again then after that?
24 Because you --
25 THE WITNESS: Oh. I've talked to him several times.

1 JUDGE SANDRON: I see.
2 THE WITNESS: Many times.
3 JUDGE SANDRON: Around that time period?
4 THE WITNESS: Yes.
5 Q BY MR. HILGENFELD: About the job application?
6 A Yes.
7 Q Okay. And what do you -- did you have -- what do you
8 recall about the next conversation with Mr. -- Mr. -- was
9 there anything else in that first conversation you recall that
10 you haven't testified to?
11 A No. I don't -- I don't -- that was quite a while ago.
12 Q What do you recall the next conversation with Mr. Buzard?
13 Approximately how much later was that conversation, if you
14 recall?
15 A How much what?
16 Q Later.
17 A I think this was all within a weeks' span before he was
18 hired, maybe two weeks.
19 Q And what do you recall about the next conversation?
20 A We were looking for -- we pretty much filled all the --
21 the Leo L.A. spots. We were looking for somebody in the San
22 Francisco area. I'm pretty sure that's what the next call was.
23 We were, you know, asking him if he'd be comfortable going to a
24 liveaboard position in San Francisco.
25 Q Okay. What do you recall him saying?

1 A He agreed to it. And then from there, I think Brian got
2 the hiring done. We did an interview, and he didn't end up
3 going to San Francisco. We -- we had an opening for whatever
4 reason, I don't recall it. Somebody we hired at Leo L.A. was
5 quit or whatever happened there, and we moved him into a spot
6 we had at L.A.
7 Q When you were talking to Mr. Buzard, was there any
8 discussion about needing people in San Francisco because of
9 union affiliation?
10 A Not from me. I don't -- don't track that very well.
11 Q What was your understanding about why people were needed
12 in San Francisco?
13 A They just had a spot to fill. There was an engineer
14 opening on a boat. We needed a man to fill the spot.
15 JUDGE SANDRON: And do you recall how you -- who told you
16 that or how you found out about that?
17 THE WITNESS: That's what -- that's what Brian was looking
18 for at the time. And I told him Nick was looking for a job.
19 JUDGE SANDRON: I see. So Mr. Vartan's the one who told
20 you they had an opening up in San Francisco?
21 THE WITNESS: Right.
22 Q BY MR. HILGENFELD: Did you ever mention anything about
23 needing people in San Francisco because of union jurisdiction?
24 JUDGE SANDRON: No. Okay. I think --
25 MS. YASSERI: Objection. Leading.

1 JUDGE SANDRON: I think you're leading him too much.
2 MR. HILGENFELD: I am leading. But this -- but this is
3 rebuttal to direct testimony where it's been asked. And I get
4 to ask leading questions on rebuttal for this specific purpose.
5 JUDGE SANDRON: All right. I know you can do that, but I
6 think it might be better just to ask him did -- I think he
7 already asked him with the Union -- the matter of union
8 affiliation was -- well, there might be two ways to -- to just
9 ask it.
10 But did Mr. Vartan and you ever discuss the Union
11 membership or affiliation of any of the prospective employees?
12 You know, did the subject of their union affiliation ever come
13 up?
14 THE WITNESS: No. No. My role is -- is mechanical. I
15 was doing him a favor. I don't care what union does what on
16 each boat as long as the thing stays running.
17 JUDGE SANDRON: All right. Well, you can go ahead if you
18 want, Mr. Hilgenfeld.
19 Q BY MR. HILGENFELD: And did union affiliation or union
20 jurisdiction come up with your conversations with Mr. Buzard?
21 A He did ask questions about the Union. I'm not sure that I
22 had a good answer for him because I really didn't know. I'm
23 not even exactly certain where we're at with the Union
24 currently.
25 JUDGE SANDRON: Well, do you remember what he asked you

1 about that, as best as you remember?
2 THE WITNESS: No. I don't. Because that was the last
3 thing I was worried about. I had three brand new boats that I
4 knew nothing about, trying to crew and train and -- and make
5 sure they stayed online. And -- and my sole purpose was to get
6 people where they needed to be and keep my vessels running.
7 I -- I can't remember what he might have asked about a union
8 job. I would have blown it off anyway.
9 Q BY MR. HILGENFELD: Did you ever tell Mr. Buzard that Leo
10 Marine was a nonunion company?
11 A Sure. At that time, it was.
12 Q And why did you say that?
13 A That's what I was told that it was nonunion.
14 JUDGE SANDRON: Do you recall how that came up? You know,
15 what he said before that that -- that triggered your telling
16 him that?
17 THE WITNESS: Yeah. He asked what union affiliation it
18 would be. I think his intent of the question was to --
19 JUDGE SANDRON: Well, he -- okay. Just say what he said.
20 THE WITNESS: Yeah. I don't know what he said.
21 JUDGE SANDRON: Not his intent, but --
22 THE WITNESS: I don't know exactly what he said. He
23 wanted to know if it was an IBU company. I said, no, it's
24 nonunion at the time.
25 JUDGE SANDRON: All right.

1 Q BY MR. HILGENFELD: Did -- did quest -- did you receive
2 other questions from applicants regarding the Union status of
3 the Leo Marine?
4 A Sure. That was probably the number one question.
5 Q Did you ever initiate those conversation -- did you ever
6 initiate those statements?
7 A No.
8 Q How did you respond to union affiliation at Leo Marine?
9 MS. YASSERI: Objection. Vague. How many conversations,
10 who, when?
11 MR. HILGENFELD: Well --
12 JUDGE SANDRON: You maybe need a little more
13 quantification of the --
14 Q BY MR. HILGENFELD: How -- during -- during the employ --
15 how -- how long was this employment application process that
16 you went through?
17 A I think I was involved with it for somewhere around a
18 month or so.
19 Q And do you recall approximately how many people that you
20 interviewed as part of the applicant process?
21 A Four or five.
22 Q Do you recall who they were?
23 A Not every one of them, no.
24 Q Who do you recall?
25 A There was Nick, as you know. Jeff Cole, Raymond

1 Blakeslee. Please don't make me spell that one.
2 JUDGE SANDRON: Okay.
3 MR. HILGENFELD: I believe that one is in the record.
4 JUDGE SANDRON: And Jeff Cole is in the record, too?
5 MR. HILGENFELD: I don't know if Jeff Cole --
6 JUDGE SANDRON: All right. Maybe we --
7 MR. HILGENFELD: -- is in the record.
8 MS. YASSERI: Yes.
9 MR. HILGENFELD: Okay.
10 JUDGE SANDRON: Is that just C-O-L-E?
11 THE WITNESS: Yes, yes. Then there were some people that
12 didn't pan out. I don't recall their names.
13 Q BY MR. HILGENFELD: Do you recall any of those
14 applicants -- you talked about Mr. Buzard. Any of the other
15 applicants asking about union affiliation of Leo Marine
16 Services?
17 A I would say close to every one of them asked.
18 Q Did you initiate any of those questions about union
19 affiliation?
20 A No.
21 Q What did you tell the applicants when they ask about union
22 affiliation?
23 A Nothing more than that the company is nonunion.
24 Q Did that change at some point in time?
25 A It did.

1 Q And do you recall approximately when that changed?
2 A No, not exactly. I mean, most of what I hear is from the
3 other guys in the field. I -- I maybe get very little from the
4 office. But I do know it went to the SIU, and then some time
5 after that, that went away, and I don't know why. I believe
6 now it's the -- an MMP working on it.
7 JUDGE SANDRON: But at the time that we're talking about,
8 it was nonunion?
9 THE WITNESS: At the time, it was nonunion.
10 Q BY MR. HILGENFELD: And at some point, during the time
11 we're talking about, did that change?
12 A It did.
13 Q Okay. And you said that that went to SIU?
14 A Yes.
15 JUDGE SANDRON: Oh, wait. But that was after that month
16 period, right?
17 MR. HILGENFELD: No, Your Honor.
18 JUDGE SANDRON: It was still in that --
19 MR. HILGENFELD: It was in the middle.
20 JUDGE SANDRON: Oh. Was it? Okay.
21 THE WITNESS: It was fairly quick, yeah.
22 JUDGE SANDRON: So the conversations you had where you
23 said it was nonunion, that was really only for a matter of
24 weeks.
25 THE WITNESS: Correct.

1 JUDGE SANDRON: And okay.
2 Q BY MR. HILGENFELD: And who told you that the status had
3 changed?
4 A Brian.
5 Q Brian Vartan?
6 A Yes, sir.
7 Q When applicants asked about the Union affiliation after
8 it's changed, what did you tell the applicants?
9 A That it was SIU or trying to be SIU, I guess.
10 Q Regarding your recommendations for the applicants for
11 employment to Mr. Vartan for qualifications, did the Union
12 affiliation for any of the people that you reviewed play any
13 part in your recommendation?
14 A No.
15 Q Do you recall did you tell Mr. Buzard that Leo Marine
16 employees could not work in L.A. -- or excuse me. Do you --
17 did you tell Mr. Buzard that Leo Marine employees could not
18 work in L.A. that had worked with Westoil because it was IBU
19 territory?
20 MS. YASSERI: Objection. Leading.
21 JUDGE SANDRON: Yeah.
22 MR. HILGENFELD: It is leading, and it is rebuttal. It's
23 a specific question that we've gone through. We've given
24 testimony about everything he recalls. I'm get -- and I get to
25 ask a direct question.

1 JUDGE SANDRON: Well, you can ask a direct question, but I
2 think it's probably still better if you just ask it, you know,
3 more generally.
4 MS. YASSERI: And Your Honor, my understanding it's --
5 JUDGE SANDRON: Because I'm not sure that was --
6 MS. YASSERI: -- a rebuttal to the allegations, not to
7 the --
8 JUDGE SANDRON: Right.
9 MS. YASSERI: -- actual testimony --
10 JUDGE SANDRON: Right.
11 MS. YASSERI: -- of witnesses.
12 JUDGE SANDRON: It's not really an allegation in the
13 complaint.
14 MR. HILGENFELD: Well, they changed it to alter ego
15 status, which I think is part of the allegation of alter ego
16 status.
17 JUDGE SANDRON: Well, why don't you just try to rephrase
18 it in a less leading fashion, and then I think we'll avoid that
19 issue?
20 Q BY MR. HILGENFELD: Mr. Buzard (sic), did you tell -- did
21 you have conversations with -- I will back up here. I'm
22 extremely sorry.
23 Mr. Castagnola --
24 A I get it.
25 Q -- I thought I'd gotten past that, but I have -- I have

1 not. Mr. Castagnola, did you have any conversations with Mr.
2 Buzard during the applicant process regarding whether former
3 IBU Westoil employees could work in L.A./Long Beach?
4 A That was not an issue. We had former IBU employees
5 working for Leo Marine at the time.
6 Q Did Mr. Buzard ever work in San Francisco for Leo Marine
7 Services?
8 A I don't believe he did.
9 Q And why was that, if you know?
10 A Like I said a little earlier, we -- something happen. I
11 think we had a guy either quit or we weren't happy with his
12 performance. And a spot opened up in L.A., and we moved Nick
13 right into that.
14 Q Mr. Castagnola, do you -- in your role as a Centerline
15 port engineer, do you make any assessments of whether
16 individuals are qualified or unqualified to work as engineers
17 for Leo Marine Services?
18 A I would say, yes, I would bring that concern to Brian.
19 And if he did something about it, that would be up to him. But
20 my role is to maintain. If the guys on the boat can't
21 maintain, then I would be concerned with that.
22 Q And whose decision ultimately is it whether the person
23 maintains their position?
24 A That would be Brian.
25 Q Is the answer the same with Westoil Marine Services except

1 maybe not -- well, aside from being Brian Vartan, is the answer
2 the same with Westoil Marine Services?
3 A It is now that I'm a Centerline employee, yes.
4 Q Okay. And while you were a Westoil employee, could you
5 remove someone from qualifications to operate on a vessel?
6 A With some help with the -- from the Union, sure.
7 Q Mr. Castagnola, that's all the questions that I have for
8 you. Thank you.
9 A Thank God. I'm just kidding. This is not my forte.
10 MR. HILGENFELD: They may have some other --
11 JUDGE SANDRON: All right. Yeah, they'll have another --
12 MR. HILGENFELD: They're going to have some other
13 questions, so you're not quite --
14 JUDGE SANDRON: General Counsel will have a few.
15 MR. HILGENFELD: -- off on it just yet.
16 MS. YASSERI: Your Honor, can I get, like, 15 minutes, if
17 I may? I just have --
18 JUDGE SANDRON: Yes.
19 MS. YASSERI: -- to make one modification.
20 JUDGE SANDRON: You have to what?
21 MS. YASSERI: If I can just have 15 minutes.
22 JUDGE SANDRON: Yes.
23 MS. YASSERI: If that's possible.
24 JUDGE SANDRON: That's fine.
25 MS. YASSERI: Thank you, Your Honor.

1 JUDGE SANDRON: Okay. We'll off the record --
2 MS. YASSERI: Thank you.
3 JUDGE SANDRON: -- for 15 minutes. Off the record.
4 (Off the record at 9:42 a.m.)
5 JUDGE SANDRON: Back on the record. Cross-examination?
6 MS. YASSERI: Okay.
7 **CROSS-EXAMINATION**
8 Q BY MS. YASSERI: Good morning, Mr. Castagnola.
9 A Good morning.
10 Q Mr. Castagnola, on -- on direct examination, you talked
11 about your work as a Centerline port engineer. And can you
12 just clarify for us again when you first started that position?
13 A Right in the beginning months of Leo Marine starting.
14 Q Okay. So that would have been sometime in late February,
15 early March of 2021?
16 A Correct.
17 Q And as a Centerline port engineer, what specific vessels
18 do you work on?
19 A I don't have a specific vessel. It's the fleet that
20 resides in L.A., which is Westoil and Leo equipment, OTB
21 equipment that comes and goes. I work on everything.
22 Q Okay. And when you referenced OTB, Westoil, and Leo
23 Marine equipment, are those all owned by Harley Marine
24 Financing, to your knowledge?
25 A I don't -- I don't know.

1 Q Okay. And as a Centerline port engineer, you're paid by
2 Centerline, correct?
3 A Correct.
4 Q You're not paid by OTB?
5 A No, ma'am.
6 Q Not paid by Leo?
7 A No, ma'am.
8 Q And not paid by Westoil Marine at this point in time?
9 A Correct.
10 JUDGE SANDRON: So you -- you service all of the
11 Centerline operating companies that operate out of L.A./Long
12 Beach?
13 THE WITNESS: L.A./Long Beach, any -- anything that
14 happens to come. If a vessel is leaving the Gulf headed to
15 Seattle, and it needs a pit stop, I would service that as well.
16 JUDGE SANDRON: I see. So any -- any vessels that stop in
17 L.A./Long Beach as well?
18 THE WITNESS: Sure.
19 Q BY MS. YASSERI: And you're not paid by Harley Marine
20 Financing, correct?
21 A I am not.
22 Q Okay.
23 A I'm not even sure what that is.
24 Q Okay. Now, I believe you also testified in direct that
25 the Centerline operating companies like Westoil, they would

1 make a maintenance request. And that's essentially how you
2 would sort of get your assignments for you and your crew; is
3 that right?
4 A That's one way. Sure.
5 Q Okay. What are some other ways that you would get your
6 assignments?
7 A If it's preventative maintenance, e-maintenance would
8 populate the assignment and we would divvy out the work that
9 way.
10 Q Okay. So let's talk a little bit about e-maintenance.
11 A Sure.
12 Q So how -- how do the preventative tasks for each of the
13 vessels make their way into e-maintenance?
14 A The system is populated by -- you know, the system's been
15 around for a while. I'm not sure which company may have
16 started it. But for instance, if the vessel continued to have
17 a problem, a vessel engineer can request that we put in a
18 preventative filter change or -- or some -- something, a pump
19 change out. And that would get input, and we'd build a
20 described number of hours of runtime on that.
21 Q Okay. So sort of more specifically, let's talk a little
22 bit about the vessels being operated by Leo Marine.
23 A Okay.
24 Q I understand the FDH 3, 4, and 5 are currently operated by
25 Leo Marine, correct?

1 A Yes, ma'am.
2 Q So if a Leo Marine engineer notices an issue with, let's
3 say, the FDH 3, how -- how would they end up putting --
4 inputting that into e-maintenance?
5 A First, to be clear, the engineers work on the boats. The
6 FDH are barges. They don't have engineers on board. But it's
7 not impossible that an engineer would see an item that needed
8 to be addressed.
9 And the system has a way in which they can add an asset.
10 Then that would go to management, and we would approve. If
11 it's something that I thought was bigger than me as far as cost
12 to do the job, then I would escalate it. But that can all be
13 done through e-maintenance itself.
14 Q Okay. And let me just sort of take a step back. So the
15 engineers, they -- they do most of their work on the tugboats,
16 correct?
17 A That's correct.
18 Q And the tugboats are the ones that move the barges around.
19 A Correct.
20 Q What are some of the tugboats that are currently being
21 operated by Leo Marine?
22 JUDGE SANDRON: Well, before you get to that, to whom
23 would you escalate?
24 THE WITNESS: So initially, that would go to Tom Larsen.
25 And then after that, if Tom, you know, we would bring it to

1 maybe the VP of Engineering, Gregg Nelsen, Ravi Sekhon.
2 Someone that -- you know, and -- and we might even talk about
3 it amongst other port engineers in the company to see if
4 they're having the same issue. It could be a very wide thing
5 we do.
6 JUDGE SANDRON: Do we have Ravi Sekhon's name in the
7 record?
8 MR. HILGENFELD: I don't believe we do.
9 JUDGE SANDRON: Do you know how to spell his name?
10 THE WITNESS: I can look it up.
11 JUDGE SANDRON: All right. Go ahead.
12 MR. HILGENFELD: Sekhon is S-E-K-H-O-N.
13 JUDGE SANDRON: Okay. Thank you. I think that we have
14 it.
15 MS. YASSERI: I'm sorry. I think my last question was
16 asking about the tugs.
17 Q BY MS. YASSERI: What are some of the tugs that are
18 currently being operated by Leo?
19 A I don't want to say something that's not actually correct.
20 I don't really deal with that. I believe the Brooks and the
21 Madeline are Leo tugboats. And the Darryl Hiatt. No. The
22 Madeline is not a Leo tugboat. Madeline's a Westoil boat.
23 Q Okay. So --
24 A But again, I don't deal with that. I don't want to
25 misspeak.

1 JUDGE SANDRON: That's fine.
2 Q BY MS. YASSERI: Understood. So let's say an engineer
3 working on the Brooks Hamilton, the tug the Brooks Hamilton,
4 noticed an issue. How would they go about noting that in e-
5 maintenance?
6 A Just as I described. You would open e-maintenance.
7 There's a place where you can request. There's a tab for
8 request. They would input their request. That goes through
9 the system. I would look at it, some upper management would
10 look at it, get approved or denied.
11 Once approved, we would decide, is this an ongoing issue
12 or is this a repair that's one time? If it's a one-time
13 repair, we'd make that repair, close the work order with --
14 noted the repair. And it's gone or we would decide that this
15 is something that actually has merit, needs to be done on a
16 regular basis, and come up with a time frame.
17 Q Who would approve that request?
18 A I would approve the request.
19 Q And those would be requests coming from either Leo or
20 Westoil Marine or Olympic Tug & Barge?
21 A It would depend on the vessel which ones come to me. The
22 ones stationed permanently in L.A. would come to me. A
23 Westoil -- a OTB boat would probably go to someone who is
24 stationed more specifically with that vessel.
25 Q Okay. But if the -- if an OTB vessel happened to be

1 docked in the L.A./Long Beach Harbor and encountered a
2 maintenance issue, would that be routed to you?
3 A Sure.
4 Q How do you decide, Mr. Castagnola, as to whether to
5 escalate a maintenance request to upper management?
6 A That would generally be a function of the time that we
7 have with the boat, time of the repair. What is -- what's
8 this -- is this a dry dock issue or is this something we can do
9 in the water? Cost might play into it.
10 Q Okay. You talk about cost. Is there some sort of
11 threshold figure that you -- that would trigger you alerting
12 management?
13 A Anything over $10,000.
14 MR. HILGENFELD: Again -- sorry. Just object to the
15 characterization as to what management is. I believe he just
16 testified that the witness himself is a supervisor, so.
17 MS. YASSERI: Okay. Okay. I can rephrase.
18 Q BY MS. YASSERI: Is -- is there a threshold figure, Mr.
19 Castagnola, as to when you would alert upper management at
20 Centerline?
21 A Yeah. It would -- you know, anything over $10,000 goes to
22 a capital asset request, and that -- that turns into a bigger
23 deal. Each vessel has its own budget. If I saw that this was
24 going to put the vessel over its budget, then somebody should
25 be alerted. There are a lot of factors that would go into

1 that.
2 Q And when you say somebody, who is -- who would that person
3 be?
4 A Whoever is in direct relationship with the boat. I -- I
5 don't always have that ability. So an OTB boat, it might go to
6 somebody, a port engineer in Seattle or their port captain.
7 Maybe, if it's an issue that port captains would care about,
8 it's --
9 Q Okay. Focusing on -- focusing on the Leo and Westoil
10 equipment in the L.A./Long Beach Harbor, when was the most
11 recent time where you had this instant come up where there was
12 a repair that went over the -- or that would potentially go
13 over the $10,000 threshold?
14 A I mean, the most recent, you know, speaking about repairs,
15 I don't think we've had one yet. Or there was a main engine
16 this year that cost over that threshold. That's something that
17 I would talk to with Brian. And -- and then after Brian, we'd
18 obviously have to go to upper engineering.
19 Q And when you say Brian, that's Brian Vartan?
20 A Yes, ma'am.
21 Q And was that during the time that he's been serving as
22 operations manager at Leo?
23 A Correct.
24 Q Okay.
25 JUDGE SANDRON: And when you say upper -- upper

1 engineering that's -- that's Centerline headquarters?
2 THE WITNESS: Sure. Yes.
3 Q BY MS. YASSERI: And I'm sorry. Who is that that deals
4 with engineering and upper management at Centerline?
5 A So we have a V.P. of Engineering, Gregg Nelsen.
6 Q And --
7 JUDGE SANDRON: And let me just ask you just so -- I know
8 it's hard sometimes to estimate, but you know, you get all
9 these requests that come in from the engineers. Can you just
10 give us a rough idea of what percent of the time you feel you
11 need to go to the upper engineers?
12 THE WITNESS: Very rare. It's most of the things the
13 engineers find on the tugs or need are -- are nuts and bolts.
14 And, like, when a winch requires a new fitting that's broken,
15 that's an $8 thing. We just -- something, often, I have in
16 stock, and we'd just charge it to the vessel and -- and let it
17 go.
18 JUDGE SANDRON: So in an average -- in, say, like, over a
19 year period, can you just give a rough idea how many times you
20 check the upper engineering?
21 THE WITNESS: I -- I couldn't tell you. I don't know. It
22 would -- it would change month by month, I mean. I don't know.
23 JUDGE SANDRON: Can you give us an idea in an average
24 month? As best as you can estimate.
25 THE WITNESS: I would say, for my own Leo Marine things

1 that are in the harbor that I'm based in, that it probably
2 doesn't happen once a month.
3 JUDGE SANDRON: Oh. So it's -- you say it's less than
4 once a month?
5 THE WITNESS: Yeah. And that's because the boats are new.
6 You know, they're not old junk.
7 Q BY MS. YASSERI: Mr. Castagnola, I wanted to ask you a
8 question about -- about the repairs. So if an engineer noted a
9 repair that would be needed on a particular vessel and that
10 repair required the replacement of a certain piece of
11 equipment, can you explain to us the process of how that piece
12 of equipment would be obtained?
13 A I would order it against the boat's budget. It would
14 arrive. Either my shop crew would assist installing it,
15 install it, or the vessel engineer would do it if it was within
16 his capability.
17 Q And would you order it through I believe you test --
18 referred to Coupa. Is it -- is that the platform that would be
19 used?
20 A That's where all our POs are generated, yes.
21 Q Okay. And the crew that you supervised, I believe you
22 testified on direct, it consisted of four people. Nick Vartan,
23 I believe it was Matt Jones, Ignazio Coppola, and Jayvon
24 Hataway (sic).
25 A Ratway.

1 Q They're all employees of Centerline Logistics?
2 A They are.
3 Q Okay. Other than to you, sir, do you -- do they report to
4 anybody else?
5 A Directly to me. But I mean, upper management, they would
6 have to report to as well, I guess.
7 Q Who specifically in upper management?
8 A Locally would be Brian Vartan. Matt Hathaway could ask
9 them to do something. Most of the time, most people would ask
10 me to ask my team.
11 Q Okay. When -- when you're evaluating an issue with
12 respect to a particular vessel in terms of diagnosing what the
13 problem is and whether it nece -- necessitates a repair, do you
14 document that time in terms of allotting that time to that
15 particular vessel or that particular operating company?
16 A We actually don't do that, no.
17 Q No. I want to talk a little bit about sort of your
18 transition from port engineer at Westoil to port engineer at
19 Centerline.
20 A Okay.
21 Q Before you -- you became the port engineer at Centerline,
22 did you actually interview for that position?
23 A For the Centerline position?
24 Q Yes.
25 A Impromptu.

1 Q Okay. What -- explain that to us.
2 A The position was offered. I liked the offer, so I -- I
3 went after it. There was no really formal interview, no.
4 Q Who offered you the position?
5 A It came from Doug Houghton.
6 Q And was this in a -- in a meeting in person or in a phone
7 call? Can you --
8 A I was in person.
9 Q Okay. And what -- what exactly did Mr. Houghton say when
10 he offered you the position?
11 JUDGE SANDRON: All right. Well, I think because -- maybe
12 we should lay a foundation for the conversation.
13 MS. YASSERI: Okay. Thank you.
14 Q BY MS. YASSERI: Do you recall when this conversation with
15 Mr. Houghton took place?
16 A About right before I got the position. It's -- it was a
17 pretty simple choice. You know, I got rid of the management of
18 all the people, and I was able to do what I really like to do
19 and fix boats.
20 Q Okay.
21 A So -- so it was a -- it was a no-brainer.
22 Q Okay. So let me take a step back. How much time passed
23 from your first day as working as a port engineer at Centerline
24 to the time of this conversation with Mr. Houghton? Are we
25 talking about days or a few weeks?

1 A I don't think -- say the question one more time.
2 JUDGE SANDRON: Yeah.
3 MS. YASSERI: Okay.
4 Q BY MS. YASSERI: Do you remember how much time before your
5 first day as working as a Centerline port engineer --
6 A Um-hum.
7 Q -- did you have this conversation where Doug Houghton --
8 where he offered you the position as a Centerline port
9 engineer?
10 A I -- I don't know. It would have been probably just
11 coincided the change with a pay period. It's --
12 Q Pay period.
13 A It's not like I had to -- you know, it was just a -- I saw
14 it as a promotion, not a -- not a change of status. So there
15 was no, like, time off between jobs.
16 Q Okay. And so you get paid every two weeks?
17 A Yes.
18 Q Okay.
19 JUDGE SANDRON: Do you -- do you remember where you were
20 during that conversation?
21 THE WITNESS: No. In the office somewhere. I don't know.
22 It's mundane.
23 JUDGE SANDRON: In a Centerline office in Barracuda
24 Street?
25 THE WITNESS: In Barracuda Street, yes.

1 MS. YASSERI: Okay.
2 JUDGE SANDRON: And do you remember the time of day, by
3 any chance?
4 THE WITNESS: No.
5 JUDGE SANDRON: All right.
6 THE WITNESS: It would have been morning, probably.
7 JUDGE SANDRON: And was anybody else there, or just the
8 two of you?
9 THE WITNESS: Just the two of us.
10 JUDGE SANDRON: And what you recall -- who opened that
11 topic? You know, who brought it up?
12 THE WITNESS: It would have been Doug. I didn't know they
13 were offering the position.
14 JUDGE SANDRON: Okay.
15 Q BY MS. YASSERI: Did -- during this conversation, did Mr.
16 Houghton tell you why the position had become available?
17 A No.
18 Q Okay. And just to clarify, did you fill out an
19 application with respect to this position as Centerline port
20 engineer.
21 A No.
22 Q Did you -- was there a change in pay?
23 A There was.
24 Q There -- it was an increase in pay?
25 A Yes, ma'am.

1 Q Were there any changes to your benefits?
2 A No.
3 Q No changes. Okay. That included were there any changes
4 to, like, health insurance or --
5 A no.
6 Q -- anything related to that? Did you have any changes to
7 your schedule?
8 A No.
9 Q What about with respect to vacation, how much you could
10 accrue?
11 A You know, I was already capped out at that point. Nothing
12 changed.
13 Q Okay.
14 A I still am capped out, unfortunately.
15 Q Okay. Other than Mr. Houghton, did you have conversations
16 with any other upper management officials at Centerline
17 regarding this promotion?
18 A Not that I recall.
19 Q I want to just go back again real quick, Mr. Castagnola,
20 to the topic of the e-maintenance platform. Everyone at
21 Centerline has access to this; is this correct?
22 A No.
23 Q No? Who -- who -- who specifically has access to the e-
24 maintenance platform?
25 A So the vessels have access. Engineering has access. And

1 after that, I'm not quite sure.
2 Q Okay.
3 A But I know the lady answering the phones in the office
4 doesn't have access to it.
5 Q Okay. And when you say the lady in the office, which --
6 A Just the -- you now, the secretary that doesn't deal
7 with --
8 JUDGE SANDRON: You're talking in general.
9 THE WITNESS: In general, yeah.
10 MS. YASSERI: Okay.
11 THE WITNESS: Engineering has access.
12 MS. YASSERI: Okay.
13 THE WITNESS: I don't know exactly who sees those many
14 passwords and that's beyond me.
15 Q BY MS. YASSERI: So you mentioned that the vessels have
16 access. So let's say if a particular vessel is being operated
17 by Centerline subsidiary Leo, then a Leo employee who's
18 operating that vessel would have access to e-maintenance that
19 day, correct?
20 A Through the vessel's dashboard.
21 Q Through the vessel's dashboard?
22 A Yes.
23 Q So the same would be true for Westoil Marine employees?
24 A Through the vessel's dashboard.
25 Q And same for OTB, correct?

1 A Correct. And the -- those employees don't have a specific
2 login or password. It's a vessel login or password.
3 Q Understood. And if the vessel were to be operated by Leo
4 Marine, would Brian Vartan have access to that platform as
5 operations manager at Leo Marine?
6 A I believe he does have access to it.
7 Q Okay.
8 A I don't know for certain.
9 Q What about the Westoil operations manager, like Matt
10 Hathaway? Would he have access to it as well?
11 A Yeah. And they could ask me any particular questions and
12 I can give it to them if they -- the system's not that easy to
13 use and so it might be easier just to go hey, what's going on
14 with the main engine, can you show me. That's what most people
15 do.
16 Q Is education on the platform part of, employee, like,
17 onboarding at, let's say, Leo Marine for the engineers, do you
18 know?
19 A I don't know exactly what they do. But I know we do show
20 them on the job how to use it.
21 Q And when you say we -- we, who are you referring to?
22 A Either myself because I want the information to come
23 through accurately or their engineers that they work with show
24 each other how to navigate the system. Their dashboard's much
25 easier to use than mine.

1 Q How -- how is yours different from theirs?
2 A It's more administrative. I can add and remove. They can
3 request an add, but they can't actually put it in place.
4 Q I -- I want to now sort of talk a little bit about your
5 time interviewing applicants at Leo Marine. I know you
6 testified that -- about that on direct examination. When you
7 were participating or assisting with interviewing engineers who
8 were eventually hired at Leo Marine, were you port engineer for
9 Centerline at that time or were you still working for Westoil?
10 A I was port engineer for Centerline at that time.
11 Q I believe you testified on direct that you were involved
12 in the -- in interviewing approximately four or five of the
13 engineers; is that right?
14 A Some -- something like that. I don't know.
15 Q Okay. And you actually issued offer letters to those
16 engineers, correct?
17 A I reviewed offer letters.
18 Q You didn't sign any offer letters yourself?
19 A I did not sign an offer letter, no.
20 (Counsel confer)
21 MS. YASSERI: Mr. Castagnola, we're going to show you some
22 documents that have already been admitted into evidence. I'm
23 going to be referring to GC Exhibit 23.
24 And then Your Honor, we have portions of an exhibit that
25 has already been admitted into the record --

1 JUDGE SANDRON: Okay.
2 MS. YASSERI: -- as GC Exhibit 88. And we have copies of
3 the pages that we'll be referencing from GC Exhibit 88.
4 JUDGE SANDRON: Okay, let's see if I have them in this --
5 in this group.
6 (Counsel confer)
7 MS. YASSERI: And I'm -- and with respect to GC Exhibit
8 23, we have extra copies of the page that we'll be referring
9 to, page 3 --
10 JUDGE SANDRON: Okay.
11 MS. YASSERI: -- of GC Exhibit 23.
12 JUDGE SANDRON: Oh, here's 23. And then you said 88?
13 Do -- do you have those pages? I --
14 MS. YASSERI: Yeah.
15 JUDGE SANDRON: So -- so is that -- I have 23.
16 (Counsel confer)
17 JUDGE SANDRON: Okay. So just so we have it on the
18 record, these are pages of the GC Exhibit 88, pages 126, 137,
19 140, 167. And then there's a last page, it's a little hard to
20 see. Is there -- it looks like -- okay, it's -- I guess it was
21 cut on the bottom. It was -- is that 164 or 161?
22 MS. YASSERI: 161.
23 JUDGE SANDRON: 161, okay.
24 MS. YASSERI: Yes, Your Honor.
25 JUDGE SANDRON: It got covered over by something. Okay.

1 So we have all the pages that are going to be shown to the
2 witness.
3 Q BY MS. YASSERI: Thank you for your patience, Mr.
4 Castagnola. So I'd like to -- I'd like to direct your
5 attention to GC Exhibit 23.
6 A Um-hum.
7 Q To the second page. I'm sorry. What's before you should
8 be a portion of GC Exhibit 23 and I'm referring to the second
9 page of the entire exhibit. It's an offer letter that was
10 issued to Nicholas Buzard. It's page 3 of GC Exhibit 23. And
11 it was signed by you, correct?
12 A No.
13 Q Was that --
14 A That's my name, but that's not my signature.
15 Q That's your -- isn't that considered an electronic
16 signature, sir?
17 A Right. But I didn't produce this document or put my
18 signature on this. So --
19 Q Did you review it before it went out?
20 A I would have likely reviewed the content. But the wages
21 and things of that -- I -- I don't care about. But no, I
22 didn't sign this. That's just an electronic signature that
23 likely HR put on there.
24 Q Okay. Who gave you a copy of this letter to review?
25 A It's a pretty blanket letter we've used in the past.

1 JUDGE SANDRON: Do you actually recall reviewing it
2 befo -- reviewing it when it had your electronic signature?
3 Did you recall reviewing it before it went out to Mr. Buzard?
4 THE WITNESS: I -- I don't know if I did or not. I
5 probably did.
6 Q BY MS. YASSERI: And this letter, at the last paragraph,
7 references Sally Halfon, senior HR general -- generalist at
8 Centerline.
9 A Uh-huh.
10 Q Do you recall if she gave you a copy of this letter?
11 A Maybe. I don't know if she did or not.
12 JUDGE SANDRON: All right. We got --
13 A It's likely she did. But I'm not sure.
14 Q BY MS. YASSERI: I want to direct your attention to GC
15 Exhibit 88, page 115. It's a letter that was issued to Clayton
16 Holick.
17 MR. HILGENFELD: I don't -- we don't have page 115.
18 JUDGE SANDRON: I don't think you distributed that one. I
19 think the first page that I have is 126.
20 MR. HILGENFELD: Me as well, Your Honor.
21 MS. YASSERI: Our -- my apologies, Your Honor.
22 JUDGE SANDRON: And now we have 115.
23 Q BY MS. YASSERI: Mr. Castagnola, do you have page 115 of
24 GC Exhibit 88 in front of you?
25 A I do.

1 Q And this is a letter that was issued to Clay Holick for an
2 engineer deckhand position at Leo Marine. And this includes
3 your electronic signature, correct?
4 A It includes my name, yes.
5 Q Do you recall reviewing this letter before it issued to
6 Mr. Holick?
7 A You know, I don't recall reviewing these, no. But I'm
8 sure --
9 Q Do you recall seeing this letter before it was issued or
10 is this the first time?
11 A I'm -- I'm not sure if I saw these or not.
12 JUDGE SANDRON: Do -- do you recall if Mr. Holick signed
13 in your presence? Because it has his signature?
14 THE WITNESS: No. He did not sign in my presence.
15 Q BY MS. YASSERI: And Mr. Castagnola, Ms. Halfon would
16 typically email these to the new hires, wouldn't she --
17 A Correct.
18 Q -- as HR?
19 A Yes.
20 Q And you would be carbon copied on those emails, wouldn't
21 you?
22 A I'm sure I was.
23 Q Yeah. Again, I want to turn your attention back to GC-23.
24 We're going to present you with the complete version of the
25 exhibit.

1 MS. YASSERI: May I approach, Your Honor?
2 JUDGE SANDRON: Yes.
3 Q BY MS. YASSERI: I want to direct your attention to the
4 first page of the exhibit. It's to an email that was sent from
5 Sally Halfon on February 19th, 2021 to Mr. Buzard with the
6 subject line "Leo Marine offer letter." You're copy -- you're
7 carbon copied on that email, correct?
8 A Correct.
9 Q And this is an email that attaches the actual offer letter
10 sent to Mr. Buzard that you -- that includes your electronic
11 signature, correct? It's on page 2 of that exhibit, Mr.
12 Castagnola.
13 A Yes, I do see it with my name on it.
14 Q Okay. I want to turn your attention to page 126 of GC
15 Exhibit 88. It's an offer letter that was sent to Raymond
16 Blakeslee. This also references your electronic signature,
17 correct?
18 A It references my name, yes.
19 Q Do you recall issuing a letter to Mr. Blakeslee for a
20 position at Leo Marine?
21 A I recall reviewing his application and recommending him.
22 Sally would have issued this letter.
23 Q She would have issued it on your behalf?
24 A This would all have been on Brian's behalf, actually. As
25 you can see, he's also cc'd on these emails.

1 Q I want to direct your attention to GC Exhibit 88, page
2 137, to a letter that was issued to Jeffrey Cole --
3 A Um-hum.
4 Q -- for a position as -- I can't -- I'm sorry, engineer
5 deckhand at Leo. That also includes your electronic signature,
6 correct?
7 A Yes, it includes my name.
8 Q Next, we have page 146, same exhibit, GC Exhibit 88. It's
9 an offer letter issued to Ryan Gill (phonetic throughout), for
10 a engineer deckhand position at Leo Marine. This also includes
11 your electronic signature, correct?
12 A It includes my name as well, yes.
13 Q The letter's being issued by you, sir, isn't it?
14 A The letter is being issued by HR. You can see who emailed
15 it to him. From Sally.
16 Q Directing your attention to GC Exhibit 88, page 161, to an
17 offer letter sent by you to Dylan Michel (phonetic throughout)
18 for a position at Leo Marine as an engineer deckhand. This
19 also references your electronic signature, correct?
20 A They all have my name on them, yes.
21 Q And lastly, we have page 167 of GC Exhibit 88. It's an
22 offer letter of employment sent to Ryan Quintana for an
23 engineer deckhand position at Leo Marine. And this also
24 includes your electronic signature, correct?
25 A My name, yes.

1 JUDGE SANDRON: Did -- did any of these employees sign in
2 your presence?
3 THE WITNESS: They did not.
4 Q BY MS. YASSERI: Mr. Castagnola, you testified on direct
5 about making some recommendations to Brian Vartan regarding
6 hiring employees at Leo Marine. Do you remember that?
7 A Um-hum.
8 Q Did Mr. Vartan ever reject any of your recommendations
9 regarding applicants for Leo Marine positions?
10 A He may have. I'm not -- I'm not sure. I mean, we moved
11 through some people in the beginning. I don't know who we kept
12 or didn't keep. I'm --
13 JUDGE SANDRON: Well, do you have any specific
14 recollection of particular people?
15 THE WITNESS: No, no. A lot of the people were -- were
16 new. We -- they were hired. I didn't know them. You know,
17 it's -- I don't remember their name. I'm not certain.
18 JUDGE SANDRON: So you can't recall any specific people
19 that he -- he rejected?
20 THE WITNESS: That he rejected, no.
21 JUDGE SANDRON: But can you recall any specific people
22 that you recommended be rejected?
23 THE WITNESS: By name, no.
24 JUDGE SANDRON: But you do recall that --
25 THE WITNESS: I'm sure there was, yes.

1 JUDGE SANDRON: And -- and -- and in those cases, do you
2 recall if he accepted your recommendation or not?
3 THE WITNESS: Yes, he did.
4 Q BY MS. YASSERI: What was the basis for you recommending
5 that they not be hired?
6 A Mine would have solely been on, you know, work history.
7 Have they done this before, do I think they can manage a boat
8 that -- that I'm still learning? I -- I would need plenty of
9 help with it.
10 Q Other than yourself and Mr. Vartan, Mr. Castagnola, who
11 else was involved in hiring engineers at Leo Marine?
12 A I don't know. Like I said, I just assisted him. I don't
13 know what they were doing when I was doing my actual job.
14 JUDGE SANDRON: And since that time, have you played any
15 role in hiring?
16 THE WITNESS: No. No, not at work. The company's on its
17 feet. I can get back to what I'm supposed to do.
18 Q BY MS. YASSERI: You mentioned the company being on its
19 feet. But sort of in March of 2021, it was sort of a chaotic
20 period of time for the company, correct?
21 A Yes.
22 Q And you sort of were helping oversee Leo Marine's
23 operations at that time; is that right?
24 A Within the engineering department, sure.
25 Q So the engineers would report to you?

1 A No, not exactly. I was working with them to get to know
2 the ve -- the vessels and reestablish what their jobs were.
3 And that's what they -- what we did. As far as direct
4 management, that was up to Brian.
5 Q But sort of directing your attention to that first month
6 of operations in Leo Marine LA in March of 2021. If an
7 engineer had an issue, they would primarily go to you, correct?
8 A I'm not sure where they would go. It would be up to that
9 person, I guess.
10 Q But issues with respect to vessel maintenance and
11 questions about maintenance would all be directed to you,
12 correct?
13 A Yes.
14 Q You also testified on direct, Mr. Castagnola, that you
15 bring concerns regarding Leo Marine engineers -- engineers to
16 Mr. Vartan. Do you remember that?
17 A Um-hum.
18 Q Okay. And what kind of concerns --
19 JUDGE SANDRON: Remember, you've got to say yes.
20 THE WITNESS: Oh, sorry.
21 JUDGE SANDRON: That's all right.
22 THE WITNESS: It's my first time back here. So --
23 JUDGE SANDRON: That's fine. We don't expect you to be an
24 expert at being a witness.
25 THE WITNESS: My first time in a courtroom in general.

1 JUDGE SANDRON: I'm sorry, what?
2 MR. HILGENFELD: That's usually a good thing.
3 Q BY MS. YASSERI: What kind of concerns would you bring to
4 him regarding Leo Marine engineers?
5 A My only concerns with Leo Marine engineers would be their
6 ability to maintain the vessel and react to a problem on board.
7 Q Can you think of a specific example most recently where
8 that -- where you've done that, where you've gone to Mr. Vartan
9 and informed him --
10 A Most recently --
11 Q -- about a concern?
12 A -- would have been in the beginning. I don't exactly
13 remember the guy's name. But he just couldn't do it. He
14 couldn't maintain the boat, couldn't land the barges. A lot to
15 being an engineer that -- they have to talk on a radio. The
16 captains were having concerns with it. So I brought that
17 concern to Mr. Vartan. I'm not sure what they did with him,
18 but.
19 Q Is that individual still employed by Leo Marine?
20 A He's not. And I don't know if that was -- his employment
21 ended sometime after. So I'm not sure if that had anything to
22 do with it or not.
23 Q You -- you also said that you can remove engineers with
24 respect to engineers working at Westoil and Leo Marine with the
25 help of the Union. What did --

1 A I never said --
2 Q -- you mean by --
3 A -- Leo Marine.
4 Q Okay. My apologies. Let me -- let me rephrase the
5 question. You said that you could -- when you were -- well,
6 you said you could remove engineers with respect to Westoil.
7 A Right.
8 Q What did you mean by that? You said with the help of the
9 Union. What did you mean by that?
10 A No, the Union governs who we can put where. So we
11 would -- to negate a grievance, we would bring the concern to
12 the Union, offer some kind of way to keep them employed or this
13 is what we need to do to get him to stay here, those kinds of
14 things.
15 Q And you would express those concerns to the Union?
16 A Yeah. Not myself personally. At that time, I think it
17 would have been Doug, so.
18 Q Is that Doug Houghton?
19 A Yes. It's not something that happened very often.
20 Q Okay. And he was serving as vice president of Centerline
21 at the time; is that right?
22 A I'm trying to think of when he changed his role. I
23 believe he was operations manager of Westoil. And I don't
24 really know what his title was.
25 JUDGE SANDRON: But he was with Centerline management?

1 MR. HILGENFELD: What was that, Your Honor? I didn't hear
2 you.
3 JUDGE SANDRON: Who was he with at the time he was in
4 management for?
5 THE WITNESS: I don't know how to answer that. We had,
6 you know, several things that happened in the recent past.
7 JUDGE SANDRON: I see.
8 THE WITNESS: Name changes and such.
9 JUDGE SANDRON: But -- but he was in upper management --
10 THE WITNESS: Yes.
11 JUDGE SANDRON: -- of some company of Centerline? Some --
12 either Centerline or an affiliate.
13 THE WITNESS: Yes.
14 Q BY MS. YASSERI: And just to try to take a step back, what
15 was sort of the extent of your involvement in expressing the
16 concerns to the Union -- or to the IBU during your time at
17 Westoil as a port engineer?
18 A That really wouldn't have been me. That -- that would
19 have gone to -- to Doug or somebody else after I expressed my
20 concern to them. But most often I would fix the problem on
21 board the boat. I wouldn't -- you know, that's -- unless the
22 guy was completely untrainable, then we would never get there.
23 Q Okay. So let me follow up on that. When you say I would
24 fix the problem, what would that entail if -- if it related to
25 a performance --

1 A Training.
2 Q -- shortcoming of the --
3 A Training would --
4 Q -- employee?
5 A -- is always the answer.
6 Q I'm sorry, I didn't catch that.
7 A Training.
8 Q Training. And this would be training that would be
9 conducted by you?
10 A By me or I'd ask him to ride with somebody else or maybe
11 we'd give him some more time before we let him loose on a boat.
12 Lots of different avenues.
13 JUDGE SANDRON: Was there any system of employees being
14 put on probation for any reason -- for performance?
15 THE WITNESS: It's -- it's very --
16 JUDGE SANDRON: Any kind of formal system?
17 THE WITNESS: It's very rare. I'm sure we have a formal
18 system. But it takes us a while to let a guy be an engineer.
19 So their probation period kind of starts before they get --
20 JUDGE SANDRON: I see.
21 THE WITNESS: -- the job.
22 JUDGE SANDRON: I see. So you -- so it really -- was it
23 any kind of situations where an employee, after they were
24 hired, was -- was -- were put on probation because of their
25 performance while they were engineers? Do you recall any time

1 that occurred?

2 THE WITNESS: I can't think of a specific time where we

3 went that route.

4 JUDGE SANDRON: Okay.

5 Q BY MS. YASSERI: All right. Mr. Castagnola, you also made

6 a reference on direct regarding the dispatchers performing

7 scheduling functions.

8 A That was during the Westoil time, yes.

9 Q And were those dispatchers employed by Westoil?

10 A I actually don't -- I -- I assume so, but I don't know.

11 They're not my department.

12 Q Do you have any knowledge with respar -- with respect to

13 dispatching at Leo Marine?

14 A Not my department.

15 Q Okay. Mr. Castagnola, I'm going to be showing you a

16 document that's been marked for identification as General

17 Counsel's Exhibit 301.

18 MS. YASSERI: It's out of order, just to note for the

19 record. It's out of order.

20 Q BY MS. YASSERI: I want to -- these -- these two pages

21 that comprise this Exhibit GC-301 are job descriptions.

22 A Um-hum.

23 Q The first one is for the senior port engineer position,

24 who reports to senior vice president of west coast operations.

25 Do you know who occupies this position at this point in time?

1 A I believe this is Tom Larsen.
2 Q And that would be your -- your direct supervisor?
3 A Yes, ma'am.
4 Q And the functions of the job that are listed on this job
5 description on page 1 and leading to page 2 of the exhibit.
6 Based on your understanding, are they in line with what Mr.
7 Larsen does on a daily basis?
8 MR. HILGENFELD: Objection. Foundation.
9 He knows what he knows, but he doesn't know what else Mr.
10 Larsen may or may not do.
11 THE WITNESS: Right. And it's -- this is a sum of many
12 things, here.
13 JUDGE SANDRON: Well, all right -- all right. Wait.
14 Don't -- don't --
15 Q BY MS. YASSERI: Well, what --
16 THE WITNESS: Sorry.
17 JUDGE SANDRON: Don't -- don't answer.
18 And I don't know if he would have --
19 How often do you have contact with him on a daily base --
20 or a weekly basis?
21 THE WITNESS: Several times a week, but he's my boss; he
22 asks the questions. I don't ask him what he's doing every day.
23 JUDGE SANDRON: And he -- is he located in Alameda,
24 California?
25 THE WITNESS: Typically.

1 JUDGE SANDRON: All right. Well, he -- he really wouldn't
2 have the direct knowledge. Well, I mean, we would generally
3 assume that an individual performs the functions that are
4 listed in a job description, unless there's some reason or
5 other evidence to rebut that.
6 MS. YASSERI: Okay.
7 Q BY MS. YASSERI: I want to direct your attention, Mr.
8 Castagnola, to the -- page 3 of the exhibit, to the job title,
9 which references port engineer.
10 A Uh-huh.
11 Q And specifically, referencing the San Pedro location.
12 A Uh-huh.
13 JUDGE SANDRON: Remember, you got to say yes.
14 THE WITNESS: Sorry.
15 Q BY MS. YASSERI: This is --
16 JUDGE SANDRON: Although, you don't really have to -- if
17 she points out something, you don't have to acknowledge it at
18 that point. You just have to answer the questions.
19 THE WITNESS: Sorry. I'll -- I'll get this by the end of
20 it. I promise.
21 JUDGE SANDRON: Just try to relax, as best as you can.
22 Q BY MS. YASSERI: This job description is for the position
23 that you currently hold, as port engineer at Centerline
24 Logistics, correct?
25 A Yes.

1 Q Okay.
2 JUDGE SANDRON: Well, you can ask him if -- if the
3 description of the jobs in this job description comport with
4 what he does, because, that, he would have direct knowledge.
5 Q BY MS. YASSERI: And Mr. Castagnola, with respect to the
6 essential functions that are listed in this job descriptions,
7 are they in line with your daily duties, as Centerline's port
8 engineer?
9 A I wish this was all we had to do, but yes.
10 Q Okay. So it's your testimony that what's included in here
11 includes the work that you do, and that there -- there are
12 additional responsibilities that you have that are not included
13 in this job description?
14 A Actually, this one is pretty well written.
15 JUDGE SANDRON: All right. Take a minute and review them,
16 and see if there's anything else you do that's not encompassed
17 by these bullet points.
18 THE WITNESS: You know, I'm sure there's something I do
19 that's not in here, but this is pretty well rounded.
20 Q BY MS. YASSERI: Can you think of any additional
21 responsibilities that you hold, that aren't specifically
22 referenced here?
23 A Yeah --
24 JUDGE SANDRON: Think for a minute, if you can; if not --
25 THE WITNESS: Not at this time. I mean, this is the --

1 this a good foundation.

2 JUDGE SANDRON: So -- so at least it substantially

3 represents what you do?

4 THE WITNESS: Yes.

5 JUDGE SANDRON: Okay. Were these job descriptions

6 furnished by the Company's counsel?

7 MS. YASSERI: Yes, Your Honor. At this time, I'd like to

8 move for the admission of GC-301.

9 These were produced to us pursuant to the subpoena that

10 was issued to Centerline on July 6th, 2022.

11 JUDGE SANDRON: Mr. Hilgenfeld, any voir dire or

12 objection?

13 MR. HILGENFELD: No. No objection, Your Honor.

14 JUDGE SANDRON: Okay. The document is admitted.

15 **(General Counsel Exhibit Number 301 Received into Evidence)**

16 MS. YASSERI: Okay. All right.

17 JUDGE SANDRON: I -- I want to ask him just one other

18 question.

19 You know, this job description for port engineer -- do you

20 recall when -- when you first actually saw this document, as

21 far as what it says about the position and essential functions?

22 Do -- do you recall about when you actually saw it?

23 THE WITNESS: Ever since the beginning of my port

24 engineer. And we -- we've always used, roughly, the same

25 format.

1 JUDGE SANDRON: Okay. Thank you.
2 Q BY MS. YASSERI: Mr. Castagnola, on direct, you testified
3 a little bit about Nicholas Buzard, correct?
4 A Um-hum. Yes.
5 JUDGE SANDRON: Thank you.
6 Q BY MS. YASSERI: And believe you said you had worked with
7 him when you were both at Westoil --
8 A Correct.
9 Q -- correct? And so at the time that he was applying for
10 the position at Leo Marine, you knew that Mr. Buzard was
11 working for Westoil, correct?
12 A Correct.
13 Q And you knew that he was an IBU bargaining member; is that
14 right?
15 A Bargaining member?
16 Q Bargaining unit member. He was a member of the IBU,
17 correct?
18 A Oh, yeah.
19 Q Okay. I also want to ask you about -- you mentioned, when
20 you were involved in hiring engineers at Leo Marine, you were
21 told that Leo Marine was nonunion, at the time; do you remember
22 that?
23 A That's correct.
24 Q Who told you that?
25 A Brian Vartan.

1 Q Do you remember when Mr. Vartan told you that,
2 specifically?
3 A Not specifically.
4 MS. YASSERI: Your Honor, may I just have one minute to --
5 JUDGE SANDRON: Yes.
6 MS. YASSERI: -- review my notes? Thank you.
7 JUDGE SANDRON: Off the record.
8 (Off the record at 11:00 a.m.)
9 JUDGE SANDRON: Back on the record.
10 MS. YASSERI: No further questions for Mr. Castagnola.
11 Thank you.
12 JUDGE SANDRON: Mr. Hilgenfeld, any re --
13 THE WITNESS: Thank you very much.
14 JUDGE SANDRON: -- redirect?
15 THE WITNESS: Oh.
16 MR. HILGENFELD: No, we'll let you off, Michael.
17 THE WITNESS: Oh, thank you.
18 JUDGE SANDRON: Okay. Well, thank you for your time
19 today. You're all done.
20 THE WITNESS: Thank you very much. Yours?
21 JUDGE SANDRON: You -- you can leave the documents.
22 MS. YASSERI: Yeah.
23 JUDGE SANDRON: That'd be fine. Hope you have a good day,
24 then.
25 THE WITNESS: You, too.

1 MS. YASSERI: Yeah. Thank you.

2 MR. HILGENFELD: Can we take a five-, ten-minute break?

3 JUDGE SANDRON: Yes. Off the record.

4 (Off the record at 11:01 a.m.)

5 JUDGE SANDRON: Oh, yes. On the record.

6 So Mr. Hilgenfeld, I understand that you are going to be

7 your witness?

8 MR. HILGENFELD: Yes, Your Honor.

9 JUDGE SANDRON: Would you want to come on up? And your

10 co-counsel --

11 MR. SPURGEON: Yes, Your Honor. Daniel Spurgeon --

12 JUDGE SANDRON: Mr. --

13 MR. SPURGEON: S-P-U-R-G-E-O-N.

14 JUDGE SANDRON: Right, you -- you're on the record. So --

15 MR. SPURGEON: Yes.

16 JUDGE SANDRON: So I understand Mr. Spurgeon will be

17 asking the questions, and you'll be answering.

18 So I will swear you in.

19 Whereupon,

20 **CHRISTOPHER L. HILGENFELD**

21 having been duly sworn, was called as a witness herein and was

22 examined and testified as follows:

23 JUDGE SANDRON: If you could state and spell your full and

24 correct legal name? We have your address already on the

25 record.

1 THE WITNESS: Christopher, C-H-R-I-S-T-O-P-H-E-R, Lee,
2 L-E-E, Hilgenfeld, H-I-L-G-E-N-F-E-L-D.
3 JUDGE SANDRON: Okay. Mr. Spurgeon?
4 MR. SPURGEON: Thank you, Your Honor.
5 **DIRECT EXAMINATION**
6 Q BY MR. SPURGEON: Mr. Hilgenfeld, where are you currently
7 employed?
8 A Davis Grimm Payne & Marra.
9 Q And how long have you practiced law at Davis Grimm?
10 A I've been at Davis Grimm Payne & Marra since approximately
11 June of 2008.
12 Q And what is your position there?
13 A I am an attorney.
14 Q And in your role as an attorney, do you represent Westoil
15 Marine Services, Inc.?
16 A I have represented Westoil Marine Services since
17 approximately 2012.
18 Q And for which practice areas have you represented Westoil?
19 A Predominately labor relations, but there have been some
20 employment matters that I've represented Westoil Marine on,
21 through that ten-year period.
22 Q And in the course of representing Westoil, have you been
23 involved in any labor negotiations with the IBU?
24 A I have been.
25 Q And what does IBU stand for?

1 A The Inlandboatmen's Union.
2 Q And when did these labor negotiations start between
3 Westoil and the IBU?
4 A My first involvement would have probably been during the
5 2012 negotiations, where I had a backup support role. The
6 first time I was at the table as a spokesperson for the
7 Company, would have been during the 2017-2018 labor
8 negotiations.
9 Q And when you say you were at the table in 2017, what was
10 the status of the bargaining between the IBU and Westoil, in
11 that time?
12 A So during the 2017-2018 labor negotiations, there was
13 essentially two parts. The first part dealt with, what I'd
14 call, an informal extension, where there were conversations
15 between the Company, Westoil, and the IBU. That started in
16 approximately April or May and went through, I believe, August,
17 when the tentative agreement was turned down by the membership
18 of 2017. In that role, I had a support role, and Doug Houghton
19 was handling the negotiations directly with the IBU.
20 In -- once it was turned down in August 7 -- August of
21 2017, the parties entered, what I would call, more formal labor
22 negotiations that started in November of 2017.
23 Q Okay. And when, approximately, did those formal
24 negotiations end?
25 A When did they begin, or when did they end?

1 Q When did they end? You said, they began in November of
2 2017.
3 A They ended, approximately, August of 2018 -- I believe
4 mid-August was when we received word that the contract had been
5 ratified by the IBU membership.
6 JUDGE SANDRON: And -- and your role when the negotiations
7 became formal was -- what was your role?
8 THE WITNESS: So in November of 2017 --
9 JUDGE SANDRON: Right.
10 THE WITNESS: -- I was the lead spokesperson for the --
11 for the Company, at the bargaining table.
12 Q BY MR. SPURGEON: And was there a management committee for
13 bargaining for Westoil, in 2017?
14 A There was.
15 Q And who was on that management committee?
16 A So I was the lead spokesperson. Doug Houghton, at that
17 time, was the general manager for Westoil Marine Services; he
18 was on that committee. Brian Vartan, who had -- I believe he
19 was the barge supervisor for Westoil Marine Services, at that
20 time. And going back to Doug Houghton, he was actually the
21 general manager for Westoil Marine Services and Millennium
22 Maritime, Inc., that's now known as Westoil Tug Services. So
23 he had both of those roles. I think Brian Vartan was just with
24 Westoil Marine Services. And then Andre Nault was -- I'm not
25 sure if he was with Westoil Marine Services or Millennium

1 Maritime, Inc., but he was the safety -- he was in charge of
2 safety for one of those two companies, at that time.
3 JUDGE SANDRON: Do we have his name in the record?
4 THE WITNESS: I'm not sure if we -- we do.
5 JUDGE SANDRON: Okay. Thank you, Madam Court Reporter.
6 Q BY MR. SPURGEON: The spelling is Andre, A-N-D-R-E, Nault,
7 N-A-U-L-T; is that correct?
8 A It is.
9 JUDGE SANDRON: Thank you.
10 Q BY MR. SPURGEON: All right. And did the IBU have a
11 bargaining committee in 2017, with respect to Westoil?
12 A They did.
13 Q Who was on the IBU's bargaining committee?
14 A At -- at least at the bargaining table, initially, John
15 Skow was the spokesperson for the IBU. He was the spokesperson
16 from November through February of 2018. At one point in time,
17 Marina Secchitano came to the bargaining table, and she was the
18 head spokesperson, starting in February of 2018 through the end
19 of negotiations. Secchitano is, S-E-C-C-H-I-T-A-O-N-O (sic).
20 JUDGE SANDRON: And what was her first name?
21 THE WITNESS: Marina.
22 JUDGE SANDRON: Marina.
23 THE WITNESS: M-A-R-I-N-A. And --
24 Q BY MR. SPURGEON: And did the --
25 THE WITNESS: Sorry. And the rest of the bargaining

1 committee at the table -- there were a variety of members that
2 came and went to the table. I recall Enrique Gomez was at most
3 of the bargaining sessions. Nolan Padilla was at most of the
4 bargaining sessions. Mike Vera was at some of the bargaining
5 sessions. Brian Janson was at some of the bargaining sessions.
6 Boris Klarin was at some of the bargaining sessions. And Mike
7 Zuanich was at some of the bargaining sessions.
8 And there were probably others. The Union members for the
9 Westoil employees would sometimes just show up for one or two
10 sessions and then not come back to others.
11 JUDGE SANDRON: If you want to just spell those names. I
12 may have some of them already in the record, but I'm sure we
13 have all of them.
14 THE WITNESS: I -- I will do my best for who I mentioned.
15 JUDGE SANDRON: All right. As far as you --
16 THE WITNESS: Padilla is P-A-D-I-L-L-A, and then that's
17 Nolan, N-O-L-A-N.
18 Mike Zuanich, is Mike as you would typically spell it,
19 Zuanich, Z-U-A-N-I-C-H.
20 Boris Klarin is B-O-R-I-S K-L-A-R-I-N.
21 Brian Janson, I believe, is Brian -- typically (sic)
22 spelling -- Janson, I believe, was J-A-N-S-O-N.
23 JUDGE SANDRON: And -- and so you said, Enrique Gomez?
24 THE WITNESS: Enrique Gomez would be E-N-R-I, I believe,
25 Q-U-E, Gomez as you would typically spell it.

1 JUDGE SANDRON: Okay. And then was there one other
2 person? Mike --
3 MR. RIMBACH: It was a Mike Vera.
4 THE WITNESS: Mike Vera. Thank you.
5 Mike, typically spelling, Vera, V-E-R-A.
6 Q BY MR. SPURGEON: And did these negotiations take place in
7 person, or through remote means?
8 A These were pre-COVID, so everything was in person.
9 Q So where, geographically, did the negotiations occur?
10 A Initially, they predominately occurred at the Westoil
11 office at 1610 Barracuda, LA301. When Ms. Secchitano took over
12 the lead negotiation, they went back and forth between the
13 Westoil office and the IBU office in San Pedro -- I believe
14 it's in San Pedro.
15 Q And were any proposals initiated during these
16 negotiations?
17 A There were, but going back to the initial question, we did
18 also have one bargaining session in Oakland, California as
19 well. The proposals were exchanged between the parties.
20 JUDGE SANDRON: Do you remember where in Oakland you had
21 that one meeting?
22 THE WITNESS: It was at the FMCS office in Oakland.
23 Q BY MR. SPURGEON: And who initiated those proposals?
24 A The opening proposal was initiated by the Union on the
25 first day of negotiations. And then afterwards the parties

1 exchanged proposals, as would typically be done throughout the
2 process.
3 Q And do you have an exhibit book there with previously
4 admitted Respondent's 133?
5 A Dan, you said, 133?
6 Q Correct.
7 A I do.
8 MS. YASSERI: Just one second -- one second, please.
9 (Counsel confer)
10 MR. SPURGEON: Your Honor, may I approach?
11 JUDGE SANDRON: Yes, that might be the best. Thank you.
12 That's probably the easiest way to look at it. Thank you.
13 Q BY MR. SPURGEON: Okay. Do you recognize this document,
14 marked Respondent's Exhibit 133?
15 JUDGE SANDRON: Well, yeah, I think it's actually been
16 admitted.
17 Q BY MR. SPURGEON: So can you just tell us, briefly, what
18 this is?
19 MR. RIMBACH: Objection. Document speaks for itself.
20 It's also a vague question.
21 JUDGE SANDRON: Well, I -- I think -- if it's going to be
22 a predicate for other questions.
23 MR. SPURGEON: It's foundational, Your Honor.
24 JUDGE SANDRON: Go ahead.
25 A Certainly. On the first day of negotiations, on November

1 6th, 2017, the Union had a package of language proposals that
2 they were presenting to Westoil Marine Services. There was
3 roughly 20 plus language proposals. On one of those language
4 proposals, was a work preservation clause proposal, which is
5 page 2 of this document. So this was part of the document.
6 JUDGE SANDRON: So where it says, date and time
7 proposed -- who put that in; do you recall?
8 THE WITNESS: It was not me. I heard through Mr. Skow's
9 testimony that it was him, but it -- it was not me. It was --
10 when I received this document, the writing on the front page
11 was blank. There was no handwriting on the front page.
12 JUDGE SANDRON: I see.
13 THE WITNESS: And then the -- there was no handwriting on
14 the back page. So all the handwriting was put on --
15 JUDGE SANDRON: I see. After.
16 THE WITNESS: -- not by me.
17 JUDGE SANDRON: So when you saw it, on the second page it
18 just had the work preservation clause language, in red?
19 THE WITNESS: Correct. And then it had the date and time
20 proposed, with a blank date and time TA (phonetic throughout),
21 and then company response. But there was no -- there was no
22 information in those. They were just entirely blank.
23 JUDGE SANDRON: I see.
24 Q BY MR. SPURGEON: And who presented this proposal to you?
25 A This was presented to me and the other members of the

1 Westoil committee by John Skow.
2 Q And was that in the actual conference room at the Westoil
3 office?
4 A It was.
5 Q And did Mr. Skow say anything when he presented this to
6 you?
7 MR. RIMBACH: Objection. I'm just going to object based
8 on relevance. This is extrinsic evidence. It's parol
9 evidence. We don't believe this is relevant. The Respondent
10 is arguing that the Union waived its right with respect to this
11 issue -- or this work preservation clause, under MV
12 Transportation. However, in MV Transportation, the Board looks
13 at the plain meaning of the relevant contractual language
14 applying ordinary principles of contract interpretation. It
15 does not look at discussions during bargaining as part of that
16 analysis under MV Transportation.
17 So I would object on that basis.
18 JUDGE SANDRON: All right. I know we had some discussion
19 about that issue earlier.
20 Mr. Spurgeon, do you have a response to that?
21 MR. SPURGEON: Yes, Your Honor. Parol evidence is not
22 allowed to contradict the terms of an agreed contract. It's
23 not allowed to add to the deal, but it's allowed to explain the
24 course of dealing between the parties, that the parties jointly
25 decided to exclude a term that's not present.

1 So we're not offering this to contradict the agreement
2 that was finalized, we're just offering it to explain how the
3 parties arrived at the terms that are reflected.
4 I also brought copies of the transcript from when this was
5 admitted, where this was already settled. Your Honor already
6 ruled that this could come in.
7 JUDGE SANDRON: All right. Well, again, I think it may be
8 an issue that the parties will need to brief if it's going to
9 be an important issue.
10 THE WITNESS: I'll just make a standing objection, Your
11 Honor.
12 JUDGE SANDRON: All right.
13 MR. RIMBACH: We don't believe the contract covered
14 standard -- that this would fall under the contract covered
15 standard under MV Transportation.
16 JUDGE SANDRON: All right. It's noted.
17 Go ahead, Mr. Spurgeon.
18 Q BY MR. SPURGEON: So Mr. Hilgenfeld, did Mr. Skow say
19 anything when he presented this to you?
20 A He did. So when Mr. Skow presented -- and just looking at
21 this specific proposal --
22 Q Right.
23 A -- he read through the proposal, I asked a question, and
24 he answered my question.
25 Q And what question was it that you asked him?

1 A In reading through this proposal, I asked Mr. Skow if this
2 language was intended to reverse the 2015 labor arbitration
3 that the parties had had, that involved Olympic Tug and Barge
4 performing work in L.A./Long Beach Harbor.
5 Q And what was the result of that 2015 labor arbitration?
6 A It was that Olympic Tug and Barge did not violate the
7 terms of the labor agreement between Westoil, Millennium
8 Maritime, and the IBU, by performing work in L.A./Long Beach.
9 Q Okay. And so you asked him, if I understand you
10 correctly, that this proposal appeared to be related to that
11 prior arbitration award?
12 JUDGE SANDRON: No -- yeah, no. I mean, that's not really
13 an appropriate form of -- of question, because he said what he
14 asked him.
15 Did -- did Mr. Skow respond to you?
16 THE WITNESS: He did.
17 JUDGE SANDRON: What did -- what did he say?
18 THE WITNESS: Mr. Skow stated that, yes, this was intended
19 to directly go against the 2015 arbitration award.
20 JUDGE SANDRON: And did you respond to him?
21 THE WITNESS: Not at that time.
22 JUDGE SANDRON: Okay.
23 Q BY MR. SPURGEON: Okay. And did Westoil ever respond to
24 the IBU, regarding this specific proposal?
25 A We did. So we received this part -- it's my recollection

1 we received this proposal after lunch, from the Union on
2 November 6th. After receiving all the proposals, we took a
3 caucus, and then we returned towards the end of the afternoon
4 on November 6th, 2017. And at that point, we provided our own
5 package proposals, and we responded to all the Union proposals,
6 and we addressed this proposal directly.
7 In that response to the Union, we had -- I, at the
8 table -- and it was both myself and Doug Houghton responded to
9 this -- I stated, we were not going to agree to the Union's
10 proposal. The 2015 arbitration decision, in our mind, resolved
11 this issue. And we were not going to put language in the
12 contract that went against the 2015 labor arbitration.
13 JUDGE SANDRON: Do you know who wrote in, "No. Not going
14 to agree"?
15 THE WITNESS: It was not me. Mr. Skow testified during
16 his testimony --
17 JUDGE SANDRON: Oh, okay.
18 THE WITNESS: -- that he wrote it in.
19 JUDGE SANDRON: All right. And -- and the time, there's
20 4:51; was that the time that -- does that time sound right to
21 you, as far as --
22 THE WITNESS: It -- it was late afternoon, at the end of
23 the day --
24 JUDGE SANDRON: All right.
25 THE WITNESS: -- so that seems that that's about right.

1 And the 1:57 seems like that's approximately when we would have
2 received.
3 JUDGE SANDRON: All right.
4 THE WITNESS: So I responded in that manner. Doug
5 Houghton then responded as well. Mr. Houghton, as I recall,
6 stated, fairly lengthily, about the need to -- all the
7 competition that Westoil was facing, and that this west -- this
8 work preservation clause -- we wanted Westoil to succeed. We
9 being Westoil Marine Services and the IBU. We were in this
10 together. We needed to get past the 2015 issue.
11 We've worked past that for a couple years up to this
12 point, and it had not been a problem. And then Mr. Houghton
13 explained the issues that Westoil was facing from a big picture
14 point of view as it related to the work in there. He went
15 through the fact that at that point in time, as I recall, there
16 was four contracts that Westoil was operating services for and
17 so Doug talked about that the Glencore contract was out there.
18 You had the Minerva contract that was out there. You had
19 Peninsula that was out there.
20 I believe there was some con -- conversation about a
21 Marathon or Aegean as well, that there were -- all of these
22 customers had reached out to Mr. Houghton, and they were
23 tightening this purse -- the purse strings on the work being
24 performed. And that Mr. Houghton explained that we have new
25 regulations with IMO 2020 that was going to make it even harder

1 to operate efficiently for everyone involved. We needed to
2 figure out a way amongst ourselves to work on the contract that
3 we had to get the best deal we could, is how I recall Mr.
4 Houghton responded.
5 Q And did anyone from the Union respond to your statement
6 regarding the work preservation proposal?
7 JUDGE SANDRON: Well, I maybe did anybody buying from the
8 Union respond to you to what you said, or Mr. Houghton said?
9 A At that meeting. I don't recall them responding.
10 Q BY MR. SPURGEON: Okay. So. And on -- on that day,
11 November 6th, 2017. Was anything more discussed between the
12 IBU and Westoil regarding this work preservation proposal?
13 A I don't believe it was.
14 Q And as part of your practice as the lead negotiator, do
15 you routinely take bargaining notes.
16 A I do.
17 Q And are those something that you create in the normal
18 course of business?
19 A They are.
20 Q And are those taken during the -- or at the time of the
21 events?
22 A They're taken contemporaneously with the bargaining that
23 is ongoing at that time.
24 Q And what I would like to show you next is Respondent's
25 Exhibit 134.

1 MR. SPURGEON: Do you need a copy?
2 JUDGE SANDRON: I guess I need a copy. Thank you.
3 Q BY MR. SPURGEON: This is a seven-page document, so please
4 review it and tell me if you know what it is.
5 Q I do. These are the bargaining notes that I took on
6 November 6th, 2017.
7 Q Okay. And on page 1 in the top left-hand corner, would
8 you please read us what that says?
9 A Yeah. At the top left-hand is Westoil backslash. That's
10 IBU. And then underneath that is negotiations. I keep my
11 bargaining notes of three-hole punch notebook. So November has
12 been punched out, but that is November 6th, 2017.
13 Q Okay. And then at the top half of the page, there are two
14 columns of names. Could you tell us what the column on the
15 left side that begins with E slash ER, what that refers to?
16 A That's my own personal shorthand for employer. So these
17 were the employer individuals that were present at bargaining
18 on this day.
19 Q Okay. And is CLH your own initials?
20 A Correct.
21 Q Okay. And then below that, does it say Doug Houghton?
22 A Yeah. So below that is Dough Houghton and then his
23 position, GM. So part of this would have been announcing who
24 we are. So this is Doug Houghton, he's the general manager,
25 Andre Nault. He was in charge of safety. And then Brian

1 Vartan, and that's barge supervisor.
2 Q And then to the right of that, there's another column
3 beginning with IBU. Could you please read those names for us?
4 JUDGE SANDRON: Well, I don't think he needs to. I -- I
5 think he's already said who was present. So --
6 THE WITNESS: It --
7 MR. SPURGEON: Okay.
8 JUDGE SANDRON: So I -- I -- I think, you know, we have
9 John Skow and then we have the employees whom he has named. So
10 I think that's self-explanatory.
11 MR. SPURGEON: Okay. The -- the handwriting is -- is not
12 the most legible I've ever seen, so I wanted to clarify that.
13 JUDGE SANDRON: All right. Well, I think we can -- we can
14 make out the names.
15 MR. SPURGEON: Okay.
16 JUDGE SANDRON: The General Counsel can make out names
17 based on his testimony?
18 MR. RIMBACH: Yes, Your Honor.
19 JUDGE SANDRON: Okay. I think we can do that.
20 Q BY MR. SPURGEON: Moving down to the lower half of page 1
21 of Respondent's Exhibit 134, it seems that the three-hole punch
22 has obscured part of a name. Do you remember what the full
23 name was?
24 A That's John Skow.
25 Q Okay.

1 A So what that's indicating is John Skow was speaking.
2 Typically in my shorthand, whoever's talking at the table, I'd
3 put at the far left-hand, or I tried to. But there I'm
4 identifying that those are the individuals who -- going
5 through.
6 Q Okay. And then under that, does it say work roll
7 proposal?
8 A That -- that would be work rule proposal. So that was the
9 Union's first proposal. That is part of what we just looked
10 through with Respondent's 133 the work preservation proposal.
11 So this would be part of those work rule proposals the Union
12 submitted to the Company.
13 Q Okay. And do any of these hyphenated points on page 1
14 relate to the Exhibit 133 we just looked at?
15 A Exhibit 133 would have been part of the proposals. As my
16 note indicates, they were passed out. This says 1:15 p.m.,
17 number 1. And so it would have been included as part of that.
18 Q Okay.
19 A On that first page.
20 Q Okay. And what's -- what's this last hyphenated point at
21 the bottom of page 1?
22 A It just says review proposal. So John Skow at that point
23 in time went through proposed -- his first -- his first
24 language proposal in proposal number 1 to his last language
25 proposal in proposal number 1.

1 Q Okay. And then turning to page 2 of Exhibit 134, could
2 you tell us what the flexibility efficiency title at the top
3 means?
4 A Yeah. So after we caucus -- after we received the Union's
5 initial proposals, we caucused, we returned pages 2 and 3 are
6 walking through the Employer's counterproposal to the Union.
7 And so flexibility and efficiency are talking about our goals,
8 the Company's goals of providing those proposals. So every
9 bargaining there's certain two, three, four highlighted goals
10 that the Company is going to have. And so I was identifying
11 with the Union that flexibility and efficiency were the goal --
12 the two most important goals, and that generally speaking, all
13 of the Company's proposals related to those goals in some way
14 or fashion.
15 Q Okay. And why do you say that flexibility and efficiency
16 were the primary goals?
17 A That was -- that statement was made and then later on,
18 Doug went through the list. There was increased competition in
19 the L.A./Long Beach area.
20 JUDGE SANDRON: Okay. And I think you've already
21 described what he said.
22 THE WITNESS: Yeah. And I -- I would say on top of that,
23 I think Doug did go into actually identifying the companies
24 that were facing that competition. So Vane Brothers had gone
25 from -- Vane Brothers had historically been -- and -- and Mr.

1 Houghton explained this at the table. He said Vane Brothers
2 has been our biggest competition on the East Coast for years.
3 A year or two earlier than this, they had gone into San
4 Francisco and they for the first time had taken over a presence
5 in San Francisco.
6 There was concern about Vane Brothers going down to L.A.
7 after they've gotten a presence in San Francisco. There was
8 also conversation that Maxum and Jankovich, which were heavily
9 competing. They had equipment available to them and they were
10 driving the rates from our customers down to the bone.
11 JUDGE SANDRON: Okay. And was this said at that point in
12 your notes or later?
13 THE WITNESS: I said it generally. Doug gave more
14 specifics later.
15 JUDGE SANDRON: Okay.
16 THE WITNESS: So I said, generally, Westoil is facing more
17 competition.
18 JUDGE SANDRON: I see.
19 THE WITNESS: We have to be better at how we're operating,
20 we have to be more efficient in how we're operating here. And
21 then Doug gave the details of that competition later --
22 JUDGE SANDRON: Okay.
23 THE WITNESS: -- in the session.
24 Q BY MR. SPURGEON: All right. Now, turning to page 3 of
25 this exhibit towards the bottom, is this the Maxum and

1 Jankovich that you just referred to?
2 A Yes, that would have been some of it. Again, going back
3 to the initial goals, that flexibility -- we were -- and that
4 is Westoil was getting killed by Maxum and Jankovich.
5 Q Okay. And then, turning to the next page, there's a T/A
6 at the top. Could you tell us what that T/A means?
7 A Yeah. So after we walked through our counterproposals --
8 our number one counterproposals. We then addressed the Union's
9 proposals, and the Union's proposals would fall into two
10 categories. There's one category which we'd either tentatively
11 agreed on or were close to a tentative agreement on. T/A
12 references, tentative agreement. And then there's a second
13 category where we were rejecting the Union's proposals, and we
14 were giving specific reasons as to why we were rejecting those
15 proposals.
16 Q And then down towards the bottom of this page, there's
17 a -- a circled 7. Can you read us that line?
18 A Sure. So I group the Union's proposals in two types and
19 number 7 that reads, "Work preservation-no."
20 Q What does that annotation mean?
21 A That -- that representation is talking about walking
22 through the Union, as to -- that we were not going to agree to
23 the work preservation and I -- I think I gave earlier
24 testimony --
25 Q Right.

1 A -- as to what I said specifically about that.
2 Q Okay. And then, turning to page 6. Is there anything on
3 page 6 that relates to this work preservation proposal?
4 A Yes. So when I'm -- when I'm negotiating contracts, it's
5 my general practice that I have two notepads at the same time.
6 I have one notepad that's dealing with the summary of events
7 happening at the bargaining table. Proposals who said what,
8 where did they go, what are they responding to. And then I
9 have a second notepad about things that may come up. Pages 6
10 and 7 are statements that Doug Houghton, when he started
11 talking about the work preservation. At that point, Doug
12 started talking about it. And so note 6 and 7 are my notes
13 from when Doug had talked to the IBU at the bargaining table.
14 Q Okay. And did the Union withdraw its work preservation
15 proposal on November 6th, 2017, after Westoil had rejected it?
16 A They did not.
17 MR. SPURGEON: Okay. Your Honor, I'd move to admit
18 Respondent's 134.
19 JUDGE SANDRON: Any voir dire or objection?
20 MR. RIMBACH: I'm just going to object. The same
21 objection.
22 JUDGE SANDRON: All right.
23 MR. RIMBACH: With respect the relevance. A standing
24 objection, Your Honor.
25 JUDGE SANDRON: All right. That's noted. The document is

1 received.

2 **(Respondent Exhibit Number 134 Received into Evidence)**

3 Q BY MR. SPURGEON: Okay. And when did you next discuss the

4 Union's work preservation proposal with the IBU?

5 A The IBU next brought up the conversation after we had

6 presented an economic proposal, I believe it was on December

7 6th, 2017, the work preservation issue came up again.

8 Q Okay. And who was present at that meeting?

9 A It would have been the same group of people as to which

10 exactly ones were with the Union, I recall that John Skow was

11 present. I recall that Brian Janson was present. I seem to

12 recall that Enrique Gomez was present. I'm not -- I don't

13 believe Mike Vera was present, although I could be wrong on

14 that. And I do believe that Mike Zuanich, was probably

15 present.

16 Q And do you remember anything that John Skow said

17 specifically regarding the work preservation proposal?

18 A I do. So at the end of the day, on December 5th, we had

19 provided our first -- or initial economic proposal. And then

20 on December 6th, the Union responded to our economic proposal.

21 And in responding to the economic proposal, what I recall Mr.

22 Skow stating is, this was not the worst opening economic

23 proposal he had ever received, but he was not very happy with

24 our economic proposal.

25 He said it would be a lot easier -- they understood and

1 were sympathetic to the issues that the Company was facing as
2 far as competition. But it would be a lot easier for them to
3 sell this type of economic proposal if we agreed to the work
4 preservation proposal, and agreed that Westoil could keep doing
5 all that work and they would have a guaranteed right to that
6 work.
7 Q And did anyone else from the IBU say anything at that
8 meeting, about the work preservation proposal?
9 A As I recall, Brian Janson also spoke up at that meeting.
10 JUDGE SANDRON: All right. Well, I'm not sure we need the
11 comments of rank and file, you know, Union members. I think
12 we're only interested in what the Union, you know, per se
13 stated on behalf of the Union.
14 THE WITNESS: Okay.
15 Q BY MR. SPURGEON: Okay. Would you consider Brian Janson
16 just a rank-and-file Union member, or was he there some other
17 role?
18 A I don't -- I don't know.
19 JUDGE SANDRON: Well, you make it -- all right, even if he
20 was a steward, you -- Skow was the chief spokesperson. Unless
21 Mr. Janson represented himself as an official?
22 THE WITNESS: He did not.
23 JUDGE SANDRON: All right. Then, I don't think we need
24 what he said.
25 MR. SPURGEON: Okay.

1 Q BY MR. SPURGEON: Next, I'd like to direct your attention
2 to Respondent's Exhibit 140.
3 JUDGE SANDRON: Okay.
4 MR. SPURGEON: May I approach, Your Honor?
5 JUDGE SANDRON: Yes. Thank you.
6 Q BY MR. SPURGEON: Please review this and let me know if
7 you recognize it.
8 A I do.
9 Q And what is this?
10 Q These are my bargaining notes between Westoil Marine
11 Services and the IBU on December 6th, 2017.
12 JUDGE SANDRON: All right. I think after this, we might
13 take our lunch break after we finish with this document.
14 MR. SPURGEON: Okay.
15 Q BY MR. SPURGEON: Do any of these December 6th notes
16 relate to that work preservation clause?
17 A Yes. So if you go to page 4, John Skow responded. The
18 first bullet point is, I understand, period. I know when I
19 first started, we didn't know -- we didn't have anything, that
20 should be our guys work hard. I think it says how guys work
21 hard, but it was our guys work hard. The next one is they
22 deserve better. Next bullet point, I've had worse thrown at me
23 before. Our workers deserve better than this.
24 The next bullet point is do this, meaning do this economic
25 proposal. And then that bullet point is more preservation

1 underneath the do this. And then under that was no layoff. He
2 then stated that they viewed OTB as competition. He had a
3 question about an LOU. What happened to the LOU? And then the
4 final bullet point is, want to be treated fair and be treated
5 fair in return.
6 JUDGE SANDRON: And these are all notes of what he stated?
7 THE WITNESS: Yeah. John Skow was stating this at the
8 table, and these are my notes of what he stated in shorthand.
9 JUDGE SANDRON: And I -- we may have a certain record; LOU
10 refers to what?
11 THE WITNESS: A letter of understanding. And then you'll
12 see what happened. There's a -- a line and that is a statement
13 that Doug Houghton made that says, my fault. It was -- it was
14 sitting on Doug Houghton's desk. It's what happened to the
15 LOU. Doug responded, my fault.
16 JUDGE SANDRON: I see.
17 Q BY MR. SPURGEON: Okay. And did you take these notes
18 contemporaneously with the bargaining?
19 A I did.
20 MR. SPURGEON: Your Honor, I move to admit Respondent's --
21 A And I -- I should -- I -- I wasn't totally finished. If
22 you go to page 5, it also deals with work preservation. That's
23 dealing with Brian Union at the Jameson (phonetic throughout).
24 But that's next paragraph if that's what that's dealing with.
25 JUDGE SANDRON: Where -- where is that? On page?

1 THE WITNESS: So page 5 up above you see Brian Union.
2 JUDGE SANDRON: Right.
3 THE WITNESS: That's Brian Janson. So there was two
4 Brians during bargaining.
5 JUDGE SANDRON: Okay.
6 THE WITNESS: And then that's his statement for
7 preservation.
8 JUDGE SANDRON: All right. Nothing else from Skow?
9 THE WITNESS: Nothing else for John Skow. Well --
10 JUDGE SANDRON: Okay. On the subject?
11 THE WITNESS: That's correct.
12 MR. SPURGEON: Okay. Your Honor, I will move to admit
13 Respondent's 140.
14 JUDGE SANDRON: Any voir dire or objections other than
15 what you already stated, Mr. Rimbach?
16 **VOIR DIRE EXAMINATION**
17 Q BY MR. RIMBACH: On page 5, what does it say at the top,
18 next to the dash where it says Brian Union?
19 A Dash commitment. Period. We do look at OTB. Period. It
20 would be fine if it was Vane. Period. Next bullet point. If
21 you want that commitment from us. Period. We need a
22 commitment from -- and it is not you, but it would have been
23 from you. Period.
24 MR. RIMBACH: Same objection, Your Honor.
25 JUDGE SANDRON: All right. You've already stated on the

1 record, it's noted. And the document is received.

2 **(Respondent Exhibit Number 140 Received into Evidence)**

3 MR. SPURGEON: Thank you. And then, Your Honor, would you

4 like to stop now for lunch break?

5 JUDGE SANDRON: Let's see. It's now -- it's about 12.

6 Should we take our lunch break now? This might be a good time

7 and come back at 1:00?

8 THE WITNESS: Perfect.

9 JUDGE SANDRON: Okay. So everybody have a good lunch.

10 Off the record.

11 (Off the record at 11:57 a.m.)

12 JUDGE SANDRON: Back on the record. Resumption of direct

13 examination.

14 **RESUMED DIRECT EXAMINATION**

15 Q BY MR. SPURGEON: Good afternoon, Mr. Hilgenfeld.

16 A Good afternoon.

17 Q We'd just concluded with Exhibit 140. After that point in

18 time, was the Union's work preservation proposal discussed

19 again?

20 A It was.

21 Q And when was there any further discussion of the work

22 preservation proposal between yourself and the IBU?

23 A The last time I have -- the next time I have a concrete

24 memory of it's possible it was in passing before then, but I

25 have a concrete memory at the end of March, I think March 28th,

1 2018, the issue came up again.
2 Q Okay. And who brought the issue up?
3 A It got brought up in a bargaining proposal that Marina
4 Secchitano, who had taken over for bargaining at that point in
5 time, had made a proposal that reintroduced the Union's initial
6 proposal.
7 Q Okay. Was this at a bargaining session?
8 A It was.
9 Q And where was that session being held on March 28th, 2018?
10 A That was at the IBU San Pedro location.
11 Q And who was present on behalf of Westoil at that meeting?
12 A It was myself, Doug Houghton, and Brian Vartan. I'm
13 fairly certain Andre Nault was there as well.
14 Q And who was present at that meeting for the IBU?
15 A I recall that Marina Secchitano was the lead negotiator.
16 John Skow was also present. I believe Nolan Padilla was
17 present, Enrique Gomez was present. And there -- there was --
18 I think there was a handful of others. I recall there's about
19 six to eight Union members there, but I don't remember which
20 ones were there.
21 Q I would like to show you what's marked as Respondent's
22 Exhibit 136(a).
23 MR. SPURGEON: May I approach, Your Honor?
24 JUDGE SANDRON: Yes, you may. 136(a).
25 Q BY MR. SPURGEON: Do you recognize this document?

1 A I do.
2 Q And what is it?
3 Q This are my bargaining notes with Westoil and the IBU on
4 March 28th.
5 Q Okay. And then I'm also going to show you what's been
6 marked as Respondent's Exhibit 136(b).
7 JUDGE SANDRON: Thank you.
8 Q BY MR. SPURGEON: Let me know if you recognize this
9 document?
10 A I do.
11 Q Okay. And what is it?
12 JUDGE SANDRON: Are you talking about 136(a)?
13 MR. SPURGEON: 136(b).
14 JUDGE SANDRON: Okay because you're -- you're not showing
15 136(a)?
16 THE WITNESS: He did. Yes. He asked if I --
17 MR. SPURGEON: I handed him both.
18 JUDGE SANDRON: Oh, are you asking him to recognize them
19 together?
20 MR. SPURGEON: I'll get to that, Your Honor.
21 JUDGE SANDRON: All right.
22 Q BY MR. SPURGEON: So with respect to 136(b) do recognize
23 this?
24 A I do.
25 Q Okay. And was this a document that was created in

1 conjunction with 136(a) or separately?
2 A It was -- most of 136(b) was a Union proposal presented by
3 Marina Secchitano. I also have bargaining notes at the
4 sideline on 136(b), which would have been done in conjunction
5 with 136(a).
6 Q Okay. So when you mentioned that, Ms. Secchitano brought
7 up the work preservation clause, was that at this March 28th,
8 2018 meeting?
9 A It was.
10 Q Okay. And what did she say when she presented that
11 proposal?
12 A Ms. Secchitano started with, we are very close to getting
13 a deal done. There's a few things we'd like to iron out. We
14 appreciate what the Company has done, but we need more. We
15 need to focus on a few of the highlighted issues. And if we do
16 that, we can get a deal done.
17 Q And did anyone respond on behalf of Westoil?
18 A I responded.
19 Q And what was that response?
20 A I was very agitated with Ms. Secchitano at that point in
21 time, and I responded fairly aggressively. As I recall, I told
22 Ms. Secchitano, Marina, this is fucking bullshit. You say
23 we're close to getting a deal done, and you're bringing things
24 up that we haven't talked about in three months. This -- you
25 are getting in the way of us getting a deal done. If you want

1 a deal done, then get serious about your proposal. This is not
2 fucking doing it. If you want to get a deal done, be serious
3 about it. Putting stuff up here that we've not seen since
4 December doesn't get us closer.
5 Q Okay. Were these notes in 136(a) kept in the ordinary
6 course of business?
7 A They are.
8 Q Okay.
9 MR. SPURGEON: Your Honor, I'd move to admit 136(a).
10 JUDGE SANDRON: Okay. Well, I --
11 THE WITNESS: Would you like me to go through --
12 JUDGE SANDRON: Well, I don't know if you need all of it
13 but.
14 THE WITNESS: Where there were preservation pieces?
15 JUDGE SANDRON: Yes, on 136(a). There -- there's 420.
16 THE WITNESS: So there's the time. So we started -- we
17 started the bargaining at 11 a.m. in the Union club, called a
18 caucus.
19 JUDGE SANDRON: Right.
20 THE WITNESS: And then we came back at 12:15. We
21 presented an Employer offer. That's separate notes. At 12:50,
22 we break for a caucus, and then the Union returned at 4:20.
23 The Union returned and then work preservation dash -- and this
24 is what Marina had stated -- Marina Secchitano. What work we
25 do now, we do in the future, see the past.

1 JUDGE SANDRON: All right. Now, how does 136(b) relate to
2 136(a)?
3 THE WITNESS: So the Union at 4:20 presented 136(b).
4 JUDGE SANDRON: So this is --
5 THE WITNESS: The -- the part of writing that was Marina
6 Secchitano's --
7 JUDGE SANDRON: Right.
8 THE WITNESS: -- is package IBU proposal 328. Union has
9 its right to modify, amend, or change its proposal. Section 1,
10 recognition, 1.3 work preservation clause, ellipsis. My
11 note -- and that's my handwriting right below that. Paren,
12 page 17 on first Union proposal. That's what Marina had
13 list -- listed as what proposal she was referencing in this.
14 JUDGE SANDRON: All right.
15 THE WITNESS: So I made that statement asking Ms.
16 Secchitano a question.
17 JUDGE SANDRON: All right. Just to make sure we knew
18 what -- what she actually presented. So she presented up, you
19 know, from the top down to 1.3 work preservation clause that
20 was in her proposal?
21 THE WITNESS: Correct.
22 JUDGE SANDRON: And then on -- on the second page,
23 remember that -- that handsome handwriting appears that was
24 what she had presented to you?
25 THE WITNESS: That is correct.

1 JUDGE SANDRON: Okay. And then, let me see what's in
2 here. Now, on page 6 there's some -- and it looks like it's
3 her handwriting. There was some -- at the bottom, there's
4 parentheses and underline. Was -- was that something that
5 was -- that you put in or somebody else put in afterward? Or
6 was that the way she presented it?
7 THE WITNESS: That is my -- that's my writing there.
8 JUDGE SANDRON: Right. And then, I think there are some
9 notes that are kind of hard to read on the left-hand margin.
10 Are those -- I'm not sure we need -- they may not be directly
11 relevant, but were these your -- your notations, or your
12 handwriting on that?
13 THE WITNESS: Yes. So the first page is my notations
14 about what Ms. Secchitano is saying about the work preservation
15 clause.
16 JUDGE SANDRON: Okay. There -- it's hard to read.
17 THE WITNESS: And that's -- my response is no, underlined.
18 JUDGE SANDRON: All right. That I see.
19 THE WITNESS: And in the first bullet point --
20 JUDGE SANDRON: Well --
21 THE WITNESS: -- or hyphen.
22 JUDGE SANDRON: You can -- can the General Counsel read?
23 MR. RIMBACH: No, Your Honor.
24 JUDGE SANDRON: No, I don't think that you really can read
25 it. I mean, you testified about what you said, but I -- I

1 don't think it's really, at least on this copy, readable. But
2 okay.
3 Now, on 136(a) you covered all the areas that relate to
4 the work preservation clause?
5 THE WITNESS: I did, Your Honor.
6 JUDGE SANDRON: Okay. I don't think we need anything
7 further.
8 MR. SPURGEON: On 136(a), Your Honor?
9 JUDGE SANDRON: Maybe on either one.
10 THE WITNESS: Do you want me to read what it says there on
11 136(b)?
12 JUDGE SANDRON: Well, I'm not sure that --
13 THE WITNESS: I mean, I can see it.
14 JUDGE SANDRON: Can the -- can the General Counsel see it?
15 MR. RIMBACH: I -- I can't -- it's not legible to me, Your
16 Honor. Just some words are legible but not the entire thing.
17 MR. SPURGEON: Your Honor, I can read it on my copy, and I
18 can --
19 JUDGE SANDRON: Do you have a better copy?
20 MR. SPURGEON: Well, it's legible, at least to me. I can
21 give this copy to the General Counsel.
22 JUDGE SANDRON: All right.
23 MR. SPURGEON: And I can ask the witness to read it. Is
24 that better than the earlier copy?
25 MR. RIMBACH: It looks the same. Maybe he -- maybe the

1 witness can just read it. I don't mind if --
2 JUDGE SANDRON: You don't have any objection to that?
3 MR. RIMBACH: No.
4 JUDGE SANDRON: All right. Then, Mr. Hilgenfeld can --
5 can read what -- what he wrote.
6 THE WITNESS: The first hyphen is "proposal". The second
7 hyphen is "eliminated assignment of this agreement". The
8 second hyphen, "prevailed at the arbitration. We are not going
9 back from there".
10 JUDGE SANDRON: Okay. And --
11 Q BY MR. SPURGEON: And which arbitration does that
12 statement relate to?
13 A The 2015 arbitration.
14 Q Okay. And is that the one that you testified to a couple
15 hours ago?
16 A It was. It is.
17 JUDGE SANDRON: And -- and are those your only notes in
18 this document, 136(b), that relate to -- to the issue of the
19 work preservation clause? I know there are some other
20 notations that may not be relevant.
21 THE WITNESS: That's correct, Your Honor.
22 JUDGE SANDRON: Okay.
23 MR. SPURGEON: Your Honor, I move to admit both 136(a) and
24 136(b).
25 JUDGE SANDRON: Other than the relevance argument that the

1 General Counsel has already stated, do you have any other
2 objections to the document or any voir dire?
3 MR. RIMBACH: Just voir dire, Your Honor.
4 **VOIR DIRE EXAMINATION**
5 Q BY MR. RIMBACH: On Respondent's Exhibit 136(a) on page 1,
6 where it says, "Work preservation - what would we do"? Is
7 that -- "what work" --
8 A "What work" --
9 Q -- we do"?
10 A -- "what work we do now."
11 Q Okay.
12 A "We do in the future. See past."
13 Q Do you know why the ink -- it looks like a different pen
14 was used to write "Work preservation. What work we do". That
15 first line there. And then "now" it looks darker for some
16 reason. Do you know why?
17 A I have an educated guess. I usually have three or four
18 pens. This looks like the pen was running out, and so I
19 changed pens. But it would not be uncommon for me to have
20 multiple pens at the same time.
21 Q And then on page 2 of this exhibit, why was this redacted?
22 A Oh, these were attorney-client and attorney-work client --
23 work product conversations with the client outside the
24 bargaining table.
25 Q And for Respondent's Exhibit 136(b), just so I make sure I

1 understand this right. Marina Secchitano wrote this proposal
2 on yellow legal note -- note pad?
3 A Correct.
4 Q Okay. And then she gave you her original handwritten
5 version?
6 A Whether she gave -- I believe she gave me her original, or
7 she may have made copies of her original. I don't recall that,
8 but I believe she gave me the original.
9 JUDGE SANDRON: And -- and one other question, was -- was
10 this already prepared when she came into the bargaining
11 session, or did she write it up there?
12 THE WITNESS: My understanding is between the caucus,
13 between 1 and 4:00 she wrote it up --
14 JUDGE SANDRON: I see.
15 THE WITNESS: -- at that time. She's based out of San
16 Francisco, and these were happening in San -- San Pedro.
17 JUDGE SANDRON: I see.
18 Q BY MR. RIMBACH: And then on page 2, these are handwritten
19 notes in the margin?
20 A They are.
21 Q Okay.
22 A The left-hand margin.
23 Q Yes. And on page 4, like, a little over halfway down
24 there's -- it looks like "11302800" and then "57600" --
25 A Um-hum.

1 Q Did you write those figures?
2 A Those are my handwritten notes on those figures.
3 Q Okay. And then on the left-hand side you also handwrote
4 some figures. It says "2x:153600" it looks like.
5 A I -- I don't think that's a colon. I think that's an
6 equal sign.
7 Q Oh, okay. And then these other figures, "115,200" and
8 "288,000"; those are your own handwritten notes?
9 A Correct.
10 Q And sorry, I think you may have answered this, but on page
11 6 at the bottom, you're the one who underlined the last
12 sentence and put that in parentheses?
13 A I believe so.
14 MR. RIMBACH: No objections other than my standing ones,
15 Your Honor.
16 JUDGE SANDRON: All right. Then Respondent's Exhibits
17 136(a) and (b) are received.
18 **(Respondent Exhibit Numbers 136(a), 136(b) Received into**
19 **Evidence)**
20 MR. SPURGEON: Thank you.
21 Q BY MR. SPURGEON: Did the Union withdraw its work
22 preservation proposal at that time?
23 A Shortly after presenting this proposal, Ms. Secchitano did
24 withdraw their one preservation proposal.
25 JUDGE SANDRON: And that was at the meeting?

1 THE WITNESS: It was a sidebar with Ms. Secchitano. We
2 went outside and spoke.
3 JUDGE SANDRON: Just the two of you?
4 THE WITNESS: Um-hum. Yes.
5 JUDGE SANDRON: And she told you they were going to
6 withdraw it?
7 THE WITNESS: Yes. We were talking about how -- how far
8 apart and how close we were at that point in time. And she
9 said they were going to withdraw that, and --
10 JUDGE SANDRON: Did -- did she ever do that in a full
11 session, you know, when -- or that was just in a sidebar?
12 THE WITNESS: It was just in a sidebar.
13 Q BY MR. SPURGEON: And during the labor negotiations in
14 2017 and 2018 between Westoil and the IBU, did the Glencore
15 marine transportation agreement ever come up?
16 A It did.
17 Q And when did that come up?
18 A It came up multiple times by myself and Mr. Houghton. I
19 recall we've already discussed what came up on November 6th,
20 2017 with Mr. Houghton. It also came up on December 5th, 2017,
21 when Mr. Houghton explained the economic proposal. It came up
22 at the end of December during a bargaining session. At that
23 point, Mr. Houghton gave further clarification, as I recall,
24 and gave specific -- a little more specificity about the
25 contract expiring in 2020 with the Union at that point in time.

1 That's what I -- and I believe it came up again from Mr.
2 Houghton in February when Marina took over as lead negotiator.
3 Through those sessions, it was fairly -- all of the
4 comments were predominantly the same. Mr. Houghton said, you
5 know, we've had Glencore -- Westoil's operated that Glencore
6 contract for a long period of time. We -- they are looking for
7 haircuts. They are looking to -- we have competition coming
8 for with -- with Vane Brothers, with Jankovich, with Maxum.
9 All of those are going after this work. It is coming -- this
10 contract's coming due in 2020. We don't own the equipment. We
11 don't own the contracts. We have to do a better job and be
12 more efficient to keep the Glencore contract. That was a
13 recurring theme that came up from Mr. Houghton a number of
14 times.
15 I recall, myself, on February 20th, I believe. It was
16 Marina Secchitano's initial bargaining propo -- initial
17 bargaining session where she took over as lead -- and in that
18 session -- the first thing she did, she put our proposal on the
19 table and said, walk me through your proposal. I've not been
20 here. Give me a lay-of-the-land as to how we got to where we
21 are at right now. And while I went that through that
22 bargaining proposal, I explained to Marina, we have to be more
23 efficient.
24 We have to be more effective. Glencore's coming due. We
25 have IMO subchapter M regulations. We don't own the equipment;

1 we don't own the contracts. Here's a recurring theme. We have
2 to be better at what we are doing. If we keep doing what we're
3 doing, we are going to lose work. And I explained that to
4 Marina at that time.
5 And I believe the issue came up again with Marina at the
6 end of March, again, talking about getting a deal done at that
7 time.
8 Q And when you say that Doug Houghton made these statements,
9 were these statements that he made in the bargaining with the
10 IBU or someplace else?
11 A Yeah. All -- all of these statements from Mr. Houghton
12 and myself happened during bargaining, and all these happened
13 at the bargaining table.
14 Q Okay.
15 JUDGE SANDRON: And you mentioned the subject came up
16 again later with her?
17 THE WITNESS: I believe it came up again later at the end
18 of March when we were trying to finalize a deal, and just
19 rehashed about -- there was issues about economics and about
20 where we were at. And so it was talking about we cannot put
21 something too far out there. We are going to scare businesses
22 away. We have to do a better job of making sure. And so we
23 talked about that on March -- the end of March.
24 JUDGE SANDRON: And did you say anything differently, you
25 know, in that discussion than you had earlier?

1 THE WITNESS: No. It was -- all of these conversations
2 about Glencore -- that was one of the themes of all the
3 bargaining. So the predominant may have changed slightly from
4 time to time, but the -- the general message remained the same.
5 JUDGE SANDRON: All right.
6 Q BY MR. SPURGEON: After Ms. Secchitano took over as the
7 lead negotiator for the IBU, did anyone from Westoil brief her
8 on the competitors who were trying to take away work on the
9 Glencore contract?
10 A That would've --
11 MR. RIMBACH: Your Honor --
12 JUDGE SANDRON: Yeah. I'm not sure --
13 MR. RIMBACH: -- I'm just going to --
14 JUDGE SANDRON: -- that he can answer that.
15 MR. RIMBACH: I'd like to just object on relevance, too.
16 We're talking about 2017 and 2018. I don't understand why
17 these statements are relevant to the allegations in the
18 complaint.
19 MR. SPURGEON: Well, they directly go to the issue of a
20 work preservation proposal and deliberately excluded by the
21 parties. So there was no obligation to keep the work with
22 Westoil.
23 JUDGE SANDRON: All right. But -- yeah, I'm not sure,
24 though, that -- whether she was briefed on -- on the subject or
25 not makes any difference.

1 MR. SPURGEON: Well, I can ask if Mr. Hilgenfeld
2 personally told her. His notice to the Union is in play.
3 JUDGE SANDRON: Well, I think he did testify what he told
4 her, right? Didn't he?
5 MR. SPURGEON: He did testify --
6 JUDGE SANDRON: About Glencore?
7 MR. SPURGEON: -- to some of the things he told her.
8 JUDGE SANDRON: You -- you testified about that?
9 MR. SPURGEON: I can ask a foundational question, Your
10 Honor.
11 THE WITNESS: I did, Your Honor.
12 JUDGE SANDRON: No, I think you already testified about
13 that, right?
14 THE WITNESS: I did, Your Honor.
15 JUDGE SANDRON: Right. So.
16 MR. SPURGEON: Okay.
17 JUDGE SANDRON: I -- I don't think we need more on that.
18 MR. SPURGEON: Okay. Then, Your Honor, I'd like to show
19 the witness Respondent's Exhibit 135. May I approach?
20 JUDGE SANDRON: Yes. Thank you.
21 Q BY MR. SPURGEON: Please take a moment to review this. Do
22 you recognize this document?
23 A I do.
24 Q Okay. And what is this?
25 A These are my bargaining notes for the Westoil IBU

1 negotiations on December 5th, 2017.
2 Q Okay. And is there any portion of this document which
3 relates to this work preservation proposal?
4 A There is as it related to economics. On page 2, I'm
5 walking through the economics and need to be able to operate as
6 efficiently and flexible as possible.
7 And then, page 3 are notes -- as I recall, the first part
8 is me going through the customers to hand out the questions,
9 the bargaining. And then Doug is going through Vane Brothers
10 at the bottom.
11 And then, going on to page 4, that is again, Doug talking
12 about Foss and disadvantages that Westoil has with AMNAV and
13 Crowley.
14 Q Okay. And who is Foss?
15 A Foss Maritime. They're a subsidiary of Saltchuk Marine.
16 Q Okay. Were they a competitor to Westoil?
17 A They were a competitor of Westoil.
18 Q Okay. And on page 3 where it lists Aegean, Peninsula, and
19 Glencore at the top, is that the same competition issue that
20 you spoke to a few minutes ago?
21 A It is.
22 Q Okay. And were these notes kept in the ordinary course of
23 business?
24 A They were.
25 MR. SPURGEON: And Your Honor, I move to admit Exhibit

1 135.

2 JUDGE SANDRON: Any voir dire, Mr. Rimbach?

3 MR. RIMBACH: No objection, Your Honor.

4 JUDGE SANDRON: Okay. The document is received.

5 **(Respondent Exhibit Number 135 Received into Evidence)**

6 Q BY MR. SPURGEON: Now, Mr. Hilgenfeld, I'll just show you

7 what's been marked as Exhibit 139.

8 MR. SPURGEON: I guess I should give you a copy, too.

9 Q BY MR. SPURGEON: Do you recognize this document?

10 A I do.

11 Q And what is it?

12 A These are my bargaining notes between Westoil and the IBU

13 on December 27th, 2017.

14 Q Okay. And does this document have any reference to the

15 competitive pressures that Westoil was facing during this

16 bargaining?

17 A It -- it does. The -- the last page are statements that

18 Dough Houghton made at the bargaining table regarding the

19 pressures that Aegean and Glencore were putting on -- were

20 putting forth to handle their work.

21 Q Okay. And was John Skow present when Doug Houghton made

22 those statements?

23 A He was. And this is also where Glencore had only

24 committed for barge storage through 2020.

25 JUDGE SANDRON: And -- and what about Aegean? Can you --

1 can you tell us what that --

2 THE WITNESS: Aegean was another customer that, at that

3 point in time, Westoil was providing operations for. They're

4 no longer -- they're -- I believe, the Vane Brothers is

5 providing service for them where they're no longer in the

6 L.A./Long Beach area. But no one -- no Centerline company is

7 providing services for them any longer.

8 JUDGE SANDRON: Do -- do you know what the -- it says,

9 "two year" and --

10 THE WITNESS: "Two year-New Star"?

11 JUDGE SANDRON: Right.

12 THE WITNESS: So New Star is a company. It was connected

13 with Aegean. And so they had a two-year contract with New

14 Star. It was going to end prior to 2020.

15 JUDGE SANDRON: I see.

16 THE WITNESS: So these were the end of the -- the contract

17 terms -- when they were coming due.

18 Q BY MR. SPURGEON: And did you take these notes

19 contemporaneously with this bargaining session?

20 A I did.

21 MR. SPURGEON: Your Honor, I'll move to admit 139.

22 JUDGE SANDRON: And do you -- do you recall what -- it

23 looks like "company barges". Do you -- do you recall what that

24 referenced?

25 THE WITNESS: That's six barges.

1 JUDGE SANDRON: Oh, six barges. Excuse me.
2 THE WITNESS: In -- that had the -- there -- there were
3 currently six barges in the L.A./Long Beach area at that point
4 in time.
5 JUDGE SANDRON: I see. And Mr. Rimbach?
6 **VOIR DIRE EXAMINATION**
7 Q BY MR. RIMBACH: Yes. On page 4, Respondent's Exhibit
8 139 -- I'm sorry, you may have stated this, but does that say
9 "only one" committed for barge storage in 2020?
10 A Correct.
11 MR. RIMBACH: Just my standing objections to these
12 exhibits, Your Honor.
13 JUDGE SANDRON: All right. And -- and what does that
14 "only one barge committed" -- what -- can you just tell us what
15 that meant?
16 THE WITNESS: It -- it meant their contract was coming due
17 at the end of 2020. So they were the only one. Not --
18 JUDGE SANDRON: Oh -- oh --
19 THE WITNESS: -- only one.
20 JUDGE SANDRON: Oh, I see.
21 THE WITNESS: The only one that was committed for barge
22 storage in --
23 JUDGE SANDRON: Oh, okay.
24 THE WITNESS: -- 2020.
25 JUDGE SANDRON: I see. All right. The document is

1 received.

2 **(Respondent Exhibit Number 139 Received into Evidence)**

3 MR. SPURGEON: Thank you.

4 Q BY MR. SPURGEON: So Mr. Hilgenfeld, in addition to the

5 facts that you testified to a few minutes ago that Westoil

6 didn't own the contracts, did the topic of Harley Marine

7 Financing and the securitization ever come up?

8 A It did.

9 Q And when did that come up?

10 A July 15th, 2018.

11 Q And was this at another bargaining session?

12 A It was a bargaining sess -- it was a sidebar of the

13 bargaining session.

14 Q And who was present for that discussion?

15 A Marina Secchitano and myself.

16 Q And how did that topic come up?

17 A We were -- at that point in time, the proposal had been

18 voted down in April. The proposal was coming back up, and we

19 were very close about getting something again for a third time

20 to get before the members. Ms. Secchitano came to me. She

21 started -- said, she'd heard a rumor about $500,000,000 going

22 to the company. They needed a little bit more money. And I

23 responded to Ms. Secchitano, there is no more money.

24 That money did not go to Westoil. It is not Westoil's

25 money to spend. Westoil does not own the equipment. It does

1 not own the contracts. You guys have to be better with us to
2 be more efficient to keep that work. This is all the money we
3 have. We have to get a deal done with what we have. She
4 responded that she understood. And then we -- we ended that
5 conversation.
6 Q And did she ever bring up the securitization again?
7 A No. Just the $500,000,000 money received was the only
8 time. The other time that it got brought up was the initial
9 piece when I walked through the history of Westoil Marine. We
10 didn't talk about the securitization. But we talked about
11 owning the equipment and the contracts, which I testified to
12 previously.
13 Q And did she ask any questions about Westoil not owning the
14 customer contracts?
15 A She did not.
16 Q Okay. I'll show you what's been marked as Respondent's
17 Exhibit 141. Do you recognize this document?
18 A I do.
19 Q Okay. And what is it?
20 A These are my notes of the July 15th, 2018 conversation I
21 had with Ms. Secchitano.
22 Q And could you read us what it says at the very top left?
23 A "12:15" -- that was the time -- "sidebar is up above
24 that."
25 Q Okay.

1 A With a squiggly line.
2 Q And --
3 A And then after the "12:15" -- "Marita -- Marina asks
4 regarding RE$. Rumors about large loan".
5 Q Could you read us what's written below there?
6 A Next paragraph, "No more $. Westoil does not" -- this is
7 a -- that's an equal sign with an naught through it --
8 "equipment E-Q-U-I-P/K" -- that's the contracts -- equipment or
9 contracts -- "Westoil needs to be more efficient. Fight Vane.
10 They need to be more competitive -- or they need to be
11 competitive".
12 JUDGE SANDRON: And Vane was the competitor?
13 THE WITNESS: Vane Brothers was the -- the biggest
14 competitor we were concerned about.
15 Q BY MR. SPURGEON: Okay. And below that, it looks like it
16 begins with "Marina" and then a hyphen.
17 A "Marina - not sure this gets it done." And then
18 underneath that is my line because that's indicating that this
19 is me speaking. "It needs to. This is all we got." And then
20 the next one is a note. And that's from Marina saying, "Okay".
21 Q Okay. And did you take this note contemporaneously with
22 the conversation?
23 A I did.
24 MR. SPURGEON: Your Honor --
25 JUDGE SANDRON: Well, did you -- did you take these notes

1 while you were talking to her?

2 THE WITNESS: I did.

3 MR. SPURGEON: Your Honor, I move to admit Respondent's

4 Exhibit 141.

5 JUDGE SANDRON: Mr. Rimbach?

6 MR. RIMBACH: Just my standing objections, Your Honor.

7 JUDGE SANDRON: All right. That's been noted.

8 Respondent's Exhibit 141 is received.

9 **(Respondent Exhibit Number 141 Received into Evidence)**

10 MR. SPURGEON: Okay. Your Honor, I don't have any further

11 questions at this time.

12 MR. RIMBACH: If we could just take a short five-minute

13 break, Your Honor?

14 JUDGE SANDRON: Yes. Off the record.

15 (Off the record at 1:37 p.m.)

16 JUDGE SANDRON: Back on the record. Cross-examination?

17 **CROSS-EXAMINATION**

18 Q BY MR. RIMBACH: Good afternoon, Mr. Hilgenfeld.

19 A Good afternoon, Mr. Rimbach.

20 Q Is your representation at the hearing in this matter on

21 behalf of Centerline, HMF, Westoil, Leo Marine, and Olympic Tug

22 & Barge -- is that covered under a legal services agreement

23 between your law firm and the Respondents?

24 MR. SPURGEON: Objection. Attorney-client privilege.

25 Relevance.

1 JUDGE SANDRON: Well, I -- I don't think it goes to the
2 nature, you know, or any confidential discussions, so I'll
3 allow it. It's just a --
4 A What do you mean by legal --
5 JUDGE SANDRON: -- question of relationship.
6 A -- services agreement?
7 Q BY MR. RIMBACH: Your representation with respect to this
8 unfair labor practice proceeding?
9 A Um-hum.
10 Q Is there any kind of retainer agreement, legal services
11 agreement, legal contract for your legal services to the
12 Respondents?
13 A We've had legal -- we've had services agreements or fee
14 agreements with each of the entities. We bill -- we bill each
15 of the entities separately. Is there a specific legal services
16 agreement for this ULP? There's not.
17 Q So you don't have -- you said you have legal services
18 agreements with each entity. So with respect to the present
19 matter, there's no specific agreements with any of the five
20 entities that are the Respondents?
21 A I -- I wouldn't characterize it that -- when we enter into
22 representation, like, each of the entities will reach about
23 representational issues. We enter into a fee agreement at that
24 time. That is an ongoing fee agreement. And so the initial
25 fee agreement is what is at play at this. We don't enter into

1 fee agreements for each matter.
2 Q So you have separate fee agreements between your law firm
3 and Centerline, HMF, Westoil, Leo Marine, and Olympic Tug &
4 Barge?
5 A The one caveat is I believe Harley Marine Financing was an
6 email. I don't believe it was an actual fee agreement.
7 JUDGE SANDRON: Okay.
8 Q BY MR. RIMBACH: And who was that email between?
9 MR. SPURGEON: Objection. Attorney-client privilege.
10 Q BY MR. RIMBACH: The one with HMF?
11 JUDGE SANDRON: Well, I -- I don't think it really comes
12 under attorney-client privilege because it's only -- it's not
13 regarding matters that are confidential between client and
14 attorney. They are just matters of -- and we're not -- he's
15 not being asked for the actual dollar amounts. It's just the
16 relationship.
17 MR. RIMBACH: Correct, Your Honor.
18 THE WITNESS: That was Matt Godden.
19 Q BY MR. RIMBACH: So Matt Godden authorized you to
20 represent HMF in the present matter?
21 A Mr. Godden asked me to represent HMF initially that was
22 not involving this matter. And then subsequently asked to
23 represent in this matter.
24 Q Did he also ask you to represent the other Respondents in
25 this matter?

1 A No. He asked me to represent Centerline. He asked me to
2 represent Harley Marine Financing. Westoil, at that point in
3 time, was Marshall Novak, I believe, asked me to submit a
4 position statement on behalf of Westoil. I believe Bowman
5 Harvey asked me on behalf of Olympic Tug & Barge.
6 JUDGE SANDRON: Well, let's see.
7 Q BY MR. RIMBACH: And what about Leo Marine?
8 A I don't remember.
9 Q Was Marshall Novak the one who entered into a legal
10 services agree -- or the one that authorized or signed on
11 behalf of Westoil Marine Services and your law firm?
12 A We didn't enter into a separate legal services agreement
13 for this ULP.
14 Q So for the legal services agreement between your law firm
15 and Westoil Marine Services, who signed that or authorized that
16 on behalf of Westoil Marine Services?
17 A I don't know.
18 Q And do you know who authorized or signed the legal
19 services agreement between your law firm and Olympic Tug &
20 Barge, with respect to your representation today?
21 A I don't know.
22 Q And same question for Leo Marine Services: Do you know
23 who authorized that legal services agreement?
24 A I don't know.
25 Q And you said that Marshall Novak asked you to prepare a

1 position statement on behalf of Westoil Marine Services for the
2 unfair labor practice proceedings? Did he also authorize you
3 to represent Westoil at the hearing in this matter?
4 MR. SPURGEON: Your Honor, I object. This is outside the
5 scope of direct.
6 MR. RIMBACH: Your Honor, I -- I would say that this goes
7 directly to single-employer status and with respect to the
8 extent to which Mr. Hilgenfeld served as an agent to any of
9 these Respondents. He's been put on the stand as a witness.
10 He's testified extensively on behalf of -- on behalf of the
11 Respondents and with respect to the nature of his legal
12 services and also his labor representation and bargaining.
13 THE WITNESS: I only testified to Westoil and there was no
14 single-employer testimony I provided.
15 MR. SPURGEON: And Your Honor, Mr. Hilgenfeld is not under
16 a subpoena, so he's not here for any and all topics. He's only
17 here on the scope that we introduced on direct. And it does
18 not include all of these topics that Counsel is asking about.
19 JUDGE SANDRON: Mr. Rimbach?
20 MR. RIMBACH: Yeah. I believe I'm entitled to question
21 the extent to which he -- Mr. Hilgenfeld's representation goes
22 to centralized control of labor relations, Your Honor. There
23 was questions asked on direct with respect to what matters the
24 law firm represents these entities on labor.
25 THE WITNESS: That's not true. It was Westoil --

1 JUDGE SANDRON: You can't answer -- you can't answer as a
2 witness. But all right. So Mr. Hilgenfeld testified about --
3 MR. RIMBACH: What his law firm represents -- what kind of
4 matters the law firm represents for Respondents -- and what
5 kind of matters.
6 JUDGE SANDRON: All right. But that's not necessarily the
7 same as the individual relationships with each of the entities
8 beyond Westoil Marine. I don't believe he testified about
9 involvement with the companies other than Westoil Marine,
10 correct?
11 MR. RIMBACH: Your Honor, I believe he --
12 MR. SPURGEON: Yes.
13 MR. RIMBACH: -- testified -- he testified that his firm
14 represents Westoil with respect to labor relations and
15 employment-related matters since 2012.
16 THE WITNESS: No.
17 JUDGE SANDRON: You -- you can't --
18 THE WITNESS: Just that I represented them since 2012.
19 JUDGE SANDRON: You can't answer.
20 MR. RIMBACH: Sorry. His law firm.
21 JUDGE SANDRON: Material witness. You can't answer
22 Counsel.
23 MR. RIMBACH: So I'd like to explore the extent to which
24 Mr. Hilgenfeld's law firm represented Westoil and the
25 Respondents.

1 JUDGE SANDRON: In what?

2 MR. RIMBACH: With respect to bargaining in the present

3 case, Your Honor. Which is -- which is part of -- which is now

4 relevant to --

5 JUDGE SANDRON: Which part --

6 MR. RIMBACH: -- the unfair labor practice proceeding.

7 JUDGE SANDRON: Which part are you talking about now?

8 MR. RIMBACH: The 2017 to 2018 bargaining sessions --

9 JUDGE SANDRON: With --

10 MR. RIMBACH: -- which has been --

11 JUDGE SANDRON: Right. With Westoil.

12 MR. RIMBACH: Yes.

13 JUDGE SANDRON: But -- all right. But then aren't you

14 going -- asking something that's different than his contractual

15 relationship with the other operating companies?

16 MR. RIMBACH: Well, I believe it's -- it's -- I believe

17 it's relevant. Mr. Hilgenfeld testified that he informed the

18 IBU with respect to who owns the contracts, who owns the

19 equipment, the involvement of Harley Marine Financing with

20 respect to ownership of the vessels in the contracts. So I

21 believe it is relevant to single-employer status, as well as

22 the extent to which there's centralized control of labor

23 relations.

24 MR. SPURGEON: Your Honor, may I be heard?

25 JUDGE SANDRON: Yes.

1 MR. SPURGEON: Okay. The -- the proposed justification
2 that was just made in argument is completely different than the
3 questions that were actually being presented to the witness.
4 And also, relevant or not, it was not part of the scope of
5 direct, so it can't be part of the scope in cross. And the --
6 the direction that Counsel wants to go would directly invade
7 work-client privilege, attorney-client privilege. He wants to
8 get into the backstory of the relationship between the law firm
9 and the client, which we were very careful to avoid.
10 Now, if Counsel wants to get into the bargaining exchanges
11 that we covered on direct, you know, that's certainly fair
12 game. But whether it's relevant or not for a witness not under
13 subpoena isn't the question.
14 JUDGE SANDRON: All right. But I'm not sure what would be
15 work-privilege if you're not going into any of the specifics of
16 representation, only the nature of the representation. How
17 would that impinge upon privilege?
18 MR. SPURGEON: Your Honor, without knowing exactly what
19 questions Counsel's going to ask, I can't lay out in detail the
20 response. But the general nature of the questions we've heard
21 so far make it sound like that's the direction that --
22 JUDGE SANDRON: Well --
23 MR. SPURGEON: -- Counsel wants to go. To the backstory,
24 the private communications between the attorney --
25 JUDGE SANDRON: All right.

1 MR. SPURGEON: -- and client. So I want to make sure I --
2 JUDGE SANDRON: Okay.
3 MR. SPURGEON: -- make a record on that.
4 JUDGE SANDRON: Well, I'll allow you questions regarding
5 the relationships, but not anything going beyond that as far as
6 anything else in terms of the representation. If you want -- I
7 think you've already asked him some questions, but as far as
8 the contractual relation with the operating entities and Harley
9 Marine Financing, for that matter, go ahead. But that -- I
10 don't' think you can go further than that.
11 MR. RIMBACH: Okay.
12 Q BY MR. RIMBACH: And just to be clear, I'm not asking you
13 any questions about protected or privileged information or --
14 A Okay.
15 Q -- attorney-client privilege or work product, anything
16 like that.
17 JUDGE SANDRON: I mean, we -- we do have it already
18 established that Leo Marine, Centerline, and Olympic Tug &
19 Barge are a single employer. And the Board has determined that
20 they are.
21 MR. RIMBACH: Sure.
22 JUDGE SANDRON: So that's not an issue before us. So we
23 have the other two respondents, Harley Marine Financing and
24 Westoil Marine Services, so I mean, if you want to ask him
25 anything further about those two, you know, you can go ahead.

1 But you've got the other factors established as far as the
2 other three.
3 Q BY MR. RIMBACH: With respect to your representation today
4 as part of the unfair labor practice proceeding, you said
5 you -- let's see -- are you double-billing any of the
6 Respondents? Like, for example, are you billing Westoil Marine
7 Services and Harley Marine Financing for the same time that
8 you're spending in preparation for the hearing today?
9 A No.
10 Q Or -- so do you only bill once for your time representing
11 the Respondents for the present unfair labor practice hearing?
12 A I bill each client an apportioned amount.
13 Q And how do you apportion your time with respect to this
14 unfair labor practice hearing?
15 A I make judgement calls about where the basis of the time
16 is, depending on what is the predominate issue. I've spoken
17 with the client before they review my bills, they okay the
18 bills, so they've seemingly okayed that apportionment.
19 Q When you say you spoke to the client, who did you speak
20 to?
21 MR. SPURGEON: Your Honor, I'd just like to have a
22 standing objection that none of this is relevant. And I
23 thought that Your Honor had expressly said that the issue of a
24 single integrated enterprise wasn't in play. So now we're
25 getting questions on that exact topic that I thought Your Honor

1 had called off limits.

2 JUDGE SANDRON: Okay. I think we have to draw a

3 distinction between, as I had mentioned, the three that had

4 been found to be a single employer. So that's basically been

5 decided. And then the single-employer status regarding Harley

6 Marine Financing and Westoil Marine Services, which was not

7 decided in the R case or by the Board. But I think -- I don't

8 know if we need to go into -- I think maybe we can ask him

9 this.

10 As far as -- so you apportioned your billing between

11 Centerline, the operating companies, and Harley Marine

12 Financing?

13 THE WITNESS: Correct.

14 JUDGE SANDRON: And without going into too many details,

15 you have -- you had separate arrangements to represent Westoil

16 Marine Services and Harley Marine Financing? You know, for

17 this proceeding or was it basically through Centerline?

18 THE WITNESS: No. We have separate agreements with each

19 of the companies --

20 JUDGE SANDRON: Right.

21 THE WITNESS: -- to represent them.

22 JUDGE SANDRON: Right.

23 THE WITNESS: We don't do it by matter. It's an ongoing

24 representational --

25 JUDGE SANDRON: I see.

1 THE WITNESS: -- agreement to represent. But it's for
2 each of the ones individually.
3 JUDGE SANDRON: And do you do that in terms of other labor
4 relations matters? The same procedure?
5 THE WITNESS: Correct.
6 Q BY MR. RIMBACH: So I'll ask the same question. You said
7 that you spoke to your client with respect to your judgement
8 call, with respect to how your time is apportioned between the
9 Respondents for the unfair labor practice proceeding. When you
10 say you spoke to your client, who is that?
11 JUDGE SANDRON: Well, I don't know if we -- we -- I mean,
12 if Westoil Marine Services and Harley Marine Financing is
13 separate companies -- you know, had individuals who -- well, go
14 ahead. I don't think it's going to make any real difference at
15 this point. But then I think we should move on.
16 Q BY MR. RIMBACH: Who did you speak with to get approval
17 for apportioning your time between the Respondents?
18 JUDGE SANDRON: Well, I think we just need Westoil Marine
19 and Harley Financing. I don't think we need the others.
20 Q BY MR. RIMBACH: Well, was it the same person?
21 A It was a mass email.
22 Q And --
23 A As I recall. It could have been a phone conversation --
24 it could have been a group phone conversation. It could have
25 been a mass email.

1 Q Okay. With who?
2 A It would have been Matt Godden, Doug Houghton, I believe
3 Dan Paige, Marshall Novak, Brian Vartan. I'm not sure if Matt
4 Hathaway was on that. He has been at times. He's not been at
5 times. There would have been -- oh, Bowman Harvey as well.
6 JUDGE SANDRON: And that was for which entity?
7 THE WITNESS: It was a -- it was either a group phone
8 conversation or it was a mass email.
9 JUDGE SANDRON: And that was for which entity that --
10 THE WITNESS: So it would have been -- I sent one group
11 email that I included all the entities in one group email.
12 JUDGE SANDRON: Oh, I see.
13 THE WITNESS: So the decision makers at each of the
14 entities were included --
15 JUDGE SANDRON: Oh, I see.
16 THE WITNESS: -- in the process.
17 JUDGE SANDRON: So to your knowledge, it was basically a
18 collective decision?
19 THE WITNESS: I don't know how they made the decision. I
20 just said, this is what I intend to do --
21 JUDGE SANDRON: All right.
22 THE WITNESS: -- this is what we intend to go forward
23 with.
24 JUDGE SANDRON: all right. And it was sent to everybody?
25 THE WITNESS: It was either sent to them or we had a Zoom

1 meeting or a phone conversation or --
2 JUDGE SANDRON: All right.
3 THE WITNESS: -- it was a mass group.
4 JUDGE SANDRON: All right.
5 Q BY MR. RIMBACH: And did you get a reply from a specific
6 person?
7 A I don't recall.
8 Q Do you remember if it was one person or more than one
9 person who approved the way you apportioned the fees?
10 A I don't recall anyone saying, we approve. What I recall
11 is this -- this is what we intend to do, and no one said, stop.
12 JUDGE SANDRON: All right. And you've represented all
13 these companies for some time?
14 THE WITNESS: I've represented them for different periods
15 of time.
16 JUDGE SANDRON: Right.
17 THE WITNESS: Leo Marine, obviously, much sooner.
18 JUDGE SANDRON: Right.
19 THE WITNESS: Harley Marine Financing, much sooner.
20 Westoil, I've represented for ten years. Olympic Tug & Barge,
21 I've represented for six to eight years.
22 JUDGE SANDRON: I see. All right. We probably have
23 enough on that subject.
24 (Counsel confer)
25 JUDGE SANDRON: Just as an aside, I'm not sure that any

1 attorney's representation is necessarily the same as, you know,
2 common labor relations, but that's something if counsels want
3 to argue it, but I'm not sure it's the same thing. You know,
4 hiring outside counsel is the same as having in house
5 centralized labor relations. But if the GC feels it's, you
6 know, something you want to address, you can in your brief.
7 MR. RIMBACH: Okay.
8 Q BY MR. RIMBACH: Your testimony is that you represented
9 Westoil since 2012 and I believe you said that that included
10 some employment matters?
11 A Correct.
12 Q What kind of employment matters?
13 JUDGE SANDRON: All right. I think you're getting --
14 MR. RIMBACH: Your Honor --
15 JUDGE SANDRON: -- somewhat far afield.
16 MR. SPURGEON: That's clearly attorney-client privilege.
17 JUDGE SANDRON: Well, all right. Again, I'm not sure that
18 it really goes into attorney-client privilege because it's not
19 asking for anything in terms of confidential communications
20 between attorney-client. But I'm not sure for getting to the
21 moat. You know, he's testified about his representation of
22 these companies in various matters. I'm not sure we need to go
23 into detail about what those matters were.
24 What -- what point would be served by that?
25 MR. RIMBACH: I can move on, Your Honor. It's fine.

1 Q BY MR. RIMBACH: When you served as the spokesman for
2 Westoil Marine Services during labor negotiations with IBU in
3 2017 and 2018, who authorized you to be that spokesman?
4 A Doug Houghton, general manager at that time.
5 Q If you could, turn to Respondent's Exhibit 134. On page
6 4, towards the bottom, it says "Work preservation: No". I --
7 A So you're --
8 Q -- is there any other reference to --
9 A Mr. Rimbach, I'm sorry. You're on Respondent's 134?
10 Q Yes.
11 MR. SPURGEON: What page?
12 MR. RIMBACH: Page 4.
13 THE WITNESS: Page 4.
14 Q BY MR. RIMBACH: So there's item number 7, towards the
15 bottom.
16 A Are you sure you're on Respondent's 134?
17 Q Yes.
18 JUDGE SANDRON: I think, at the very bottom.
19 THE WITNESS: I don't know. Maybe I have a different one
20 that's marked.
21 MR. SPURGEON: This is a clean copy.
22 THE WITNESS: Oh, I think I have it right here. I won't
23 look in the notebook. Sorry. Yes.
24 Q BY MR. RIMBACH: It says "Work Preservation: No" towards
25 the bottom, next to the number 7. Is the work preservation

1 clause mentioned anywhere else in these notes?
2 A For?
3 Q On pages 1 through 7 of the exhibit.
4 A On Respondent's 134? Are you asking if it's expressly
5 written or if it's implicit in what was occurred at the
6 bargaining table?
7 Q Expressly written. Or referenced in some manner. I just
8 couldn't tell.
9 A Well, I mean, it's referenced in some manner on page 1,
10 where it's talking about reviewing the proposal and passing out
11 the proposal to John Skow. It's referencing the work
12 preservation proposal along with other proposals that were
13 included. And --
14 JUDGE SANDRON: Well, I think you asked him if it's
15 expressly mentioned.
16 MR. RIMBACH: Right. Referenced or --
17 JUDGE SANDRON: Well, it's expressly --
18 MR. RIMBACH: -- expressly written, referenced.
19 JUDGE SANDRON: It's expressly referenced.
20 MR. RIMBACH: Or specifically referenced.
21 THE WITNESS: Page 1, where it's talking about the
22 workplace proposals, that's what it's referencing, in part is
23 the work preservation. And then that would be the only place
24 else it's expressly written.
25 Q BY MR. RIMBACH: And then on page 1, you're mentioning the

1 proposal. How many -- how many proposals were actually
2 included in the Union's proposal that was distributed?
3 A I want to say that there was approximately 20 language
4 proposals, give or take, within their number 1 package.
5 Q And the work preservation was number 7 out of those
6 roughly 20?
7 A No. I believe it was number 17. Number 7, that doesn't
8 identify -- that doesn't correlate to the Union's proposals.
9 So that is my -- I combined Union proposals and grouped them
10 together and that was my list of going through them and
11 responding to the Union's proposals.
12 Q If you could, look at Respondent's Exhibit 140, please.
13 A Yes.
14 Q On page 4, towards the bottom, it says, "LOU", which I
15 believe you testified was a letter of understanding. Do you
16 know what that letter of understanding was about?
17 A I don't.
18 Q If you could, turn to Respondent's Exhibits 136(a) and
19 136(b).
20 A Okay.
21 Q If you could first look at 136(b), I believe your
22 testimony was when you received the Union's proposal, "This is
23 fucking bullshit." Was that about the entire proposal that
24 they gave that is part of 136(b) or a specific section in this
25 proposal?

1 A I'm not sure I got past page 1 when I went into that.
2 Q So you don't recall?
3 A No. I recall it was about page 1. I recall that agitated
4 me.
5 Q okay.
6 A I don't recall if I closely reviewed the remaining pages;
7 that I may have been agitated about other aspects of the
8 Union's proposal.
9 Q Page 1 is the work preservation clause.
10 JUDGE SANDRON: I see. So when did you make the notes on
11 the other pages?
12 THE WITNESS: I would have made the notes while we were
13 going through those different proposals with the Union --
14 JUDGE SANDRON: So -- so --
15 THE WITNESS: -- and our responses.
16 JUDGE SANDRON: So I guess the question is, is: It ends
17 on page 6, the 136(b) -- as you recall, is that the last page
18 that she presented you?
19 THE WITNESS: It was. I think this is as I recall, yeah,
20 this has the economics in here. This would have been the
21 Union's full proposal at that point in time.
22 JUDGE SANDRON: All right.
23 THE WITNESS: And we went through each one.
24 JUDGE SANDRON: Okay.
25 THE WITNESS: Proposal by proposal.

1 JUDGE SANDRON: That answers it.
2 Q BY MR. RIMBACH: Now, we can set these aside. So next I
3 want to ask you about your testimony about the Glencore marine
4 transportation agreement.
5 A Uh-huh.
6 Q I believe you said that there was a meeting in February
7 2018 where it was Houghton, I believe, who said, we don't own
8 the equipment; we don't own the contracts. We need to
9 renegotiate the contracts. He was speaking to Marina
10 Secchitano.
11 A I believe you may be referencing two different bargaining
12 sessions.
13 Q Okay.
14 A On February 21st, 2018, Ms. Secchitano asked for a full
15 recount of what bargaining was at the time. At that point in
16 time, I told Ms. Secchitano that Westoil had the competition.
17 We had to be more efficient. We had to be more effective.
18 Westoil doesn't own the equipment. They don't own the
19 contracts. So you've got to do things better.
20 And our proposals are trying to help Westoil and the IBU
21 out. That was the February -- I think it was February 21st,
22 2017 (sic) meeting. The Doug Houghton was at the end of
23 December -- I think it was December 27th -- as Doug was going
24 through a list of when the Glencore contract was coming up,
25 just reiterating this -- there's no promise to this work. You

1 don't own the equipment and you don't own the contracts. We've
2 got to be better at how we do things.
3 Q So on February 21st, 2018, you're the one who made those
4 statements to Marina Secchitano? That Westoil doesn't own the
5 equipment and doesn't own the contracts?
6 A I recall making those statements. I don't remember -- I
7 don't' remember anyone else making them.
8 Q Wasn't Westoil Marine Services still a party to the
9 contract with Glencore at that time?
10 A They -- there had been a securitization process started
11 about nine months earlier, so everyone knew the contracts were
12 going out of Westoil. Processes started in July or August,
13 about that time frame. So I think the consent to assign had
14 occurred in April, but everyone knew that that was happening on
15 our side of the table.
16 Q But it hadn't happened as of February 2018, yet. Is that
17 right?
18 A I didn't know if at that point in time if it had
19 officially happened or not. I knew they were in the process of
20 getting all the contracts and assigning them over. I did not
21 know when contracts were officially assigned or not. I later
22 learned that it had happened in April.
23 JUDGE SANDRON: So when you say, "everyone", you're
24 including the Union? You say, "everyone knew". Who do you
25 mean by "everyone"?

1 THE WITNESS: We were bringing it up at the table.
2 JUDGE SANDRON: Right.
3 THE WITNESS: So everyone, meaning the IBU and Westoil --
4 JUDGE SANDRON: All right.
5 THE WITNESS: -- all knew, these are the rules that we're
6 playing for. We're entering into a new contact. We all have
7 to be playing under the same rules.
8 JUDGE SANDRON: So you're saying everybody at the
9 bargaining table knew?
10 THE WITNESS: Right.
11 Q BY MR. RIMBACH: Everyone at the bargaining table who was
12 representing Westoil?
13 A No. The IBU as well. We were telling them: you don't own
14 the equipment; you don't own the contracts.
15 Q Did you inform the IBU that the contracts -- there
16 actually had not been consent to assignment at that time?
17 A I didn't know at that time. I just knew we were in the
18 process of it, so no, I didn't inform the IBU of it.
19 Q But Doug Houghton was also at that meeting, correct?
20 A He was. But Doug Houghton wouldn't have known that
21 either.
22 JUDGE SANDRON: Okay. Why wouldn't he had known that?
23 THE WITNESS: Because he was the general manager of
24 Westoil.
25 JUDGE SANDRON: Oh, I see.

1 THE WITNESS: The securitization was a much higher level.
2 It was a $500 million securitization of all the operating
3 companies. It was way above Doug's pay grade.
4 Q BY MR. RIMBACH: So neither of you knew at the time
5 whether Westoil actually owned the contracts or equipment as of
6 February 2018?
7 A We knew they had not owned the equipment for maybe a
8 decade. Westoil hadn't owned the equipment for a long period
9 of time. We knew they were in the process of assigning the
10 contracts. We didn't know the exact dates -- or I didn't -- I
11 shouldn't speak for Mr. Houghton. I didn't know the exact
12 dates and Mr. Houghton never expressed the exact dates. We
13 just knew they were in the process of assigning those
14 contracts.
15 JUDGE SANDRON: so he never said anything to you
16 indicating he knew?
17 THE WITNESS: No.
18 JUDGE SANDRON: I see.
19 Q BY MR. RIMBACH: Did you or Mr. Houghton, at that meeting
20 on February 21st, 2018, ever inform the IBU that there was --
21 that a consent to assignment of the right to any payments would
22 be assigned to Harley Marine Financing for the Glencore
23 contract?
24 A All we said to the Union -- and it was a repetitive piece,
25 we did not go into detail -- we said, we don't own the

1 contracts; we don't own the equipment. And we repeated that
2 repetitively. We did not go into any other detail.
3 Q Was this the only time you informed the IBU of any consent
4 to assignment with respect to the Glencore contract from
5 Westoil to Harley Marine Financing?
6 A No. On July 15th, 2018, I spoke to Marina Secchitano, who
7 was the president of the IBU at that time. Give or take. I'm
8 not sure the exact -- I think it was July 15th. It could've
9 been 17th or 16th.
10 Q Do you have anything in -- was anything in writing given
11 to the IBU with respect to this assignment?
12 A I did not give anything to the IBU.
13 Q Do you know if anything -- if any -- anyone else did?
14 A I don't know. I did not.
15 Q Do you know if any notices or letters were given to Harley
16 Marine Holdings with respect to the assignment from Westoil to
17 Harley Marine Financing, with respect to the Glencore contract
18 at all?
19 A We're getting into client communications.
20 MR. SPURGEON: I'll --I'll object to attorney client
21 privilege and work product.
22 JUDGE SANDRON: Are you going to object? I don't think
23 the witness can object, but you're objecting.
24 MR. SPURGEON: I'm objecting to attorney client and work
25 product.

1 MR. RIMBACH: And Your Honor, the Respondents opened the
2 door to this line of questioning, Your Honor.
3 MR. SPURGEON: No we did not, Your Honor.
4 JUDGE SANDRON: You -- you're -- okay. Your question,
5 again, is?
6 MR. RIMBACH: Whether any notice in writing was given to
7 Harley Marine Holdings. I believe the Respondents opened the
8 door to this line of questioning with respect to notice that
9 was provided to the IBU. So -- and part of the Respondents --
10 Respondents -- Respondent's counsel earlier noted that there
11 were communications that were provided, and I'm exploring what
12 kind of communications, if any.
13 MR. SPURGEON: May I be heard, Your Honor?
14 JUDGE SANDRON: Communications between whom?
15 MR. RIMBACH: Between -- it's under the -- let me see --
16 the amended and restated marine transportation agreement.
17 JUDGE SANDRON: Right.
18 MR. RIMBACH: So part of that is on page -- it's
19 Respondent's Exhibit 43, on page 12 --
20 JUDGE SANDRON: Yes.
21 MR. RIMBACH: -- with respect to Unionized sellers with
22 IBU represented employees having delivered all notices required
23 under the related Collective Bargaining Agreement, and whether
24 such -- copies of such notices have been delivered to the
25 purchaser. I believe the Respondents opened the door to

1 this -- to this line of question -- questioning, with respect
2 to the Respondents questions, or respect to the notices that
3 were provided to the Union.
4 JUDGE SANDRON: Well, I'm not sur -- I don't know what --
5 that wasn't specifically covered on direct, was it?
6 MR. SPURGEON: No, it was not, Your Honor.
7 JUDGE SANDRON: And I'm not sure Mr. Hilgenfeld would be
8 the best witness to testify.
9 MR. RIMBACH: I do believe whether notices were given to
10 the Union was covered with respect to the line of questioning.
11 MR. SPURGEON: During bargaining communications between
12 Westoil and IBU, not between Harley and the world.
13 MR. RIMBACH: Right. And I want to know whether any --
14 any of those notices, or copies of such notices were provided
15 to anyone else, with respect to the entities.
16 JUDGE SANDRON: You're talking about notice of the --
17 MR. RIMBACH: Yes.
18 JUDGE SANDRON: I don't have -- what's the -- Exhibit 43.
19 And that's page 12.
20 MS. YASSERI: May I approach, Your Honor?
21 JUDGE SANDRON: Yes.
22 MR. SPURGEON: Yeah, I have to pull that exhibit up, Your
23 Honor.
24 JUDGE SANDRON: And that's already been admitted.
25 MR. SPURGEON: Thank you.

1 JUDGE SANDRON: Let me just see.
2 MR. RIMBACH: I'm referring to letter C on page 9, Your
3 Honor. Oh, sorry. It's -- it's page 9, internally, on the
4 document. But it's page 12 of 48 of the exhibit.
5 JUDGE SANDRON: 12. So it's page 12 of our -- our
6 pagination?
7 MR. RIMBACH: Yes, Your Honor.
8 JUDGE SANDRON: C, labor agreement matters?
9 MR. RIMBACH: Yes.
10 JUDGE SANDRON: Well, I think you are getting beyond the
11 scope of direct.
12 MR. RIMBACH: Your Honor, I believe the Respondent's
13 counsel asked a question with respect to notices that were
14 given to the Union regarding ownership of new vessels. So I
15 have a follow-up question, whether any copies of such notices
16 have been delivered to the purchaser. That question was raised
17 by the Respondent's counsel on direct, Your Honor.
18 JUDGE SANDRON: Were there copies --
19 MR. RIMBACH: Towards the end of section C, it says, and
20 copies of such notices shall have been delivered to the
21 purchaser.
22 JUDGE SANDRON: And what would that show -- and what would
23 that go to?
24 MR. RIMBACH: It goes to the question of whether -- it's
25 a follow-up question to the Respondent's counsel's question,

1 with respect to the notices that were provided to the Union.
2 JUDGE SANDRON: But where does it -- you know, what --
3 what relevance does it have to the issues here?
4 MR. RIMBACH: I -- well, whether -- whether this asset
5 sale and purchase agreement was complied with, Your Honor. And
6 there was testimony with respect to whether section C was
7 partially complied with, when the Respondent's counsel asked
8 Mr. Hilgenfeld whether notice was given to the Union with
9 respect to the ownership of the equipment, with respect to HMF.
10 JUDGE SANDRON: Right. Well, you -- you can go ahead and
11 ask him, if he knows.
12 MR. SPURGEON: Your Honor, I would like to be heard.
13 JUDGE SANDRON: Yes, go ahead.
14 MR. SPURGEON: The -- I mean, this is completely beyond
15 the scope of direct. However, even if we do look at page 9
16 here, it says, the unionized sellers of IBU represented
17 employees deliver all notices required under the Collective
18 Bargaining Agreements. So those are notices between Westoil
19 and IBU, but the question a few minutes ago was has Harley
20 Holdings received notice from anyone in the world about certain
21 topics. That has no relevance at all to subsection C here. So
22 discussions between Westoil and the IBU are one thing, but --
23 JUDGE SANDRON: Right.
24 MR. SPURGEON: -- Harley Holdings, we didn't go into at
25 all.

1 MR. RIMBACH: So my question is with respect to whether
2 Westoil Marine Services has provided copies of such notices to
3 the purchaser, pursuant to the section C. It's a follow-up
4 question to the Respondent counsel's question with respect to
5 whether such notices were provided to the IBU.
6 JUDGE SANDRON: But again, we're -- what's the relevance
7 of that?
8 MR. RIMBACH: Right, so it's whether the asset sale and
9 purchase agreement was complied with by Westoil Marine
10 Services.
11 JUDGE SANDRON: Okay, but I'm -- I'm not sure we --
12 MR. RIMBACH: It's just one -- one question, Your Honor,
13 and I can move on.
14 MR. SPURGEON: It's not raised by the pleadings; it wasn't
15 raised on direct today.
16 JUDGE SANDRON: All right. Well, you can ask that one
17 question, and then move on. If he knows.
18 Q BY MR. RIMBACH: Are you aware of any copies of notices
19 that were delivered to the purchaser, with respect to this
20 provision?
21 A That provision did not require notices to be provided,
22 because it has to be as required by the Collective Bargaining
23 Agreement. The Collective Bargaining Agreement did not require
24 notices, so that provision did not require any notice. Whether
25 some other notice was given that I'm not aware of, I don't

1 know.
2 Q And at that February 21st, 2018 meeting, when you said
3 that Westoil doesn't own the contracts for the equipment, did
4 you inform Marina Secchitano which entity did, or just said
5 that Westoil did not?
6 A Just a generic statement. Westoil does not own the
7 equipment; they do not own the contracts. They need to be more
8 efficient, and better at handling the work.
9 Q And when you said it came up again on July 15th, 2018, in
10 a sidebar, I believe, with -- between you and Marina
11 Secchitano?
12 A Yes.
13 Q What exactly -- can you describe that conversation, from
14 start to finish?
15 A Certainly. We had -- I believe Marina had asked if we
16 could talk before lunch. We walked over to a couch; we sat
17 down at the couch. Ms. Secchitano stated we're hearing that
18 you got $500 million of money. We think you need to add more
19 to these numbers, meaning the economic numbers. That's getting
20 out there, and I'm having a tough time with my numbers. I
21 responded, Marina, that was not Westoil's money; there is no
22 more money. Westoil needs to do a better job about being
23 efficient, and about doing the work. There is no more money.
24 This has to get it done. We need to get this done. And at
25 that point, Ms. Secchitano just said, okay.

1 Q Do you recall anything else from that sidebar
2 conversation?
3 A Yeah. I mean, so -- I guess I did leave out the part I
4 mentioned a couple times previously, but -- so we have to be
5 more efficient. We don't own the equipment; we don't own the
6 contracts. We are having struggles here. Westoil needs to do
7 better on its own. And so words to that effect, as well.
8 Q Do you remember -- do you recall any other specific
9 statements, or is that all?
10 A There may have been more specific statements; that's what
11 I recall.
12 Q If you could please look at Respondent's Exhibit 141. It
13 looks like these are notes from the sidebar between you and
14 Marina Secchitano. Do you recall any specific statements, that
15 are not written on the sidebar, from that sidebar conversation?
16 A I recall there was generally some salesmanship going on
17 both sides, so I did not characterize those types of pieces. I
18 don't remember exactly what it was; we were both trying to get
19 a deal done. She was trying to sell her position; I was trying
20 to sell my position. I don't recall any specifics that are not
21 put in here.
22 MR. RIMBACH: Can I just have one minute, Your Honor?
23 JUDGE SANDRON: Yes. Off the record.
24 (Off the record at 2:34 p.m.)
25 JUDGE SANDRON: Back on the record.

1 MR. RIMBACH: No further questions. Thank you, Mr.
2 Hilgenfeld.
3 THE WITNESS: Thank you.
4 JUDGE SANDRON: And do we have any redirect?
5 MR. SPURGEON: I have just a couple notes, Your Honor.
6 JUDGE SANDRON: Yes. Off the record.
7 (Off the record at 2:35 p.m.)
8 JUDGE SANDRON: Back on the record.
9 MR. SPURGEON: No further questions for this witness, Your
10 Honor.
11 JUDGE SANDRON: Mr. Hilgenfeld, you can resume your hat as
12 the attorney now.
13 MR. HILGENFELD: Thank you. Easier hat.
14 JUDGE SANDRON: I believe you indicated you have one last
15 witness, who you expect to be late.
16 MR. HILGENFELD: That's correct, Your Honor.
17 JUDGE SANDRON: Okay.
18 MR. HILGENFELD: And Doug's here, if you want to just take
19 a few minutes break.
20 JUDGE SANDRON: Yes, that's fine. We'll take a few
21 minutes. Off the record.
22 (Off the record at 2:36 p.m.)
23 JUDGE SANDRON: Back on the record. Mr. Hilgenfeld, you
24 have your last witness.
25 MR. HILGENFELD: I do, Your Honor.

1 JUDGE SANDRON: Okay.

2 MR. HILGENFELD: Cpt. Doug Houghton.

3 JUDGE SANDRON: Okay. Cpt. Houghton, if you'll stand,

4 I'll raise -- I'll swear you in.

5 Whereupon,

6 **DOUGLAS HOUGHTON**

7 having been duly sworn, was called as a witness herein and was

8 examined and testified as follows:

9 JUDGE SANDRON: Please be seated. If you could state and

10 spell your full and correct legal name, and provide us with an

11 address, either work or home.

12 THE WITNESS: Doulas Allen Houghton, that's D-O-U-G-L-A-S,

13 Allen, A-L-L-E-N, Houghton, H-O-U-G-H-T-O-N.

14 JUDGE SANDRON: And -- and an address.

15 THE WITNESS: It's 3221 Petaluma, P-E-T-A-L-U-M-A, Avenue,

16 Long Beach, 90808.

17 JUDGE SANDRON: Thank you. Thank you.

18 **DIRECT EXAMINATION**

19 Q BY MR. HILGENFELD: Cpt. Houghton, how long have you

20 worked in the barge industry?

21 A Over 40 years.

22 Q And do you currently hold any licenses?

23 A I currently hold a master of 1,600 tons and a master of

24 towing vessels.

25 Q Are those captain's license?

1 A Yes, they are.
2 Q And what's the 1,600 tons master license indicate?
3 A That's anything that's not a tow vessel, or it could be a
4 tow vessel, but it's -- it's strictly a self-propelled vessel,
5 not by sail, up to a gross tonnage of 1,600 tons.
6 Q And then what's a master of towing vessel?
7 A Master of towing vessel is I can be the captain on any
8 towing vessel towing any ship, or barge, or any floating
9 object.
10 Q And how long have you been a captain?
11 A Over 40 years.
12 Q I guess, at some point, did you end up coming to work for
13 a Centerline Logistics company?
14 A Yes. Yes, I did.
15 Q And when approximately, was that?
16 A Approximately 2000.
17 Q And what company did you come to work for?
18 A A company called Millennium Maritime.
19 Q And is that company known by a different name now?
20 A Yes.
21 Q What name is that?
22 A That would be Westoil Tug Services.
23 Q And what was your position in 2000 when you were hired?
24 What was that position?
25 A Immediately, I was hired on as a captain, then shortly

1 thereafter promoted to port captain.
2 Q And how long were you a port captain for Millennium
3 Maritime?
4 A I'd say about a year.
5 Q And then what position did you -- I guess, what position
6 did you take after being a port captain?
7 A That would have been general manager for Westoil Marine
8 Services and Millennium Maritime?
9 Q And how long were you the general manager for Westoil
10 Marine Services and Millennium Maritime?
11 A 2000 -- 15 plus years.
12 Q And just for shortness' sake, if I talk about being the
13 general manager for Westoil, I'm talking about being the
14 general manager for Westoil and Millennium. Is that
15 understood?
16 A That's understood.
17 Q And what were your job duties as the general manager for
18 Westoil?
19 A Safety compliance, labor relations, profit and loss,
20 customers interaction.
21 Q Did Centerline Logistics go by a different name during
22 that time?
23 A Yes.
24 Q What was that name?
25 A It was called Harley Marine Services.

1 Q Aside from the name change, is there any notable
2 difference between Harley Marine Services and Centerline
3 Logistics?
4 A No.
5 Q And you mentioned labor relations. Did a union represent
6 Westoil and Millennium during the period of time you were the
7 general manager?
8 A Yes.
9 Q And what union was that?
10 A Inlandboatmen's Union.
11 Q And if I refer to them as the IBU, will you understand
12 that?
13 A Yes.
14 Q And prior to coming to work with Millennium Maritime, were
15 you a member of a union prior to working in that position?
16 A Yes.
17 Q What union was that?
18 A Marine Engineers Beneficiary (sic), MEBA.
19 Q And from your general manager position, did you take --
20 did you end up going to work for Centerline Logistics at some
21 point in time
22 A Yes.
23 Q And rather than talk about Harley Marine Services or
24 Centerline, I'm just going to refer to Centerline Logistics
25 throughout; is that understood?

1 A That's understood.
2 Q And what was your -- after being general manager, what was
3 your position with Centerline that you accepted?
4 A VP of California operations.
5 Q And do you recall when you accepted the VP of California
6 operations position?
7 A Late 2018.
8 Q And what was your responsibility as VP of California
9 operations for Centerline?
10 A The safety and compliance of the -- or the California
11 companies, and some customer negotiations.
12 JUDGE SANDRON: You say -- was that contract negotiations?
13 THE WITNESS: No, it would be customer.
14 JUDGE SANDRON: What's that?
15 THE WITNESS: Customer -- customer negotiations for
16 Centerline.
17 JUDGE SANDRON: I see. That was agreements, basically,
18 with customers.
19 THE WITNESS: Yeah, it would be -- it would be working
20 with contracts coming due, or -- or future contracts,
21 negotiating with our existing customers, or new customers.
22 Q BY MR. HILGENFELD: Did you have any responsibilities in
23 labor relations for Westoil when you accepted the VP of
24 California operations?
25 A No, sir.

1 Q And approximately how long were you in the VP of
2 California operations role?
3 A A year or so.
4 Q And then what -- what position did you take after that?
5 A Senior VP of west coast operations.
6 Q And I guess, before we get to that, what companies were
7 within -- what subsidiary companies were within your review as
8 the VP of California operations at that time?
9 A That would've been Starlight Marine Services, Westoil
10 Marine Services, and Millennium Maritime.
11 Q Was Olympic Tug & Barge?
12 A Not at that time, no.
13 Q And then for senior VP of US west coast operations, what
14 are your job duties, or job responsibilities in that position?
15 A Safety and compliance for west coast subsidiaries, and
16 customer negotiations for contracts, as needed.
17 Q Do you have any labor relations responsibilities in that?
18 A No, I do not.
19 Q In your role as GM for Westoil, did you have the authority
20 to hire Westoil employees?
21 A Yes.
22 Q During your role as GM for Westoil, did you have the
23 authority to fire Westoil employees?
24 A Yes.
25 Q While you were GM at Westoil, did you actually hire and

1 fire employees, at various points in time?
2 A Yes, I did.
3 Q As GM for Westoil, did you have the authority to
4 discipline employees?
5 A Yes, I did.
6 JUDGE SANDRON: Now, was that authority independent? In
7 other words, you had the authority to do so on your own?
8 THE WITNESS: Yeah. It -- as general manager for that --
9 that business unit, I had full authority. I was running the
10 boat -- I mean, the company soup to nuts.
11 Q BY MR. HILGENFELD: When you became -- when you became the
12 VP of California operations, did you hire any Westoil
13 employees?
14 A No, sir.
15 Q How were Westoil employees hired?
16 A They would be hired through the union hall.
17 Q Is that per the labor agreement with the IBU?
18 JUDGE SANDRON: Are you talking about now, or in the past?
19 Just to clarify.
20 Q BY MR. HILGENFELD: I'll make it clear. While you were
21 the GM of Westoil, was the hiring through the labor hall per
22 the labor agreement with the IBU?
23 A Yes.
24 Q And you -- were you part of the 2018 labor negotiations
25 for the expired labor agreement?

1 A Yes, I was.
2 Q Do you know if that labor agreement had hiring hall
3 provisions in it for the IBU with Westoil employees?
4 A Yes.
5 Q As the VP of California operations, did you ever fire any
6 Westoil employees?
7 A No.
8 Q As the VP of California operations, did you ever
9 discipline any Westoil employees?
10 A No.
11 Q Do you know who would have been responsible for that when
12 you were the VP of California operations?
13 A That would have been Brian Vartan, operations manager for
14 Westoil Millennium.
15 Q Did you handle -- as the general manager of Westoil Marine
16 Services, did you have responsibility regarding supervision of
17 day-to-day operations?
18 A Can you repeat the question? Sorry.
19 Q As the general manager of Westoil, did you have
20 responsibility regarding the day-to-day operations?
21 A Yes.
22 Q As the VP of California operations, did you have any
23 responsibility for the day-to-day operations at Westoil?
24 A No.
25 Q As the senior VP of the US west coast, did you ever hire

1 any Westoil employees?
2 A No, sir.
3 Q Did you ever fire any Westoil employees?
4 A No, sir.
5 Q Did you ever discipline any Westoil employees?
6 A No, sir.
7 Q Would the answer be the same as it relates to Leo Marine
8 employees?
9 A Yes, sir.
10 Q As it relates to day-to-day operations, as the senior VP
11 of US west coast operations, did you have any responsibility
12 for day-to-day operations of Westoil?
13 A No, sir.
14 Q As the senior VP of operations for Centerline, did you
15 have any responsibility for the day-to-day operations of Leo
16 Marine?
17 A No, sir.
18 JUDGE SANDRON: Is that your current position now?
19 THE WITNESS: That's my current position.
20 JUDGE SANDRON: All right. So you're answers asked in
21 past tense. So that's true of today, as well?
22 THE WITNESS: That's true of today.
23 Q BY MR. HILGENFELD: Has that been true throughout your
24 role in that position?
25 A That's correct.

1 Q Who do you report to?
2 A Mr. Matt Godden.
3 Q And do you have any direct reports that report to you?
4 A Yes.
5 Q And who are those direct reports?
6 A I think currently, it's Dan Morrison, VP of marine
7 operations, and Anthony Lobro, director of barge logistics.
8 Q While you were the general manager for Westoil Marine
9 Services, what type of work did Westoil Marine Services
10 perform?
11 A Westoil performed bunkering, fueling ships, they performed
12 lightering -- taking fuel or cargo off a ship, and then
13 terminal transfer would deliver oil from one terminal to
14 another terminal, typically inside the port of L.A./Long Beach.
15 Q When you were the general manager for Westoil, what work
16 did Millennium Maritime perform?
17 A They performed ship assist so the tugs would help ships in
18 and out of the harbor and they assist or they're the horsepower
19 for the bunker barges. They would move the bunker barges as
20 required.
21 Q As the -- to date, does Westoil Marine -- I guess as of
22 2022, did Westoil Marine Services perform the same type of work
23 that you just described?
24 A No.
25 Q How did it change?

1 A In 2021, Harley Marine Financing divested their ship
2 assist business -- ship assist tugs.
3 Q Okay. And I'll -- maybe I'll break this up. Would the --
4 which company would have done the ship assist?
5 A That would have been Millennium Maritime.
6 Q Okay. As it relates to Westoil Marine Services, what
7 has -- did the Westoil Marine Services remain substantially the
8 same as the types of market performed in 2022?
9 A Yes.
10 Q Did Westoil and MMI have separate labor agreements with
11 the IBU or was there one agreement?
12 A Just one agreement.
13 Q You mentioned Millennium Maritime stopped performing ship
14 assist, do you remember when that approximately occurred?
15 A It was early in 2021.
16 Q And what was the cause of that?
17 A Explain why?
18 Q Why it happened?
19 A Why did it happen -- well, it was a nonprofitable
20 business. It was dragging down the company.
21 Q And who were the ship assist tugs sold to?
22 A A company called Saltchuk.
23 Q With the loss of the ship assist tug work, did that effect
24 the number of tugs required to perform operations in L.A./Long
25 Beach?

1 A Yeah.
2 Q How did that effect it?
3 A It reduced the number needed. We were no longer doing
4 ship assist and strictly doing just barge movements with those
5 tugs.
6 Q And when you were general manager of Westoil, what general
7 percentage of the ship assist work was part of Millennium
8 Maritime?
9 A Maybe 60 percent of the work, that's a guess, better than
10 half.
11 Q Would that effect the number of crew members required to
12 operate tug boats?
13 A Yes, the reduction boats would be less crew members. Yes.
14 Q On the crew, what crew members worked aboard the tug boats
15 at Westoil or at Millennium?
16 A You'd have a captain, a deck engineer, and on occasion, a
17 deckhand. They work a 12-hour shift so there allowed to work
18 with the crew. They'd have to double that if it was a live
19 aboard, 24-hour.
20 Q Are you familiar with the term "third man"?
21 A Yes.
22 Q And what's the third man?
23 A Third man is a requirement through the CBA to put on the
24 tug when we move barges, I believe over 40,000 barrels or when
25 escorting certain tankers. I'm trying to think -- and then we

1 may put them on occasionally for certain container ships that
2 are recess chalks or where you need an extra man to help.
3 Q The third deckhand which you had mentioned below, would
4 that be the third man?
5 A That is correct.
6 Q And on the Westoil barges, what was the crew composite of
7 the Westoil barges?
8 A Two.
9 Q And what positions were those?
10 A A tankerman PIC that's -- and the deckhand. So there're
11 two crew members. Sometimes there'd be two PIC tankerman on
12 there per the CBA the minimum tankerman PIC.
13 Q And when you say PIC, what does that mean?
14 A Person in charge -- an endorsement that they get on their
15 MMC, their merchant mariner's credential. That would entail a
16 dangerous liquid cargo class, some firefighting, and a certain
17 amount of loads and discharges to attain those.
18 Q Who would approve that endorsement?
19 A Coast Guard.
20 Q Are you aware of Harley Marine Financing?
21 A Yes.
22 Q Do you know when Harley Marine Financing was formed?
23 A 2000 -- late 2017-ish.
24 Q Do you know why Harley Marine Financing was formed?
25 A We were heavily in debt and needed to find another vehicle

1 to help us to continue operating.
2 Q What -- do you know what Harley Marine Financing does as a
3 company?
4 JUDGE SANDRON: Do you recall how you found that out back
5 then, you know, as far as the reason?
6 THE WITNESS: Here's what I know of that. We were heavily
7 in debt, to be honest with you, we were getting to the point
8 where we weren't going to make payroll. Matt Godden that's all
9 in his bailiwick. I have no --
10 JUDGE SANDRON: Alright.
11 THE WITNESS: I don't know how all that came to be. All I
12 know is it was a scary time, and they came up with a vehicle
13 securitization to --
14 JUDGE SANDRON: I see.
15 THE WITNESS: -- from what I understand the -- I don't
16 know if you call it sell it, or whatever, we put our equipment
17 into the securitization, our contracts. That's the way I
18 understand it.
19 JUDGE SANDRON: So that was conveyed to your as the
20 reason?
21 THE WITNESS: Pardon me?
22 JUDGE SANDRON: That was conveyed to you as the reason?
23 THE WITNESS: Yeah, yeah, yeah, something along that line,
24 you know, that's the way I understand it. That type of finance
25 is way above my mind. I'm a boat captain.

1 JUDGE SANDRON: I think it's very complex.
2 Q BY MR. HILGENFELD: Do you know what Harley Marine
3 Financing does, or what's your understanding of what Harley
4 Marine Financing does?
5 A Harley Marine Finance, they're some sort of bond that owns
6 vessels and contracts.
7 Q What is your understanding of the relation between
8 Centerline Logistics with Harley Marine Financing if you have
9 one?
10 A Basically Centerline Logistics is a manager. It manages
11 their operations. It manages the assets and the contracts.
12 Q Are you employed by Harley Marine Financing?
13 A No, sir.
14 Q Have you ever been?
15 A No, sir.
16 Q Are you an officer of Harley Marine Financing?
17 A Yes.
18 Q Do you know when you became an officer of Harley Marine
19 Financing?
20 A I don't have the exact date on that. I don't -- I think
21 it was shortly, you know, right when I became VP of Centerline
22 west coast.
23 Q VP or Senior --
24 A Senior VP.
25 JUDGE SANDRON: Do you recall how you became an officer?

1 THE WITNESS: I don't recall it in detail, no. Around
2 that time I was with a change in role and responsibilities. I
3 don't have that.
4 JUDGE SANDRON: Do you recall who notified you that you
5 were --
6 THE WITNESS: That would have been Matt Godden. He was
7 the one explaining all of it to me.
8 Q BY MR. HILGENFELD: Do you perform any services on behalf
9 of Harley Marine Financing in the role of Senior VP of
10 Operations?
11 A Yes.
12 Q And what are those services that provide on behalf of
13 Harley Marine Financing?
14 A Ensure their equipment and contracts are -- especially
15 their equipment's utilized and perform contract negotiations
16 for them.
17 Q And when you say them, who do you mean?
18 A For Harley Marine Financing.
19 JUDGE SANDRON: And those contracts are with whom?
20 THE WITNESS: Could be with British Petroleum, Shell,
21 Glencore, it could be, you know, just about any oil major.
22 JUDGE SANDRON: So do you do that for all the contracts
23 that come under Harley Marine Financing?
24 THE WITNESS: No, typically it would be the ones maybe I
25 have relationships with, or I know well that I would -- I'd get

1 involved with. So that would be --
2 JUDGE SANDRON: I see.
3 THE WITNESS: Yeah.
4 JUDGE SANDRON: So just some of them?
5 THE WITNESS: Just some of them.
6 Q BY MR. HILGENFELD: And which ones would those be that
7 you'd have relationships with?
8 A So it would be Glencore, back in the ship assist, it would
9 have been YangMing, it would have been Matson -- trying to
10 think who else -- Minerva Oil customer, Peninsula Petroleum,
11 just to name a few there.
12 JUDGE HILGENFELD: I know we have spellings of some of
13 them, but do we have all of them?
14 MR. HILGENFELD: I don't believe we do.
15 Q BY MR. HILGENFELD: Do you know how to spell YangMing?
16 A Y-A -- Y-A-N-G-M-I-N-G.
17 Q Okay. And I believe Matson?
18 A M-A-T-S-O-N.
19 MR. HILGENFELD: I believe the other ones we have in the
20 record.
21 JUDGE SANDRON: Yes, I think you're correct.
22 Q BY MR. HILGENFELD: Regarding Glencore, you said you had a
23 relationship with Glencore. How long have you had a
24 relationship with Glencore?
25 A Somewhat of a relationship probably for 20 years.

1 Q Has Glencore gone by other names?
2 A It was originally Chemoil.
3 JUDGE SANDRON: Do you recall when it changed names
4 approximately?
5 THE WITNESS: I don't have -- there was -- I'm going to
6 throw a big guess out her -- five years ago.
7 JUDGE SANDRON: I see.
8 THE WITNESS: Maybe longer.
9 Q BY MR. HILGENFELD: And do you know if it was a name
10 change or an acquisition or do you know the purpose of that
11 name -- the change?
12 A I don't know. I think -- I don't have the particulars. I
13 think it was some of acquisition.
14 JUDGE SANDRON: And did you deal with the same people
15 before and after the acquisition?
16 THE WITNESS: Yes, they kept the same general people in
17 the San Francisco office that I dealt with.
18 Q BY MR. HILGENFELD: And who were those people?
19 A That would have been Emilio Heredia basically and then
20 whoever the schedulers were. They've changes those a little
21 bit over the years.
22 Q And what did you say Emilio's last name was?
23 A Heredia.
24 Q Is that H-E-R-E-D-I-A?
25 A Yeah.

1 Q And what was Mr. Heredia's position?
2 A I believe his position is senior trader.
3 Q Do you know if he is still at Glencore?
4 A He's no longer at Glencore from what I understand.
5 Q Do you know when he approximately left?
6 A I don't. I think maybe several years ago -- two to three
7 years ago. Probably about two years ago -- I'm trying to
8 figure out.
9 Q Are you familiar with the contract with Glencore for the
10 one performed in L.A./Long Beach?
11 A Yes, I am.
12 Q Let me hand you, I believe this has been marked as GC
13 Exhibit 76, so disregard this footer on this document. It says
14 Respondent's Exhibit 3, but I think it got admitted at GC-76.
15 JUDGE SANDRON: Oh I see. Yes, I know we had -- I think
16 that's correct. I recall something along that line. GC can
17 double check. I seem to recall that.
18 MS. YASSERI: Yes, Your Honor.
19 JUDGE HILGENFELD: Alright. That's noted on the record so
20 there's no confusion.
21 Q BY MR. HILGENFELD: And Mr. Houghton, do you recognize GC
22 Exhibit 76?
23 A Yes, I do.
24 Q And what is GC Exhibit 76?
25 A It's a agreement with Chemoil -- between Chemoil

1 Corporation, for L.A. harbor work, and Westoil Marine Services
2 back in 2013 -- executed.
3 MS. YASSERI: My apologies, Your Honor, I just did want to
4 clarify for the record that Respondent's 3 is an unredacted
5 version of GC-76. And Respondent's 3 is already in evidence.
6 Just wanted --
7 JUDGE SANDRON: R-3 is in evidence?
8 MS. YASSERI: Yes, it is, Your Honor, subject to the
9 protective order.
10 MR. HILGENFELD: Oh I apologize.
11 JUDGE SANDRON: Okay. Thank you.
12 MR. HILGENFELD: Thank you.
13 MS. YASSERI: And R-3 is unredacted -- just.
14 MR. HILGENFELD: Okay.
15 MS. YASSERI: GC-76 has some redactions.
16 MR. HILGENFELD: Thank you. Thank you for that
17 clarification. I will just refer to Respondent's Exhibit 3
18 then.
19 JUDGE SANDRON: Yes, that's fine.
20 Q BY MR. HILGENFELD: I apologize Mr. Houghton. I think you
21 may have answered this, but I don't remember. How are you
22 familiar with Respondent's Exhibit 3?
23 A I helped negotiate it and it has basically been in use for
24 a decade or so.
25 Q Would this have been in use when you were the general

1 manager of Westoil?
2 A Yes, sir.
3 Q And it talks about Chemoil Corporation, do they still go
4 by -- I believe you testified they go by the name of Glencore
5 now?
6 A Yes, sir.
7 Q Is there any other Glencore contract for market L.A./Long
8 Beach that you're aware of with any Centerline affiliated
9 company?
10 A No.
11 Q So if I refer to the Glencore L.A./Long Beach contract, do
12 you understand this is what I'm talking about?
13 A Yes.
14 Q Turn your attention to section 2, the term.
15 A What page is that on?
16 Q On page 2.
17 A Okay.
18 Q And it has effective date January 1, 2015 and expiring on
19 December 31, 2020. Aside from the term that is listed right
20 here in this paragraph, do you have understanding of any other
21 terms that were in this agreement?
22 A As far as length of agreement?
23 Q Correct.
24 A Other than the possible subsequent term?
25 Q Correct.

1 A No.
2 Q Okay. And going to section 3 right below where it talks
3 about barging rates, it first talks about transportation
4 services. Do you know what transportation services were
5 provided to Glencore under this agreement?
6 A We were transporting their oil, their fuel, their --
7 whatever liquid product that they needed.
8 Q Do you know the manner of the transportation?
9 A By tug and barge.
10 Q You'd mentioned bunkering, internal transfer, and
11 lightering, those types of things. What types of those were
12 provided under this agreement?
13 A All three.
14 Q When you were the GM of Westoil, did Westoil provide
15 bunkering to Glencore under this agreement?
16 A Yes.
17 Q When you were the GM of Westoil, did Westoil provide
18 terminal transfers to Glencore -- for Glencore under this
19 agreement?
20 A Yes.
21 Q When you were the GM of Westoil, did Westoil provide
22 lightering under the terms of this agreement for Glencore?
23 A Yes, sir.
24 Q After you've taken your role to VP -- your VP role with
25 Centerline, did -- through -- I guess we'll back that off. Did

1 Westoil, other than bunkering, terminal transfer, and the
2 lightering, provide any other services to Glencore under this
3 agreement?
4 A Nothing I can think of.
5 Q In paragraph 3, the barging rates, it states $1.15-w/6,250
6 BBL minimum per job; do you see that?
7 A Yes, sir.
8 Q What is the 1.15 referencing?
9 A That's a $1.15 -- that's what we were -- or what Westoil
10 was going to get compensated per barrel to transport at the
11 beginning of the contract.
12 Q Did -- were those rates subject to change that $1.15?
13 A They would have annual escalators.
14 Q And then what's BBL stand for.
15 A Barrel.
16 Q And what's the 6,250 BBL minimum per job?
17 A So that would be the minimum barrels moved per delivery or
18 movement.
19 Q And that would be so at least 6, 2050 barrels per job?
20 A Right at if you look at that -- at the $1.15, it would be
21 6,250 barrels would be minimum for that job.
22 Q And then the next, right below it, monthly minimum 400,000
23 what does that mean to you?
24 A That's the guarantee from Chemoil/Glencore -- the monthly
25 minimum they would guarantee us to move.

1 Q What would happen if Glencore -- and this is per month?
2 A This is monthly, yes, sir.
3 Q And 400,000, is that barrels?
4 Q That is barrels, yes, sir.
5 Q What would happen if Glencore moved 300,000 in barrels per
6 month?
7 A They would require -- or they were required to pay us the
8 400,000-barrel minimum time whatever the rate was for that
9 year. But in 2015, it would been $1.15 per barrel.
10 Q And would that also be referenced as being called a barrel
11 minimum?
12 A Yeah.
13 Q What's the barrel minimum's effect on the contract
14 revenue?
15 A That's our minimum revenue for the month so --
16 Q Is the barrel -- oh no, finish your answer.
17 A So at the barrel minute (sic) raise then our revenue for
18 the month guaranteed would be more and if it's reduced, our
19 revenue for that month guarantee has been reduced.
20 Q Did this Glencore contract have certain equipment
21 requirements?
22 A Yes.
23 Q And do you recall what those equipment requirements were?
24 A Three barges and feedable tugs I think it says or tug
25 moves as required. I don't know the exact language on that.

1 Q And how much notice would Westoil receive for a petroleum
2 transportation move by Glencore?
3 A I mean, it could be just an instant asap call sometimes.
4 Sometimes you get then two to three days in advance, so.
5 Q When you say asap, what do you mean?
6 A Urgent -- urgent job -- as fast as we can get in either
7 load or to deliver.
8 Q How did that effect the crewing requirements under this
9 contract?
10 A Well sometimes you could schedule a crew and like you need
11 a certain amount there for the asap. So if I know two days
12 from now, I have a certain amount of jobs, I know what crew
13 that I'll need. But then you'll still need a certain amount
14 extra for asap work. I don't know, it's kind of an open-ended
15 question. We have a certain amount of crew that are scheduled
16 all the time. And then we have a pool of on demand crew.
17 Q And when you were the senior VP of operations, did you
18 negotiate any temporary rate changes for Glencore?
19 A Yes, sir.
20 Q And when was that?
21 A May of 2020.
22 Q Who did you negotiate those on behalf of?
23 A Emilio.
24 Q For what Centerline company did negotiate on behalf of?
25 A The subsidiary, it would have been Harley Marine

1 Financing, but the subsidiary would have been Westoil.
2 Q And who owned the contract at that time?
3 A That would have been -- that would have been Harley Marine
4 Financing.
5 Q You mentioned you negotiated with Emilio Heredia, is that
6 correct?
7 A Yes, sir.
8 Q Who initiated that call or conversation?
9 A Emilio.
10 Q Do you recall if it was by email, by phone, in person?
11 A It was a phone call.
12 Q And the -- you may have answered this already, apology, do
13 you recall what timeframe that you received the phone call?
14 A Early, early May of 2020.
15 Q And how long have you known Mr. Heredia?
16 A Ten plus years.
17 Q And what did Mr. Heredia say in that phone conversation?
18 MS. YASSERI: Objection, hearsay.
19 MR. HILGENFELD: We're not offering it for the truth of
20 the matter asserted. We're offering it for negotiation
21 purposes as to Westoil's -- to Harley Marine Finance's
22 understanding.
23 JUDGE SANDRON: Well, I guess as a predicate for action
24 that the witness took, you can describe it although, as you
25 say, it's hearsay as far as the underlying facts that were

1 related in the conversation. Go ahead.
2 Q BY MR. HILGENFELD: Mr. Houghton, what did Mr. Heredia say
3 to you?
4 A He called to request a relief on his contract. He was
5 asking for a 30 percent reduction to his monthly guarantee.
6
7
8
9
10
11
12
13 Q And what monthly guarantee would that have been?
14 A The monthly guarantee we just discussed in the contract,
15 the 400,000-barrel monthly guarantee.
16 JUDGE SANDRON: So he wanted 30 percent --
17 WITNESS: Reduction off of that was his conversation he
18 was asking for.
19 JUDGE SANDRON: So he was asking for 280,000?
20 THE WITNESS: Well, I didn't do the math. That was the
21 conversation. It was a little shocking.
22 JUDGE SANDRON: But he just said 30 percent?
23 THE WITNESS: Yeah, he asked us to consider -- that was
24 during COVID, and cruise ship and they were -- we were watching
25 their volumes diminish to -- I was waiting for the call.

1 JUDGE SANDRON: Do you remember what -- what he described
2 as why they needed the 30 percent? Did he offer any specific
3 information?
4 THE WITNESS: No. It was during COVID. They were -- they
5 do the majority of -- of cruise ships in the Port of LA and
6 Long Beach and the cruise ship industry pretty much vanished at
7 that time. They would get a few, just enough fuel to run their
8 generators and then go idle out at anchor, so their -- their
9 customer base was basically, you know, a large percentage of
10 their customer base was not taking fuel.
11 JUDGE SANDRON: And do you recall if he told you that
12 during the conversation?
13 THE WITNESS: Oh, yeah, yeah. No, we had a longer
14 conversation and why he was asking and, you know, then I --
15 JUDGE SANDRON: Do you -- do you recall if he gave any
16 other specifics as to why they needed the reduction, other than
17 the cruise ship matter?
18 THE WITNESS: Cruise ship just the amount of volume that
19 they were moving in general. It was mainly the cruise ship.
20 That was -- they were heavily invested in that in contracts.
21 That was their contracted work and that was basically it. Over
22 the last few years just in general their volume of work had
23 been diminishing prior to COVID and then with COVID hitting --
24 I don't have the exact barrel amounts, but they really took --
25 out of all the suppliers they took the biggest hit.

1 JUDGE SANDRON: And do you remember him talking about
2 those other issues too during that call?
3 THE WITNESS: Yes. Yeah. No, we had somewhat of a brief
4 call. It wasn't long. I knew what it was about. I knew he
5 was going to call, or we knew. We had been watching COVID and
6 how it was destroying not just our industry, everybody's
7 industry, but that particular customer got hit the worst and
8 we're locked in to the 400,000 men, so that's what I remember
9 from that call.
10 JUDGE SANDRON: And do you remember how you responded
11 during the call?
12 THE WITNESS: Well, shocked at the 30 percent, but you
13 know, I assured him that, you know, I heard what he was saying.
14 Let me see what we can do as a company and that I would circle
15 back with him.
16 Q BY MR. HILGENFELD: And approximately how long was that
17 conversation?
18 A I mean, to the best of my recollection it was probably 20
19 minutes, you know, talking family, friends, and then, you know,
20 the trouble with his business. You know, I gave him the
21 trouble with our business too, just as a whole not doing well.
22 Q And what steps -- did you take any steps after that
23 regarding the reduction in the minimum?
24 A Yeah. I mean, I ran it up to, you know, my boss, Matt
25 Godden, and you know, informed him of what Emilio, you know,

1 had called and what he was asking for.
2 Q Did you talk with Mr. Godden by phone, by email, by Zoom?
3 A I don't recall. I think most likely by phone.
4 JUDGE SANDRON: Do you recall about how long after the
5 call?
6 WITNESS: It would have been shortly. I mean, I was
7 worried that, you know, one of -- this customer was looking for
8 some relief, something soon. I wasn't going to keep him
9 hanging on and how are we going to react to it?
10 BY MR. HILGENFELD:
11 Q Did you have any -- do you recall anything else being
12 discussed with Mr. Godden at that time?
13 A I -- I -- I don't recall. I just remember trying to
14 figure out if we were going to do something and what we could
15 do.
16 Q And did Harley Marine Financing take any action regarding
17 a discount of any type?
18 A Yes.
19 Q And what action was that?
20 A We eventually offered back a Harley Marine Financing
21 -- Centerline offered back a ten percent discount.
22 JUDGE SANDRON: Do you remember in your first conversation
23 with Mr. Godden what he said in response when you told him?
24 WITNESS: No. I don't know in general. He said let's sit
25 on it and discuss it and then somewhere along the line we got

1 back on a phone line and discussed it in a little further
2 detail. And I do remember at part of the discussion is we had
3 the contract was ending at the end of 2020 and we wanted to
4 show them some good faith. We wanted to, you know, show them
5 we're a good partner and wanted to be a partner with them
6 moving forward.
7 JUDGE SANDRON: Do you remember who came up with the ten
8 percent or how that was decided?
9 WITNESS: I'm pretty sure that was Mr. Godden's number.
10 He -- he would have done that.
11 BY MR. HILGENFELD:
12 Q Did you have any further conversations with Mr. Heredia?
13 A I might have had another phone call or two. I know the
14 last phone call that I had with him, you know, when we did
15 offer the ten percent, he wasn't thrilled, you know.
16 JUDGE SANDRON: Okay. Do you remember when that call was?
17 WITNESS: It was early -- early to mid-May was the final
18 call and gave them the -- we settled on a number.
19 JUDGE SANDRON: And do you recall what he said, you know?
20 WITNESS: Yeah. No, he was disappointed. He was -- he
21 was really looking for a much more significant cut or reduction
22 in his -- in his monthly cost. At the end of day he was, you
23 know, thanked us for what we did do, but he made it somewhat
24 clear that he was still disappointed that we -- we couldn't --
25 and I explained why, you know, we're not significantly reducing

1 our cost in any way. We'd still have our overhead to manage.
2 JUDGE SANDRON: So he -- he said especially that he was
3 disappointed in so many words?
4 WITNESS: Yeah, and that's what it was. He was
5 disappointed, you know, he was kind of asking me can you guys
6 relook at it, and I was saying no, this is really what we can
7 do.
8 BY MR. HILGENFELD:
9 Q Do you know for how long that ten percent reduction was
10 for?
11 A Originally it was for the month of May through July that
12 we guaranteed and then it was verbal with him if things
13 improved or didn't improve, we would look at it for the
14 remainder of the year so -- which ended up happening.
15 Q Turn your attention to Respondent's Exhibit 5. This has
16 been admitted.
17 JUDGE SANDRON: Okay, very good.
18 Q BY MR. HILGENFELD: Mr. Houghton, do you recognize
19 Respondent's Exhibit 5?
20 A Yes, I do.
21 Q Is this the discount you were just testifying about?
22 A Yes.
23 Q If this email is from you to Stephen Perry on May 27th,
24 2020, does that help refresh your recollection as to when the
25 conversation with Mr. Heredia would have been?

1 A It must have been on that day or right before that, so it
2 was late May, I believe.
3 Q Why did you send the email to Stephen Parry?
4 A Stephen Parry handles or controls all our contracts, our
5 billing. He's our VP of finance, HR, so that's to ensure he
6 understands. If there's any changes to contracts he needs to
7 be notified immediately.
8 Q And do you know who Mr. Parry works for?
9 A Centerline Logistics.
10 Q And do you know if the Glencore contract in Respondent's
11 Exhibit 3 had an option to renew the contract?
12 MR. YASSERI: Objection. The document speaks for itself.
13 JUDGE SANDRON: That's true.
14 MR. HILGENFELD: That's fine. You can turn your attention
15 to Respondent's Exhibit 3, please.
16 JUDGE SANDRON: Well, he doesn't need to actually. I
17 mean, if it's in there you can even mention it or point it out.
18 BY MR. HILGENFELD:
19 Q I would point out Respondent's Exhibit 3, Mr. Houghton, on
20 section 2 of the term says Chemoil -- it shall expire on
21 December 31st, 2020, initial term. However, Chemoil shall have
22 the option to extend this agreement for up to two additional
23 five-year terms.
24 JUDGE SANDRON: All right. Well, he --
25 MR. HILGENFELD: I'm just putting that -- I'm just stating

1 that for the record.
2 JUDGE SANDRON: Yes, you can. That's acceptable.
3 BY MR. HILGENFELD:
4 Q To your knowledge, did Glencore exercise its option to
5 extend that agreement?
6 MR. YASSERI: Objection. Calls for speculation.
7 MR. HILGENFELD: As per his knowledge.
8 JUDGE SANDRON: Right, if he knows.
9 A No. They -- they -- they did not extend and were not
10 extended.
11 Q BY MR. HILGENFELD: How do you know that?
12 A I called Emilio and asked him if he was going to extend.
13 Q When did you call Mr. Heredia?
14 A That would have been end of summer, August-ish, of the
15 2020.
16 Q And why did you call Mr. Heredia?
17 A Concern. He already asked for a 30 percent discount on
18 the existing term. I was watching his volumes through the
19 summer, seeing that they weren't returning. I thought it best
20 to know sooner than later what their intentions were for a --
21 to take their option.
22 Q And I believe you said you called Mr. Heredia; is that
23 correct?
24 A That's correct.
25 Q And to the best of your recollection, what exactly did you

1 say to Mr. Heredia?
2 A You know, we talked about, you know, to the best of my
3 recollection, you know, just started the conversation off about
4 the ten percent discount, you know, we still had that going and
5 how's things going? I'm trying to feel out what he thinks his
6 business is going to be and how the outlook is and are cruise
7 ships coming back? What are you hearing or, you know, is the
8 CDC going to allow them, you know, the rumor mill? That type
9 of stuff and then, you know, somewhere in the conversation I
10 made the big ask of, you know, what's your intentions at the --
11 at the end of this first term?
12 Q And how did Mr. Heredia respond?
13 MR. YASSERI: Objection. Hearsay.
14 MR. HILGENFELD: We're not asking for the --
15 JUDGE SANDRON: I think we need to have a -- I mean, it's
16 full conversation.
17 A He said that Glencore would be -- not going to renew or
18 not take their extension and that they'd be seeking a 50
19 percent reduction in their monthly minimum.
20 Q BY MR. HILGENFELD: And what did you understand that to
21 be, a 50 percent reduction from what?
22 A From the 400,000 barrels.
23 Q Did you respond to Mr. Heredia after that?
24 A Just pleasantries and we're going to work together to get
25 this done. We're, you know, you know, start negotiating and

1 see where we can get to and, you know, he gave me his woes of,
2 you know, his operations and I was giving him my, you know,
3 woes of what the LA operation may look like.
4 Q Approximately how many conversations or meetings did you
5 have with Mr. Heredia regarding the extension?
6 JUDGE SANDRON: That's after that?
7 Q BY MR. HILGENFELD: After that call, approximately?
8 A After that call, about a half a dozen. We had about six
9 calls. I flew up twice to meet him near his home office in San
10 Francisco.
11 Q And did the six calls include the flying up or were they
12 separate from them?
13 A That would have been separate.
14 JUDGE SANDRON: Could you give us the time, the range in
15 terms of time?
16 WITNESS: That would have been probably -- the calls would
17 have been, I mean, the calls would have been in September
18 through December and then my travels up there would have been
19 October and November, somewhere in those ranges.
20 JUDGE SANDRON: Was anybody else present when you were
21 having these meetings?
22 WITNESS: No, sir.
23 JUDGE SANDRON: It was just the two of you?
24 WITNESS: Just the two of us.
25 JUDGE SANDRON: And the calls were just between the two of

1 you, there was nobody else, like, on a conference call?
2 WITNESS: No, no. All the negotiations were done were
3 just Emilio and myself.
4 BY MR. HILGENFELD:
5 Q Mr. Heredia -- good Lord. I'm going to hand you what has
6 been marked as Respondent's Exhibit 6. This document has been
7 admitted into the record. I'm going to turn your attention,
8 Mr. Houghton, to the first email of this email string on page
9 2. Do you have it in front of you, Mr. Houghton?
10 A Yes, sir.
11 Q And this is an email from you to Stephen Parry, cc Matt
12 Godden, October 5th, 2020, subject of Glencore. What -- you
13 say we need to start negotiations. What do you mean by that?
14 A It means we need to start in earnest looking at getting a
15 deal done to get a renewal or an extension or a new contract
16 with Glencore.
17 Q And is this for the L.A./Long Beach Glencore contract?
18 A That would be for the L.A./Long Beach Glencore contract.
19 Q And then when you asked to send 17 monthly volumes, what
20 were you asking? What did you mean?
21 A I was asking for the Glencore last -- I don't know why I
22 would do 17 months, that's strange I picked that number, but
23 that would -- I'm asking for their -- how many barrels a month
24 of throughput that they're -- they're doing over the last 17
25 months, each month.

1 Q And for what area of the world?
2 A For Los Angeles/Long Beach.
3 Q And you'd mentioned six conversations, which your first
4 conversation you said was approximately August; do I have that
5 right?
6 A That -- that's correct.
7 Q The second conversation you had with Mr. Heredia, was this
8 before or after this October 5th email?
9 A It would have been before that, just seeing what they're
10 looking for, why. It would have been more of a -- of a -- you
11 know, our challenges. Asking if we're, you know, explaining to
12 them that we'd have to, you know, to do it for what he's asking
13 for, we'd have to change the terms and conditions not just the
14 barrel amount.
15 Q And we'll get into the substance. Approximately when do
16 you think that second conversation happened with Mr. Heredia?
17 A It would have been before, probably September.
18 Q Of 2020?
19 A Yes, sir.
20 Q And what do you recall Mr. Heredia saying during that
21 conversation?
22 A That was when it kind of got real serious for us as they
23 were putting in that another company, Vane Brothers, were going
24 to be competing for this work against us.
25 JUDGE SANDRON: He told you that in that call?

1 WITNESS: Yeah. Yeah. So that was -- that was the alarm
2 bell going off that this was serious. That company has already
3 taken work -- actually, a Glencore contract on the east coast
4 from us.
5 JUDGE SANDRON: They had already done that?
6 WITNESS: They've already done that. So that was our
7 largest company in New York Harbor, very similar situation.
8 Glencore came up for a renewal and, you know, explained to us
9 that, you know, you're competing with Vane Brothers there. We
10 ended up losing the contract.
11 JUDGE SANDRON: Was that before or after this call?
12 WITNESS: That was before this.
13 JUDGE SANDRON: You had already lost that work?
14 WITNESS: Yeah, we had already lost that work.
15 BY MR. HILGENFELD:
16 Q What do you recall Mr. Heredia saying about Vane Brothers?
17 A He says, you know, they've approached him. They want to
18 bid on the work. They said they have the equipment available
19 to perform the work. You know, he told us that, you know, he
20 values our relationship, you know, he doesn't want to go to
21 Vane. It's -- it's, you know, he needs to get to a number to
22 where his company can operate at.
23 Q When he says that Vane Brothers has equipment available,
24 what did that mean to you?
25 A So you know, each company only has a certain amount of

1 tugs and barges, so if they're chartered to -- in good times
2 they're chartered out. There's enough customers to really
3 float a fleet of total barges between -- between all the
4 customers and the providers. In lean times, at this time,
5 we've got a whole number of barging companies that have excess
6 equipment that are looking for work and Vane had excess
7 equipment.
8 Q Do you recall what you said to Mr. Heredia other than what
9 you've testified to, if anything?
10 A That's all I can think of.
11 Q You said the second conversation -- on the third
12 conversation do you think that would have occurred before or
13 after your October 5th email to Mr. Parry?
14 A I think that would have been after. I think I made a trip
15 to the -- what I remember is making a trip to San Francisco to
16 meet with Heredia.
17 Q And so the third dialogue with Mr. Heredia would have been
18 in person?
19 A Yeah.
20 Q And when do you think that approximately happened?
21 A That would have been late September. It would have been
22 shortly after this conversation. I remember I had to get up
23 there and see what's happening.
24 Q And maybe I misunderstood. You think the trip to Mr.
25 Heredia was before or after the October 5th email to Mr. Parry?

1 A The October 5th -- so I would say it was -- the original
2 one was before that. So I took a trip before this email
3 getting a lay of the land.
4 Q Okay. And you think that was late September?
5 A Yes, sir.
6 Q And where did you meet with Mr. Heredia?
7 A Near his house at a restaurant.
8 JUDGE SANDRON: Do you remember the name of the
9 restaurant?
10 WITNESS: I do not, and I tried to remember the name of
11 the town here. It's something ville -- Glenville or something.
12 JUDGE SANDRON: All right. Well, that's all right if you
13 don't remember.
14 WITNESS: It's inland San Francisco that they had an
15 office somewhere near there --
16 JUDGE SANDRON: I see.
17 WITNESS: -- and he worked at his home or something and
18 the two times I met with him --
19 JUDGE SANDRON: Same place?
20 WITNESS: Not the same restaurant, but same town.
21 JUDGE SANDRON: Same town?
22 WITNESS: Yeah.
23 JUDGE SANDRON: And two different restaurants?
24 WITNESS: Two different restaurants.
25 BY MR. HILGENFELD:

1 Q And approximately when did you meet with Mr. Heredia at
2 the restaurant? Was it lunch?
3 A It was lunch. Both times so I could fly up in the
4 morning, get out there, meet with him, and then make an evening
5 flight home.
6 Q And approximately how long was that first meeting with Mr.
7 Heredia?
8 A Hour-and-a-half, maybe two hours on the outside.
9 Q And why did you fly out to meet with Mr. Heredia?
10 A Concerns. It wasn't going to be a normal negotiation that
11 I would expect.
12 JUDGE SANDRON: Were you the one who suggested it or did
13 he?
14 WITNESS: I suggested.
15 BY MR. HILGENFELD:
16 Q What do you recall Mr. Heredia saying at that lunch
17 meeting with you?
18 JUDGE SANDRON: Well, maybe better, do you recall from
19 start to finish who said what during the meeting?
20 WITNESS: No, I could just give you generals. Go up
21 there, fly up there, just trying to understand -- negotiations
22 are -- are a path where, you know, the customer's telling us
23 why they need a lower rate and we're explaining what our costs
24 are and, you know, that would have been just -- dialogue.
25 Understanding and asking more questions, you know, are they

1 panicking because of COVID, and things are going to get better
2 after COVID? You know, just talking all those things out.
3 What is our outlook for the next couple of years after
4 this event and that type of thing. And then explaining to
5 them, you know, him, educating when time and time again of our
6 cost of equipment, our cost of insurance, our wharfage, you
7 know, crewing, employees, shoreside, haul outs, you know, it's
8 those kinds of conversations.
9 JUDGE SANDRON: Was there any discussion of the reduction
10 specifically, you know, percentage deduction?
11 WITNESS: I don't think at that time I was in a position
12 really to start giving numbers out. You know, he was at the 50
13 percent. I was trying to educate him of why we can't get
14 there, and I gave him some options like how we can get there.
15 He just wanted to change the reduction and volume, which is our
16 revenue, but he made it -- kept going -- I wanted to reduce the
17 number of barges and the terms and conditions, and he refused
18 to do that.
19 So if we can't do that I have, you know, three or four
20 cruise ships on the same day, I can't do that on less barges.
21 I need those barges. Even though there may be fewer of them,
22 but the volume on any given day, I may need that equipment. So
23 that was kind of where he was educating me. I was educating
24 me.
25 JUDGE SANDRON: Was that the first time you brought up the

1 reduction in barges as a possibility?
2 WITNESS: Yeah, I believe so. Yeah, that would have been
3 sit down, here's what we can and can't do and why. Would you
4 be interested in this? I don't think there was an exact number
5 thrown out at that time. I hadn't, you know, had approval from
6 Matt or from Harley Marine Financing to start negotiating
7 numbers.
8 BY MR. HILGENFELD:
9 Q If there's only a reduction in barrel guarantee, how would
10 that affect the operational expenses under the agreement?
11 A Very low. We would still have the cost of our barges. We
12 have cost of the wharfage for the barges, the insurance, the
13 maintenance. There might be a slight reduction of crewing, but
14 we still need -- we have a certain amount of scheduled crews
15 that we have. For the equipment, the equipment's got to be
16 ready to roll if they need it. So really negligible.
17 Q Do you recall anything else being discussed with any
18 specificity at that lunch?
19 A Not at that particular one.
20 Q I'm going to turn your attention back to Respondent's
21 Exhibit 6, which is the email initially from you to Stephen
22 Parry.
23 A Yes.
24 Q And Mr. Parry has 400K, 300K, 300K, 250K. Do you see
25 that?

1 A Yes, I do.
2 Q What is that referencing or what do you understand that to
3 reference?
4 A He was sending somewhat of a spreadsheet to my request
5 here. He was giving what revenue we could expect at the
6 different barrel minimums from 250,000-barrel minimum revenue
7 to 400,000 barrels versus what our current revenue we were at.
8 Q And what did this information provide to you? What did
9 you take away from this information?
10 A It just gave a good outline of the revenue that this
11 customer was providing today. It gave me, or us, increments of
12 what the revenue would be at 50,000-barrel reduction of
13 increments down to 250.
14 Q Do you know if this revenue would have applied to all the
15 operating companies?
16 A Yeah. It would have been some sort of average that he
17 would have taken.
18 JUDGE SANDRON: Did Mr. Parry testify about the figures on
19 this?
20 MR. HILGENFELD: He did, Your Honor.
21 JUDGE SANDRON: All right. Then, I think probably he has
22 already explained the -- what those represent, the different --
23 MR. HILGENFELD: He did, but I suspect Mr. Houghton could
24 as well if there's any specific questions.
25 Q BY MR. HILGENFELD: 400K BBL min revenue, what does that

1 mean?
2 A That means the existing contract that we -- that Harley
3 Marine Finance had with Glencore was 400,000-barrel minimum per
4 month, and that revenue -- the next line over, the rev --
5 monthly -- that's 2019 to 2020 -- January '20 to August '20.
6 So it looks like nine months of revenue. The total revenue
7 would have been 11,000,191.
8 Q And in that second, would it be 350,000 barrels of monthly
9 minimum revenue?
10 A That'd be correct, and they reduce from there. And the
11 average monthly decrease is the next one over. So at 350,000
12 barrels, your monthly revenue decrease would 22,919. 300,000
13 barrels would be a monthly decrease in revenue of 56,223, and
14 the 250,000 would be 85,581 a month.
15 Q And then, up above that, Mr. --
16 A I'm sorry. I had the total revenue here. It's -- those
17 are 4 million. I had 11 over here in the right. That was
18 wrong. So go ahead.
19 Q Two different page time?
20 A Yeah.
21 JUDGE SANDRON: I see.
22 Q BY MR. HILGENFELD: And the email right above that, edit
23 time at 3:54 on October 6th, Matt Godden to you, Stephen Parry,
24 and William Backe, what did you take when Matt -- Mr. Godden
25 indicates, Doug, hyphen, I would think we need to target 325K

1 barrels at a minimum. What did you understand Mr. Godden to be
2 telling you?
3 A That -- that -- that's what I had authority to negotiate
4 for Harley Marine Financing. That was my -- my bottom number.
5 Q Do you recall if you had any in-person meetings with Mr.
6 Godden, and Mr. Parry, and Mr. Backe regarding a calculation to
7 these figures?
8 A I -- I -- I do not.
9 Q Do you recall if you had any other communications other
10 than the email correspondence that went back and forth between?
11 A Not that -- I -- I can't recall.
12 Q After getting the authority from Mr. Godden, did you --
13 have any additional -- let's see. You talked about three
14 communications from Mr. Re -- do you -- did you have additional
15 conversation with Mr. Regan (phonetic throughout)?
16 A Yeah. Yeah. I had a -- several more, so we -- now, I had
17 a number to shoot for. So I would, you know, every week or so
18 get on a phone line, and we would start negotiation. And it's
19 much more than saying it's -- my outlook doesn't look good, and
20 then I would explain the -- not that we -- we wouldn't be
21 redundant. But explain why we can't get to that number just
22 solely be reducing our revenue. We would have to reduce a
23 number of barges or other -- you know, or raise, you know, or
24 throw in some -- discuss throwing in tug moves as a possibility
25 where they pay for those separately to help us out.

1 JUDGE SANDRON: I'm sorry. So did -- did you inform him
2 that 320- -- 300 at 25 --
3 THE WITNESS: At the very end.
4 JUDGE SANDRON: -- a barrel --
5 THE WITNESS: That was the last thing. That was the last
6 thing.
7 JUDGE SANDRON: So you didn't tell him that.
8 THE WITNESS: So they -- they went to --
9 JUDGE SANDRON: Okay.
10 THE WITNESS: -- they slowly came up. I very reluctantly
11 came down, so you know, look -- from my recollection, it went
12 from 200, 250, 275, you know. We went from, you know -- you
13 know, 400, 375, you know, 350.
14 JUDGE SANDRON: Oh, I'm saying you didn't tell him up
15 front that --
16 THE WITNESS: No. It's -- it's -- everybody's making it a
17 chess move.
18 JUDGE SANDRON: Oh, I see. Okay. I've got you.
19 THE WITNESS: So and then that takes time. Those are
20 multiple meetings.
21 JUDGE SANDRON: I see.
22 THE WITNESS: You know, again, I went up and met with them
23 again, and you know, explaining, you know -- you know, why we
24 can't -- it's -- that's, you know --
25 JUDGE SANDRON: I -- so it's like negotiations.

1 THE WITNESS: It's negotiations, and then trying to
2 fill -- figure out where our competitor in the game, and all of
3 that. So --
4 JUDGE SANDRON: Did he ever give some -- any specifics
5 about --
6 THE WITNESS: No. I mean, his specific out of the gate
7 was 200,000 barrels or nothing. And we're -- it's an
8 education. Wha -- we can't get there, or anybody else for that
9 matter will go broke, you know, unless it's less equipment and
10 less overhead. So over the conversations you have is, you
11 know, slowly educating him to get up and understand that at
12 some point, it's -- it's -- we can't do it for those numbers
13 you're asking for without changing the terms, or the number of
14 barges, or our costs can't remain the same.
15 JUDGE SANDRON: So -- so you were proposing alternatives
16 for the reduction?
17 THE WITNESS: Yeah. I was, you know, we can do -- it was
18 mainly less barges. It's less equipment. We -- we can do it.
19 We can get to the lower number, but we need to reduce our
20 overhead accordingly. And he did very good negotiating. He
21 didn't re -- take any terms or condition. He just lowered our
22 revenue.
23 (Counsel confer)
24 Q BY MR. HILGENFELD: Mr. Houghton, I'm going to hand you,
25 or I have handed you Respondent's Exhibit 8. Do you recognize

1 Respondent's Exhibit 8?
2 A Yes, I do.
3 Q And then, what is Respondent's Exhibit 8?
4 A This was giving an update on the Glencore negotiations in
5 L.A./Long Beach to Matt Godden, Stephen Parry, and William
6 Backe.
7 Q And then, what's the date of this email?
8 A November 11th, 2020.
9 Q And then --
10 JUDGE SANDRON: So -- so this is a continuation of this
11 one, this Exhibit 6?
12 THE WITNESS: Yes.
13 Q BY MR. HILGENFELD: And Mr. Houghton, the first line says,
14 when I last met with Emilio, I gave him a 350,000 BBL minimum.
15 Is -- is that Emilio -- Emilio Here -- Heredia?
16 A Yes, sir.
17 Q And then, do you know when -- when did you meet with Mr.
18 Heredia and provided the 350,000 --
19 A I --
20 Q -- offer?
21 A I -- I don't -- I don't have the exact date, but I would
22 assume it was in -- would have been that -- a few days, just
23 getting everybody up to speed prior to that.
24 Q And it states that Emilio's asking for 250,000 BBL minimum
25 with a volley -- volume discount beyond. What was meant by a

1 volume discount beyond?
2 JUDGE SANDRON: Oh. Let me just ask him a question. Was
3 anything cut off? I -- I see a couple of the lines are light.
4 Do you -- do you -- is there any -- do you recall if there's
5 any word beyond --
6 THE WITNESS: I -- I don't recall.
7 JUDGE SANDRON: Do -- do we have the --
8 MR. HILGENFELD: This is -- there's no more beyond.
9 THE WITNESS: No.
10 JUDGE SANDRON: So beyond was 2000- --
11 MR. HILGENFELD: 200,000.
12 JUDGE SANDRON: So --
13 THE WITNESS: Beyond the 250.
14 JUDGE SANDRON: Okay.
15 THE WITNESS: I'm -- I'm sorry.
16 MR. HILGENFELD: No, no.
17 Q BY MR. HILGENFELD: Mr. Heredia, you had mentioned -- is
18 asking for 250,000 BBL minimum with a volume discount beyond.
19 Did you have an understanding of what was meant -- he meant by
20 a volume discount?
21 A Yes. So if -- if they didn't meet their 250,000 or exceed
22 their 250,000 barrels for the month, they were asking us to
23 con -- consider giving them a discount for excess barrels. So
24 if they went to 2- -- the -- the -- reducing the dollar per
25 barrel -- the cost per barrel for anything over 206 -- 250,000

1 barrels.
2 Q And you remember when he first raised that idea of a
3 volume discount? Was that idea --
4 A I think it was just in this last --
5 Q Last week?
6 A -- last -- yeah -- phone conversation here. He's -- he's
7 coming up on his volume, but he's thinking if he has some good
8 months, he can make enough on getting another discount from us.
9 Q I see.
10 A If that makes sense.
11 Q Yes.
12 A Yeah.
13 Q And do you -- it says I last met. Do you -- what -- do
14 you think this meeting -- was this meeting in person, on the
15 phone, or do you know?
16 A It's on call, and the last time we met, it was only -- put
17 the thing to bed.
18 Q Okay. So --
19 A Yeah.
20 Q -- this -- when you talk about meeting, this is a phone
21 conversation?
22 A It's just a phone conversation. Yeah.
23 MR. HILGENFELD: At this time, we would move to offer
24 Respondent's Exhibit 8.
25 JUDGE SANDRON: I don't -- I wanted to ask him one

1 question. When you ga -- you gave him at -- in that call that
2 350,000-barrel minimum, did you recall when it was determined
3 that you could go over the 325,000 that Matt Godden had stated
4 in his October 16 --
5 THE WITNESS: I -- I could go over. I can't go under the
6 minimum. So if I went to 300,000 min, that's --
7 JUDGE SANDRON: Oh, I see.
8 THE WITNESS: Yeah.
9 JUDGE SANDRON: I see.
10 THE WITNESS: So if I -- if I came back with --
11 JUDGE SANDRON: Oh, you could go over that. Oh, okay.
12 I've got it.
13 THE WITNESS: -- 350, they would be extremely happy.
14 JUDGE SANDRON: I see. I went the other --
15 THE WITNESS: Yeah.
16 JUDGE SANDRON: -- read it the wrong way. So actually,
17 you were going over the minimum that he had set.
18 THE WITNESS: He had set.
19 JUDGE SANDRON: Okay.
20 THE WITNESS: So still negotiating.
21 JUDGE SANDRON: Oh.
22 THE WITNESS: I had a --
23 JUDGE SANDRON: I see.
24 THE WITNESS: -- a couple more plays to go. And he -- he
25 had come up, so at this time, we're about 100,000 barrels

1 apart. I'm worried that he's going to want to split the baby
2 at this time, and he's going to want to end up at 300,000, but
3 I've got to get him off that.
4 JUDGE SANDRON: I see. Okay.
5 Any objections?
6 MS. YASSERI: No objection, Your Honor.
7 JUDGE SANDRON: All right. Respondent's Exhibit 8 is
8 received.
9 **(Respondent Exhibit Number 8 Received into Evidence)**
10 Q BY MR. HILGENFELD: Mr. Houghton, do you recall
11 approximately -- I guess, did Glencore and Harley Marine
12 Financing reach an agreement for an extension?
13 A Yes, sir.
14 Q And do you recall approximately when that was?
15 A Mid -- early, mid-December 2020, yeah.
16 Q I'm going to hand you what's been marked as Respondent's
17 Exhibit 9. I believe this had been admitted.
18 (Counsel confer)
19 MR. HILGENFELD: Oh, okay. All right. I'll check on
20 those, but yeah. We had it as admitted, but I can go through
21 it. I guess there's some confusion whether this has been
22 admitted or not. So we will go through it as if it's not been
23 admitted, and just deal with it that way.
24 JUDGE SANDRON: Does -- the General Counsel shows it's not
25 been admitted?

1 MS. YASSERI: That's correct. We don't have any records
2 that it was admitted, Your Honor.
3 JUDGE SANDRON: Okay.
4 MR. HILGENFELD: We --
5 JUDGE SANDRON: All right. Why don't we go forward on
6 that basis to be on the safe side.
7 Q BY MR. HILGENFELD: Mr. Houghton, do you recognize
8 Respondent's Exhibit 9?
9 A Yes, I do.
10 Q And what is Respondent's Exhibit 9?
11 A It's notifying Stephen Parry, Matt Godden, Kelly Moore,
12 and John Saltsman that the negotiations are completed with
13 Glencore.
14 Q And I think we've had testimony about the others. I'm not
15 sure about Mr. Saltsman. Who is John Saltsman?
16 A He's our chief financial officer.
17 Q And why were you sending this email to Mr. Parry?
18 A He handles all our -- he's the gatekeeper for all our
19 contracts.
20 Q And when reaching the extension with Mr. Heredia, do you
21 know if that was done in phone, in person?
22 A The last one was in person. Yeah. So --
23 Q Do you recall approximately how close in time the meeting
24 with Mr. Heredia would have been to this email?
25 A It would have been a couple of days. I don't have the

1 exact date.
2 JUDGE SANDRON: So you went up to --
3 THE WITNESS: Yeah.
4 JUDGE SANDRON: -- his off -- his area, I guess.
5 THE WITNESS: Yeah.
6 Q BY MR. HILGENFELD: Up to San Francisco --
7 A Yeah.
8 Q -- the San Francisco area. And where did you meet with
9 him?
10 A Same -- same little town. I'd find -- I don't know the
11 exact restaurant, very small, trying to think of the name of
12 it.
13 JUDGE SANDRON: Oh, that's all right.
14 THE WITNESS: Yeah.
15 JUDGE SANDRON: Might be hard to --
16 THE WITNESS: It's a little --
17 JUDGE SANDRON: -- to re -- recall it.
18 Q BY MR. HILGENFELD: And approximately how long was this
19 meeting to the best of your recollection?
20 A It would have -- 90 minutes, a normal long lunch.
21 Q And what do you recall each person said during this
22 meeting?
23 A Said at that meeting, is -- it was mostly me talking at
24 that, you know, explaining this is our number. We can't go any
25 lower, explaining why, explaining, you know -- he -- he was --

1 he was getting a little nervous at that time because we hadn't
2 gotten to a number. The -- the contract was coming close to
3 being at the end, and he needed to have -- have it completed,
4 and I think -- yeah. I -- I gave him the 325 and explained
5 why -- why -- why we couldn't go any lower than that and
6 still -- still survive.
7 Q And do you recall how he responded?
8 A It was -- it was cordial. He -- I think he understood. I
9 think I did a good job of educating him over the -- the many
10 meetings. You know, it was a good give and take. I think
11 he -- he didn't get close to what he wanted, but he -- he was
12 well educated of why he couldn't get there.
13 JUDGE SANDRON: Now, in -- in the email, it talks about a
14 minimum for two years. Do you recall how that term -- how --
15 how that period was reached?
16 THE WITNESS: I -- I don't remember that, or where it went
17 into the contract. I don't know if it went into the terms on
18 that.
19 JUDGE SANDRON: And -- and where it says November,
20 December, 10 percent discount, do you --
21 THE WITNESS: Those are continuing, so every few months,
22 we would -- because of -- I -- I did the first one in May, give
23 him a discount for their existing contract for 10 percent --
24 JUDGE SANDRON: Right.
25 THE WITNESS: -- for a three-month block. Then I did it

1 for a few months hoping their -- their business would come
2 back, and then I agreed to -- to make sure that that got
3 carried through the remainder of the year.
4 JUDGE SANDRON: Oh, I see. So the -- you said you --
5 THE WITNESS: Yeah.
6 JUDGE SANDRON: -- that was a con -- a concession way to
7 him.
8 THE WITNESS: Concession on -- for him, yes.
9 Q BY MR. HILGENFELD: And -- and when would the 325,000-
10 barrel minimum start?
11 A That would have started January 1st, 2021.
12 MR. HILGENFELD: This time we'd move to offer Respondent's
13 Exhibit 9.
14 JUDGE SANDRON: All right.
15 MS. YASSERI: No objection.
16 JUDGE SANDRON: All right. It -- it -- I -- I think there
17 wa -- Mr. Hilgenfeld, you thought it had already been admitted,
18 but apparently, we're not certain at this point, so if it has
19 not been admitted already, it's admitted now.
20 **(Respondent Exhibit Number 9 Received into Evidence)**
21 MR. HILGENFELD: And I trust the General Counsel's notes
22 better than mine.
23 Q BY MR. HILGENFELD: Was -- when was the -- was the
24 agreement with Glencore extension executed if -- at that time?
25 A Not -- not immediately. Glencore has a process to --

1 Q Do you recall --
2 A -- to take them. That's a couple two to three weeks to
3 get them signed.
4 Q Do you recall approximately when it was executed?
5 A Maybe mid-January, finally.
6 Q All right.
7 THE WITNESS: Thank you.
8 JUDGE SANDRON: Okay. We have about a half hour left, so
9 just so you --
10 MR. HILGENFELD: Thank you, Your Honor.
11 JUDGE SANDRON: All right.
12 JUDGE SANDRON: Okay. This is Respondent's Exhibit 12.
13 MR. HILGENFELD: Respondent's Exhibit 12, which we have as
14 being admitted into evidence.
15 (Counsel confer)
16 MR. HILGENFELD: We have 12 -- apparently 12 has a -- is a
17 partially signed agreement. We'll call this 12-B.
18 JUDGE SANDRON: Well, is it -- it -- that was Respondent's
19 12 is -- is only partially signed?
20 MS. YASSERI: That's right.
21 MR. HILGENFELD: It -- it does not have Glencore's
22 signature.
23 JUDGE SANDRON: All right. Well, I think you can
24 substitute this. We do -- we don't need another exhibit.
25 MR. HILGENFELD: We're fine with that, too, Your Honor.

1 JUDGE SANDRON: Okay. We'll -- we'll consider this to be
2 designated as Respondent Exhibit 12.
3 Q BY MR. HILGENFELD: Mr. Houghton, is this the extension
4 agreement?
5 A Yes, it is.
6 Q Okay. And who did you execute this agreement on behalf
7 of?
8 A Harley Marine Financing?
9 Q Mr. Houghton, since you negotiated this extension
10 agreement, have you negotiated any other addendums to the
11 Glencore contract with Glencore?
12 A Yes.
13 JUDGE SANDRON: Is that Mr. Heredia who signed the -- for
14 Glencore? Do you know? Or is that somebody different? It --
15 THE WITNESS: I don't think -- good question.
16 JUDGE SANDRON: Oh, if you know.
17 THE WITNESS: I don't know.
18 JUDGE SANDRON: All right.
19 And do you wish then to move for the substituted version
20 to be received?
21 MR. HILGENFELD: Yes, Your Honor.
22 JUDGE SANDRON: Any objection?
23 MS. YASSERI: If I could just also clarify for the record.
24 JUDGE SANDRON: Yes.
25 MS. YASSERI: There's testimony in the record as to who's

1 signature that is.

2 JUDGE SANDRON: Oh, there is? Who -- who is that?

3 MS. YASSERI: Andrew McNamara.

4 JUDGE SANDRON: Okay. Thank you. So any objections?

5 MR. HILGENFELD: Well, there you have it.

6 JUDGE SANDRON: Okay. Thank you.

7 And any objections to the substituted version?

8 MS. YASSERI: No, Your Honor.

9 JUDGE SANDRON: Okay. It is received.

10 **(Respondent Substituted Exhibit Number 12 Received into**

11 **Evidence)**

12 Q BY MR. HILGENFELD: And Mr. Houghton, do you know Mr.

13 McNamara?

14 A Yes, I do, vaguely.

15 Q And who's Mr. McNamara?

16 A He's -- I believe he's VP for Glencore.

17 Q Did Mr. McNamara negotiate any terms with regarding the

18 Glencore contract?

19 A No, sir.

20 Q Since you negotiated the extension agreement, have you

21 negotiated any other addendums with Glencore?

22 A I don't know if you call it negotiation, but we -- we --

23 we have other addendums with Glencore.

24 MR. HILGENFELD: And this has been previously admitted.

25 It's GC-192, I think. I'm not going real well this afternoon.

1 JUDGE SANDRON: All right. Okay.
2 THE WITNESS: Oh, thank you. Okay.
3 Q BY MR. HILGENFELD: Mr. Houghton, what was your
4 understanding of what is GC Exhibit 192?
5 A This is a agreement addendum to our March 23, 2021
6 transportation agreement, basically, ensuring that we -- fraud,
7 laundering money of that -- we're not part of the cartel. I
8 think that's where these kind of come from.
9 Q And is this your signature on page 2?
10 A Yes, sir. It is.
11 Q And did you or anyone at Harley Marine Financing or
12 Shoreline Logistics draft this agreement?
13 A No.
14 Q Who drafted this agreement?
15 A Glencore -- somebody within Glencore, I assume, or their
16 attorneys.
17 Q And do you recall how you received this agreement?
18 A I -- I don't. I would assume it would have been through
19 email.
20 Q From?
21 A Glencore.
22 Q Mr. Houghton, do you know Priya Thangaraj?
23 A Yes.
24 Q And how do you know her?
25 A She is a scheduler for Glencore.

1 Q And how long have you known her?
2 A Five years, guessing, give or take.
3 Q And what do you understand as a scheduler for Glencore
4 what she does?
5 A She schedules our -- or schedules the Glencore equipment.
6 So she would get in the Centerline dispatchers' -- the stems.
7 That would be the ships that Glencore would be delivering to in
8 quantities, where to load.
9 Q And how long have you known her?
10 A Give or take five years.
11 Q To your understanding, does she have any responsibility
12 negotiating contracts for Glencore?
13 JUDGE SANDRON: I'm not sure he can --
14 MR. HILGENFELD: He can ask -- he's the one who negotiates
15 on behalf of Harley Marine Financing and --
16 JUDGE SANDRON: Right.
17 MR. HILGENFELD: -- Centerline, so he can understand who
18 has authority on the other side to negotiate contracts.
19 JUDGE SANDRON: I'm not sure he would be able to really
20 say.
21 MS. YASSERI: But he acknowledged he has with respect to
22 any contracts he specifically negotiated.
23 JUDGE SANDRON: You know, I think you can ask him --
24 MR. HILGENFELD: All right.
25 Q BY MR. HILGENFELD: Have you ever negotiated any contracts

1 with Priya Thangaraj?
2 A I have not.
3 Q Are you aware of anyone at Westoil, during your time as a
4 general manager for Westoil or in your role as a vice president
5 for Centerline Logistics, if any one of those companies
6 negotiated contract with Piya -- Priya Thangaraj?
7 A No, sir.
8 MR. HILGENFELD: I think this is a great breaking point.
9 JUDGE SANDRON: All right. So we'll resume tomorrow at 9
10 a.m., so you expect to finish with the witness tomorrow
11 probably?
12 MR. HILGENFELD: I -- I certainly do. I think I will be
13 done I think two hours, but I would guess by the morn -- by the
14 end of the morning.
15 THE WITNESS: Excellent.
16 JUDGE SANDRON: Well --
17 THE WITNESS: If you could have me by lunch.
18 JUDGE SANDRON: So -- so are the parties fairly confident
19 we'll be done by Wednesday?
20 MS. YASSERI: I believe so, given the current pace, Your
21 Honor. Yes.
22 JUDGE SANDRON: All right. We'll -- we'll plan then --
23 MS. YASSERI: And based on Mr. Hilgenfeld's --
24 MR. HILGENFELD: Fair.
25 MS. YASSERI: -- representation as well.

1 MR. HILGENFELD: Fair.
2 JUDGE SANDRON: All right. Well, then well kind of the
3 plan on that being our schedule for the rest of the week. All
4 right. Well, everybody have a good evening. I'll see you
5 all --
6 MS. YASSERI: Thank you, Your Honor.
7 JUDGE SANDRON: -- tomorrow morning.
8 MR. HILGENFELD: Thank you, Your Honor.
9 THE WITNESS: Thank you.
10 **(Whereupon, the hearing in the above-entitled matter was**
11 **recessed at 4:34 p.m. until Tuesday, March 14, 2023 at 9:00**
12 **a.m.)**
13
14
15
16
17
18
19
20
21
22
23
24
25

1 **C E R T I F I C A T I O N**

2 This is to certify that the attached proceedings before the
3 National Labor Relations Board (NLRB), Region 21, Case Numbers
4 19-CA-273208, 19-CA-273220, 19-CA-273226, 19-CA-273928, 19-CA-
5 273985, 19-CA-273771, 19-CB-273986, 21-CA-273926, Leo Marine
6 Services, Inc., Olympic Tug & Barge, Inc., and Centerline
7 Logistics Corporation and Olympic Tug & Barge, Inc. and
8 Centerline Logistics Corporation and Leo Marine Services, Inc.
9 and Centerline Logistics Corporation, Westoil Marine Services,
10 Inc., and Harley Marine Financing, LLC and Inlandboatmen's
11 Union of the Pacific Centerline Logistics Corporation, Leo
12 Marine Services, Inc., and Olympic Tug & Barge, Inc. and
13 International Organization of Masters, Mates & Pilots, AFL-CIO,
14 held at the National Labor Relations Board, Region 21, 312
15 North Spring Street, Tenth Floor, Los Angeles, California
16 90012, on March 13, 2023, at 9:04 a.m. was held according to
17 the record, and that this is the original, complete, and true
18 and accurate transcript that has been compared to the reporting
19 or recording, accomplished at the hearing, that the exhibit
20 files have been checked for completeness and no exhibits
21 received in evidence or in the rejected exhibit files are
22 missing.
23
24 _____
25 JACQUELINE DENLINGER

Official Reporter

OFFICIAL REPORT OF PROCEEDINGS

BEFORE THE

NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:

Leo Marine Services, Inc., Olympic Tug & Barge, Inc., and Centerline Logistics Corporation,	Case Nos.	19-CA-273208
and		
Olympic Tug & Barge, Inc.,		19-CA-273220
and		
Centerline Logistics Corporation,		19-CA-273226 19-CA-273928
and		
Leo Marine Services, Inc.		19-CA-273985
and		
Centerline Logistics Corporation, Westoil Marine Services, Inc., and Harley Marine Financing, LLC,		19-CA-273771
and		
Seafarers International Union,		19-CB-273986
and		
Inlandboatmen's Union of the Pacific,		
and		

escribers
www.escribers.net | 800-257-0885

Centerline Logistics Corporation, Leo Marine Services, Inc., and Olympic Tug & Barge, Inc.

21-CA-273926

and

International Organization of Masters, Mates & Pilots, AFL-CIO.

Place: Los Angeles, California

Dates: March 14, 2023

Pages: 4039 through 4251

Volume: 26

OFFICIAL REPORTERS
eScribers, LLC
E-Reporting and E-Transcription
7227 North 16th Street, Suite 207
Phoenix, AZ 85020
(602) 263-0885

UNITED STATES OF AMERICA

BEFORE THE NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:		
LEO MARINE SERVICES, INC., OLYMPIC TUG & BARGE, INC., AND CENTERLINE LOGISTICS CORPORATION	Case Nos.	19-CA-273208
and		
OLYMPIC TUG & BARGE, INC.		19-CA-273220
and		
CENTERLINE LOGISTICS CORPORATION		19-CA-273226 19-CA-273928
and		
LEO MARINE SERVICES, INC.		19-CA-273985
and		
CENTERLINE LOGISTICS CORPORATION, WESTOIL MARINE SERVICES, INC., AND HARLEY MARINE FINANCING, LLC		19-CA-273771
and		
SEAFARERS INTERNATIONAL UNION		19-CB-273986
and		
INLANDBOATMEN'S UNION OF THE PACIFIC		
and		

escribers
www.escribers.net | 800-257-0885

CENTERLINE LOGISTICS CORPORATION, LEO MARINE SERVICES, INC., AND OLYMPIC TUG & BARGE, INC. and INTERNATIONAL ORGANIZATION OF MASTERS, MATES & PILOTS, AFL-CIO.	21-CA-273926

The above-entitled matter came on for hearing, pursuant to notice, before **IRA SANDRON**, Administrative Law Judge, at the National Labor Relations Board, Region 21, 312 N. Spring Street, Tenth Floor, Los Angeles, California 90012, on **Tuesday, March 14, 2023, 9:01 a.m.**

1 **A P P E A R A N C E S**

2 **On behalf of the General Counsel:**

3 **THOMAS RIMBACH, ESQ.**
SANAM YASSERI, ESQ.
4 NATIONAL LABOR RELATIONS BOARD, REGION 21
312 North Spring Street
5 Tenth Floor
Los Angeles, CA 90012
6 Tel. (213)634-6411
Fax. (213)894-2778
7
On behalf of the Charging Parties:
8
SARA YUFA, ESQ.
9 BUSH GOTTLIEB, A LAW CORPORATION
801 North Brand Boulevard
10 Glendale, CA 91203
Tel. (818)973-3208
11

12 **On behalf of the Respondent:**

13 **CHRISTOPHER L. HILGENFELD, ESQ.**
DANIEL SPURGEON, ESQ.
14 DAVIS GRIMM PAYNE & MARRA
701 Fifth Avenue
15 Suite 3500
Seattle, WA 98104
16 Tel. (206)447-0182
Fax. (206)622-9927
17

18

19

20

21

22

23

24

25

1 **I N D E X**

2

3 WITNESS	DIRECT	CROSS	REDIRECT	RECROSS	VOIR DIRE
4 Douglas Houghton	4044	4127	4240	4249	

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 **E X H I B I T S**

2

3 EXHIBIT	IDENTIFIED	IN EVIDENCE
4 **General Counsel:**		
5 GC-284	4213	4216
6 GC-285	4216	4223
7 GC-286	4216	4223
8 GC-287	4216	4223
9 GC-288	4223	4225
10 GC-289	4225	4226
11 GC-295	4133	4144
12 GC-300	4155	4161

13

14

15

16

17

18

19

20

21

22

23

24

25

1 **P R O C E E D I N G S**

2 JUDGE SANDRON: Back on the record with the resumption of
3 the direct examination.
4 Whereupon,
5 **DOUGLAS HOUGHTON**
6 having been previously sworn, was called as a witness herein
7 and was examined and testified as follows:
8 **RESUMED DIRECT EXAMINATION**
9 BY MR. HILGENFELD:
10 Q Good morning, Mr. Houghton.
11 A Good morning.
12 Q Mr. Houghton, I'm going to turn your attention to the bid
13 process that Harley Marine Financing and Centerline Logistics
14 performed. Were you aware that Harley Marine Financing
15 performed a bid process in 2020?
16 A Yes, I was.
17 Q When did you become aware that Harley Marine Financing and
18 Centerline were going to perform a bid process?
19 A That -- that would have been early October 2020.
20 Q Of what year?
21 A 2020.
22 Q And who informed you?
23 A I don't recall. It -- it -- probably Matt or in a sales
24 meeting.
25 Q And when you say Matt, which Matt are you referring to?

1 A Matt Godden.
2 Q And who would have attended a sales meeting? Who would
3 have attended sales meetings?
4 A That would have been all the -- our commercial team at
5 Centerline Logistics that performs sales, contract renewals,
6 and that type of thing.
7 Q And who would have been included in that? What people?
8 A That would be Matt Godden, myself, most of the operating
9 subsidiary manager, managing their companies. That would be
10 Jennifer Beckman, head of sales; Mike Myers, sales; Trent
11 Newlon, sales.
12 Q I think the only name we may not have in the record is
13 Trent Newlon.
14 JUDGE SANDRON: Right.
15 Q BY MR. HILGENFELD: You know how to spell that name?
16 A T-R-E-N-T, and Newlon, N-E-W-L-O-N.
17 Q Do you recall if this conversation with -- I guess, do you
18 recall if the conversation of learning the bid process was on
19 the phone or on Zoom or in person?
20 A I believe it was on Zoom.
21 Q And what do you recall being informed about the bid
22 process?
23 JUDGE SANDRON: Well, do you remember who, if anybody,
24 conducted the meeting?
25 THE WITNESS: Matt Godden typically conducts some sales

1 meetings.

2 JUDGE SANDRON: And do you recall how he raised the

3 subject?

4 THE WITNESS: My -- my best recollection was that they

5 were raising the subject that a number of contracts were coming

6 due throughout our company and they were going to perform a RFP

7 process for those, for Harley Marine Finance.

8 BY MR. HILGENFELD:

9 Q Were you told what ports they were going to perform the

10 RFP process for?

11 A Yeah, it would have been New York, Philadelphia, San

12 Francisco, and Los Angeles.

13 Q Were you told why those ports were selected?

14 A That they had a number of contracts coming due and the

15 competitiveness of the bidding at that time with the excess

16 equipment on the market. They wanted to reach out to give all

17 the operating companies a chance to bid on the -- the work to

18 get the most competitive pricing.

19 JUDGE SANDRON: And do you -- do you recall specifically

20 that Mr. Godden raised -- raised those points?

21 THE WITNESS: Yes, I -- I do. I do. He would -- he would

22 run all those sales meetings and he makes those -- all those

23 types of decisions.

24 JUDGE SANDRON: Okay.

25 BY MR. HILGENFELD:

1 Q Were you -- did you have any involvement in the bid
2 process?
3 A No. I was instructed at some point, there shortly after,
4 that I'm -- I'm not to be involved in the bid process.
5 Q Who instructed you?
6 A Matt Godden instructed me.
7 Q Do you recall when he instructed you?
8 A I -- I don't have an exact date, but I was told shortly
9 after that and prior to the bid process going out that --
10 that -- that was a concealed bid and each company had to work
11 with their manager to put together a bid.
12 Q Do you recall anything else about that Zoom sales meeting
13 discussing the bid process?
14 A No. We would normally go through, you know, each port for
15 utilization on the equipment. Just overall how the, you know,
16 what contracts would be coming due, that type of thing.
17 Q Did you have any subsequent conversations with Emilio
18 Heredia regarding the bid process?
19 A Yes.
20 Q When did you speak with Mr. Heredia about the bid process?
21 A I don't know the exact phone call, but it was after I
22 learned of the bid process. Discussed it with him, letting him
23 know that Harley Marine Financing was going out to RFP for a
24 number of -- of -- number of contracts. One of them was the
25 Glencore contract and part of that was to give him the most

1 aggressive price to secure that bid.
2 Q How did Mr. Heredia respond?
3 A I mean, he was thankful that we were taking things
4 serious. That we were, you know, doing everything that we
5 could to, you know, get our number down to something that he
6 could operate with.
7 Q Approximately, and I understand that you don't know the
8 exact date, but approximately how long in time did you speak
9 with Mr. Heredia after learning of the bid process? Are we
10 talking weeks, months, years?
11 A It would have been, you know, shortly thereafter. We were
12 talking every week or so at that point.
13 Q When you say shortly thereafter, what do you mean?
14 A A week.
15 JUDGE SANDRON: Well, were your conversations with him
16 still ongoing during that period?
17 THE WITNESS: Yes. This was -- yeah -- this was --
18 yeah -- would have been, you know, after the bidding process
19 had started, and that would have been when we first started
20 talking in -- in the fall and the summer. Yeah.
21 JUDGE SANDRON: But before you learned about this bid
22 process, were -- were you still in dialogue with him?
23 THE WITNESS: Yes. Yes. But that was before I gave him a
24 number -- I didn't know what our number was.
25 JUDGE SANDRON: I see.

1 THE WITNESS: Yeah, so and this was actually to help Matt
2 and the finance team come up with a number of barrels that I
3 could get to. So that -- and once they had that information of
4 where the RFP process presented itself, that's when Mr. Godden
5 gave me the 325,000 barrels.
6 JUDGE SANDRON: All right. So I -- I understand, so you
7 and he reached an agreement on the 325 --
8 THE WITNESS: After.
9 JUDGE SANDRON: -- after?
10 THE WITNESS: -- yes.
11 JUDGE SANDRON: And then came the bid process?
12 THE WITNESS: No. The bid process came first.
13 JUDGE SANDRON: Oh, I see.
14 THE WITNESS: So we -- he -- he -- he informed us that
15 they're not going -- they're not going to renew. We started
16 having discussions.
17 JUDGE SANDRON: Right.
18 THE WITNESS: I don't start talking about numbers or
19 reducing our -- our volume. Then he's requesting. The bid
20 process goes out. I still don't talk about numbers.
21 JUDGE SANDRON: I see.
22 THE WITNESS: I am educating him on what we gotta do.
23 JUDGE SANDRON: I see.
24 THE WITNESS: And then once the bid process is finished,
25 shortly thereafter, Mr. Godden says, here's, from the data that

1 Stephen Parry has and he has, gives me the, you know, 325 --
2 you know, basically no lower, this -- this is what we can do
3 the work at.
4 JUDGE SANDRON: I see. Thank you.
5 BY MR. HILGENFELD:
6 Q Did you recall Mr. Heredia saying anything else about the
7 bid process too?
8 A No. It was, you know, understood that it was, you know,
9 Harley Marine Financing and we, you know, were just doing what
10 we can to, you know, you know, make sure that we put in our
11 best bid.
12 Q Did he raise any concerns about a different operating
13 company performing --
14 JUDGE SANDRON: Yeah, I don't think you want to lead him.
15 I think -- you have to, you know, exhaust his recall.
16 MR. HILGENFELD: I guess -- but I'm not leading, Your
17 Honor, I'm asking a direct question. Did he raise any
18 concerns?
19 JUDGE SANDRON: Well.
20 MR. HILGENFELD: And the answer is yes.
21 JUDGE SANDRON: No -- no --
22 MS. YASSERI: Objection. Leading.
23 JUDGE SANDRON: -- no, I think it is leading.
24 BY MR. HILGENFIELD:
25 Q Was there any conversation about different operating

1 company working the Glencore contract in LA Long Beach?
2 MS. YASSERI: Objection. Leading.
3 MR. HILGENFELD: It's not leading.
4 JUDGE SANDRON: Well, I think you have to exhaust his
5 recall first. And then if you want to ask him if -- if any
6 other companies were mentioned, you can do it like that. But
7 questions can be leading without necessarily being leading in
8 form. So I agree with the General Counsel.
9 BY MR. HILGENFELD:
10 Q Mr. Houghton, how did you describe the RFP process to Mr.
11 Heredia?
12 A I explained to him that it was, you know, Harley Marine
13 Financing was putting it out to bid and that the
14 Centerline's -- all of the Centerline subsidiaries that were
15 interested, could -- could bid on it. Were gonna bid on it.
16 Q Did you -- did --
17 JUDGE SANDRON: Well, I think -- have you exhausted his
18 recall on the conversation? I don't think you have. And
19 before you start asking more directed questions, you need to
20 exhaust his recollection.
21 BY MR. HILGENFELD:
22 Q Did you recall anything else regarding what you said
23 regarding the Centerline subsidiaries or the performing of the
24 bid process?
25 MS. YASSERI: Objection.

1 JUDGE SANDRON: All right. Well, I'll ask it.
2 Do you recall anything else said in the conversation other
3 than what you've said? Anything?
4 THE WITNESS: No, he -- he had a couple of questions. I
5 think his main concern was that it was a Centerline -- one of
6 the Centerline subsidiaries that was doing the work. He was
7 making sure that it wasn't going -- he was confused. It was a
8 going out compared to a -- and you know, he wanted to ensure we
9 weren't bidding it to another third-party -- another company to
10 do the work, outside of our company.
11 JUDGE SANDRON: So he -- so he wanted it to stay in
12 Centerline?
13 THE WITNESS: Yeah. He was familiar -- yeah, he was
14 comfortable with Centerline and Centerline's policies,
15 procedures, and safety. Yeah.
16 JUDGE SANDRON: Do you remember anything else that you
17 recall? If you can.
18 THE WITNESS: I think on that topic, that was -- that was
19 about it.
20 JUDGE SANDRON: On -- on anything. You know, during
21 that -- during the phone call.
22 THE WITNESS: During that conversation? No, I think it
23 was more of the same, you know, all the conversations were he
24 was educating me of why he needs to go lower, and that was the
25 crux of it is -- is -- and how we're working to get to a number

1 to lower his costs. And this was part of that --
2 JUDGE SANDRON: All right.
3 THE WITNESS: -- that conversation.
4 JUDGE SANDRON: All right. Now, you can ask him more
5 directed questions, but the less leading, the better. As far
6 as subject.
7 BY MR. HILGENFELD:
8 Q Did Mr. Heredia raise any concerns to you about the bid
9 process?
10 A No.
11 Q Did Mr. Heredia raise any concerns to you during that
12 conversation that you recall?
13 A No, just -- he just wanted to understand that it was
14 Centerline or a subsidiary.
15 Q And when you say Centerline affiliate, what do you mean?
16 A Any subsidiary company. So you know, it could have been
17 Olympic Tug & Barge, Harley Marine New York, Harley Marine
18 Gulf, Westoil, any. Yep.
19 Q Mr. Houghton, did you have any conversations with anyone
20 at the IBU regarding the bid process?
21 A Yes.
22 Q And when did you have your first conversation with anyone
23 at the IBU regarding the bid process?
24 A That would have been November 6th, 2020.
25 Q Do you recall who initiated that meeting?

1 A I -- I believe it was the Union.
2 Q Do you recall why you attended that meeting?
3 A I think they requested that I attended.
4 JUDGE SANDRON: Well, who told -- who informed you about
5 the meeting?
6 THE WITNESS: I think John Skow. And -- and -- and Brian
7 Vartan.
8 BY MR. HILGENFIELD:
9 Q And did you attend that meeting?
10 A Yes. I did.
11 Q Do you recall what time of day that meeting occurred?
12 A Mid-day-ish? That's my recollection.
13 Q Do you recall -- did anyone else attend from Centerline
14 Logistics?
15 A Mr. -- Mr. Vartan attended.
16 Q Did Mr. Vartan attend for what company?
17 A For Westoil at that time.
18 Q Did anyone attend for Centerline Logistics aside from
19 yourself?
20 A No, I was it.
21 Q Did anyone else attend from Westoil, aside from Mr.
22 Vartan?
23 A Not that I recall, no.
24 Q Did any other individuals on any Centerline-affiliated
25 company attend that meeting?

1 A Not that I recall.
2 Q Who attended for the IBU?
3 A That was John Skow; Marina, the president at that time;
4 Nolan Padilla; maybe Mike Vera; and I think there was a couple
5 other on the background in the Zoom that -- that were on there
6 that I don't know. They were just phone numbers.
7 Q And was the -- did you say the meeting was on Zoom?
8 A Yes.
9 Q Do you know what Marina's last name is?
10 A Sus-something. I don't. I always call her Marina.
11 Q Does Secchitano sound familiar?
12 A That sounds familiar.
13 Q Did Mr. Skow indicate to you why he wanted a meeting?
14 A Yes. He -- he wanted to understand the bid process. And
15 wanted to have a discussion. I -- I originally didn't know why
16 he wanted me on that call. It became apparent once -- once I
17 was there.
18 Q Did you know beforehand why he wanted you on the call?
19 A No, I had an inclination that they were gonna seek my --
20 my help. I didn't know for sure.
21 Q Who primarily did most of the speaking at that Zoom
22 meeting?
23 A I did, primarily.
24 Q And describe to the best of your recollection, what you
25 said, what anyone else said in that meeting.

1 A Where I got on was trying to give a state of the union of
2 what -- what equipment out there, what competitors are out
3 there. I explained my challenges, Centerline's challenges,
4 Harley Marine Finances' challenges of, specifically with the
5 Glencore and what they were seeking. Trying to, you know,
6 educate them on the reductions for that.
7 Explain to them that our main -- our main competitor is
8 also bidding on the work, you know, I'd let them know that
9 Centerline has a fiduciary responsibility to Harley Marine
10 Financing to, you know, secure the work, to get the best bid
11 possible to Glencore. I encouraged them to work really closely
12 with Brain, you know, to get creative on -- on ways we could
13 run more efficient.
14 I brought up that I've been hearing that they were, you
15 know, abuse of overtime and -- and call-outs, demanding time
16 and a half and double time that weren't helping their -- their
17 numbers or their cause. That was -- that was, kind of, the
18 general thought. Trying to give them a good lay of the -- the
19 land of where we were at.
20 Q Do you -- you said main competition; did you have -- do
21 you have any comments about who the main competition was or was
22 it generally who's the main competition?
23 A They know; it's Vane Brothers. They -- they're a similar
24 sized company to Centerline and they compete in the same space
25 that we have. They have an advantage of -- sometimes it's an

1 advantage -- of being nonunion. Just to be a little more
2 competitive on pricing when they need to be.
3 JUDGE SANDRON: Do you remember if -- if the name
4 specifically came up?
5 THE WITNESS: Yeah. I would have told them they were.
6 Yeah.
7 JUDGE SANDRON: I see.
8 BY MR. HILGENFELD:
9 Q Now when you said having equipment available, what -- what
10 was the importance of that?
11 A Again, you know, sometimes advantages in the market is if
12 the market has no equipment available for the customers, or
13 limited equipment available to service customers, it's, you
14 know, there's less competitors for us to compete with. But
15 when we have competitors that have excess equipment tied up
16 that are ready to perform work, then the market gets very
17 competitive.
18 Q During that Zoom meeting, did you describe how the bid
19 process was going to work?
20 A Just in general. I -- I -- I didn't have the -- I just
21 didn't give them details of it. I didn't have the details of
22 it.
23 Q What did you describe to them?
24 A I described to them that the, you know, the winning bid
25 would be the one servicing that contract -- the Glencore. Or

1 there was also two other contracts, Minerva and Peninsula, that
2 were also coming due at the end of the year.
3 Q Did you receive any questions from anyone?
4 A No. Marina at the end was asking me if I would get
5 involved to help them, you know, through the bid process. And
6 I explained to her that I couldn't. It was, you know, I
7 managed, ultimately managed, a number of companies that were
8 bidding on this work and other work. It's to be a sealed bid
9 and only between the operations manager or general manager for
10 each company and their -- and their workforce.
11 Q Do you recall saying anything else at this Zoom meeting?
12 A I think that's it. I mean, that's -- I can't recall
13 anything else.
14 Q Do you recall if Mr. Vartan said anything during this
15 meeting?
16 A He reiterated a few things. He was on -- he had a -- you
17 know, he went over the overtime issues, the abuse, the double-
18 time call out, saying, you know, reiterating that that wasn't
19 helpful. They had an issue with manning -- how they were
20 manning. They -- they were trying -- the crux of it, I
21 believe, at that time, there was supposed to be so many
22 tankermen, so many engineers, so many deckhands on schedule.
23 They wanted to put more tankermen on schedule, but they
24 couldn't -- they weren't letting them put them on schedule
25 unless they put more engineers on schedule. It's a little

1 convoluted. That was also raising their price, so I mean, the
2 cost of operations, and they wanted him to work on that.
3 JUDGE SANDRON: Did you the Union respond to that at all?
4 THE WITNESS: No, there was, you know, he was just giving
5 them his problems and he was hoping they could help work them.
6 BY MR. HILGENFELD:
7 Q Do you recall if Ms. Secchitano said anything else at that
8 meeting other than the statements you mentioned previously?
9 A No, no.
10 Q Do you recall Mr. Skow saying anything at that meeting?
11 A No, I don't recall.
12 Q Do you recall anyone else or anything else about that
13 meeting other than what you've testified to?
14 A That -- that was basically it.
15 Q Approximately how long was this meeting?
16 A About 30 minutes.
17 JUDGE SANDRON: One last question, do you recall how the
18 meeting ended?
19 THE WITNESS: It was -- the meeting was ending with --
20 with Marina asking me to get involved, you know, wanted me to
21 get involved and work with the Union.
22 JUDGE SANDRON: And then you told her you couldn't.
23 THE WITNESS: I told her I couldn't.
24 BY MR. HILGENFELD:
25 Q Did you participate in any negotiations or discussions

1 between Westoil and the IBU regarding the bid process in
2 November of 2020?
3 A No.
4 Q Did you have any other communications with the Union
5 regarding the bid process in November of 2020?
6 A No, sir.
7 Q When did you next have communications with anyone at the
8 IBU regarding the bid process?
9 A That -- that was early December. John Skow reached out to
10 me via email.
11 Q What did Mr. Skow ask you via email, if you recall?
12 A I don't --
13 JUDGE SANDRON: Do we have the email? I mean, if we have
14 the email, it would speak for itself.
15 MR. HILGENFELD: I believe Mr. Skow has testified to the
16 email. I'm just asking Mr. Houghton's recollection of it.
17 JUDGE SANDRON: Okay. And we have it in the record?
18 MS. YASSERI: I'm not aware of an email from early
19 December 2020.
20 JUDGE SANDRON: Can you double-check, I mean, if we have
21 the email then that would be --
22 MR. HILGENFELD: I'm not sure it's in the record. I don't
23 recall one way or the other at this point.
24 JUDGE SANDRON: So.
25 MS. YASSERI: I don't see an email from December 2020,

1 Your Honor. We're going to object. We're going to argue that
2 the email would serve as the best evidence.
3 JUDGE SANDRON: Well, then --
4 MR. HILGENFELD: Well, I'm asking for his understanding.
5 I started the conversation about what started the conversation.
6 JUDGE SANDRON: Well, did Mr. Skow testify about that
7 email?
8 MR. HILGENFELD: Mr. Skow testified about communications.
9 MS. YASSERI: Mr. Skow testified --
10 JUDGE SANDRON: Well, did he -- oh, excuse me. Go ahead.
11 MS. YASSERI: Pardon. Mr. Skow testified about a number
12 of emails, but I do not recall one in early December of 2020
13 sent specifically to Mr. Houghton. That time frame does not
14 ring a bell to me.
15 JUDGE SANDRON: Well, I'm not sure that -- I would assume
16 that emails would have been retained, and if we don't have it,
17 then that may create a problem.
18 MS. YASSERI: Those emails were subpoenaed, Your Honor.
19 We're not aware of an email between Mr. Skow and Mr. Houghton
20 in early December of 2020.
21 MR. HILGENFELD: We provided all emails. He is testifying
22 to what his knowledge is.
23 JUDGE SANDRON: Well --
24 MR. HILGENFELD: I -- I believe there's an email. It may
25 have been some other form of communication. At this point in

1 time, Mr. Houghton is testifying to what -- what he believes.
2 We've produced all emails.
3 JUDGE SANDRON: All right.
4 MR. HILGENFELD: If he's wrong, that doesn't mean the
5 testimony doesn't come in.
6 JUDGE SANDRON: Well.
7 MR. HILGENFELD: He's testifying to his recollection of
8 what happened.
9 MS. YASSERI: I just want to note for the record, Your
10 Honor, the witness would be testifying about what is in the
11 email and the email would serve as the best evidence --
12 JUDGE SANDRON: I agree.
13 MS. YASSERI: -- of what it actually says.
14 JUDGE SANDRON: I agree. If you don't have the email, I
15 don't think it's going to, in the absence of an explanation of
16 why we don't have it, I would --
17 MR. HILGENFELD: I believe we do have an email. I don't
18 have it as I sit here right now, Your Honor.
19 JUDGE SANDRON: What's that?
20 MR. HILGENFELD: I don't have it as we sit here right now,
21 but I believe we do have an email.
22 JUDGE SANDRON: Well --
23 MR. HILGENFELD: I believe it was produced. I believe Mr.
24 Skow testified to it.
25 JUDGE SANDRON: All right.

1 MR. HILGENFELD: That was also months ago. So --
2 JUDGE SANDRON: All right. If you want to --
3 MR. HILGENFELD: I prefer to -- I'm perfectly happy to
4 skip through it. It's inconsequential to my question to Mr.
5 Houghton.
6 JUDGE SANDRON: All right. Well, if you can locate it,
7 then we'll, I assume, have it in the record.
8 MR. HILGENFELD: It -- it really doesn't matter one way or
9 the other.
10 JUDGE SANDRON: All right.
11 BY MR. HILGENFIELD:
12 Q Mr. Houghton, did you have other -- when was the next time
13 you had communications with Mr. Skow?
14 A That was December 11th. I had a phone conversation, I
15 believe it was the 11th, with Mr. Skow.
16 Q Who initiated the phone conversation?
17 A I believe I don't know who initiated the phone
18 conversation. It was in response to his earlier reach out.
19 Q And --
20 JUDGE SANDRON: Wait -- wait one second. Without getting
21 into the details, you recall that he emailed you?
22 THE WITNESS: Yes.
23 JUDGE SANDRON: All right. And this conversation was in
24 response to that email?
25 THE WITNESS: Yes.

1 JUDGE SANDRON: All right. You can cover the
2 conversation.
3 BY MR. HILGENFIELD:
4 Q And you said December 11th, was anyone else on the phone
5 call at that time?
6 A No.
7 Q What do you recall Mr. Skow -- who initiated -- do you
8 recall who initiated any questioning on the conversation? Who
9 started talking about it?
10 A No, I know what the conversation was about.
11 Q What was the conversation about?
12 A The conversation was about, he was having problems with
13 Brian Vartan and he was -- their communication -- sometimes him
14 and Brian don't get along great or communicate well together.
15 And he was, you know, again asking if I could get
16 involved. He had understood that the -- at that point they
17 weren't the successful bidder for the Glencore portion of the
18 RFP process and he was concerned and was asking me, you know,
19 if I can get involved. He was also concerned that he was
20 bidding against himself, as far as the Union. He didn't know
21 if they were, you know, close, out of the ball park, you know.
22 He -- he -- you know, he asked me if there was any way that I
23 could give him an indication of where they're at, and that was
24 the -- the crux of the call.
25 Q And how did you respond?

1 A I told him, you know, I'd get back to him. Let me see
2 what I can do, you know, to help them out. You know, again, I
3 wasn't supposed to be involved with this bid process, you know,
4 but I have a vested interest in that company and those men.
5 And so at some point I set up a lunch with him for the 14th.
6 Q Who is "that company"?
7 A Westoil.
8 JUDGE SANDRON: Did you set up a lunch during that phone
9 call or after?
10 THE WITNESS: I think it was after the phone call. Set up
11 a lunch and -- at the Charter House -- not the Charter House,
12 it's the -- I get the names -- oh, God. Give me a minute and
13 I'll think of it. It's right there in my reach.
14 JUDGE SANDRON: All right.
15 THE WITNESS: We do, yeah, frequently go there.
16 JUDGE SANDRON: Okay.
17 THE WITNESS: Over the years.
18 JUDGE SANDRON: When you remember it, you can say it.
19 THE WITNESS: Yeah.
20 BY MR. HILGENFELD:
21 Q Prior to that lunch, did you take any steps to prepare for
22 your meeting with Mr. Skow?
23 A Yes.
24 Q What did you do?
25 A I met with Jen Beckman. He came over and asked her if she

1 would give me the next highest bidder to Westoil's bid and give
2 me a percentage of how much over they are from the next highest
3 bidder.
4 Q Where did that conversation take place?
5 A At the LA 301 office.
6 Q And approximately what day or how many days after did you
7 have that conversation with Mr. (sic) Beckman after speaking
8 with Mr. Skow?
9 A Probably the next day.
10 Q Did Mr. -- did Ms. Beckman get back with you?
11 A Yes.
12 Q What did Ms. Beckman tell you?
13 A She told me they were 13 percent over the next bid,
14 highest bid.
15 Q Prior to receiving that information from Ms. Beckman, did
16 you have any knowledge as to any of the numbers that were in
17 the bid process?
18 A I -- I did not.
19 Q Did you perform, other than the conversations you
20 testified here this morning, did you perform any activities as
21 part of that bid process?
22 A No. I never seen the bid, I don't know in the end what
23 companies turned in what, what -- what their numbers were. The
24 only information I had was that.
25 Q Did you ever see the bid process packet?

1 A Never.
2 Q Did you play any part in determining who was the
3 successful bidder and the unsuccessful bidder?
4 A No.
5 Q Did you take any other additional steps before meeting
6 with Mr. Skow for lunch?
7 A No. Just gave some thoughts of how they could, you know,
8 be more efficient on their bid; you know, I've worked with that
9 company for 20 years, 18 years. I knew how things worked. I
10 knew the contract fairly well. I thought of ways of lowering
11 costs to run more efficient without affecting the number of man
12 (sic) or their pay. So yeah. I did a little preparation
13 before going there, mentally.
14 Q And do you recall -- did you meet with Mr. Skow for
15 lunch?
16 A Yeah. Yard House.
17 Q What?
18 A I think it was the Yard House.
19 Q The Yard House. Okay. The Yard House in Long Beach?
20 A Yes.
21 Q And do you recall when you met for lunch with Mr. Skow?
22 A That would have been the 14th of December.
23 Q Do you recall approximately what time of day?
24 A At lunchtime.
25 Q Was anyone else present during that meeting?

1 A It was just myself and John.
2 Q What do you recall, I guess -- who did most of the talking
3 during that meeting or was it even dialogue?
4 A It was even dialogue.
5 Q Describe who said what during that meeting.
6 A To the best of my recollection, it was, you know, John
7 was, you know, first of all, you know, thanking me to get
8 involved, and you know, a little bit of complaining about
9 Brian, and trying to -- to work with Brian, you know, he was
10 talking -- we talked about his reelection. He was up for
11 reelection and how that was going for him. It was -- so that
12 was a hot topic; we talked about that for quite a while. He
13 was concerned about being reelected.
14 I did give him the information for him he didn't feel --
15 he knew where Westoil and the IBU stood as far as the 13
16 percent. So he had that -- that number. I talked about, you
17 know, ways of lowering cost by third men. Instead of being
18 always required -- only require when necessary, when they're
19 actually needed. I talked about going from IBU medical plan to
20 the company medical plan, which would have been a -- a good --
21 good savings. A couple other ideas of ways to do that. Talked
22 about not gaming the system to get overtime and double-time.
23 That adds to their operating cost monthly; that's a true cost.
24 And that was it. He was concerned.
25 I was expressing to him how urgent it was to get something

1 together as soon as they can, you know, to get this done, you
2 know. To turn something meaningful, you know, to, you know,
3 you know, see what they can do, you know, to get close to that
4 number and I would help.
5 You know, he had concerns about his reelection and that he
6 didn't want to -- and he hasn't really been pushing the guys up
7 until this point and -- to look at any kind of changes,
8 meaningful changes, because it wouldn't look good for his
9 reelection.
10 Q Did he say that?
11 A Yes.
12 Q When you said, "gaming the system", what do you mean?
13 A So you know, we have a whole number of scheduled
14 personnel, so then if we have extra work that day or night,
15 we'll call in an extra barge, put it online and then we'll call
16 in casual crews.
17 And with the advent of modern technology, they can text
18 each other, and you know, so you know, tonight, the first --
19 nobody take the calls for work except when it gets to double-
20 time and then Doug, you'll get it tonight and then Chris,
21 you'll get it tonight. So they would, nobody would take the
22 call for regular time then per the contract, the next calls
23 would go out offering time and a half, and if those are not
24 answered back or they can't find anybody, then the last call is
25 for double-time. So it would be time and a half and double-

1 time that we'd be getting these calls out that they would --
2 they gamed the system. So the next night, you won't get it,
3 you know, it might be Billy and Joey, you know.
4 JUDGE SANDRON: So -- so I guess another way to put it
5 would be they were playing the system?
6 THE WITNESS: Yeah, they played the system and it -- it --
7 this has been happening as the technology got better and then
8 John -- you know, John, when I was GM, I'd go meet with John
9 Skow and the Union reps and stop, stop, stop, we can't do this
10 and then we'd get a little lull on the action. Yeah, I've told
11 the guys, stop, stop, stop, and then it would go -- it was an
12 ongoing problem. So and that just adds costs to your labor
13 cost that you've got to build in when you're -- you know,
14 you've got to average that out over a period to know what
15 you're true cost is.
16 BY MR. HILGENFELD:
17 Q How is that -- is that what you described related to
18 voluntary call to mandatory call-outs?
19 A Yep.
20 Q And the -- what is the pay for the voluntary call-in?
21 A Voluntary, time and a half.
22 Q And what would be the mandatory?
23 A Two times your pay; double-time.
24 Q And where is that found?
25 A In the CBA.

1 Q And you mentioned, talking to Mr. Skow regarding third man
2 requirements at the company's discretion; do I have that
3 correct?
4 A Yeah one of the captains.
5 Q The captains. Great. Thank you.
6 How would that affect the bid process?
7 A It would lower the number of times that the company would
8 have to use and pay for a third man.
9 Q And where was the third man requirement found?
10 A In the CBA.
11 Q Do you recall you saying anything else during that lunch
12 meeting?
13 A That was -- that was the crux of it. I -- the -- what I
14 got from that meeting, is within the next few days, election
15 was going to be over, and if he was elected, he said this was
16 the top and he's -- they're going to run with us and get
17 something done.
18 Q Do you recall Mr. Skow saying anything else -- or you
19 saying anything else or anything else happening at that lunch
20 meeting?
21 A No, I don't recall. I felt pretty good that something was
22 going to happen, and we were going to get something done and
23 then, you know, I was hoping John was going to get reelected so
24 somebody else wasn't in that spot and have to, whatever, you
25 know, games or thoughts that they had, you know, to acquire

1 these contracts, that they didn't lose any momentum.
2 Q Did Mr. Skow get with you in the next few days?
3 A No.
4 Q When was the next time that communicated with Mr. Skow?
5 Well, did else at the IBU get with you in the next few days?
6 A No, sir.
7 Q When was the next time you had any communications with Mr.
8 Skow?
9 A December 28th, 2020.
10 Q And was this in person, by phone, by Zoom?
11 A It was by phone.
12 Q Who initiated the call?
13 A I did.
14 Q Why did you initiate the call?
15 A We had just -- were closing on a deal to -- for Harley
16 Marine Finance to divest of the ship assist tugs as it related
17 to them, the Millennium Maritime ship assist tugs, and we were
18 acquiring some barges from Saltchuk.
19 Q And why did you call Mr. Skow to tell him that?
20 A There was going to be a communication that day to
21 employees and I wanted to get to John first and ex -- explain
22 it to him.
23 Q When you spoke with Mr. Skow, what did you tell him?
24 A I let him know, you know, that the ship assist tugs, you
25 know, as I explained, had been divested. I talked to him about

1 the acquisition of the Saltchuk/Foss barges. I let him know
2 that, you know -- again, that the -- Westoil was not the
3 successful bidder for the Glencore work. And that the new
4 acquired barges were going to be operated by another subsidiary
5 of Centerline Logistics.
6 Q Did you say what subsidiary?
7 A Yes. Olympic Tug & Barge.
8 Q As it goes to the bid process, did you ever play a part in
9 the final award of the bid process regarding LA Long Beach?
10 A No.
11 Q Did you have an understanding at that point in time
12 whether an actual final decision as to that award had been
13 made?
14 A No. I mean, I was told that that -- they were the lowest
15 bidder at this time.
16 Q Did you know exactly what that meant at that time?
17 A My -- my understanding was that they were going to -- they
18 were going to do the work.
19 Q Did you believe that was a final decision?
20 A I did believe it was at that time.
21 Q Did you believe there's an opportunity to change that
22 decision?
23 JUDGE SANDRON: Well, I -- yeah --
24 MS. YASSERI: Objection. Asked and answered.
25 JUDGE SANDRON: I -- I yeah, I don't think -- he's

1 already said what his belief was.
2 BY MR. HILGENFELD:
3 Q And what was that based on?
4 MR. HILGENFELD: I'll rephr -- I'll back off.
5 JUDGE SANDRON: All right.
6 BY MR. HILGENFELD:
7 Q Mr. Houghton, what did Mr. Skow say to you in that
8 conversation?
9 A That, you know, he asked if there was an opportunity for
10 them to -- you know, was it too late for them to submit another
11 bid. You know, where we at? You know, and I told him, you
12 know, it's not too late. Let's, you know, anything we can do
13 to keep this going, I believe, you know, whatever I can do to
14 help.
15 Q And when he said another bid, what did he mean?
16 A Another proposal through -- from Westoil, with Brian
17 Vartan for Westoil.
18 Q And do you recall anything else about that conversation?
19 A No. I think we set up a -- we were looking to set up a
20 Zoom call for later that morning. And that was basically it.
21 I wanted him to be on -- to be in the know prior to all the
22 other employees.
23 Q And was it -- did you end up holding a Zoom call?
24 A Yes, sir.
25 Q And was it that same day?

1 A Yes, sir.
2 Q And who attended?
3 A There was a whole number of employees on the Zoom call.
4 John, and I believe, Kelly Moore, Brian Vartan. It was, you
5 know, just explaining the --
6 JUDGE SANDRON: Wait. Why don't you just stop. It might
7 be easier if you just wait for -- wait for --
8 THE WITNESS: Oh, okay.
9 JUDGE SANDRON: -- the specific question.
10 Anybody else you remember?
11 THE WITNESS: No, there was -- we tried to gather as many
12 people as we could to get the information out.
13 JUDGE SANDRON: Do you remember any other representatives
14 of Centerline or its affiliates?
15 THE WITNESS: No, I think from Westoil was Mr. Vartan, and
16 myself from Centerline.
17 JUDGE SANDRON: And -- and for the Union; do you recall
18 who was there for the Union?
19 THE WITNESS: I -- I -- I know it was John Skow. I don't
20 know if -- I believe it was John Skow from the Union, and maybe
21 their -- their shop stewards as well. And they're part of
22 the -- they're part of our employees.
23 JUDGE SANDRON: Do you remember how many -- about how many
24 there were? The shop stewards?
25 THE WITNESS: A couple. To the best of my recollection,

1 it would have been Nolan, I believe he was a shop steward at
2 that time, it could be Enrique Gomez.
3 BY MR. HILGENFELD:
4 Q Who spoke on behalf of Centerline Logistics?
5 A I did.
6 Q And what did you say?
7 A To the, you know, tried to give as accurate information as
8 I could that the Harley Marine Financing had done a deal with
9 Saltchuk. They had divested ship assist tugs, a number of ship
10 assist tugs in LA, a number of ship assist tugs in San
11 Francisco, and they acquired six barges from Saltchuk/Foss, and
12 then they acquired the Chevron contract that those barges were
13 operating under at that time.
14 Q Do you recall saying anything else?
15 A Yeah. I informed them that, you know, that group as well,
16 that my understanding is the work for the new business that was
17 acquired and the one contract of -- of Glencore was going to be
18 operated by Olympic Tug & Barge.
19 Q Do you recall receiving any questions in that meeting?
20 A It was a pretty silent meeting. It was not a -- you know,
21 I think it was shock and awe, unfortunately, you know,
22 receiving the information. It was pretty quiet.
23 Q Do you recall anything else that was said during that
24 meeting?
25 A No, I think it was brought up again in that meeting, you

1 know, just that, you know, is it a done deal, something along
2 that line of, you know, of who's operating this.
3 Q Did you respond?
4 A In that meeting, I don't know how I responded on that. I
5 know in the next meeting that it was more circled around that,
6 how I responded.
7 JUDGE SANDRON: Okay. Who -- who mentioned that? You
8 said that --
9 THE WITNESS: I think it was just somebody on the phone.
10 JUDGE SANDRON: Oh, okay.
11 THE WITNESS: Just a quick call and I was avoiding -- you
12 know, I was trying to keep it low-key -- not -- not -- not give
13 them hope, but no, you know, this is trying to give you the
14 facts of the meeting and if we were going to do something, I
15 didn't want to do it in a room with 40 people, you know,
16 because it would be --
17 BY MR. HILGENFELD:
18 Q Do you recall anything else that was discussed at that
19 meeting?
20 A No.
21 Q Did you have additional conversations with Mr. Skow or the
22 IBU after that?
23 A Not that day.
24 Q When was your next conversation with Mr. Skow or anyone at
25 the IBU?

1 A I reached out to John, and you know, now with the CBA, I
2 was a little confused of Millennium Maritime with the ship
3 assist tugs, that had been divested and it was going away
4 shortly and that's in the CBA; it's Millennium Maritime Westoil
5 Marine Services. And wanted to have a meeting with him to
6 discuss how does that work. We no longer have ship assist tugs
7 that are sold. Do we keep that in the CBA, do we not -- can we
8 get a meeting together to have a discussion of, you know, how
9 does that work?
10 Q And was there a meeting that was held over that?
11 JUDGE SANDRON: Well, I don't know. I think maybe we
12 need -- you need to cover that conversation in a little more
13 detail.
14 MR. HILGENFELD: Sure.
15 BY MR. HILGENFELD:
16 Q Do you recall when that conversation occurred with Mr.
17 Skow?
18 A It would have been somewhere between the 28th -- it was
19 probably after the first of the year.
20 Q Do you recall if that was on the phone, in person?
21 A It was phone. Yeah.
22 Q Do you recall -- do you recall anything else that was said
23 during that conversation?
24 JUDGE SANDRON: Well, did he call you or did you call him?
25 THE WITNESS: No, I was -- I was reaching out to him.

1 BY MR. HILGENFELD:
2 Q What do you recall, other than what you've testified to,
3 what do you recall you saying or Mr. Skow saying? If there is
4 anything additional?
5 A No, that -- that was it. That was the crux of the call of
6 how this works. He said he needed to give it some thought --
7 give it some thought and then we set up another meeting.
8 Q When was that meeting held, if you recall?
9 A I believe that was the 5th of January.
10 Q And who attended that meeting?
11 A That was, I believe, Ubelhart, Jay, who was just newly
12 elected the VP -- or president of IBU. John Skow, myself, I
13 think it was Kelly Moore, I invited him to that meeting. I
14 don't think Brian was around for some reason. I can't remember
15 who else. It might have been Nolan or Enrique.
16 Q Do you recall approximately how many people were at that
17 meeting?
18 A That was maybe what I meant, five to six.
19 Q Do you recall, was that meeting held in person, on Zoom,
20 on the phone?
21 A That one was Zoom, I believe.
22 Q Who initiated that Zoom meeting?
23 A I did.
24 Q Who -- what do you recall was said at that Zoom meeting?
25 Who said what?

1 A It started off me asking the question of, you know, trying
2 to get our head wrapped around the CBA and how this would
3 affect that CBA for that region. Trying to get John to think
4 about that as well. And Jay Ubelhart. It quickly turned to,
5 what can we do to save, you know, what can we do to bid? Is it
6 too late to bid on the Glencore contract? And then in the
7 meeting, you know, I told them that not only the Glencore
8 contract, if you can get your number down, I would work with
9 them to see everything I could for them to get the new work,
10 the Foss work. I told them I'd do everything I could if they
11 could get us -- get us something ASAP.
12 Q Who -- do you recall who asked about whether it was too
13 late to bid on the Glencore work?
14 A That was John. Yeah, again.
15 Q And when Mr. Skow said that, how did you respond, to the
16 best of your recollection?
17 A My best of the recollection is, you guys got to get
18 something together and just going on and on and on here that --
19 there's no -- no movement or very little from the Union, you
20 know, you got to get serious if you want this work. I tried to
21 explain to him the benefits if you can get low enough and we
22 can get you this extra work that just came across the plate,
23 how good it would be for the Union and the membership.
24 JUDGE SANDRON: Did -- did anybody respond when you
25 replied to them?

1 THE WITNESS: Yeah. They were just saying, yeah, well,
2 thank you for that and we're going get -- get something going
3 here and get back to you. Yeah, I was excited again for about
4 the 13th time that were finally getting something going. Now I
5 got the new president, John is starting to seem like he
6 understands that this is -- it's -- it's, you know, it's not
7 good for them.
8 BY MR. HILGENFELD:
9 Q Do you recall if anything else that was said at this
10 meeting?
11 A That was the crux of it, to the best of my recollection.
12 Q Did you have any conversations in the next few days with
13 Mr. Skow after this meeting?
14 A No.
15 Q What did you do next?
16 A After a few days went by, I tried to reach out to him to
17 ask him, you know, try to find out what's going on. I was
18 expecting something, you know, him and Brian getting together
19 and I was going to hear that they're making progress on a, you
20 know, a proposal of, you know, working to get, you know, close
21 to a number that I had already given them. That, you know,
22 everything went silent.
23 Q How -- you said you reached out; how did you reach out?
24 A Just phone calls and a lot of times with his phone it'll
25 go to -- his voice mail is full and it'll go -- I might have

1 text him as well. I don't recall exactly.
2 JUDGE SANDRON: Do you recall about how many times you --
3 THE WITNESS: I just remember it was a couple of times.
4 I'm getting nervous. I can't believe this is actually
5 happening, you know, that -- there's not -- no response and I
6 just -- I'm flabbergasted.
7 MR. HILGENFELD: And I apologize, Your Honor, you may have
8 asked this.
9 BY MR. HILGENFELD:
10 Q Approximately how many times did you reach out?
11 A I'm guessing it was a couple of times.
12 Q Did you eventually -- what did you eventually do next when
13 you did not hear back from him?
14 A Eventually, we got a meeting on the 15th -- and I don't
15 have the details, but it was circled around the new operation
16 with OTB, where they were gonna, you know, start operations
17 down in the Port of LA under the new contract for -- for Foss
18 and the Glencore and they were going to put together a Gantt
19 chart of timing and all the duties and things that need to get
20 done and time frames to -- to execute that.
21 Q Who was this meeting with?
22 A This was with Matt Godden, Sven Titland, the manager at
23 Olympic Tug & Barge, myself, and then at that time it was
24 Rachael Haykin was doing our -- our planning.
25 Q When was this meeting set up?

1 A It was set up for the 15th.
2 Q Do you recall when it was set for the 15th?
3 A Oh, I don't have the exact date. I have when they set
4 that, but it was -- it was within that period between the 5th
5 and --
6 Q After learning of that, did you have any conversations
7 with Mr. Skow where you actually spoke with him?
8 A No.
9 Q Did you speak with anyone else at Westoil?
10 A Yeah, on the 13th, Enrique Gomez is the shop steward, one
11 of them. I went out to the equipment and found him on the 13th
12 and, you know, explained to him, you know, pleading with him
13 that -- can you guys get me anything? I got this meeting on
14 the 15th. The ship's gonna sail. You guys gotta help me --
15 help me help you. You know, he -- you know, he was shocked.
16 He thought that the --
17 JUDGE SANDRON: You have to just say what he said.
18 THE WITNESS: Yeah.
19 JUDGE SANDRON: You can go ahead.
20 BY MR. HILGENFELD:
21 Q How did you respond? Did you say anything else to him?
22 A No. I gave him everything that we were trying to do, that
23 John hasn't responded back, hasn't got back to me and there's
24 been very little movement on this and it's at the end of the
25 line.

1 Q How did he respond?
2 A He was shocked. He thought that --
3 Q What did he say? Why do you think he was shocked?
4 A Why do you say he was shocked -- he goes John's been
5 telling us that this is still along on, but we had no idea that
6 there was an end date that this needed to be to done by and
7 John hasn't been reaching out to them.
8 JUDGE SANDRON: Do you recall where you saw him?
9 THE WITNESS: Yeah, it was on a barge right out in front
10 of my office.
11 JUDGE SANDRON: I see. Was anybody else in the vicinity
12 or just you and he?
13 THE WITNESS: It was just me and him.
14 BY MR. HILGENFLED:
15 Q And do you recall on the 13th approximately what time of
16 day you spoke with Mr. Gomez?
17 A It was -- it was -- after lunch, midafternoon.
18 Q Do you recall anything else about that meeting?
19 A No, that was it. He said he was going to get with John
20 right away, and you know, understood that it was paramount. I
21 told him, you know, Friday -- about the Friday meeting and you
22 guys need to get in a room, you need to get Brain, and you need
23 to get something done.
24 Q Did you have any other -- after speaking Mr. Gomez, did
25 you have any other communications with anyone with the IBU or

1 employees?
2 A No.
3 Q Okay. Did you ever speak with Mr. Ubelhart?
4 A Yes.
5 Q And when did you speak with Mr. Ubelhart?
6 A That was the very next morning when I didn't hear anything
7 back from Enrique or John, again, you know, panicking -- this
8 is -- don't know what's going on, so I never met Mr. Ubelhart
9 or talked to him. He was just elected a couple of weeks prior,
10 so I gave him a call. He's out of Seattle. And I explained
11 the sit --
12 JUDGE SANDRON: All right. Do you remember what time of
13 day you called him?
14 THE WITNESS: I believe it was in the morning hours. I
15 had been waiting all afternoon or evening on the 13th to get
16 some correspondence or hear Brain, you know, are you guys in a
17 room, are you guys talking stuff through, are you getting a
18 proposal together? And I didn't hear back from Enrique or
19 John.
20 JUDGE SANDRON: So then you called --
21 THE WITNESS: I called him, the president.
22 JUDGE SANDRON: On the morning of the 14th?
23 THE WITNESS: The morning of the 14th.
24 BY MR. HILGENFELD:
25 Q Do you recall how Mr. Ubelhart responded?

1 A Yeah, not the details. I -- I gave him my -- my, you
2 know, the same spiel, it like I can't get anybody's attention,
3 I've been working with John trying to get him focused on this
4 for -- for -- for some time. There's been very little
5 response. The proposals -- from my understanding -- that
6 they've thrown in are somewhat, you know, meaningless. They
7 were -- they'd give a dollar here but take two dollars back
8 somewhere else. And then I pleaded with him to get with John
9 and get with Brian and get -- get a proposal together ASAP and
10 I again informed him about the meeting on the 15th.
11 Q Do you recall -- did you have any conversations about the
12 importance of the meeting on the 15th or have any
13 information --
14 JUDGE SANDRON: No, I think you -- if you want to exhaust
15 his --
16 MR. HILGENFELD: Sure.
17 JUDGE SANDRON: -- you know, so I think you -- we need to
18 see if -- what the response was, if any to what he said.
19 BY MR. HILGENFELD:
20 Q Did you respond to Mr. Ubelhart?
21 JUDGE SANDRON: Well, I think -- did he respond to you?
22 THE WITNESS: Yes. I mean, it was just --
23 MR. HILGENFELD: I apologize.
24 THE WITNESS: -- in general that he responded to me. I
25 get it, you know, let me get with John, you know, we'll circle

1 back with you, and again, I think something's happening.
2 JUDGE SANDRON: Well, okay.
3 THE WITNESS: Sorry.
4 JUDGE SANDRON: No, that's all right.
5 BY MR. HILGENFELD:
6 Q Did you respond to Mr. Ubelhart after he said that?
7 A Yeah. No, I responded saying we have a meeting, it's
8 tomorrow, I need something tonight. If you guys can get
9 something together and get something, you know, get with Brain,
10 you guys get a proposal. I'll do my best to have that looked
11 at, and you know, reviewed. I also talked to him about the new
12 work, you know, explained to him this is not just the existing
13 contract, if you can get me something, I'll go to bat with you
14 for the whole ball of wax.
15 Q Why were you going to go to bat for the IBU and Westoil?
16 A First of all, I've known those guys all my life, even
17 prior to -- I was there -- I got family members there, that
18 work there. I got friends that I've gotten -- a whole number
19 of friends over the years that I've gotten employed there.
20 To start a whole, you know, be part of bringing in a new
21 operating company and all the work and effort that goes into
22 that and the planning, it's not desirable. I mean, there's a
23 number of reasons.
24 Q Do you recall anything else that was said during that
25 conversation with Mr. Ubelhart on January 14th?

1 A That -- that was the crux of it. It was more pleading.
2 The -- the clock's out. I don't know what else to do, I mean,
3 it was -- it was more of a -- what else can I do.
4 Q Did you hear from anyone from the Union by January 14th?
5 A No, sir.
6 JUDGE SANDRON: Or by the 15th?
7 MR. HILGENFELD: Well, I was going to say the 14th first.
8 JUDGE SANDRON: Oh, I see.
9 BY MR. HILGENFELD:
10 Q You spoke with Mr. Ubelhart. After speaking with Mr.
11 Ubelhart, did you speak with anyone else with the Union on
12 January 14th?
13 A No, sir.
14 Q Did you receive any proposals or anything to take to your
15 January 15th meeting?
16 A No, sir.
17 Q Did you receive anything regarding the end of the day
18 deadline from the Union?
19 A Nothing.
20 Q On January 15th, did you receive any communications from
21 anyone at the IBU?
22 A No, sir.
23 Q Did Mr. Skow reach out to you on January 15th?
24 JUDGE SANDRON: Actually, I think he already said --
25 MR. HILGENFELD: Fair.

1 BY MR. HILGENFELD:
2 Q Did you receive any email communications or text
3 communications on January 15th from the IBU or any members?
4 A No, sir.
5 Q Did you have that meeting on January 15th with Mr. Godden
6 and Ms. --
7 A Yes.
8 Q -- I believe you said Ms. Haykin?
9 A Haykin, Rachel Haykin.
10 Q Do you recall if anyone else was present at that meeting?
11 A No, that was -- that was basically it, starting to line
12 out the to-do list for the operation.
13 Q And where was this meeting held?
14 A Zoom.
15 Q And what do you recall occurred at this meeting?
16 A It was just, it was building out a Gantt chart of
17 everything, of, you know, equipment, employees, you know, it
18 was just a bare bones of putting together a rough outline of --
19 of -- how it would work with OTB.
20 Q What is a Gantt chart?
21 A It's a -- it's a chart that you use to build out -- time
22 lines with events and it has a task and a date and a
23 responsible party, and then it just helps organize a project.
24 It's project management.
25 Q Approximately how long was this meeting?

1 A About an hour.
2 Q What do you recall about the time lines, if anything, that
3 were created during that meeting?
4 A The time lines would have been, you know, equipment,
5 mobilization. It would have been, employees, you know, hiring.
6 It would have been, you know, permits required and timing on
7 that. It would be, I mean, again, the whole -- everything that
8 you can think of to expand an operation.
9 Q Do you have any recollections to what the actual time
10 lines were for any of those things?
11 A I don't know -- I think what we got out of that meeting,
12 it was going to be several months to safely start that
13 operation.
14 Q After January 15th, did you receive any communications
15 from anyone at the IBU?
16 A Yes.
17 Q And when was that?
18 A It was the morning of the 16th, Saturday.
19 Q Do you recall -- what day of the week was January 16th?
20 A Saturday.
21 Q Who reached out to you?
22 A Mr. John Skow.
23 Q Do you recall how Mr. Skow reached out to you?
24 A By phone.
25 Q Do you recall approximately when Mr. Skow reached out to

1 you?
2 A It was early, 7, 8 a.m.
3 Q What did Mr. Skow say in that phone conversation?
4 A Again, asking if it was too late to put in a -- a proposal
5 for the Glencore contract and for the new Foss contract that
6 Centerline acquired.
7 Q How did you respond?
8 A You know, I told him I'll do anything I can. If you get
9 something together, I will run it up the pole and get, you
10 know, get an audience. I'll get it, you know, I'll do
11 everything I can to have it looked at.
12 Q Do you recall anything else that was said at that
13 conversation?
14 A Yeah. They wanted to put a Zoom meeting together later
15 that morning to talk to the -- the -- Westoil. I guess it was
16 their, whoever was -- they put together to put a proposal
17 together.
18 Q When you say "they", who do you mean?
19 A Westoil -- or the Union.
20 Q Do you know if a Zoom meeting was held later that morning?
21 A Yes, it was.
22 Q Who attended?
23 A That was John Skow, myself, I believe Enrique Gomez, Nolan
24 Padilla, I think it was either Brian Vartan or Kelly Moore,
25 Brian from Westoil, and they had a couple others on the call.

1 Q I believe you testified, but who initiated the Zoom
2 meeting?
3 A That was Mr. Skow.
4 Q What do you recall Mr. Skow saying to start the Zoom
5 meeting?
6 A He started the meeting going, you know, okay we -- you
7 know, I got everybody in a room, you know, we really, you
8 know -- you know, what could we do to get this work? And
9 again, I threw out my ideas of a, you know, a third man, you
10 know, as needed. I threw out possibly company medical. I
11 threw out, you know, some of the overtime issues. You know,
12 and different ways to crew things, you know. Again, I told
13 them, you know, think of the big picture too. If you get --
14 gather all this extra volume of work, of how that can help the
15 membership and the Union, if they got the Foss work as well.
16 So please get creative and work together and if you get
17 something to me, I will do my best to have it looked at and
18 reviewed.
19 Q How -- did anyone respond?
20 A In the meeting?
21 Q To you? After saying that in the meeting?
22 A Yeah. They -- their response was we -- we're meeting
23 today, we will have a proposal to you by the end of the day.
24 And that was pretty much the end of it.
25 JUDGE SANDRON: Do you remember who said that?

1 THE WITNESS: That would have been John Skow.
2 BY MR. HILGENFELD:
3 Q Do you recall anyone saying anything else during that
4 meeting?
5 A No, John did most of the -- the talking on -- on their
6 behalf. I think he wanted the membership to hear it from me,
7 this is it. There's nothing left. You guys got to get
8 serious, you need to get something, you know, to it, you know,
9 the ship has sailed.
10 Q And did they ultimately get some type of proposal to you?
11 A Yes, sir.
12 Q And when did you receive that?
13 A That was sometime that afternoon or evening.
14 Q And did you review this proposal?
15 A Yeah, briefly reviewed it and passed it along to Mr.
16 Godden.
17 JUDGE SANDRON: How did you receive it?
18 THE WITNESS: I believe it was via email.
19 JUDGE SANDRON: Do we have it in the record?
20 MR. HILGENFELD: We do, Your Honor.
21 BY MR. HILGENFELD:
22 Q And did you have, in your opinion, did this proposal --
23 how did this proposal affect the issues that Westoil and IBU
24 were facing on the bid proposal?
25 A It didn't -- it had very little effect on the cost of

1 their operation.

2 JUDGE SANDRON: And to whom did you pass it on, you said

3 you passed it on?

4 THE WITNESS: Mr. Godden.

5 JUDGE SANDRON: And did you have any conversation with him

6 about the Union proposal?

7 THE WITNESS: Yes, I did.

8 BY MR. HILGENFELD:

9 Q All right. And what did you talk to -- what did you and

10 Mr. Godden discuss?

11 JUDGE SANDRON: Well --

12 Q BY MR. HILGENFELD: Well, when did you have a conversation

13 with Mr. Godden?

14 JUDGE SANDRON: Right.

15 A It was that -- that afternoon. I let him know that the

16 Union had a proposal.

17 Q BY MR. HILGENFELD: What do you recall -- was it by phone,

18 by Zoom?

19 A I -- I don't recall.

20 JUDGE SANDRON: Did you transmit the proposal to him

21 before you had the conversation?

22 THE WITNESS: It was about the same time. I don't know

23 which it was -- I don't know if I gave him the proposal, I read

24 it over the phone or I sent it by email, I don't know which

25 one.

1 JUDGE SANDRON: I see. It was fairly --
2 THE WITNESS: It was that day though that we had a
3 discussion on it.
4 JUDGE SANDRON: I see. So did you have the conversation
5 with him after he had an opportunity to review the proposal, do
6 you recall?
7 THE WITNESS: No.
8 JUDGE SANDRON: Or did you just explain it to him?
9 THE WITNESS: It would have been about the same time.
10 Either I got the proposal and either called him or passed it
11 via email and had a call with him.
12 JUDGE SANDRON: All right.
13 BY MR. HILGENFELD:
14 Q And what do you recall -- was anyone else on that call
15 that you remember?
16 A No, sir.
17 Q What do you recall saying during that call?
18 A Just that, here's the Union proposal, you know, my preview
19 of it -- and I don't know if I relayed it to Matt or not -- it
20 was very -- there were very minute changes to that.
21 JUDGE SANDRON: Well, did -- did you discuss the contents
22 of the proposal with him at the time?
23 THE WITNESS: Briefly, yeah. It was -- not -- not in
24 detail. It was Matt's call, so.
25 JUDGE SANDRON: So what did --

1 THE WITNESS: It was my opinion looking at it that it was
2 somewhat --
3 JUDGE SANDRON: And you told him that?
4 THE WITNESS: No, I don't believe I swayed his opinion.
5 That was my opinion of looking at it.
6 BY MR. HILGENFELD:
7 Q Well regardless of whether you swayed it, did you say it
8 to him?
9 A I don't -- I don't recall that.
10 JUDGE SANDRON: All right.
11 A I was looking at it going, here's what they have and I was
12 hoping that it was going to get it over the goal line. I
13 wasn't going to do anything to downplay it.
14 JUDGE SANDRON: Did you express any opinion to him at the
15 time?
16 THE WITNESS: No, I didn't. And any opinion, if I had to
17 express it, wouldn't have been favorable.
18 JUDGE SANDRON: All right.
19 THE WITNESS: So I was more being factual. They're
20 trying, here's what they got.
21 JUDGE SANDRON: All right. And you told him what they
22 were proposing?
23 THE WITNESS: Yeah, here's the proposal, and I didn't -- I
24 left it to him. I knew when I seen it that it was not gonna --
25 JUDGE SANDRON: Did he -- did he say anything after --

1 after you -- when you went through the proposal at the time?
2 THE WITNESS: No. No there -- I don't remember there
3 being much dialogue. I was hoping I was going to have
4 something that I could talk to him. It was more to your point.
5 It was better to say little or nothing than, you know, get him,
6 so.
7 JUDGE SANDRON: All right.
8 BY MR. HILGENFELD:
9 Q Do you recall anything else about that conversation with
10 Mr. Godden?
11 A I do not. It was -- it was brief. It was, you know, here
12 is the proposal, please consider this, you know, the guys
13 worked on Saturday here to get something to us, to you.
14 Q Did you have any additional communications with the IBU
15 regarding their proposal?
16 A At some point, you know, I -- I let them, you know, let
17 them know that the decision had been made.
18 Q Do you recall when that would have happened?
19 A I don't know; it was probably not too distant beyond that.
20 I don't have exact dates on that.
21 Q Do you recall how you let them know?
22 A I do not recall that. I would suppose it was a phone call
23 to John.
24 Q That was my next question.
25 Who at the Union did you let know, if you know?

1 A The communication would have been with John. That we'd
2 been trying to work this through.
3 Q Is that Mr. Skow?
4 A That's Mr. Skow.
5 Q Did you play any part in the final decision to award any
6 work to any of the companies?
7 A No, sir.
8 Q Okay.
9 MR. HILGENFELD: I'm going to switch topics. Would it be
10 a good time for a morning break?
11 JUDGE SANDRON: All right. We can take 15 minutes. We'll
12 go off the record.
13 (Off the record at 10:20 a.m.)
14 **RESUMED DIRECT EXAMINATION**
15 BY MR. HILGENFELD:
16 Q Mr. Houghton, when you were the general manager of Westoil
17 Marine Services, did you have responsibility for labor
18 relations?
19 A Yes, I did.
20 Q We're you involved in the 2017-2018 labor negotiations
21 between the IBU and Westoil?
22 A Yes, sir.
23 Q And when did those negotiations begin, to the best of your
24 recollection?
25 A Spring of 2017, we were discussing -- started discussing

1 just an extension and then that wasn't successful, so in
2 November -- early November, November 6th of 2017, we started
3 negotiations for renewal.
4 Q And starting in November of 2017, who participated on
5 behalf of the company?
6 A That would have been myself, Andre Nault, Brian Vartan,
7 and Mr. Hilgenfeld, yourself.
8 Q And who was the lead negotiator for the company?
9 A Hilgenfeld, Chris Hilgenfeld.
10 Q And what was Mr. Vartan's -- well, who did Mr. Vartan work
11 for at that time?
12 A Mr. Vartan worked for Westoil.
13 Q And what was his position with Westoil?
14 A Ops manager.
15 Q And who did Mr. Nault work for at that time?
16 A Westoil, I believe.
17 Q And what was Mr. Nault's position with the company?
18 A He would have been a -- I don't know his exact position,
19 but in operations.
20 Q And who participated in the negotiations on behalf of the
21 Union?
22 A That would have been John Skow, Enrique Gomez, Mike
23 Zuanich, Mike Vera, and several others would come and go.
24 Q In November of 2017, who was the lead negotiator for the
25 Union?

1 A That would have been Mr. John Skow.
2 Q Was he the --
3 JUDGE SANDRON: I understand that General Counsel has an
4 ongoing objection to this line of questions, correct?
5 MS. YASSERI: Yes, Your Honor. Based on parol evidence,
6 we'd like to launch a standing objection --
7 JUDGE SANDRON: All right.
8 MR. YASSERI: -- with respect to any discussions that took
9 place in the negotiation sessions in 2017 and 2018 regarding
10 the work preservation clause.
11 JUDGE SANDRON: I'll consid -- consider you have that
12 continuing objection. As I said, I'll let the parties argue in
13 briefs as to why or why not the parol evidence should be
14 admitted or rejected.
15 MR. HILGENFELD: Thank you, Your Honor.
16 BY MR. HILGENFELD
17 Q In November of 2017 -- well, I guess you just answered
18 this, but who was the lead negotiator on behalf of the Union?
19 A That would have been Mr. John Skow.
20 Q Was John Skow the lead negotiator throughout the sessions
21 with the Union, during the entirety of the bargaining?
22 A No, sir.
23 Q And who else would act as lead negotiator on behalf of the
24 Union?
25 A Marina came in early spring.

1 Q Early spring of what year?
2 A 2018.
3 Q Mr. Houghton, on -- do you recall whether there is any
4 proposals presented by the Union regarding work preservation?
5 A Yes.
6 Q And what do you recall about when that proposal was
7 presented?
8 A It was right -- right out of the gate. First proposal.
9 Q And do you recall if the anyone -- do you recall if the
10 Union made a statement regarding the work preservation proposal
11 when they offered it?
12 A Yes.
13 Q And who made that?
14 A That was Mr. John Skow.
15 Q And what did Mr. Skow say?
16 A He wanted to include in this upcoming contract that they,
17 you know, would solely be the provider of -- of work for any
18 Centerline business in the Port of LA.
19 JUDGE SANDRON: And this was at the first negotiation?
20 THE WITNESS: First negotiations, first meeting.
21 JUDGE SANDRON: And did he -- was that -- did he say it
22 orally or did he present anything in writing, if you recall?
23 THE WITNESS: It was in writing, but he proposed it as
24 they normally do. They would give us a proposal and then --
25 JUDGE SANDRON: And I think we -- we do have the written

1 proposal.
2 MR. HILGENFELD: We do, Your Honor.
3 THE WITNESS: -- and then he would explain it.
4 BY MR. HILGENFELD:
5 Q Do you recall if anyone from the company responded to Mr.
6 Skow?
7 A Yes.
8 Q Who?
9 A Myself and you.
10 Q And do you recall what you said?
11 A Yes.
12 Q What did you say?
13 A You know, I explained to him that, you know, as I have
14 many times in the past, that Westoil does not own their
15 equipment. Centerline needs the ability to be able to operate
16 with multiple companies in that port and any port, as that
17 relates to -- we had a lengthy arbitration in 2015, that the
18 IBU brought against us and that was settled at that and we
19 weren't gonna revisit that.
20 Q Did Mr. Skow respond to you?
21 A I -- I don't recall the response.
22 Q What do you recall Mr. Hilgenfeld saying?
23 A Can you repeat the question?
24 Q You had stated that Mr. Hilgenfeld made a statement, what
25 did Mr. Hilgenfeld say?

1 A It was -- it was right up the same alley -- or the same
2 mantra, that we weren't going to -- the company wasn't going to
3 consider this as being part of this new contract and it had
4 already been settled, and again, that Centerline needs the
5 ability to operating other companies, like they have for the
6 last 20-plus years.
7 Q Do you recall, were the proposal -- if additional
8 conversations or negotiations were put forth regarding the work
9 preservation proposal after that November 6th bargaining
10 session?
11 A Yes.
12 Q When do you recall that next being put forth?
13 A I -- I don't have the exact date on that, but early spring
14 of 2018.
15 Q And how do you recall that being brought forth?
16 A When Marina came in and took over negotiations, that was
17 the first thing that she brought forward here as lead
18 negotiator, was a work preservation clause.
19 JUDGE SANDRON: Did she rely on the one that had already
20 been presented or did she make a different proposal or changes?
21 THE WITNESS: What I remember it was a handwritten, here's
22 a proposal, here's what we need, and we went through the whole
23 education process again to her that we already -- this had
24 already been proposed and here's why the company is not
25 considering. The same reasons that we gave John.

1 JUDGE SANDRON: I believe we have that in the record as
2 well, so we can compare if there is any difference.
3 MR. HILGENFELD: We do, Your Honor.
4 BY MR. HILGENFELD:
5 Q Mr. Houghton, do you recall who responded on behalf of the
6 company to Ms. Secchitano?
7 A I think it was both the same. Me for sure, and then you,
8 as well.
9 Q And do you recall saying anything other than what you've
10 testified to?
11 A No. That we weren't going to consider it.
12 Q Do you recall what Mr. Hilgenfeld responded to with Ms.
13 Secchitano?
14 A Excuse me?
15 Q Do you recall what Mr. Hilgenfeld, myself, said --
16 A Oh.
17 Q -- to Ms. Secchitano?
18 A It was -- it was the same thing. That we were absolutely
19 not going to consider that in the -- in the new contract.
20 Q Do you recall any other statements made during the
21 negotiations regarding the work preservation clause?
22 A Not in particular. I think it got brought up a few times,
23 verbally, and -- but not -- not a -- no proposals.
24 Q Do you recall any statements about whether Westoil owned
25 contracts being brought up during negotiations?

1 A Yes.
2 Q And what do you recall about that?
3 A I recall the time and time again that we don't own the
4 equipment, and then later on in the contract said we don't own
5 the con -- contracts.
6 Q Who do --
7 A As far as being Westoil.
8 Q Who do you recall making those statements during
9 negotiations?
10 A Both you and I.
11 Q Do you recall when those statements were made during the
12 negotiations?
13 A All through it. I think a number of times those would be
14 brought up, and we'd have to remind them.
15 Q Mr. Houghton, I'm going to turn your attention to a -- a
16 different topic. Who do you currently work for?
17 A Centerline Logistics.
18 Q And where is your office?
19 A The Port of LA.
20 Q Do any other companies operate out of LA301?
21 A Yes.
22 Q And what companies operate out of 3 -- LA301?
23 A Equipment? Or offices? Or --
24 Q Both, I guess. We'll start with, do any of the companies
25 have offices out of LA301?

1 A That would be Westoil Marine Services, Westoil Tug
2 Services, Leo Marine, Centerline Logistics.
3 Q Do you have knowledge as to whether companies are
4 responsible for an allocation of costs associated with their
5 space in the office?
6 A Oh, yes.
7 Q And Mr. Houghton, you had mentioned other companies
8 operating equipment; what companies operate equipment out of
9 LA301?
10 A That would be Leo Marine, Westoil Tug Services, Westoil,
11 and Olympic Tug & Barge.
12 Q Do you know if the company is responsible for their borage
13 and equipment cost out of LA301?
14 A Yes.
15 Q Mr. Houghton, do you have knowledge or information as to
16 whether each company is responsible for the repairs on their
17 pieces of equipment?
18 A Yes.
19 Q Are they responsible for the costs of those repairs?
20 A Yes, they are.
21 Q Okay. Do you have an understanding of whether each
22 company is responsible for their own expenses?
23 A Yes.
24 Q Mr. Houghton, in your role --
25 JUDGE SANDRON: Well, then I think you mean, are they

1 responsible for their own costs?
2 THE WITNESS: Yes.
3 Q BY MR. HILGENFELD: Thank you. And I guess going back,
4 are -- is each company responsible for the cost of their own
5 repairs of the equipment?
6 A Absolutely.
7 Q Is each company responsible for their allocated costs and
8 expenses?
9 A Yes.
10 Q Mr. Houghton, in your role as Centerline vice president,
11 do you have any day-to-day supervision of any Westoil
12 employees?
13 A No, sir.
14 Q In your role as a Centerline vice president, do you have
15 any role in the day-to-day supervision of any Leo Marine
16 employees?
17 A No, sir.
18 Q In your role as a vice president of Centerline Logistics,
19 do you have a role in any supervision in the day-to-day
20 operations of Olympic Tug & Barge?
21 A No, sir.
22 Q While you were the Westoil general manager, who was
23 responsible for the day-to-day operations for Westoil during
24 that period of time?
25 A I was.

1 Q Now, I guess, at this point in time, who is responsible
2 for the day-to-day operations for Westoil?
3 A That would be Mr. Matt Hathaway.
4 Q Since you've left the general manager responsibility for
5 Westoil, have you had any day-to-day responsibilities of
6 supervision of operations for Westoil Marine Services?
7 A No, sir.
8 Q How about for Leo Marine Services?
9 A No, sir.
10 Q How about for Olympic Tug & Barge?
11 A No, sir.
12 Q Mr. Houghton, in your role as the VP of Centerline, are
13 you responsible for assigning work for Westoil employees?
14 A No, sir.
15 Q How about Leo Marine employees?
16 A No, sir.
17 Q How about Olympic Tug & Barge employees?
18 A No, sir.
19 Q In your role as general manager for Westoil, who was
20 responsible for assigning work to Westoil employees?
21 A I was.
22 Q Since you've left that role, have you had any
23 responsibility for assigning work to Westoil employees?
24 A No, sir.
25 Q As the Centerline vice president, do you have any

1 responsibility for hiring employees at Westoil?
2 A No, sir.
3 Q Do you have any responsibility for hiring employees at Leo
4 Marine?
5 A No, sir.
6 Q Do you have any responsibility for hiring employees at
7 Olympic Tug & Barge?
8 A No, sir.
9 Q When you were general manager for Westoil, who was
10 responsible for hiring employees at Westoil?
11 A I was.
12 Q How were employees hired out of Westoil when you were the
13 general manager for Westoil?
14 A Through the Union hall.
15 Q Is that found in the labor agreement?
16 A Yes, it is.
17 Q And do you have knowledge of whether that hiring hall
18 provision still applies to the Westoil employees under the
19 labor agreement?
20 A Yes. Yes, it does.
21 JUDGE SANDRON: And does it?
22 THE WITNESS: Yes.
23 MR. HILGENFELD: Thank you.
24 THE WITNESS: It still applies.
25 Q BY MR. HILGENFELD: Mr. Houghton, as a VP for Centerline,

1 have you had any responsibility for employee discipline for
2 Westoil employees?
3 A As -- as the VP?
4 Q Centerline VP.
5 A No.
6 Q As the Centerline VP, have you had any responsibility for
7 employee -- for discipline for Leo Marine employees?
8 A No, sir.
9 Q As a Centerline VP, have you had any responsibility for
10 employee discipline for Olympic Tug & Barge employees?
11 A No, sir.
12 Q As the general manager for Westoil, did you have
13 responsibility for employee discipline?
14 A Yes, sir.
15 Q Who currently has responsibility for hiring or
16 disciplinary decisions at Westoil?
17 A Mr. Hathaway.
18 Q As a Centerline VP, do you have any responsibility for
19 labor relations at Westoil?
20 A No, sir.
21 Q As a Centerline VP do you have any responsibility for
22 labor relations at Leo Marine?
23 A No, sir.
24 Q As a Centerline VP, do you have any responsibility for
25 labor relations at Olympic Tug & Barge?

1 A No, sir.

2 JUDGE SANDRON: Okay. You know, I would -- I would just

3 point out -- I think I've stated this earlier -- the single

4 employer status of Leo Marine, Centerline, and Olympic Tug &

5 Barge is already established.

6 MR. HILGENFELD: I understand, Your court's -- your

7 order --

8 JUDGE SANDRON: By the Board.

9 MR. HILGENFELD: Your judge's ruling.

10 JUDGE SANDRON: But anyway, it's -- it's in the record.

11 Q BY MR. HILGENFELD: Mr. Houghton, as a Centerline VP, do

12 you have any responsibility for setting wage rates for

13 employees at Westoil?

14 A I do not.

15 Q As a Centerline VP, do you have any responsibility for

16 setting wage rates for Leo Marine employees?

17 A I do not.

18 Q As a Centerline VP, do you have any responsibility for

19 setting wage rates for Olympic Tug & Barge employees?

20 A I do not.

21 Q When you were the general manager of Westoil, how were the

22 wage rates set for the Wes -- Westoil employees?

23 A Through the CBA negotiations.

24 Q Is that the CBA that just recently expired?

25 A Yes, sir.

1 Q Mr. Houghton, what is "vetting"?
2 A Vetting is an inspection process, either through
3 inspecting our equipment, or inspecting our policies and
4 procedures and how we follow them.
5 Q Who conducts vetting?
6 A It could be from a oil major as vetting teams, such as
7 Shell, Chevron, Phillips 66; or it could be -- Coast
8 Guard could vet your equipment and procedures. You could have
9 a class society, such as American Bureau of Shipping, vet your
10 equipment and procedures.
11 Q When you say, "oil major", what do you mean?
12 A Oil major is -- I mean -- I guess what I mean is, it's
13 a -- a prominent larger company. A corporation that's
14 well-known. Well-established. Large oil company.
15 Q Would Glencore be considered an oil major?
16 A No, sir.
17 Q Would Minerva be considered an oil major?
18 A No. Independent.
19 Q Would Peninsula be considered an oil major?
20 A No, sir. Same.
21 Q Would you consider AGN or Marathon to be oil major?
22 A Marathon, yes. AGN, no.
23 Q Do the different op -- in your role as Centerline vice
24 president, are you familiar with the different vetting that
25 occurs with the different operating companies?

1 A Yes, sir.
2 Q Do the different operating companies go through different
3 vetting based on the customers that they have?
4 A Absolutely.
5 Q How does Olympic Tug & Barge's vetting requirements differ
6 from Westoil Marine Services?
7 A Olympic Tug & Barge does work for majority of the oil
8 majors. So they're constantly vetted by those oil majors.
9 They come down and do inspections on our equipment. They do
10 office audits, where they'll come down and audit our
11 procedures, policies, check to make sure that we're compliant
12 and we're following those policies, where Westoil would have
13 independents that they worked for, where they have little or
14 no -- no vetting requirements.
15 Q In your role as senior VP, are you familiar with the
16 different safety records and safety history between the
17 different operating companies on the West Coast?
18 A Yes, sir.
19 Q How does -- what is your responsibilities as it relates to
20 the safety records for the different operating companies on the
21 West Coast?
22 A That's -- primary my goal, is to make sure the companies
23 on the West Coast, primary mission, is safety and compliance.
24 Q Do you receive notification if there's any safety issues
25 for any of the operating companies on the U.S. West Coast?

1 A Yes, sir.
2 Q How do you receive that notification?
3 A Usually a phone call directly from the dispatch,
4 immediately. But we got a -- a hotline notification that
5 they'll turn in, that the -- that there may be some sort of
6 incident. Then an email goes out, and that gets to a safety
7 advisor, who, depending on the level of the incident, would
8 call me.
9 Q And when you say, a company's safety history, what does
10 that mean to you?
11 A Safety history?
12 Q Or what does safety mean to you?
13 A It's -- it's injuries, it's collisions, allisions, loss of
14 containment of oil, measured by OSHA recordable incidents,
15 Coast Guard reportable; it's a whole myriad of -- of
16 measurements.
17 Q How would you describe Olympic Tug & Barge's safety
18 record?
19 A Extremely, extremely well.
20 Q You said extremely what?
21 A It's extremely good.
22 Q And what's that based on?
23 A It's based on those same measurements that I just
24 described, and by volume of personnel, and by volume of
25 vessels, and by volume of oil that they move.

1 Q How does Olympic Tug & Barge's safety record compare to
2 Westoil Marine Services, in your opinion?
3 A Much, much better. I'm using those matrix that their
4 operation is really the standard that we're -- Centerline holds
5 the bar to, and tries to get the other companies -- educate
6 them to operate in that same safe space.
7 JUDGE SANDRON: Of the op -- of the operating companies,
8 does Olympic Tug & Barge have the best safety record?
9 THE WITNESS: Yes. Yes.
10 Q BY MR. HILGENFELD: Are you familiar with an alleged oil
11 leak that occurred in February of 2021 in Washington?
12 A Yes, I am.
13 Q Do you know what operating company that involved?
14 A Olympic Tug & Barge.
15 Q What is your -- how did you become aware of that?
16 A A phone call.
17 Q And do you know if the U.S. Coast Guard was conducting an
18 investigation into that?
19 A Yes, sir.
20 JUDGE SANDRON: Do you -- do you remember who called you?
21 THE WITNESS: It would've been the -- I believe it was the
22 dispatch on duty. He called me immediately. It was -- didn't
23 even go to the safety advisor, he called -- the safety advisor
24 called me --
25 JUDGE SANDRON: I see.

1 THE WITNESS: -- said, we have an incident.
2 Q BY MR. HILGENFELD: Do you have understanding -- I guess,
3 U.S. Coast Guard, you said -- did they perform an
4 investigation?
5 A They did.
6 Q And what was the findings from the U.S. Coast Guard
7 investigation?
8 A The finding was loss of containment onto the barge, but no
9 loss of oil to the water.
10 Q And what does that mean?
11 A It means the oil -- there was oil leaked out of the
12 primary containment on the barge, where it was on the deck. It
13 didn't go from -- the deck then has a containment on it; it did
14 not go to the water.
15 Q And was there a description of how the leak occurred?
16 A Yeah. There's an inspection hatch four to six inches in
17 diameter where they -- a flap that goes down then would, like,
18 a turn need to tighten it down on gasket -- that it had leaked
19 by the gasket, or something, there as the barge was towed off
20 shore. It would -- it would let -- as the barge -- its slop
21 would go through the -- and then -- go ahead.
22 MR. HILGENFELD: You want to follow up with that?
23 JUDGE SANDRON: No, you can finish it.
24 A Oh, yeah. And then it, you know, just, the weather was so
25 cold. It's heavy fuel oil, and anything that goes on the deck

1 would in -- would instantly solidify, so it'd start being look
2 like tar building up, if that makes sense. So it would put a
3 little oil in it as time went on.
4 JUDGE SANDRON: Under what circumstances is the Coast
5 Guard notified? Because you --
6 THE WITNESS: We notify them.
7 JUDGE SANDRON: And what circum -- do you notify them
8 for -- is there any kind of threshold for when you notify them?
9 THE WITNESS: Yeah. Anytime there's a possib -- a loss of
10 containment -- that we notify them.
11 JUDGE SANDRON: I see.
12 THE WITNESS: Yeah. So -- yeah. We notify them that for
13 a dirty plug filter and the engine won't start. Their -- their
14 notifications are -- are somewhat high. So we -- we make
15 notifications as we find -- instances like that, the barge
16 would come in, they do a barge inspection, they look and go, we
17 have a problem. So they would notify the Coast Guard.
18 And then at that point, they would look at it, look at the
19 oil -- then they'd take a measurement of the oil that was
20 loaded compared to what's in it when they get there. And
21 that's how they would determine if there was any loss of
22 containment.
23 JUDGE SANDRON: I see. And -- and these are Coast Guard
24 regulations?
25 THE WITNESS: Yes.

1 Q BY MR. HILGENFELD: Did the Coast Guard issue a fine in
2 this case?
3 A No, sir.
4 Q Do you know if the Washington Department of Ecology issued
5 a fine?
6 A They did.
7 Q Do you know if that fine has been appealed?
8 A It has.
9 JUDGE SANDRON: And do you know the status of it now?
10 THE WITNESS: It's still in appeal at this point.
11 Q BY MR. HILGENFELD: Mr. Houghton, in your role for
12 Centerline and working under contracts with Harley Marine
13 Financing, did you have any communications regarding contract
14 negotiations as it relates to Minerva in LA Long Beach?
15 A Yes.
16 Q Does Westoil -- does Westoil still provide services, or
17 Harley Marine Financing still provide services to Minerva in LA
18 Long Beach?
19 A No, sir.
20 Q Who was involved in those communications with Minerva?
21 A As it relates to?
22 Q Who from Harley Marine Financing or Centerline was
23 involved in communications with Minerva?
24 A As far as negotiating? Or --
25 Q As far as them performing work in LA Long Beach,

1 currently.
2 A It would be myself from Centerline, or Jen Beckman from
3 Centerline.
4 Q Does -- were you -- did you have any conversations with
5 anyone at Minerva about whether they're continuing to perform
6 operations in LA Long Beach?
7 A Yes.
8 Q And what were those conversations?
9 A That they --
10 JUDGE SANDRON: I think you need to lay more of a
11 foundation.
12 Q BY MR. HILGENFELD: Who did you speak with at Minvera?
13 A Mike -- not McVay (phonetic throughout). Mike -- their
14 senior trader. I get his name mixed up on Mike McVay. I don't
15 have a --
16 JUDGE SANDRON: Well, if it comes to you.
17 THE WITNESS: Yeah, it comes to --
18 JUDGE SANDRON: Okay.
19 Q BY MR. HILGENFELD: Did you have a first name?
20 A Mike.
21 Q Mike?
22 A Yeah.
23 Q Approximately, when did you speak with Mike?
24 A Several months ago.
25 Q And what did Mike -- or who initiated the call? If it

1 was -- was it a call? By Zoom? In person?
2 A It was -- it was a phone call. And I -- I -- I believe I
3 did. I'm not absolutely sure.
4 Q And what did -- what was described and discussed at that
5 conversation? Who said what in that conversation?
6 A Generally, they were having problems with their tank
7 storage in the Port of LA, and it was just a -- a notification
8 that they, you know, basically, were going to stop operations
9 in the Port of LA Long Beach, just due to the, you know, high
10 cost of operations.
11 JUDGE SANDRON: Is that what he told you on the call?
12 THE WITNESS: Yeah. They were -- they were going to move
13 on, and they were giving us notice.
14 JUDGE SANDRON: Oh, I see.
15 THE WITNESS: Yeah.
16 JUDGE SANDRON: So what -- did he say what -- I think you
17 may have already described it, but what kind of problems they
18 were having that caused them to move out?
19 THE WITNESS: Well -- it was high cost -- I don't have the
20 exact date, but a year or so ago, we actually gave them a
21 discount on their barge. Like a thousand dollars. They were
22 struggling to make profit in the port.
23 And then, they had issues at a bow back (phonetic)
24 terminal with a lease, issues -- there was other tanks they
25 were looking at within the port. And just with all that

1 happening, their contract was also ending at the end of -- the
2 end of this past year. And they just made notifications that
3 they're not going to renew, and they're going to pull their --
4 pull their operations out.
5 JUDGE SANDRON: I see. And what was the port you
6 mentioned?
7 THE WITNESS: Port?
8 JUDGE SANDRON: The port? You gave a name.
9 THE WITNESS: LA Port, LA Long Beach.
10 JUDGE SANDRON: Oh, okay. Did you say another name, or
11 that was it? Maybe I just didn't hear it. I thought you said
12 they were having problems. That was just -- that was in the LA
13 Long --
14 THE WITNESS: All in the LA Long Beach.
15 JUDGE SANDRON: Oh.
16 THE WITNESS: Yeah. Yeah. So they were having problems.
17 They were having problems with their terminal; they were having
18 problems with pricing.
19 JUDGE SANDRON: I see.
20 THE WITNESS: With us and the terminal, I guess. And
21 basically, their contract with us was coming to expire.
22 JUDGE SANDRON: And they --
23 THE WITNESS: With Center -- with Centerline. Harley
24 Marine Financing had just given us notification --
25 JUDGE SANDRON: Okay.

1 THE WITNESS: That they were --
2 JUDGE SANDRON: I see.
3 THE WITNESS: -- going to pull up the stakes and --
4 JUDGE SANDRON: It was a notice of nonrenewal, basically?
5 THE WITNESS: Non -- nonrenewal, yeah. There were giving
6 us a heads up.
7 Q BY MR. HILGENFELD: Do you have knowledge of whether
8 Minerva is performing any petroleum transportation in the LA
9 Long Beach at this period of time?
10 A Yes, I do.
11 Q And what's that knowledge?
12 A That they don't. There's no -- they don't operate in the
13 Port of LA Long Beach anymore.
14 Q In your role with Centerline and Harley Marine Financing,
15 have you had conversations with individuals with Peninsula
16 regarding performing work in LA Long Beach and contracts?
17 A Yes.
18 Q Is Peninsula, at this time, performing petroleum
19 transportation to LA Long Beach?
20 A No, sir.
21 Q Did you -- who did you talk with at Peninsula?
22 A Oh, that -- you're catching me here. Give me a minute, I
23 know the name. Holy moly. Brain dead here.
24 JUDGE SANDRON: Well, you can go ahead and --
25 Q BY MR. HILGENFELD: Do you know the person's position with

1 Pen -- with Peninsula?
2 A Yeah, he's a trader. One of the traders there.
3 JUDGE SANDRON: All right. If it comes to you, you can --
4 THE WITNESS: Yeah. He's European. I'm trying to think
5 of the name. I'll get to it.
6 JUDGE SANDRON: All right.
7 Q BY MR. HILGENFELD: Approximately, when did you speak to
8 with the trader at Peninsula?
9 A I think it's a little over a year ago.
10 Q Okay. And what do you remember about the conversation?
11 Was it by phone, was it by Zoom, was it in person?
12 A By phone. Phone call.
13 Q Do you know who initiated the call?
14 A I believe -- I -- I do not. I would believe it was him.
15 Q Do you recall -- describe that conversation about who said
16 what between you and the trader.
17 A It -- it was basically informing us that they were, you
18 know, informing me that they were going to leave the Port of LA
19 Long Beach. And not do bunker work there in the future.
20 Q At that time, did -- were they operating under a contract
21 with Harley Marine Financing?
22 A Yes, they were.
23 Q Are they still -- do they have any operations in LA Long
24 Beach, to your knowledge, at this time?
25 A No, sir.

1 JUDGE SANDRON: Did -- did -- did he give you -- do you
2 recall any reasons that he gave you -- do you recall any
3 reasons he gave you?
4 THE WITNESS: It was cost. Cost of operations. They --
5 they just couldn't make it work. So -- and the two operational
6 costs for them there is barging, which is us, and then the
7 terminal that they were working out of.
8 JUDGE SANDRON: And have they had any -- had they had
9 those issues earlier, or was that the first time you'd --
10 THE WITNESS: That was -- you know --
11 JUDGE SANDRON: -- become aware of them?
12 THE WITNESS: I -- they -- they didn't -- we did not give
13 them a -- they didn't come ask for a reduction in cost prior to
14 that.
15 JUDGE SANDRON: I see.
16 MR. HILGENFELD: Just one moment, Your Honor.
17 JUDGE SANDRON: Yes. Do you want to go off the record,
18 or --
19 MR. HILGENFELD: That would be great.
20 JUDGE SANDRON: All right. Off the record.
21 (Off the record at 11:19 a.m.)
22 **RESUMED DIRECT EXAMINATION**
23 Q BY MR. HILGENFELD: I'm going to turn your attention to
24 Respondent's Exhibit 6, that should be -- we discussed it
25 yesterday. It should be in front of you.

1 UNIDENTIFIED SPEAKER: It's there.
2 A Yes, sir.
3 UNIDENTIFIED SPEAKER: Sorry.
4 JUDGE SANDRON: No. That's okay.
5 Q BY MR. HILGENFELD: And it's very possible my notes are
6 just unclear, so I apologize if you've gone through this
7 before. I just want to make sure that we're clear on your
8 testimony.
9 The October 6th, 2020, email from Matt Godden to you,
10 Stephen Parry, and William Backe, do you see that? That's the
11 second line; it was sent 3:54 p.m.?
12 A I -- I do.
13 Q Okay. And I -- what was your understanding about the 325k
14 and you authority level at this point in time, on October 6th,
15 2020?
16 A My understanding is, Stephen Parry had put the revenue
17 together for the different volumes at different revenues, and
18 what losses those would be.
19 And then I look at Matt's -- looking at with what he knows
20 in the market, and -- or from our -- all of our subsidiaries of
21 what barrel amount to target --
22 Q For what contract?
23 A -- for their costs. That would have been for the
24 Glencore.
25 Q And that's dated -- the email's dated, it's just for the

1 record, October 6th, 2020.
2 Do you believe that you spoke with Mr. Heredia before or
3 after this email about the bid process? If you know.
4 A If I know. That would've been -- this would've been --
5 that would've been, most likely, before, or right after.
6 Q Okay.
7 A Yeah.
8 Q In close proximity?
9 A In close proximity. Yes.
10 MR. HILGENFELD: Thank you, Mr. Houghton. My notes were
11 just unclear on that point. I appreciate that. I have no
12 further questions.
13 MS. YASSERI: Your Honor, would it be possible to just
14 take our lunch break and come back at 1:00?
15 MR. HILGENFELD: Could we come back at 12:30?
16 JUDGE SANDRON: Well, I'd -- I'd imagine there's quite a
17 bit of --
18 MS. YASSERI: If I may, I know Mr. Houghton's been on the
19 stand for about a day and a half.
20 MR. HILGENFELD: I just want to make sure he's off today,
21 so --
22 MS. YASSERI: I think -- I certainly understand, and I'm
23 very respectful of your time. I don't think I -- it will lead
24 into Wednesday.
25 MR. HILGENFELD: Okay.

1 THE WITNESS: Oh. Then that's good. That's always good
2 knowledge. Then take a four-hour lunch.
3 JUDGE SANDRON: All right. We can come back in at 1. And
4 hopefully we can finish with Mr. Houghton today, and then we
5 can wrap things up tomorrow morning, you know, as far as making
6 sure everything's in order, and any things that are -- I mean,
7 I think you had indicated, Ms. Yasseri, you had some documents
8 you wanted to offer. So --
9 MS. YASSERI: Yes.
10 JUDGE SANDRON: -- we can take care of that.
11 MS. YASSERI: And there's a -- there's another issue
12 that's sort of under review based on some new developments
13 today. But -- yes, but we don't think we'll go past Wednesday,
14 Your Honor.
15 JUDGE SANDRON: Okay.
16 MS. YASSERI: Yeah.
17 JUDGE SANDRON: Fine. So -- so we'll come back at 1:00,
18 then. Okay.
19 MS. YASSERI: Thank you.
20 JUDGE SANDRON: Have a good lunch. We're off the record.
21 (Off the record at 11:25 a.m.)
22 JUDGE SANDRON: Back on the record. Cross-examination.
23 **CROSS-EXAMINATION**
24 Q BY MS. YASSERI: Good afternoon, Mr. Houghton.
25 A Good afternoon.

1 Q My name is Sanam Yasseri. I'm one of the counsels
2 appearing on behalf of the General Counsel today. I appreciate
3 you being here today --
4 A Thank you.
5 Q -- to provide your testimony.
6 A You as well.
7 Q Mr. Houghton, I know on direct examination, you talked a
8 little bit about the various positions that you held in the
9 maritime industry. Can you just remind us again how long you
10 worked in the industry?
11 A Over 40 years.
12 Q 40 years. And you testified about your role as vice
13 president of California operations for Centerline.
14 A Correct.
15 Q And how long did you serve in that role again?
16 A I think somewhere around a year or something. It was a
17 short period.
18 Q And when was that, exactly?
19 A Let's see, that would have been towards the end of 2018.
20 Q And prior to that time, you were serving as Westoil's
21 general manager; is that right?
22 A That's correct.
23 Q When you transitioned from your role as Westoil's general
24 manager to vice president of California operations at
25 Centerline, did you fill out an application for that position

1 at Centerline?
2 A No, ma'am.
3 Q Did you interview for that position?
4 A With -- somewhat, with Mr. Franco, Harley Franco, and Matt
5 Godden.
6 Q Okay. I know that Mr. Franco's name has come up. Just
7 for clarity of the record, can you tell us who he is?
8 A At the time, he was, I believe, the CEO of Centerline
9 Logistics.
10 Q Does he have any role with respect to Centerline at this
11 point in time?
12 A I don't know at that point in time what his current role
13 was within the company.
14 Q Does -- does he have --
15 A I don't know when that transition -- there was a point
16 there where he didn't have control anymore. And I wasn't privy
17 to that.
18 Q Does he have any involvement, either with Centerline or
19 any of its subsidiaries, at this current point in time?
20 A No, he does not.
21 Q Okay. And when you transitioned from working as the
22 general manager for Westoil to the vice president of California
23 operations at Centerline, was that considered a promotion in
24 your view?
25 A Yes.

1 Q Did you receive an increase in salary?
2 A Yes, I did. I believe I did.
3 Q Did any of your benefits change from the time that you
4 were a general manager at Westoil to your promotion to VP of
5 California operations at Centerline?
6 A I believe they did.
7 Q Which benefits changed?
8 A I think some of it had to do with car allowances, usage,
9 travel, and that's all I can think of. But it was, you know --
10 Q What about with respect to, like, health insurance? Was
11 it the same policy in place?
12 A It was the same policy.
13 Q And what about with respect to vacation? Did your accrued
14 vacation transfer over? To the best of you recollection.
15 A I believe it did.
16 JUDGE SANDRON: And do you have any kind of retirement
17 benefit at Westoil? Like, you know, pension plan, 401(k) --
18 THE WITNESS: 401(k).
19 JUDGE SANDRON: And -- and did that transfer over?
20 THE WITNESS: That 401(k) did transfer over.
21 JUDGE SANDRON: Yup. Okay.
22 Q BY MS. YASSERI: Were there any other benefits that
23 transferred over that you recall?
24 A Not that I can think of.
25 Q And you mentioned a car allowance. How did that change

1 from your time over at Westoil to the transition to Centerline?
2 A I was given a car, and then I can use it for my personal
3 use. I could -- there was other benefits with that, you know,
4 unlimited gas, some other --
5 Q And do you still have access to that car now that you're
6 senior vice president of the West Coast for Centerline?
7 A Not that particular car, but yes.
8 Q And that car is paid by Centerline? It's paid --
9 A That car is paid by Centerline, yes.
10 Q Now, sort of focusing on your role as senior vice
11 president of the West Coast operations for Centerline, I
12 believe you testified you entered that role in 2019; is that
13 right?
14 A It would've been somewhere in there, yes.
15 Q And when you -- when -- when you were selected for that
16 position, did you have to fill out an application for that
17 position as senior vice president of West Coast operations?
18 A I did not.
19 Q Did you have to interview for that position?
20 A Somewhat. Yes.
21 Q With who?
22 A That was with Mr. Godden.
23 Q Was there anybody else that you interviewed with, or just
24 Mr. Godden?
25 A That was Mr. Godden.

1 Q And what do you mean by "somewhat"?
2 A It was inquisitive about, you know, how my current role,
3 and how I thought about the role. He was more into, was I up
4 for the challenge, and here's what it entails, and here's what
5 I would expect, and -- you know, I think it was more of an
6 informal, you know, are you ready to make the -- the jump.
7 Q And what was your understanding of -- what would be the
8 difference in terms of responsibilities from your position at
9 the time as vice president of California operations of
10 Centerline, to then transitioning to becoming the senior vice
11 president of West Coast operations?
12 A Well, one of it is, it would include more operating
13 companies under -- under the umbrella. More, you know, it'd be
14 somewhat the same safety focus, you know, ensuring our
15 equipment was meeting the standards of compliance for us and
16 our -- and our customer Harley Marine Financing.
17 Q Okay. And you talked about the Centerline operating
18 companies. As senior vice president of West Coast operations
19 for Centerline, what are the Centerline operating companies
20 that fall within your jurisdiction?
21 A That'd be Pacific Coast Maritime, Olympic Tug & Barge,
22 Westoil Marine Services, Tug Services.
23 Earlier on, it was Millennium Maritime. Starlight Marine
24 that's no longer with us. And then, oil terminal down in
25 Portland, BTSI (phonetic).

1 Q Now, with respect to your transition from VP of California
2 operations to senior VP of West Coast operations, was that
3 considered a promotion?
4 A Yes.
5 Q And did you -- did you experience an increase in your
6 salary with respect to that transition?
7 A Yes, I did.
8 Q Were there any changes to your benefits with respect to
9 that transition?
10 A No. No, not that I can recall.
11 Q Okay. And I understand on your current role as senior VP
12 of West Coast operations, you report to Matthew Godden,
13 correct?
14 A That is correct.
15 Q Who is also the president of Centerline, Leo, Westoil, and
16 Olympic Tug & Barge, correct?
17 A He's president of Centerline, I believe, and officer of
18 all the companies, yes.
19 Q Other than Mr. Godden, Mr. Houghton, do you report to
20 anybody else at this point in time?
21 A No, ma'am.
22 Q I'd like to introduce to you, Mr. Houghton, a document
23 that's been marked for identification as GC Exhibit Number 295.
24 GC-295 is a job description for your current position as
25 senior vice president of West Coast operations at Centerline.

1 A Yes, ma'am.
2 Q Have you seen this before?
3 A I'm sure I have at one time.
4 Q Okay. I want to direct your attention to the "Position
5 Summary" section. You see that at the top?
6 A Yes, ma'am.
7 Q It says, you're responsible for the oversight of all West
8 Coast companies, including: Leo Marine Services, Westoil
9 Marine Services, Westoil Tug, Olympic Tug & Barge, Pacific
10 Coast Maritime, and Pacific Terminal Services.
11 It also says that you're responsible for revenue and
12 profitability of the company. What -- what does that mean,
13 exactly?
14 A I think where that would relate to -- if one of the
15 operating companies weren't performing, then I would have to
16 research and find out what was happening.
17 Q Okay. And what do you mean by, the operating company
18 wasn't performing? Like, what specific metrics would you be
19 looking at to make that conclusion?
20 A I would -- just in general, they do a monthly financial
21 review of the whole company. And if one of them weren't
22 performing, then I would be expected to step in and find out
23 what's happening.
24 Q So in your current role, do you review the financial
25 statements of all the operating companies within your

1 jurisdiction?
2 A Within -- yeah. They -- they review it with us, and kind
3 of we'll review it. Yes.
4 Q And when you say "they", who are you referring to?
5 A That -- that would be Stephen Parry and John Saltsman.
6 Stephen Parry, VP of finance, I believe, in HR. And John
7 Saltsman, who's our CFO. And then Vlad -- I forget his last
8 name. But he -- he also runs through. And if they have any
9 concerns, they -- they highlight it for us.
10 Q The gentleman that you referred to by the name of Vlad, do
11 you know if he's a Centerline employee?
12 A Yes.
13 Q Okay.
14 JUDGE SANDRON: I believe we have his name in the record.
15 MS. YASSERI: Oh. Thank you.
16 JUDGE SANDRON: His last name.
17 Q BY MS. YASSERI: And the job description, Mr. Houghton,
18 under "Essential Functions", the first item it says, "oversight
19 of department managers". Which department managers do you
20 specifically oversee?
21 A Directly, I oversee -- currently, it would be Dan
22 Morrison. All of the -- eventually, would report up to me,
23 which would be these particular companies. But it would be --
24 Dan Morrison right now reports to me as West Coast VP, and it's
25 not West Coast VP of Marine operations.

1 And then I got Anthony Lobro, I think, in the current org
2 chart that he's barge logistics.
3 Q Okay. You mentioned the operating companies. Let me ask
4 you about Leo Marine Services. Is there someone who reports to
5 you -- an employee of Leo Marine Services that reports to you?
6 A That would be more through Sven Christiansen (sic).
7 There's times when Mr. Vartan might ask me a question directly,
8 or have input, or need input from me for whatever reason.
9 JUDGE SANDRON: All right. And you have two people who
10 report directly to you that you mentioned. Now, do the -- say
11 managers of the different operating companies, do they report
12 to them, and then to you? Or -- or do they go directly to you?
13 THE WITNESS: Yeah. At time -- it's both. Sometimes
14 there's both depending on what it is. They may inquire for my
15 input, or I might even give it directly -- you know, give them
16 input as far as safety or compliance.
17 As far as Leo Marine, you would look at Brian Vartan --
18 would go to Olympic Tug & Barge. Brian Vartan being the ops
19 manager for Westoil. Would -- would work directly for Sven
20 Titland of Olympic Tug & Barge. And then if there was some
21 other issue through that, then they'd -- they would come to me
22 if there's a problem, whether it be safety for whatever and I
23 need to get involved.
24 Q BY MS. YASSERI: Understood. And I believe earlier, you
25 referenced the name Sven Christiansen.

1 A Oh.
2 Q I just wanted to clarify.
3 A Titland.
4 Q Okay. That's fine.
5 A We -- we had a Sven Christiansen that --
6 MR. HILGENFELD: It's okay. I called Sven Titland, Sven
7 Christiansen, for two days, so --
8 THE WITNESS: Sorry. There's only two Sven's I've ever
9 met.
10 JUDGE SANDRON: This it Titland, not the other one.
11 THE WITNESS: Titland. But the day-to-day, yeah, the day-
12 to-day oversight of these individuals, I don't have. Let's
13 tend to make it simple. I talk to them sometimes once or twice
14 a month in conversations.
15 Q BY MS. YASSERI: Understood. Now, going back to Olympic
16 Tug & Barge, so would Sven Titland report to you in your role
17 as senior VP of West Coast operations?
18 A I believe he goes through, I don't know the exact thing,
19 but I believe it goes through Dan Morrison. But I could be
20 wrong on that.
21 Q Okay. And what about Westoil Marine Services? Any
22 managers there that report to you?
23 A That -- that would be -- that would be Mr. Matt Hathaway.
24 And then he would be, if he had an issue -- or I had an issue
25 with a company's safety compliance. Stuff of that nature. Or

1 if there was an issue -- a severe issue with the profitability
2 of the company, if I had to had a conversation, that --
3 that's -- he'd report to me. Other than that, he runs his
4 operation.
5 Q Now, the job description under "Essential Functions", item
6 2, also refers to "marketing of company services, and exploring
7 new business". What -- what do you specifically do with
8 respect to exploring new business? What would that entail?
9 A That would be, you know, just as I'm out meeting with
10 Harley Marine Finance contracted customers, whatever that might
11 be, and there was a new lead or something, I would share that.
12 Q And would you, for example, engage in networking to -- to
13 obtain new leads for work in your role as senior VP?
14 A I -- I don't do much networking anymore, unfortunately.
15 I -- we have a Centerline commercial team that handles a
16 majority of that.
17 Q And the job description in that same section, "Essential
18 Functions", also refers to "develop policies and procedures to
19 manage the company". These would include policies applicable
20 to Centerline, Westoil, Leo Marine, and Olympic Tug & Barge,
21 correct?
22 A I guess all different questions. It would be -- the way I
23 take this policy and procedure, if there was some issue that
24 arose within our -- in our company anywhere, that I would have
25 some input of, you know -- especially when it related to

1 safety -- of how we could, you know, help -- help the operating
2 company run safer.
3 Q Okay. So for example, if there was an issue in respect to
4 safety that had an impact on a safety policy or requirement,
5 you would be responsible for communicating that to the
6 operating companies?
7 A I would discuss it with the operating company, and see
8 what their input -- I might make a suggestion for a -- you
9 know, what I think can cure that safety problem. It would be
10 ultimately up to the operating company whether they, you know,
11 took my suggestion or not.
12 It would ultimately -- my responsibility to make sure they
13 operate safely. The details of the operation, I -- that's the
14 manager's call.
15 Q Would you ever communicate any directives with respect to
16 safety to, like, the fleet? The --
17 A Oh, yeah.
18 Q You would?
19 A Yeah. Yeah. In general, I -- every once in a while, I
20 see an incident or something, or I see something that's just
21 crazy. I will send something out fleet wide.
22 And not just West Coast, I might it to the whole thing,
23 here is what I noticed. It might be weather related, you know.
24 I just happened to be watching the channel 7 news, and I see
25 weather coming in like we've had this -- the West Coast --

1 Q Um-hum.
2 A -- I might just send out a blanket email, please be safe,
3 please do this, or don't do this, or that. But yeah, when it
4 relates to safety, and I'm not infringing on their policies and
5 procedures and changing their operation; blanket. Here's --
6 here's what, you know, work safely, or don't -- yeah. You
7 know, it's -- you get the picture, you know. I tell them don't
8 take risks, don't -- yeah.
9 Q Understood. Can you think of a recent example where
10 there's been, let's say like, an incident -- a safety incident,
11 where you alerted, like, the entire Centerline operating
12 company fleet to make --
13 A I can't --
14 Q -- an adjustment to some policy or procedure?
15 A I don't know where I've made a policy or procedure off the
16 top of my head. I think the most recent ones I would've sent
17 out, were, you know, we might have an incident due to weather
18 somewhere within the company or my -- in my jurisdiction where
19 I would send something out, use assist tugs, don't -- don't
20 let, you know, don't be pushed, don't -- be just, you know,
21 everybody please be mindful. Take a minute. You know, stop
22 work authority, make sure you're running safe. But I can't
23 think of one off the top of my head. I'm sure there's some out
24 there.
25 JUDGE SANDRON: Do you -- do you recall any specific

1 issues, other than weather, that you felt needed to be imparted
2 to the fleet? If you can think of something.
3 THE WITNESS: Man, I'm brain dead right now.
4 JUDGE SANDRON: All right.
5 THE WITNESS: I know.
6 JUDGE SANDRON: That's all right.
7 THE WITNESS: I'm trying to think. But there have been
8 times where I see something just that -- that -- whether it's
9 this company or any company, we're not doing, you know, there
10 would be immediate that -- not a policy or procedure change
11 maybe, but it's a, you know, don't use a --a grinder without
12 a -- a face mask. Or don't use a saw, or don't --
13 JUDGE SANDRON: Right.
14 THE WITNESS: -- don't work without gloves, or --
15 JUDGE SANDRON: Okay.
16 THE WITNESS: -- don't -- don't, you know, don't pump a
17 barge without the right certification. It's, you know, more --
18 JUDGE SANDRON: Um-hum.
19 THE WITNESS: -- blanket stuff, I think, typically is what
20 I do.
21 JUDGE SANDRON: Okay. Thank you.
22 Q BY MS. YASSERI: Now, Mr. Houghton, in your role as senior
23 VP of West Coast operations at Centerline, do you also review
24 budgets for each of the operating companies within your
25 jurisdiction?

1 A At the end, when they -- after they put them all together,
2 and then there's a year-end budget review that's reviewed
3 through the finance, so I'm part of that. Yes.
4 Q And what is your -- I guess, what is your specific role
5 with respect to budgetary review? Do you make modifications to
6 the budgets that are proposed?
7 A I -- I don't, I don't make modifications -- I -- they --
8 each company turns in their -- their budget for the year. I
9 think with that, you know, there -- there's a whole process
10 through Centerline finance team that they go through.
11 And then back when I was a GM, I'd look at perspective
12 work, I would look at cost items that I had coming up for the
13 coming year, I would look at haul-outs for my equipment, I
14 would look at escalations in payroll that I would see, I would
15 look at escalations in vendors, you know, and then, just
16 general escalation in, you know, cost of living.
17 And with that, I would put that in a budget, and then, you
18 know, I'd have line item reasoned out for it, and that was the
19 budget for the upcoming year.
20 Q And you previously testified a few minutes ago, about
21 reviewing financial statements for the Centerline operating
22 companies in your jurisdiction, like Westoil, Leo, Olympic Tug
23 & Barge. Who -- I guess focusing your attention on Westoil,
24 who's responsible for, sort of, reviewing some of the accuracy
25 of some of the charges that are made on the financial

1 statements by, like, let's say vendors, or by even Centerline,
2 to some of the operating companies?
3 A I -- I think I'm losing you a little bit on that one.
4 Q So I understand that there are certain things that
5 Centerline charges the operating companies for, certain
6 services.
7 A Correct.
8 Q Okay. Focusing on the operating company of Westoil, who
9 is responsible at Westoil for reviewing the accuracy of those
10 charges from Centerline?
11 A Me, as the Westoil manager back then. That's -- it was
12 just part of a line item, I don't know how -- in detail, how
13 the -- how the -- how each piece was charged. Stephen Parry
14 and the finance team had that. And the securitization and
15 all -- I had all that all worked -- I wasn't -- I'm still not,
16 I don't get into that piece of the business.
17 Q So is it your understanding that that would be the
18 operation manager's responsibility at whatever operating
19 company --
20 A To some degree, yeah. They -- that's not something as the
21 operator has control over and manages that; that's all done at
22 a higher level.
23 MS. YASSERI: Okay. Your Honor, I'd like to move for the
24 admission of GC Exhibit 295 at this time.
25 MR. HILGENFELD: No objection, Your Honor.

1 JUDGE SANDRON: Then the document is received. I thought
2 we had seen it earlier.
3 MS. YASSERI: Not this job description.
4 JUDGE SANDRON: Oh, not this one. Okay.
5 MS. YASSERI: No.
6 JUDGE SANDRON: This is a different one. All right. It
7 is received.
8 **(General Counsel Exhibit Number 295 Received into Evidence)**
9 MS. YASSERI: Thank you.
10 Q By MS. YASSERI: Now, Mr. Houghton, there's been some
11 testimony about Brian Vartan when he served as operations
12 manager at Westoil.
13 During that time, I guess focusing on the year 2020, when
14 Mr. Vartan was serving as operations manager at Westoil, would
15 he discuss disciplinary issues with you regarding Westoil
16 employees?
17 A No. Not on a general basis. There'd be times where he'd
18 come in and ask my, you know, for my guidance. I -- I managed
19 Westoil for many, many years. And we work in the same
20 building, so there's times where he may come over and, you
21 know, I have a problem, how would you handle it? You know,
22 give some guidance. Mentoring. I've mentored him for years
23 now of how, you know, something may or may not happen. But
24 giving direction? No.
25 Q Has he continued to seek your guidance during his time as

1 operations manager at Leo Marine with respect to employees and
2 employee discipline?
3 A Not that I recall, but I mean, there's -- there may be,
4 you know, we converse every now and again. So there may be a
5 question on many topics on a rare occasion that he may seek --
6 seek advice.
7 Q Okay. Now, in your role as senior vice president of West
8 Coast operations at Centerline, you're also considered a senior
9 manager at Westoil; is that right?
10 A I think -- I don't know what they call it. I'm an officer
11 of all the companies, I guess, for West Coast.
12 Q Okay. You have supervisory authority for all Westoil
13 employees, correct?
14 A No.
15 Q No. Did you have that authority as of a few months ago?
16 A No.
17 Q What about hiring authority; you don't have any hiring
18 authority over --
19 A No. I do not hire any -- any personnel for any of the
20 operating companies.
21 Q What about termination or firing authority? You don't
22 have any --
23 A No, ma'am.
24 Q So Mr. Houghton, it's your testimony that you don't have
25 the supervisory, hiring, disciplinary, and/or firing or

1 termination --
2 A No, that's --
3 Q -- authority over Westoil employees?
4 A I have supervisory position over the manager who's
5 operating those companies.
6 Q Okay. Mr. Houghton, do you recall providing a declaration
7 in October of this past year in support of a motion for summary
8 adjudication in a lawsuit filed by Boris Klarin and Michael
9 Zuanich?
10 A Yeah. I believe I do.
11 JUDGE SANDRON: Do you have the spelling of those?
12 MS. YASSERI: Boris Klarin, B-O-R-I-S, Klarin,
13 K-L-A-R-I-N. Michael Zuanich, Zuanich, Z-U-A-N-I-C-H, I
14 believe. Okay.
15 Q BY MS. YASSERI: Do you recall, Mr. Houghton, that you
16 declared under the penalty of perjury that your declaration was
17 accurate?
18 A Yes, ma'am.
19 Q And after making sure your declaration was accurate you
20 signed it; isn't that right?
21 A I believe I did. Yes.
22 Q You have in front of you a copy of that declaration, and
23 I'd like to direct your attention to page 10 of the
24 declaration. That's your electronic signature on page 10,
25 correct?

1 A I believe that's correct.
2 Q I'm going to direct your attention to page 5 of the
3 declaration. I'm going to read from page 5, paragraph 32,
4 lines 18 through 23 of the declaration that you -- that was
5 signed by you on October 7th, 2022.
6 Again, "senior management for Westoil, presently myself,
7 has provided and continues to provide all supervisory
8 authority, hiring authority, disciplinary authority, and
9 firing/termination authority over Westoil's employees."
10 You can set that aside, Mr. Houghton, thank you.
11 A Thank you.
12 Q Now, Mr. Houghton, when you perform work as senior manager
13 for Westoil, you're -- you're being paid by Centerline,
14 correct?
15 A Say it -- repeat the question?
16 Q When you're performing work as a Senior Manager for
17 Westoil, you're getting paid by Centerline? Centerline is --
18 A An officer of Westoil, yeah.
19 Q But you're being paid by Centerline, correct?
20 A That's correct.
21 Q And Mr. Houghton, in your role as senior vice president at
22 Centerline, and senior manager at Westoil, you're also
23 responsible, on occasion, for making crew -- crewing
24 assignments; is that right?
25 A One more --

1 Q Crewing. Crewing assignments?
2 A As my senior?
3 Q As role as senior manager at Westoil?
4 A Not typically. No. I don't know when I would do that.
5 Q You weren't responsible in October of 2022 for making
6 crewing assignments for Westoil?
7 A Not -- not typically. No. I don't know when I would ever
8 do that. That's done by the ops manager and the dispatcher.
9 Q I'd like to refer you, again, to the declaration that you
10 provided in the lawsuit filed by Bor -- Boris Klarin and
11 Michael Zuanich. I want to direct your attention to page 6,
12 paragraph 35. Can you please read lines 18 through 20?
13 JUDGE SANDRON: Are you asking him to read it to himself,
14 or out loud?
15 Q BY MS. YASSERI: Out loud. Thank you.
16 A "Responsibility of assigning work throughout my time with
17 Millennium, Westoil's as senior management of Westoil, which is
18 presently me, has been continuous (sic) responsible for making
19 crewing assignments as I described here within. I never to my"
20 responsi --
21 Q Okay. That's --
22 A So does that not imply that when I was a Westoil --
23 JUDGE SANDRON: Okay. Wait, wait --
24 THE WITNESS: Oh.
25 Q BY MS. YASSERI: Apologies, Mr. Houghton, there's no

1 question pending.
2 A Oh.
3 Q Mr. Hilgenfeld will have an opportunity to --
4 A Okay.
5 JUDGE SANDRON: What -- what was the date of that
6 declaration, so we have --
7 MS. YASSERI: My apologies, Your Honor, this is a
8 declaration that was provided by Mr. Houghton on -- I believe
9 it was October 7th, 2022.
10 And for clarity to the record, may I just read those lines
11 into the record --
12 JUDGE SANDRON: Yes, go ahead.
13 MS. YASSERI: -- once again?
14 Page 6, lines 18 through 20, "Responsibility of Assigning
15 Work". "Throughout my time with Millennium, Westoil, and
16 Centerline, the senior management of Westoil, which is
17 presently me, has been, and continues to be responsible for
18 making crewing assignments as I have described herein".
19 Q BY MS. YASSERI: And Mr. Houghton, my apologies if you
20 already said this, but just to clarify, Matthew Hathaway, who
21 is Westoil Marine's current operations manager --
22 A He's -- yeah. Interim.
23 Q Interim?
24 A Yeah.
25 Q He reports to you?

1 A He reports to me.
2 Q To you. Okay. You mentioned, Mr. Houghton, about serving
3 as an officer of Westoil. You're also currently an officer of
4 Centerline, correct?
5 A Yes. I believe so. Yes.
6 Q And also an officer of Leo Marine?
7 A Yes, ma'am.
8 Q And Olympic Tug & Barge?
9 A Yes, ma'am.
10 Q And also Harley Marine Financing?
11 A Yes, ma'am.
12 Q Okay. I'd like to show you, Mr. Houghton, what's already
13 been admitted into evidence as GC Exhibit 231.
14 JUDGE SANDRON: I need a copy of that. Thank you.
15 Q BY MS. YASSERI: Now, directing your attention, Mr.
16 Houghton, to the first page, it states that you're an officer
17 of Centerline as of January 11th, 2022, on this document.
18 When did you first start serving as an officer of
19 Centerline?
20 A I -- I don't have that exact date. I don't -- I don't
21 know when that is.
22 Q Did -- did it correspond with your promotion to senior VP
23 of West Coast operations? Do you know?
24 A I -- I would -- I would believe so. I don't -- I don't
25 have the -- I don't have the dates of when this -- when all

1 these occurred, officially.
2 Q And what are your job duties as an officer, versus, like,
3 your duties as senior VP of West Coast operations?
4 A To tell you the truth, I don't know that. It just gives
5 me the ability to sign contracts -- the way that I take it --
6 that I have the authority to -- to sign on behalf of Centerline
7 or Harley Marine Financing.
8 Q Okay. Sort of directing your attention to page 2 of GC
9 Exhibit 231, it also references that you're an officer of
10 Westoil. And just for clarity of the record, when do you
11 recall becoming an officer of Westoil?
12 A I do not recall.
13 Q No. Okay. Do you have any recollection as to when you
14 became an officer of any of these --
15 A I do not. I -- I -- honestly, I -- I don't know when they
16 happened, or the exact dates or times, or --
17 Q Okay. Now, with respect to Westoil, you also have
18 authority to sign contracts on behalf of Westoil as an officer?
19 A I -- I would take that as a yes. I would.
20 Q And the same would be true for Olympic Tug & Barge and Leo
21 Marine?
22 A Yes. Yes, ma'am.
23 Q And would that also include labor contracts?
24 A It would not.
25 Q Now, Mr. Houghton, with respect to your role as officer

1 for Westoil, do you receive -- do you receive wages or a salary
2 from Westoil for that role?
3 A I -- I do not.
4 Q No. Same question with respect to Olympic Tug & Barge.
5 Do you receive wages or a salary from OTB?
6 A No, ma'am.
7 Q No. And same question with respect to Leo Marine. Do you
8 receive salary or wages with respect to your role as officer of
9 Leo Marine?
10 A No, ma'am.
11 Q And lastly, your role as officer of Harley Marine
12 Financing; do you receive a salary or wages for your role as an
13 officer of Harley Marine Financing?
14 A I do -- I do not.
15 Q So the work that you perform in your role of officer in
16 these -- for the four entities: Leo Marine, Westoil, Olympic
17 Tug & Barge, and Harley Marine Financing; you're paid by
18 Centerline for your time, correct?
19 A That is correct.
20 Q Serving in those roles. Okay.
21 You mentioned, Mr. Houghton, that you have two, sort of
22 direct reports. I believe, Mr. Morrison and Mr. Lobro --
23 A Correct.
24 Q -- you mentioned. Now, what about Jennifer Beckman; does
25 she report to you?

1 A Not anymore.
2 Q Not anymore?
3 A No. No.
4 Q Okay. Was there -- what period of time did she report to
5 you?
6 A I -- I don't have that. I don't know. Our --
7 unfortunately, our org chart changes quite a bit, and over the
8 last few years it's changing a lot with the -- our company
9 growing, and the number of assets that we've acquired, and
10 expanded the operations and management team.
11 Q Okay. So I believe you testified that you became senior
12 VP of West Coast operations in 2020?
13 MR. HILGENFELD: Objection. Mischaracterizes testimony.
14 MS. YASSERI: Okay.
15 JUDGE SANDRON: Well, I mean, he can -- he can say if it's
16 not --
17 MR. HILGENFELD: Well, she can't ask a leading question
18 that mischaracterizes testimony; it's improper.
19 MS. YASSERI: I'll rephrase it.
20 JUDGE SANDRON: Well, you can ask him --
21 MS. YASSERI: Yeah.
22 JUDGE SANDRON: -- again. I mean, it's cross, so if you
23 want to ask him --
24 MS. YASSERI: I'll rephrase.
25 A Senior VP -- believe it was, you know, 2019/2020.

1 Q BY MS. YASSERI: 2019. So at the time that you became
2 senior VP of West Coast operations at Centerline, did Ms.
3 Beckman report to you?
4 A I -- I don't recall who was under that umbrella at that
5 time. I'm trying to think if chartering was underneath me --
6 Q Okay.
7 A -- my umbrella.
8 Q Do you recall what -- like, the length of time that Ms.
9 Beckman reported to you?
10 A I -- I can't confirm for sure if she did. I -- I don't
11 know. I had HR under me at one time, I had all sorts of --
12 Q Okay.
13 A -- on an org chart that I didn't particularly manage, but
14 somehow that was under a -- a line to me. So --
15 Q Okay. Now Ms. Beckman, she's the sales and chartering
16 manager for Centerline, correct?
17 A I think currently -- now that may be her title.
18 Q What was her former title? Do you know?
19 A I think she was a sales representative maybe at some
20 point.
21 Q And Ms. Beckman, she was responsible for overseeing the
22 invitation to tender and the bidding process, covering
23 Westoil's oil contracts, correct?
24 A Yes, ma'am.
25 Q Were you involved in any way in the decision to have Ms.

1 Beckman oversee that process?
2 A No, ma'am.
3 Q Who made that decision?
4 A That would've been Mr. Godden.
5 Q I'd like to -- Mr. Houghton, I'd like to introduce to you
6 what's been marked for identification as General Counsel's
7 Exhibit 300.
8 A Thank you.
9 Q This exhibit consists of a series of job descriptions for
10 positions that are identified as reporting to you, as the
11 senior VP of West Coast operations. Just -- so if you could
12 sort of flip through the exhibit, have you seen these job
13 descriptions before, Mr. Houghton?
14 A One of the senior port engineer. I -- I believe I've seen
15 the first two, possibly.
16 Q Okay. Well, let's talk about the first one. So on page
17 1. It references the position of vice president of West Coast
18 marine operations. Who's currently serving in that role?
19 A That'd be a Mr. Dan Morrison.
20 Q And how long has Mr. Morrison held that position?
21 A Two or three years. Three years.
22 Q And were you his predecessor in this role, or did someone
23 else occupy that position prior to Mr. Morrison?
24 A No, I wasn't the predecessor. That particular role, from
25 my best of my knowledge, was morphed into a new role; it was

1 kind of combining a couple of roles.
2 Q Okay. I guess -- let me take a step back. When you say
3 that role morphed into a couple of roles --
4 A It was -- it was -- there was no predecessor to this.
5 Q Oh, I see.
6 A There was other things that they -- Centerline put
7 together for one -- one position.
8 Q I see. You were previously the vice president of
9 California operations, not --
10 A That's correct.
11 Q Understood. Now, Mr. Houghton, I'd like to direct your
12 attention to page 3 of the exhibit. To a job description for
13 the director of barge logistics. Is this the position that's
14 currently held by Anthony Lobro that you previously testified
15 about?
16 A Yes.
17 Q Okay. And how long has Anthony Lobro held the position of
18 director of barge logistics?
19 A Oh, gee. A coup -- a couple of years?
20 Q And do you know who held that position prior to Mr. Lobro?
21 A No. It was -- I don't believe this was a -- I believe it
22 was a new position.
23 Q Okay. What position did Mr. Lobro hold prior to becoming
24 director of barge logistics, if you know?
25 A Maybe it was manager of barge logistics -- just from a

1 promotion? I don't remember.
2 Q And that was at Centerline?
3 A Yes, that would've been at Centerline.
4 Q I'd like to direct your attention now to page 5. It
5 refers to the position of senior port engineer, and indicates
6 that that person also reports to you, correct?
7 A No. No, ma'am.
8 Q Well, it says senior VP reports to senior VP of West Coast
9 operations.
10 A That -- that's --
11 Q That's not accurate?
12 A That's not accurate.
13 Q Who did -- who does it -- well, let me ask you this, who
14 is the senior port engineer at this point in time for
15 Centerline?
16 A Senior port engineer for CLA California Engineering?
17 Q Yes.
18 A That'd be Mike Castagnola.
19 Q Okay. And who does he report to?
20 A I believe he reports to director of California
21 Engineering.
22 Q And who is that, specifically?
23 A That'd be Tom Larsen.
24 Q Okay. And just, sort of, directing your attention to page
25 5 on the "Position Summary" -- well, let me just clarify for

1 the record. Tom Larsen, what his -- excuse me -- is his role
2 at Centerline?
3 A He is, I believe, has his director of California
4 Engineering.
5 JUDGE SANDRON: And where -- where is he located?
6 THE WITNESS: He is located in San Francisco. But travels
7 all over.
8 JUDGE SANDRON: Okay.
9 Q BY MS. YASSERI: I want to direct your attention, Mr.
10 Houghton, to page 5 on the job description for senior port
11 engineer, under "Position Summary", it says, "schedule,
12 coordinate, and perform vessel repair and maintenance". This
13 refers to vessel repair for vessels used by Centerline
14 subsidiaries, correct? Including Leo Marine, Westoil, and
15 Olympic Tug & Barge?
16 A That is correct.
17 Q And these are -- these are the vessels that as of May of
18 2018 are owned by Harley Marine Financing, correct?
19 A That is correct.
20 Q Okay. I noticed in the department/lo -- in the location
21 section of this job description, it refers to Alameda,
22 California. Is that the facility that Leo Marine operates out
23 of in the San Francisco Bay?
24 A Yeah. Can you point me to where that --
25 Q Sure. At the top of the page, the second line item under

1 "Job Title", it says "department/location".
2 A Yeah. That shows you how haphazard this was put together.
3 That Michael's doesn't -- or hasn't, worked out of Alameda,
4 California. So -- maybe that's because Tom was the engineer --
5 his boss. I don't know. He works out of Alameda.
6 Q So Mr. Larsen works out of the Leo Marine -- the Leo
7 Marine facility in Alameda, California?
8 A He works out of the center -- the -- the Alameda facility.
9 Q And Mr. Houghton, I'd like to direct your attention to
10 page 7 of the exhibit, to the position for port engineer out of
11 San Pedro. Do you see that?
12 A Yes.
13 Q Who's currently serving in this role as Centerline's port
14 engineer working out of San Pedro?
15 A That -- that, again, is Mike Castagnola.
16 Q I guess I'm a little bit confused. Is he the port
17 engineer, or is he the senior port engineer?
18 A I guess it's both. I don't have a senior -- I think he
19 must be the senior port engineer. Maybe it was port engineer
20 before. I don't know. We only have one port engineer in --
21 Q And when you say, "we", you mean at Centerline?
22 A Centerline.
23 MS. YASSERI: Okay. I'd like to move for the admission of
24 GC Exhibit 300 at this time, Your Honor.
25 JUDGE SANDRON: All right. These were furnished by

1 pursuing to subpoena?
2 MS. YASSERI: Yes, Your Honor. They were produced --
3 pursuant to the subpoena that was issued by Centerline on July
4 6, 2022.
5 JUDGE SANDRON: And Mr. Hilgenfeld, can you stipulate that
6 these are the job descriptions currently in effect? At least,
7 as far as what they state, not necessarily according to the
8 witness that they are a hundred percent accurate. But that
9 these are the current job descriptions?
10 MR. HILGENFELD: I could stipulate that when they were
11 produced when the subpoena at the start of this hearing, those
12 were the accurate job descriptions.
13 JUDGE SANDRON: All right. So as --
14 MR. HILGENFELD: I haven't done a review after that.
15 JUDGE SANDRON: All right.
16 MR. HILGENFELD: But I think -- I have no reason to
17 believe otherwise.
18 JUDGE SANDRON: So that would've been --
19 MR. HILGENFELD: August.
20 JUDGE SANDRON: -- around August of 2022.
21 MR. HILGENFELD: August of 2022.
22 JUDGE SANDRON: Any objection to the documents?
23 MR. HILGENFELD: No objection.
24 JUDGE SANDRON: They are received. Or actually, the
25 exhibit is received with the different components.

1 **(General Counsel Exhibit Number 300 Received into Evidence)**
2 Q BY MS. YASSERI: Mr. Houghton, I know you testified on
3 direct about performing work on behalf of Harley Marine
4 Financing. If you remember that. And you testified about
5 negotiating a barrel rate reduction with Glencore. I believe
6 you said in May of 2020; is that right?
7 A The -- the original ten percent?
8 Q Yes.
9 A Yes.
10 Q I'd like to direct your attention to what's been already
11 admitted into evidence as Respondent Exhibit 5; it's a
12 single-page document.
13 JUDGE SANDRON: Where is it?
14 MS. YASSERI: You should have it in the stack, if I'm not
15 mistaken, Mr. Houghton.
16 THE WITNESS: Okay. My stack is getting big here.
17 JUDGE SANDRON: Here we go.
18 THE WITNESS: 5? Yes, I've got it.
19 Q BY MS. YASSERI: It's an email from you to Stephen Parry,
20 where you state, "as discussed, we have agreed to give Glencore
21 LA a ten-percent discount for the months of May, June, and
22 July".
23 When you say "we", who are you referring to?
24 A I'm referring to Centerline Logistics on behalf of -- of
25 Harley Marine Financing.

1 Q You actually -- you ultimately made the decision regarding
2 that reduction, correct? On behalf of Harley Marine Financing?
3 A Matt Godden. Under his --
4 Q So Mr. Godden made the decision?
5 A Yes. I negotiated them with Emilio.
6 Q Now, if you wouldn't mind putting that one aside, I'm
7 going to refer you now to Respondent's Exhibit 6, which should
8 also be in your stack. It's another email.
9 I'm sorry. Mr. Houghton, do you have that in front of
10 you?
11 A Yes, I do.
12 Q Yes? Okay. I'd like to direct your attention to the
13 second page of that exhibit, where you write an email on
14 October 5th, 2020.
15 A Oh. I think it might have -- 1 of 2.
16 JUDGE SANDRON: I think it's on the back.
17 THE WITNESS: Is it on the back?
18 Q BY MS. YASSERI: Respondent's Exhibit -- on the back. I'm
19 sorry.
20 A Oh, okay. Thank you.
21 Q No, thank you. So you write an email to Mr. Parry, and
22 you -- you're asking him for the last 17 monthly volumes.
23 What -- what information were you actually requesting from that
24 email?
25 A In that requesting, I'm just trying to gather -- he's --

1 Emilio's asking for a volume discount. So I'm trying to get
2 a -- just get my head around of what he's asking. So one of
3 the questions that come to my mind is, what is he doing now in
4 the recent past and look at trends to give me an idea of -- so
5 that was -- that was it.
6 Q And just -- why the number 17?
7 A I -- I don't know. I seen that in there. It was probably
8 a typo. I probably put 16 or 18 or something, but a 17's just
9 a -- maybe there was a method behind it, but I don't know what
10 it could possibly be. It's an odd number.
11 Q Now, Mr. Houghton, to your knowledge, prior to October of
12 2020, do you know how often Glencore did not meet the 400,000
13 barrel monthly minimum?
14 A I -- I don't know that. I -- I don't know if that's been
15 produced in here or not. I don't -- I don't recall. That's
16 what I was looking for. Yeah.
17 Q Do you -- do you have any -- just based on your role at
18 Centerline and the history, do -- do you have any idea as to
19 how often they would actually go under minimum?
20 A It was quite often, yeah. If they weren't always.
21 Towards the end there. Yeah. They weren't making their
22 minimum in -- in 2020. Yeah.
23 Q Okay.
24 A I don't believe so. It was -- they had the cruise ship
25 issue. They had all that. I was expecting a call much sooner

1 from them asking for some sort of help, to be honest with you.
2 Q Okay. Let me ask you this. Pre-COVID -- let's -- how
3 about 2019. Do you recall sort of pre-COVID, how often they
4 didn't meet their monthly minimum?
5 A I didn't -- didn't watch it that close. It wasn't, you
6 know, that wasn't under my preview at that -- maybe when I was
7 GM back then, it would happen on occasion, but then that --
8 another month they'd go well over their minimum.
9 Q And Mr. Houghton, on direct examination you also testified
10 about negotiating that while you were serving as senior vice
11 president of Centerline, you also negotiated a contract renewal
12 with Glencore on behalf of Harley Marine Financing. Remember
13 that?
14 A Yes.
15 Q I'd like to refer you to another exhibit that's already in
16 evidence that should be in your stack: Respondent Exhibit 12,
17 a single-page document.
18 A Is that just the one page? 1 of 1?
19 Q Yes. It's entitled, "Addendum Number 1" --
20 A Yes.
21 Q -- to the "Amended and Restated Marine Transportation" --
22 A Yes, ma'am.
23 Q -- "Agreement".
24 A Yes, ma'am.
25 Q And you negotiated this addendum, correct?

1 A That's correct.
2 Q And during the time that you negotiated this addendum, in
3 December of 2020 and January of 2021, you were paid by
4 Centerline, correct?
5 A That -- that is correct.
6 Q And with respect to the -- the barrel minimum that's
7 referenced on this addendum, the 325,000 barrels. That was a
8 decision that was made by you and Mr. Godden, correct? In
9 respect to giving Glencore that final --
10 A At -- at the very end, early on, Mr. Godden gave me to
11 shoot for that number, then finally, before I talked to
12 Glencore, that was confirmed that we could do that number, yes.
13 And that came from Mr. Godden.
14 Q I want to talk a little bit now about some of the
15 conversations you had with Emilio Heredia, the Glencore trader.
16 A Um-hum.
17 Q You testified on direct that you had, I believe, two
18 meetings with him and a number of phone conversations?
19 A Yes, ma'am.
20 Q Yes. Okay. And I believe on direct, you also testified
21 that Mr. Heredia told -- brought up the topic of Vane Brothers,
22 correct?
23 A That is correct.
24 Q Okay. And what is -- what did he say about Vane Brothers?
25 A He -- he informed me that they were going to be bidding on

1 this process and they've been hounding him. Yeah. And my
2 question to him was -- I don't know if you --
3 Q Okay. Let me -- let me get there. Thank you. But Mr. --
4 Mr. Heredia never told you that Glencore was actually seeking
5 bids for the work that Westoil had been performing for Glencore
6 for years, did he?
7 A That he was seeking bids?
8 Q That Glencore was actually seeking bids?
9 A Yes, he was -- he said he was working with Vane, as well.
10 He didn't want to go with Vane, but he was working with us,
11 helping us to get where we needed to be. Yes.
12 Q Did he ever tell you that Glencore actually issued, like,
13 a request for proposal?
14 A No, he said Vane approached him.
15 Q That conversation that you had with Mr. Heredia where he
16 talked about Vane Brothers, you didn't document that
17 conversation in an email to other Centerline executives, did
18 you?
19 A Not that I recall.
20 Q You didn't take any notes regarding the conversation with
21 Mr. Heredia?
22 A No. I don't -- I'm not a very good note-taker.
23 Q You don't generally take notes after negotiations?
24 A No.
25 Q At any -- I guess, let me ask you this. During any of

1 your conversations and meetings with Mr. Heredia, did you take
2 any notes at all?
3 A No.
4 Q Did you take any notes sort of summarizing the meetings or
5 conversations with Mr. Heredia, after the fact?
6 A No. No, just what -- what I may or may -- relay to Matt.
7 Q Mr. Houghton, now, as senior vice president of West Coast
8 operations for Centerline, you were familiar with the oil
9 contracts that Westoil was working under, correct? In 2020?
10 A Fairly, yes.
11 Q And in 2020 through March 1st of 2021, Westoil performed
12 work under three oil contracts, correct? For Glencore?
13 A Could you -- could you give me the dates again?
14 Q In 2020 --
15 A Right.
16 Q -- and through March 1st of 2021, Westoil performed work
17 under three oil contracts, including for Minerva, Peninsula,
18 and Glencore?
19 A I -- I believe you're correct.
20 Q Right. And Westoil had been performing work for Glencore
21 for over 20 years; is that right, at that time?
22 A For Chemoil and then Glencore, (indiscernible) assignment.
23 Q And up until March of 2021, Westoil serviced Glencore in
24 the LA Long Beach harbor, correct?
25 A I -- I believe that date's somewhat accurate, yes.

1 Q And then, mid-October of 2020, Centerline and Harley
2 Marine Financing put up these three contracts for bid among
3 Centerline subsidiaries, correct?
4 A I believe those were part of the three that were put up on
5 them, yeah.
6 Q Were you involved in the decision to put up those
7 contracts for bid?
8 A I was not.
9 Q Who was involved?
10 A I -- I don't know -- I don't have that. I just -- I know
11 the players that were in it were Bill Backe, Jennifer Beckman,
12 Matt Godden -- I don't know of anybody else.
13 Q How did you find out that those contracts were put up for
14 bid?
15 A Prior to going -- I don't know the exact -- how the
16 communication went out -- I don't recall exactly what happened,
17 but it was Matt making a decision. I don't know if it was
18 email, in a meeting, what we had, that they -- these and many
19 others were going out to bid.
20 Q Do you recall when you first learned that those three
21 contracts were being put up for bid by Centerline and Harley
22 Marine Financing?
23 A Late September? Early October-ish?
24 JUDGE SANDRON: That was 2020?
25 THE WITNESS: 2020.

1 Q BY MS. YASSERI: I'm sorry. Did you say that you don't
2 recall if it was in an email or at a meeting?
3 A Yeah. I'm trying to think. Yeah. That was how it was
4 relayed that there was an RFP process. Yeah.
5 Q And Mr. Houghton, can you just remind us -- I know you've
6 been working in the maritime industry for many, many years.
7 How many years did you actually spend working at Westoil, both
8 as a general manager and, I believe you served some time as a
9 captain?
10 A Yes, for Millenium --
11 Q Millenium?
12 A -- side of the contract.
13 Q What -- what was sort of the total number of years?
14 A 2000 to -- probably 17 years. I guess, 18 years.
15 Q In the 17 years that you've been working for Westoil, have
16 you ever seen Centerline requested from its subsidiaries to
17 perform work?
18 A That I'm not sure of.
19 Q I want to focus on the Glencore contract. Prior to
20 October of 2020, the Glencore contract had never been put out
21 for bid, correct?
22 A In an RFP process?
23 Q Yes.
24 A Not that I'm aware of.
25 Q It had -- in fact, it had never been put out for bid

1 amongst Centerline subsidiaries because Westoil had retained
2 that work, correct?
3 A As far as my know -- my knowledge, yes.
4 Q And Glencore never requested that its contract be put up
5 for bid amongst Centerline subs -- subsidiaries, correct?
6 A No, not at their request. They requested a -- a
7 reduction.
8 Q That decision was made by Centerline and Harley Marine
9 Financing, correct?
10 A That is correct.
11 Q I believe you testified that was Mr. Godden's decision?
12 A That is correct.
13 Q I want to -- I believe you testified on direct that you
14 informed Mr. Heredia about the bid process. Do you remember
15 when you first informed him about it?
16 A It was -- yeah, I got it -- there was somewhere around the
17 bid process time. I don't know -- have the exact -- trying to
18 think back through that -- it was in phone conversation here,
19 just letting him know that, hey we're serious; Centerline's
20 serious; Harley Marine Financing's doing everything they can,
21 you know, and as part of a larger bid process, this was going
22 out, as well.
23 Q I believe, Mr. Godden -- I'm sorry -- Mr. Houghton --
24 MR. HILGENFELD: (Indiscernible, simultaneous speech).
25 Q BY MS. YASSERI: Mr. -- my apologies -- Mr. Houghton.

1 A He is much younger and handsomer (sic) than I am.
2 Q Mr. Houghton, you testified about flying to San Francisco
3 to meet Mr. Heredia on two occasions.
4 A Yes, ma'am.
5 Q And -- looking at my notes furiously to try to recall, but
6 I believe you testified the first time was sometime in
7 September of 2020; is that right?
8 A Might have been. It was earlier than -- yeah, it was
9 prior to getting these numbers and then kind of just fishing
10 around for what he has and then -- the last one was just final,
11 you know, negotiations.
12 Q So do you recall if you told Mr. Heredia about
13 Centerline's RFP process after that initial meeting with him in
14 San Francisco?
15 A It must have been, yes.
16 Q Sometime after that meeting?
17 A Yeah.
18 Q Okay. Now I'm up -- Mr. Houghton, you -- once you heard
19 about the RFP process, did you notify anybody at the IBU about
20 it?
21 A I did not.
22 Q No? Okay. All right. I want to direct your attention,
23 Mr. Houghton, to an exhibit that's already been admitted to
24 evidence as Respondent's Exhibit 17. I don't think it's in
25 front of you, so it will be presented to you in a minute.

1 I'm showing you Respondent's Exhibit 17, which is the
2 invitation to tender the request for proposal that was issued
3 for work that covers tug and barge work in the LA and Long
4 Beach Harbor, as well as San Francisco, New York, and
5 Philadelphia. Have you ever seen this document before?
6 A I have not.
7 Q I believe -- you can set that aside, Mr. Hilgen -- I'm
8 sorry, Mr. Houghton -- my apologies.
9 MR. HILGENFELD: What's this they're charging me with?
10 Q BY MS. YASSERI: I believe you testified, Mr. Houghton, on
11 direct that you were aware that the work that had been put out
12 for bid included work that Westoil had been performing in the
13 LA Long Beach Harbors for Glencore, Minerva, and Peninsula,
14 correct?
15 A Yes, ma'am.
16 Q Yes. Do you know if anyone from Centerline and Harley
17 Marine Financing notified Westoil that those contracts were
18 being put up for bid? Do you know who that was?
19 A That -- I -- I don't know. I'm sure Brian did. He was
20 working directly with them, so.
21 Q But at that time in October of 2020, Brian Vartan was the
22 operations manager at Westoil, correct?
23 A Right.
24 Q Do you know who would have informed him -- who at
25 Centerline and Harley Marine Financing would have informed him

1 that the three contracts were being put up for bid?
2 A I could only assume it was either Jennifer, Bill Backe,
3 or -- I don't --
4 JUDGE SANDRON: All right. You don't speculate.
5 A I don't spec --
6 Q BY MS. YASSERI: Do you know who first -- who first
7 informed the IBU that the Glencore, Minerva, and Peninsula
8 contracts were being put up for bid amongst Centerline
9 subsidiaries?
10 A I -- I do not recall.
11 JUDGE SANDRON: Well, actually you if you don't recall,
12 you don't know.
13 THE WITNESS: I don't know, okay. I don't recall. I
14 guess in my mind it's the same thing. I guess they're not the
15 same thing, sorry. I -- I do not know.
16 JUDGE SANDRON: That's all right. If you have -- it's a
17 little difference in nuance.
18 Q BY MS. YASSERI: I believe you testified, Mr. Houghton,
19 that you did talk about the Glencore contract being put up for
20 bid at a meeting on November 6th, 2020, with the IBU, correct?
21 A Yes, I did. That and the others. They're -- they're
22 concern was of Glencore.
23 Q We're going to talk about that meeting in a second, but
24 let me show you a document that's already been admitted into
25 evidence as General Counsel's Exhibit 45. I want to direct

1 your attention, Mr. Houghton, to page 5 of GC Exhibit 45.
2 A I'm sorry --
3 Q I'm sorry --
4 A Page 5?
5 Q My apologies. Page 6. Page 6. This was a bid that was
6 prepared by Mr. Vartan on behalf of Westoil on October 23rd,
7 2020, in response to Centerline and HMF's request for proposal
8 or invitation to tender. Now, Mr. Vartan didn't talk to you
9 about this bid submission before he submitted it --
10 A No --
11 Q -- correct?
12 A No, ma'am.
13 Q Have -- have you ever --
14 JUDGE SANDRON: Well actually, you -- you've got to be
15 careful, because you asked him correct and he said no.
16 MS. YASSERI: Oh. Thank you.
17 JUDGE SANDRON: Just to be -- just --
18 Q BY MS. YASSERI: Thank you. Let me just clarify -- did
19 Mr. Vartan ever talk to you about this bid submission before
20 submitting it on October 23rd, 2020?
21 A No, ma'am.
22 Q Have you ever seen this bid submission -- or let me have
23 you flip through pages 6, 7, 8, 9, and 10 of the exhibit.
24 A I'm -- I've never seen this.
25 Q And same question, Mr. Houghton, with respect to pages 11,

1 12, 13, 14, and 15. Have you ever seen that before? They
2 represent an October 27, 2020 updated bid submission on behalf
3 of Westoil by Mr. Vartan. Have you ever seen that?
4 A I have -- I have not seen this before.
5 Q Then I'd like to direct your attention to page 18 of GC
6 Exhibit 45. It's a November 13, 2020, final bid submission by
7 Westoil, submitted by Brian Vartan. And it goes from pages 18,
8 19, and 20. Have you ever seen that?
9 A I -- I have not.
10 JUDGE SANDRON: Did Mr. Vartan ever discuss with you the
11 submissions before he made them?
12 THE WITNESS: No. No, there was no communication on this
13 to me at all.
14 Q BY MS. YASSERI: Now, Mr. Houghton, prior to January of
15 2021, did you know which Centerline subsidiaries had submitted
16 bids in response to the invitation to tender?
17 A I didn't know all of them. I knew Olympic Tug & Barge,
18 Westoil had submitted tenders for the work.
19 Q Okay. How did you find out about Olympic Tug & Barge
20 submitting a bid?
21 A I don't have the exact -- it was -- the way I found out on
22 that was sometime around December that they've been the
23 selected company, you know, that they're -- that was the
24 company that had the lowest bid.
25 Q Who told you that?

1 A I don't know exactly where that exact came from.
2 Q Okay. How did you learn that Westoil had submitted a bid?
3 A Through -- just I think conversations more through John,
4 that they had proposed something, and through Brian when I got
5 involved.
6 Q When you say John, is that John Skow?
7 A John Skow. That and --
8 Q And Brian -- Mr. Vartan?
9 A Vartan, yeah. That as -- they're requesting my help.
10 That they understood they weren't the lowest bid. I understood
11 they weren't the lowest bid. And that would have been, I
12 guess, in November to push that up. That's when I would have
13 known.
14 Q Is that November of 2020?
15 A November of 2020. Or December -- I'm trying to think,
16 yeah, because he reached out to me in December there for help.
17 Q When you say --
18 A And then we had the meeting -- the Zoom meeting and that
19 was also -- they had -- were requesting help. So I don't
20 know -- trying to figure out exactly what day I found that out.
21 I don't know. I'm all over the map, sorry.
22 Q When you said "he", were you referring to Mr. Skow?
23 A Yes.
24 Q That needed your help?
25 A Yeah.

1 Q Let me sort of focus on your discussions with Mr. Vartan.
2 So is it your testimony that Mr. Vartan reached out to
3 regarding the bid after Westoil's bid had initially been
4 rejected?
5 A Actually, Mr. Vartan didn't reach out to me. It was the
6 Union reaching out to me for help.
7 Q So Mr. Vartan never reached out to you for help regarding
8 Westoil's bid?
9 A No. He -- he was in on the meetings and discussing, and
10 you know, I was trying to get him and the Union -- my
11 interaction was them to work as a team. Initially, was to get
12 them to work as a team to get a competitive bid in. Later on I
13 got more and more involved.
14 Q And Mr. Vartan knew that the -- the invitation to tender,
15 it covered work for Glencore?
16 MR. HILGENFELD: Objection. Mr. Houghton can't know what
17 Mr. Vartan knew.
18 JUDGE SANDRON: You can rephrase that.
19 A I -- I -- I don't know that.
20 Q BY MS. YASSERI: Let me see -- okay. Do you know if Mr.
21 Vartan knew that the bids he was submitting on behalf of
22 Westoil covered work for the Glenc -- for Glencore?
23 MR. HILGENFELD: Objection.
24 JUDGE SANDRON: All right. If he says yes, she can ask
25 how.

1 A At a later date -- initially I -- I don't know. So when I
2 got involved I knew he knew that it was for Glencore work.
3 Q BY MS. YASSERI: Okay. And you were -- you got involved,
4 you said, in early November of 2020?
5 A Yeah, I believe it was the email from John -- no, it was
6 December, I'm sorry. He -- when he -- the disputed email that
7 when he reached out to me to, you know, he's having problems
8 with Brian and then we went to lunch and that's when, you know.
9 JUDGE SANDRON: Did -- did he ever elaborate on what his
10 problems were with Mr. Vartan?
11 THE WITNESS: At the best I can remember, it was -- it was
12 the -- the elaboration was that he having problems with the
13 communication between him and Brian. They'd known each other
14 for a long time. They both worked together. Sometimes it was
15 a little bit oil and water.
16 JUDGE SANDRON: I see, so --
17 THE WITNESS: And so basically that was, you know -- you
18 know -- what -- how -- yeah.
19 JUDGE SANDRON: So -- so -- so they had certain history?
20 THE WITNESS: Yeah, not -- not -- not a difficult one.
21 They're both kind of the same type of guy.
22 JUDGE SANDRON: Yeah.
23 THE WITNESS: They all get along. If John talks, then he
24 talks. I don't know how to explain it, you know what I mean?
25 One of us have to listen, and I've always been a little better

1 at listening than maybe Brian does, so. That's maybe one of my
2 guesses, trying to hear what they're trying to say.
3 JUDGE SANDRON: Right. So they had a certain personality
4 friction?
5 THE WITNESS: They did. They did. I -- to be honest with
6 you.
7 JUDGE SANDRON: Thank you.
8 Q BY MS. YASSERI: Mr. Houghton, just sort of taking a step
9 back, I believe on direct you testified about that November 6th
10 Zoom meeting, that Mr. Vartan was present at that meeting with
11 Mr. Skow and other IBU stewards.
12 A Right.
13 Q And at that meeting the topic of the Glencore contract
14 being put up for bid came up, correct?
15 A Came up, yes.
16 Q Mr. Houghton, were you -- did you know why Westoil's
17 initial bid had been rejected?
18 MR. HILGENFELD: Objection to -- are you talking about the
19 RFP bid process?
20 MS. YASSERI: Yes.
21 MR. HILGENFELD: Okay. Sorry. I withdraw my objection.
22 A One more time, the question.
23 Q BY MS. YASSERI: No problem. Do you know why Westoil's
24 initial bid, in response to the invitation to tender, was
25 rejected by Centerline and Harley Marine Financing?

1 A Just -- this is my understanding, I don't know what the
2 details of the bid were, but they -- it wasn't sufficient
3 enough of a -- on the economic piece, to make that work for the
4 company.
5 Q And how do you have that understanding?
6 A It was just -- the -- that was my assumption. I don't
7 know how I had that understanding.
8 JUDGE SANDRON: Were you ever specifically told that? You
9 know, I mean --
10 THE WITNESS: It was one of the -- it was not as a -- I
11 knew that was one of the problems because -- I don't know if it
12 was the whole problem. But one of the problems was that they
13 were not efficient enough, economically, to secure the
14 contract. So I knew that piece. Were there other problems? I
15 don't know.
16 Q BY MS. YASSERI: Did Mr. Vartan ever tell you why the
17 initial bid that he submitted on behalf of Westoil was
18 rejected?
19 A He did not.
20 Q Did you ever have any specific conversations with Mr.
21 Vartan about making Westoil's bid more competitive after it had
22 been rejected in early November of 2020?
23 A I -- just vague conversations of trying to get, you know,
24 have him, you know -- you know, make sure he's trying to get
25 with John and contact him, which he confirmed that he was

1 trying to get in and come up with ideas. He was having
2 difficulties getting them to make -- make changes and get --
3 actually get meetings together.
4 Q I want to sort of direct your attention, Mr. Houghton, to
5 that meeting on November 6th, 2020. You talked about that on
6 direct examination. Now, at this meeting on November 6th, this
7 was the first time that you had told the IBU that the Glencore
8 contract had been put up for bid, correct?
9 A That would've been the first time I would've spoken to
10 somebody about that. Yes. That and many others. Yeah.
11 Q That was the first time, correct?
12 A I think so, yes.
13 Q And this was after Westoil had already submitted a bid
14 that had been rejected by Centerline and Harley Marine Finance?
15 A I do not know that, that it was rejected. To be honest,
16 that's right around the same time.
17 Q Now, at this meeting, Mr. Houghton, you stated that if
18 Westoil wanted to charter the Glencore work, it was going to
19 have to win it through the bid process, right?
20 A Yes. I -- that's what my understanding was. That it was
21 a RFP sealed bid.
22 During that I gave them, you know, as I explained, the
23 rundown of, you know, Glencore significant reduction in cost
24 and Vane Brothers -- I gave them everything that I knew was
25 that was out in the marketplace. And as I was, you know,

1 getting all the indicators from Emilio of where he wanted to
2 go, I'm trying to --
3 Q Yes.
4 A -- give them a path. Yeah.
5 Q And at this meeting, you asked the IBU to work with
6 Westoil to put forth a competitive bid?
7 A Work with Brian as a team, put something together. Get in
8 a room and -- and you know, throw some ideas around of how you
9 can streamline the operation.
10 Q And the IBU wanted to make Westoil's bid more competitive,
11 right? In fact, Mr. Skow told you this at the meeting on
12 November 6th, that the IBU would work with Westoil to put forth
13 a competitive bid.
14 A At the end of the meeting that they were in there -- yeah,
15 that we'll get together and have another discussion on this.
16 Q Were you aware that only seven days after this meeting, on
17 November 6th, Mr. Vartan had submitted an updated bid on behalf
18 of Westoil which was actually Westoil's final bid? Were you
19 aware of that?
20 MR. HILGENFELD: Objection. Asked and answered, he stated
21 repeatedly, looking through the repeats, that he did not know
22 any information about Westoil's bid process.
23 This has already been through the cross-examination. She
24 showed him the actual documents, the bid proposals, that --
25 from Mr. Varton. He said he didn't know about it. He didn't

1 talk to Mr. Varton about the proposals.
2 MS. YASSERI: He said he hadn't seen the bids.
3 MR. HILGENFELD: He also said, under Judge's question, he
4 had no conversations with Mr. Varton either about this.
5 JUDGE SANDRON: I think he's indicated he -- well, I think
6 maybe if you want to just, you know, clarify it, but I think
7 it's clear. But if you want to just, you know, cover all
8 bases, you can --
9 MS. YASSERI: Yes. Thank you, Your Honor.
10 Q BY MS. YASSERI: Mr. Houghton, were you aware that only
11 seven days after this meeting --
12 JUDGE SANDRON: Well, maybe just ask him more -- to cover
13 them all. You know, was he --
14 Were you aware of any of the bids that Mr. Varton filed?
15 THE WITNESS: No. The timing or the dates, I have no
16 idea.
17 JUDGE SANDRON: Okay. I think that --
18 THE WITNESS: Or what they were.
19 JUDGE SANDRON: All right. I think that covers all of --
20 MR. HILGENFELD: Ms. Yasseri?
21 MS. YASSERI: Yes?
22 MR. HILGENFELD: Just in terms of an afternoon break --
23 MS. YASSERI: Yes, I was just trying to push through,
24 because I --
25 MR. HILGENFELD: Oh.

1 MS. YASSERI: I didn't want to keep Mr. Houghton for
2 tomorrow, but if you need a break --
3 MR. HILGENFELD: Five minutes? Yeah.
4 MS. YASSERI: -- no problem. Yes.
5 JUDGE SANDRON: Mr. Houghton, you want to take the break
6 now?
7 THE WITNESS: If it's five minutes and I don't get out of
8 here today, let's not do the five minutes.
9 JUDGE SANDRON: All right, we'll go off the record for a
10 few minutes.
11 MS. YASSERI: Okay.
12 THE WITNESS: Okay.
13 MR. HILGENFELD: I do appreciate --
14 MS. YASSERI: Yeah, no problem.
15 (Off the record at 2:31 p.m.)
16 JUDGE SANDRON: Back on the record.
17 **RESUMED CROSS-EXAMINATION**
18 Q BY MS. YASSERI: Mr. Houghton, I'd like to show you a
19 document that's been already admitted into evidence as GC
20 Exhibit 35. I want to direct your attention the first page of
21 the exhibit -- exhibit. I'm sorry. Yes. First page of the
22 exhibit, to the email at the bottom from Mr. Skow to you, dated
23 Sunday, November 29th, 2020.
24 In the second paragraph, he says: "I've been working with
25 our group, attempting to help out the crewing issue. It seems

1 there will be a sticking point on duration of the MOU". Do you
2 know which MOU he was talking about in that email?
3 A Oh, trying to remember what this was concerning.
4 Q Let me --
5 A I would only assume it had something to do with the
6 current -- trying to solve some problems.
7 Q Yes. In fact, if I can just have you put that exhibit to
8 the side just briefly, I'd like to show you another exhibit
9 that's been already admitted into evidence as General Counsel's
10 Exhibit 33.
11 And I want to direct your attention to the bottom of the
12 first page, to an email from Mr. Skow to Brian Vartan, dated
13 November 23rd, 2020, where Mr. Skow writes: "Brian, attached
14 is an MOU proposal to curb overtime costs in order to maintain
15 Westoil's current oil contracts". And then the second and
16 third pages of the exhibit are a draft MOU. Do you see that?
17 A Yes.
18 Q Had you seen this MOU before? That are on pages 2 and 3
19 of GC Exhibit 33?
20 A I may have, but I don't really recall it.
21 Q I want to direct your attention back to GC-35, to Mr.
22 Skow's November 29th email --
23 A Um-hum.
24 Q -- to that second paragraph, where he talks about the
25 duration of the MOU. Is that the MOU that's in GC Exhibit 33?

1 A It's in the same time period, yes.
2 Q Okay. Now, you provide -- going back, Mr. Houghton, to GC
3 Exhibit 35. You respond to Mr. Skow's November 29th, 2020
4 email that same day by saying that "Chris will contact Dmitri
5 in the morning. I will follow up on the other tomorrow". Do
6 you see that?
7 A Yes.
8 Q What -- what did you mean by "follow up on the other"?
9 A I -- I don't know.
10 Q Was that talking about the MOU related to the supplemental
11 schedules that's in GC-33?
12 A I don't know what that was -- it seems funny I would say
13 "the other" and relate to the -- I would follow up on the MOU.
14 I don't know why I would follow up on the MOU, so I don't know
15 what the other is.
16 JUDGE SANDRON: So when you say Chris, that was?
17 THE WITNESS: Mr. Hilgenfeld and Dmitri as the Union's
18 attorney. And I don't know what that was about. Or recall.
19 Q BY MS. YASSERI: I'd like to show you, Mr. Houghton, a
20 document that's been already admitted into evidence as GC
21 Exhibit 34.
22 So I just sort of want to clarify. I know there seems to
23 be two MOUs sort of being discussed in GC-35 and I just wanted
24 to clarify for the record what they are. So if you can just
25 refer to GC Exhibit 35, page 2, to the email from you, dated

1 November 24th, 2020.
2 A Excuse me, 30 -- G -- okay.
3 Q GC-35 page 2. To the email that you sent to Mr. Skow on
4 November 24th 2020 at 10:55 a.m., subject "MOU, please see
5 attached".
6 A Yes.
7 Q Now, that's the same email in GC Exhibit 34, correct?
8 A Correct.
9 Q Okay. And directing your attention to GC Exhibit 34, to
10 pages 2 and 3 of the -- I'm sorry. Pages, yeah, 2 and 3 of
11 that exhibit. That's an MOU regarding meal and rest breaks,
12 correct?
13 A Yes.
14 Q And now, going back to GC Exhibit 35, to Mr. Skow's email
15 from November 29th, 2020, at 9:11 a.m. In the first paragraph,
16 he says: "Doug, I have reviewed the MOU you proposed". He's
17 talking about the MOU in GC Exhibit 34, correct? Regarding the
18 meal and rest breaks?
19 A Correct.
20 Q Now, going to Mr. Skow's November 29th, 2020 email, the
21 second paragraph, where he says -- he talks about a sticking
22 point on the duration of the MOU, is there a compromise? Is it
23 your understanding now, that is a different MOU which is the
24 one that's in GC Exhibit 33 regarding the supplemental
25 schedules?

1 A I don't know. Perhaps explain that again?
2 Q Okay.
3 A I'm getting a little lost here.
4 Q Is it your understanding that Mr. Skow is talking about
5 two different MOUs in his email on November 29th, 2020? The
6 one about the meal and rest breaks, which you sent him.
7 Correct?
8 A Correct.
9 Q And then the one that he sent to Mr. Vartan on November
10 23rd, 2020, about supplemental schedules and crewing?
11 A I believe those are two separate MOUs.
12 Q Okay, but you never responded to Mr. Skow regarding his --
13 regarding the November 23rd MOU. The supplemental schedules
14 and crewing MOU. Did you, sir?
15 A No, I don't -- I don't believe -- at least I don't see an
16 email where I responded to him.
17 Q Okay.
18 A Nor do I think he was looking for a response. He was just
19 sharing it.
20 Q Okay. Well, let me direct you to page 2 of GC Exhibit 35,
21 at the top. He's asking you a question, isn't he? "Is there
22 any movement if we can mutually agree to extend the MOU 10 days
23 before the 60 days is up?"
24 A Yeah. And that would've been a -- that would've been a
25 Brian Vartan discussion. It might've been sent to him; I don't

1 know.
2 Q But, sir, this email is being sent to --
3 A I know he sent to me, but I wouldn't be bargaining.
4 Q But you -- so you never responded to Mr. Skow, correct?
5 A I -- I don't know. I don't -- apparently not.
6 Q Okay. I want to talk a little bit, Mr. Houghton, about
7 that lunch meeting that you had with Mr. Skow. I believe he
8 said it was in Long Beach?
9 A The Yard House.
10 Q The Yard House, yes. And I believe this is -- during this
11 conversation, you had told Mr. Skow, for the first time, that
12 Westoil's operating costs were 13 percent higher than the next
13 Centerline affiliated -- I'm sorry. The next affiliated
14 Centerline company that had submitted a bid. Correct?
15 A For that particular contract, yes.
16 Q What do you mean for that particular --
17 A For -- for the Glencore. That was the one he was
18 concerned with.
19 Q And that 13 percent was based on information that was
20 included by those Centerline affiliates on their bids; is that
21 right?
22 A That's the way I understand it from Jen. I got that -- it
23 was a simple question to her. And she gave me a simple answer
24 back.
25 Q And let me just clarify for the record, what did you

1 actually ask Ms. Beckman?
2 A I asked her where -- you know, can you tell me where the
3 next, you know, where Westoil is compared to the next highest
4 bidder? Was my question.
5 Q Okay. And what was her response?
6 A 13 percent. 13 percent higher.
7 Q And I'm sorry, just to clarify, was that 13 percent higher
8 than the next lowest bidder?
9 A I took it as highest. That was my question --
10 Q Okay.
11 A -- so I took that as there was -- whoever bid on it, I
12 don't know if there was 1 or 20 -- that that was the delta.
13 Q Okay. I believe, Mr. Houghton, you testified that in the
14 November 6th, 2020 meeting with the IBU, you'd informed the IBU
15 that Mr. Godden told you that you shouldn't be involved with
16 the bid process, correct?
17 A That is correct.
18 Q Why did Ms. Beckman give you that 13 percent figure then,
19 if you weren't supposed to be involved?
20 A I'm a senior VP, she -- I don't think she questioned it.
21 Q Mr. Houghton, going back to that lunch meeting at the Yard
22 House with Mr. Skow. You testified that during this meeting
23 you gave Mr. Skow a number of suggestions to reduce costs --
24 A Yes, ma'am.
25 Q -- that did not involve wage reductions, such as changes

1 to crewing, manning, and health insurance.
2 A Uh-huh.
3 Q Remember that? Did you -- you never put that in writing
4 and presented it to the IBU, correct?
5 A I -- I don't believe so. But I brought it up to them
6 numerous times -- ideas. And those were all basically the
7 same. I don't know if I put it in writing, but I don't recall.
8 Q Did you ever share that with Brian Vartan at Westoil?
9 A I'm -- I'm not sure if I did or not. It might have been
10 one of our many conversations.
11 Q Were you aware of the deadline for the bid submissions?
12 Do you know what that date was?
13 A Yeah. The submissions, I believe -- and I don't know when
14 I remember -- heard about it, but I believe were November 9th.
15 I -- I'm guessing. Best guess.
16 Q I'm going to direct your attention, Mr. Houghton, to GC
17 Exhibit 33 again; I believe it should be in your stack. Were
18 you aware that Westoil never provided the IBU a written
19 counter-proposal to this MOU included in GC Exhibit 33?
20 A I am not. But it looks like the attached is a MOU
21 proposal that was given to the Union.
22 Q Are you looking at GC Exhibit 33, Mr. Houghton?
23 A I believe so, yes.
24 Q Okay, so I -- let me -- let me take a step back. I want
25 to direct your attention --

1 A Oh. Yeah, it says -- I'm looking at the bottom of it.
2 Q This was a proposal that was sent by John Skow to Brian
3 Vartan on November 23rd, 2020 --
4 A Uh-hum.
5 Q -- with the MOU attached on -- which is included on pages
6 2 and 3. Are you aware that Mr. Vartan never provided the IBU
7 with a counter -- written counter-proposal to this MOU?
8 A No, it looks like his response. That this doesn't help.
9 Q And I'm sorry, Mr. Houghton. Let me just take a step
10 back. Did you ever have any discussions with Mr. Vartan
11 regarding the MOU proposal in GC Exhibit 33? On pages 2 and 3.
12 A I -- I don't -- I don't recall.
13 Q Did Mr. Vartan ever show you the actual MOU included in GC
14 Exhibit 33?
15 A I do not know. Is this the one that he sent for review to
16 me? As well.
17 Q I'm asking if Mr. Vartan ever sent this to you for review?
18 A I -- I do not recall.
19 Q Okay. Okay, Mr. Houghton, I'd like to direct your
20 attention to an exhibit that's already in evidence as GC
21 Exhibit 40. I believe on direct examination you testified
22 about a phone call that you had with Mr. Skow on January 13th,
23 if I'm not mistaken; is that right?
24 A January 13th, I met with Enrique --
25 Q Enrique.

1 A Not absolutely sure if I talked John Skow on that -- but I
2 don't believe I did on that day. I'm not sure.
3 JUDGE SANDRON: Do you recall getting this email from Mr.
4 Skow, that's dated January 14th, 2021?
5 THE WITNESS: I -- I do somewhat remember this email now,
6 yes.
7 JUDGE SANDRON: You do? Okay.
8 THE WITNESS: Yeah.
9 MS. YASSERI: Okay. I --
10 JUDGE SANDRON: All right. Did you ever respond to them
11 in five days as it asked at the end of the letter -- at the end
12 of the email?
13 THE WITNESS: I believe we -- I believe the company did
14 respond to this, yes.
15 JUDGE SANDRON: Okay. But you didn't directly?
16 THE WITNESS: I -- I did not. I don't believe so.
17 MR. HILGENFELD: It's in the record, Your Honor.
18 JUDGE SANDRON: All right. Thank you.
19 THE WITNESS: I apologize. I don't remember the phone
20 call on that day. The 13th.
21 Q BY MS. YASSERI: Okay. I was just going to ask you, Mr.
22 Houghton. Thank you. Mr. Skow's letter refers to a phone call
23 that he had with you the day prior on January 13th, 2021,
24 correct?
25 A Yes, ma'am.

1 Q Okay. I believe you testified on direct that Mr. Skow --
2 you had had a conversation with Mr. Skow sometime prior to
3 January 15th and that he didn't get back to you. Is that
4 right?
5 A Yes.
6 Q Okay. But he sent you this letter on January 14th, 2021.
7 Didn't he?
8 A Correct. And I don't know what that conversation was, but
9 I can tell you by the 14th I was in a full panic -- or 13th.
10 Q Okay.
11 A There was no response from John as far as movement.
12 JUDGE SANDRON: All right. That's okay.
13 THE WITNESS: Yeah.
14 Q BY MS. YASSERI: Okay. Let me -- let me take a step back
15 here. I want to direct your attention back to GC Exhibit 40 to
16 the -- the first sentence of the second paragraph where Mr.
17 Skow writes, "For the record, the Union will consider any
18 written proposal from the company for the purpose of retaining
19 the Glencore oil contract. Including any new equipment from
20 the recent purchase of assets from Foss Maritime." But
21 Centerline, Harley Marine Financing, or Westoil never provided
22 the IBU with any written proposals; did they?
23 A I -- I do not know that.
24 Q You didn't provide the IBU with any written proposals on
25 behalf of Centerline, Harley Marine Financing, or Westoil; did

1 you?
2 A Not that I recall, no.
3 Q And I believe you testified a few minutes ago, Mr.
4 Houghton, that you never provided a response to Mr. Skow's
5 January 14th, 2021 letter, correct?
6 A Not that I recall.
7 Q I want to talk now about the meeting that you had with Mr.
8 Houghton on January 15th, 2021.
9 JUDGE SANDRON: Not with Mr. Houghton.
10 MS. YASSERI: I'm sorry. What did I say?
11 MR. HILGENFELD: The meeting with Mr. Houghton.
12 Q BY MS. YASSERI: My apologies, Mr. Houghton. I'd like to
13 talk to you about the meeting that you had with Mr. Godden --
14 A Got you.
15 Q -- on January 15th, 2021. At this meeting you talked to
16 him about the contracts that had been put up for bid, correct?
17 The contracts for Glencore, Minerva, and Peninsula.
18 A Not -- not all of them in entirely. That was -- it was
19 more focused around LA. That -- that particular meeting about
20 we're going to move forward in that port.
21 Q Didn't Minerva, Peninsula, and Glencore, weren't those the
22 LA Long Beach contracts?
23 A Yes, ma'am.
24 Q Okay. What did you discuss with Mr. Garden -- Mr. Godden
25 regarding the Glencore contract at that meeting on January

1 15th, 2021?
2 A The best of my recollection it was just a planning meeting
3 of how things are going to move forward and -- and the parts
4 and pieces over the next month or so. Things to do to get
5 done. I don't recall specifics of --
6 Q Okay. What was your understanding of who would be
7 performing work for Glencore in that meeting?
8 A At that meeting my understanding was it was going to be
9 Olympic Tug & Barge.
10 Q At this meeting, Mr. Houghton, did Mr. Godden tell you
11 that the IBU had requested a proposal from Westoil?
12 A Not that I recall.
13 Q Okay. Did Mr. Godden tell you at this meeting why Olympic
14 Tug & Barge had been awarded the Glencore contract?
15 A No.
16 Q Let me ask you this, Mr. Houghton, was anything discussed
17 at this meeting regarding the Peninsula contract?
18 A I -- I don't recall.
19 Q Did you tell Mr. Godden at this meeting that the IBU had
20 requested a proposal from Westoil for any services?
21 A I don't recall any discussions.
22 Q Was anything discussed at this meeting on January 15th,
23 2021 regarding the Minerva contract?
24 A I -- I do not recall.
25 Q I believe you testified, Mr. Houghton, on direct that the

1 very next day, which I believe was a Saturday January 16th,
2 2021, you met with the IBU?
3 A Yes, ma'am.
4 Q And at this meeting the IBU told you that it would be
5 working on a -- on yet another proposal, correct?
6 A Yes, ma'am.
7 Q And at this point, neither you nor Mr. Vartan had provided
8 the IBU with any written proposals regarding the MOU that they
9 had presented on November 23rd, 2020?
10 A No. I wouldn't be giving them proposals.
11 Q And Mr. Vartan hadn't presented the IBU with any proposals
12 to your knowledge, correct?
13 A I think he can provide them with ideas. I don't think he
14 can give them proposals.
15 Q And later that day on January 16th, 2021 Mr. Skow emailed
16 you what was termed as supposal that included some terms that
17 you had requested regarding the third man and deckhand,
18 correct?
19 A I got to look at it here.
20 Q Okay. I'd like to show you, Mr. Houghton, what has been
21 already admitted into evidence as GC Exhibits 41 and 42. I'd
22 like to direct your attention sort of out of order to GC
23 Exhibit 42, please. To the email that was sent from John Skow
24 on Saturday January 16th, 2021 at 6:26 p.m. He says, "Doug,
25 see attached. This is the Westoil IBU members commitment. If

1 you have any questions, you can contact me on the barge
2 manning. The intent is to match as closely as possible to what
3 the Centerline companies due to our understanding."
4 A Yes. I do remember that.
5 Q Okay. And now directing your attention to GC Exhibit 41,
6 which was the attachment that Mr. Skow referenced in his email
7 from January 16th, 2021 included in GC Exhibit 42.
8 A Yes.
9 Q You've seen this before?
10 A Yes.
11 Q Yes. Now I want to direct your attention to the first
12 line item under the heading "supposal". Third man on the barge
13 company direction Union agrees. The Union was agreeing to give
14 the company discretion to use the third man, correct?
15 A Yes.
16 Q And that's something that you had told John Skow would be
17 the difference in retaining the Glencore contract?
18 A That was one small piece of it.
19 Q Yes.
20 A That was one thought.
21 Q Okay.
22 A The -- if I can expand on that.
23 JUDGE SANDRON: No. Not really.
24 MS. YASSERI: I'll ask the question. Thank you, Mr.
25 Houghton.

1 Q BY MS. YASSERI: And giving the company the discretion to
2 use the third man, that would have an impact on labor cost;
3 wouldn't it?
4 A Yes. It would.
5 Q I -- I next want to direct your attention under barge
6 manning. Where it says, "tug alongside one tankerman,
7 tankerman discretion to use boat engineer," and then, "If
8 tugged to parts barge, deckhand to be on board barge to assist
9 tankerman." The Union was proposing to remove the requirement
10 of the deckhand position, correct?
11 A That would never happen. Tug's never alongside the barge.
12 Q Okay. So what was your understanding of what the Union
13 was proposing here?
14 A They were proposing if lightning struck and we can leave a
15 tug alongside the barge, we could use the boat engineer off the
16 tug while it was alongside the barge.
17 Q What -- what had -- what had you requested with respect to
18 the deckhand engineer position?
19 A One of the ideas was -- is to remove the deckhand as
20 needed. Only requirement for those barges for coast guard and
21 their certificate of inspection is one individual.
22 Q So that would mean that the tankerman would be on the
23 barge by himself?
24 A That's correct.
25 Q That would -- that could lead to a potential safety issue;

1 couldn't it?
2 A We -- we and other companies operate that in certain
3 areas, yes. That's a -- that's a typical manning.
4 Q But Westoil has ne -- has always operated a two-man barge,
5 correct?
6 A Per the CBA. Yeah, that they require it.
7 Q Now I believe on direct examination, you testified about
8 reaching out to Mr. Godden after you had received this supposal
9 on Saturday at 6:26 p.m. Do you -- do you recall, was it that
10 exact -- that same day that you reached out to Mr. Godden about
11 the Union supposal?
12 A At -- I -- I did. I was -- I was waiting for it all day.
13 I believe it was that evening. Reached out.
14 Q And you had a phone call with Mr. Godden?
15 A I -- yes. I believe it was a phone call. It was -- now
16 looking at it, it was such a short proposal to read it.
17 Q So you never actually emailed Mr. Godden a copy of the
18 Union's supposal?
19 A I don't know. At some point I most likely would've or may
20 have. I don't know.
21 Q But that day when you were talking about them do you know
22 if he had a copy of the supposal as you were talking to him
23 about it on January 16th, 2021?
24 A I do not recall.
25 Q And I just kind of want to go back. What did you -- what

1 do you recall specifically telling Mr. Godden about the IBU's
2 supposal?
3 A It was relaying the information to him so that he would
4 have it, you know, me requesting him to, you know, consider.
5 Q What -- what did he say once you informed him about the
6 supposal?
7 A The best my recollection was, you know, thank you. You
8 know, and that was pretty much it.
9 Q Did he have any questions regarding the IBU supposal?
10 A I -- I don't recall if there -- there were questions.
11 Q Did he tell you on this phone conversation that it changed
12 his decision to award the Glencore contract to Olympic Tug &
13 Barge?
14 A He -- he did not.
15 Q Did Mr. Godden ever tell you why Olympic Tug & Barge had
16 been awarded the Glencore contract?
17 A He did not.
18 Q I -- I want to talk a little bit about safety. Westoil
19 had an excellent safety record; didn't they?
20 A Fair. And it di -- they were fair on spills. They got a
21 high number of -- of line partings, a high number of injuries.
22 Q Westoil had experience in servicing Glencore for many
23 years, correct?
24 A Yes, ma'am.
25 Q Now, Mr. Houghton, you've testified that it was your

1 understanding that the bid process also included work that
2 Westoil had performed for a Minerva and Peninsula. Remember
3 that?
4 A My understanding, yeah.
5 Q Do you know why Westoil retained those two contracts,
6 Minerva and Peninsula, as a result of the bid process?
7 A My only thought there would be is that those contracts
8 weren't seen -- seeking significant decreases.
9 Q I'm sorry. Can you say that one more time?
10 A They were not seeking significant decreases. So Westoil,
11 they're a high rate, those companies at the time could support
12 them.
13 Q Did Mr. Godden ever tell you that specifically?
14 A No.
15 Q Okay. Now, Mr. Houghton, I'd like to direct your
16 attention back to GC Exhibit 40.
17 A Can you give me an idea of what it looks like?
18 Q Yes. It's a two-page document. It's an email from Mr.
19 Skow. The cover page is dated January 14th, 2021.
20 A Okay. Thank you.
21 Q And you - you testified a few minutes ago that you
22 yourself didn't provide a response to Mr. Skow -- to -- to Mr.
23 Skow's January 14th, 2021 letter?
24 A No. I -- I don't believe I did.
25 Q Did you instruct Mr. Vartan to respond on your behalf to

1 this letter?
2 A I -- I don't recall. I --
3 Q I'd like to refer you to another exhibit that's already
4 admitted into evidence as GC Exhibit 43.
5 A I thought I was looking for it.
6 Q I want to direct your attention to pages 3, 4, and 5 of
7 this exhibit. Have you seen this letter before?
8 A Yes. I have.
9 Q You instructed Mr. Vartan to send this letter to Mr. Skow,
10 correct?
11 MR. HILGENFELD: Objection. Asked and answered.
12 JUDGE SANDRON: Did he answer that directly?
13 MR. HILGENFELD: He did.
14 JUDGE SANDRON: And what was his answer?
15 MR. HILGENFELD: His answer was he didn't remember.
16 JUDGE SANDRON: All right. Well.
17 THE WITNESS: Yeah. I'm -- I'm -- I don't recall.
18 JUDGE SANDRON: That's -- that's not a no.
19 MS. YASSERI: Mr. Houghton --
20 JUDGE SANDRON: That's not a yes.
21 Q BY MS. YASSERI: Mr. Houghton, now that you've seen this
22 letter included in GC Exhibit 43, do you recall when you first
23 saw it?
24 A I -- I do not. I don't have a date for that. I --
25 Q Did you help Mr. --

1 A I would assume it was sometime around the time it was
2 written. Yeah.
3 Q Did you help Mr. Vartan draft this letter?
4 A I -- I did not.
5 Q Did you have any conversations with Mr. Vartan about
6 drafting a letter to the IBU in January of 2021?
7 A I don't -- I don't believe I did.
8 JUDGE SANDRON: Now do -- do you know then how on page 4
9 he says on January 13th, 2021 does make final effort on
10 Westoil's behalf to try and salvage the Glencore work, he
11 reached directly out to you. Do you know where he got that?
12 THE WITNESS: Where he got that? He must have got that
13 from me.
14 JUDGE SANDRON: So -- so --
15 THE WITNESS: Yeah. Or I was talking to him at the time
16 saying I'm calling John, or as it's happening.
17 JUDGE SANDRON: So -- so --
18 THE WITNESS: I mean, at that time it was pretty intense
19 that we can't believe this is really happening.
20 JUDGE SANDRON: Now -- now, Mr. Skow in GC Exhibit 40
21 talks about a phone conversation on January 13th, 2021. So
22 does that refresh your recollection that you had a conversation
23 with him on January 13th --
24 THE WITNESS: Yeah. I -- I must have had that
25 conversation, yes. That's -- it's in -- in the email and in

1 this letter.
2 JUDGE SANDRON: Okay.
3 Q BY MS. YASSERI: And I'm sorry, Mr. Houghton, that's a
4 conversation with Mr. Vartan?
5 A Yes.
6 JUDGE SANDRON: No, I think we're -- we're talking about
7 with Mr. Skow.
8 MS. YASSERI: With Mr. Skow? Okay.
9 THE WITNESS: Yeah. So there's an email that I talked to
10 Mr. Skow and then this gives what the conversation was about.
11 I was making a plead in this email.
12 JUDGE SANDRON: Okay. That's fine. Thank you. I think
13 that -- that clarifies it.
14 Q BY MS. YASSERI: And I just kind of want to refer to the
15 first part of this letter where Mr. Vartan writes, "Dear John,
16 I'm responding to your January 14th, 2021 letter. I've been
17 involved in these discussions and spoken with Doug Houghton
18 regarding your correspondence". Do you recall having a
19 conversation with Mr. Vartan about John Skow's January 14th,
20 2021 letter? Which is GC Exhibit 40.
21 A I -- I -- I don't have direct memory of that, but it
22 sounds like we had some sort of conversation on that to
23 respond.
24 Q Do you recall ever seeing a draft of this letter before it
25 was sent out?

1 A I -- I do not, no.
2 Q Mr. Houghton, you testified that you were informed that
3 Olympic Tug & Barge was awarded the Glencore contract?
4 A Yes, ma'am.
5 Q And currently, it's Leo Marine that is actually servicing
6 Glencore, correct?
7 A That is correct.
8 Q Do you know -- were you involved in the decision to assign
9 the Glencore contract -- or to reassign the Glencore contract
10 from Olympic Tug & Barge to Leo Marine?
11 A I'm -- I was not. That was -- that would've been a Matt
12 Godden and Harley Marine Finance.
13 Q Do you recall -- when did you first learn that the
14 Glencore contract had been reassigned from Olympic Tug & Barge
15 to Leo Marine?
16 A I -- I don't recall.
17 Q Now, Mr. Houghton, you were involved in hiring Mr. Vartan
18 as Leo Marine's operations manager, correct?
19 A Yes.
20 Q You interviewed him for the position?
21 A Yeah, so to speak. Yes.
22 Q What do you mean so to speak?
23 A Yeah. I interviewed him for the position. I'd known him
24 for years.
25 Q Did you interview any other applicants?

1 A I did not.
2 Q Were there any other applicants considered for that
3 position other than Mr. Vartan?
4 A I -- I -- I take that back. There -- there was one other
5 applicant. A Mr. Marshall Novack. I had discussions with him.
6 Q Sort of focusing your attention on early February 2021,
7 what was Mr. Marshall Novack's role at that time?
8 A Early 2021 -- I -- I got to figure that -- but for a
9 duration for months he was our ops manager for Westoil. And
10 I -- I got to figure out the dates and what's in there for
11 that.
12 Q Well, at that time --
13 A And that -- that was after when Brian had gone to Leo,
14 Marshall was hired for Westoil.
15 Q Right. I gue -- my question is at the time that you
16 were -- that -- excuse me. At the time that Mr. Vartan was
17 Westoil's operations manager, and he was being considered to
18 become operations manager at Leo, what was Mr. Marshall
19 Novack's position at that time?
20 A He -- he was a tankmen PIC for Westoil Marine Services.
21 Q And you made the decision to promote Mr. Vartan to Leo
22 Marine's operation manager position?
23 A I -- I don't know if it was promoting. It was altering
24 him to -- to another operation.
25 Q A transfer?

1 A Yeah.
2 Q And you made that decision?
3 A Yeah.
4 Q I'm sorry?
5 A Yes.
6 Q Yes. Now, Mr. Houghton, Leo Marine --
7 A I'm sorry. That was done by Sven Titland. I made the
8 decision for Marshall Novack.
9 Q I'm sorry? So the decision to --
10 A Sven Titland, I'm sorry. So in that time period when Mr.
11 Titland and Brian made the decision in corporate made me into
12 that he was requesting to have Brian move to under him at
13 Olympic Tug & Barge.
14 Q So --
15 A And then I -- my second choice was for Westoil was, again,
16 when I went out and talked to Marshall Novack to see his
17 interest of being an ops manager for Westoil.
18 Q Okay. So just to clarify, Mr. Titland made the decision
19 to transfer Brian Vartan from Westoil to Leo Marine?
20 A Correct.
21 Q And you made the decision to promote Marshall Novack as
22 Westoil's operation manager?
23 A That is correct.
24 Q So essentially Mr. Novack became Mr. Vartan's successor at
25 Westoil Marine?

1 A That is correct. To the best of my recollection.
2 Q Now, Mr. Houghton, Leo Marine -- Leo Marine isn't a new
3 company, right?
4 A Leo Marine is somewhat new over the last few years.
5 Q It's -- it's essentially Starlight renamed; isn't it?
6 A Yes.
7 Q I'd like to show you a document that's been already
8 admitted into evidence, Mr. Houghton. It's not before you. We
9 will be passing it out. It is Respondent's Exhibit 200. They
10 represent the articles of incorporation for Starlight Marine
11 Services. Dated April 1st, 2003. These also apply to Leo
12 Marine, correct?
13 A I would have no idea.
14 Q Do you know if Leo Marine has its own articles of
15 incorporation?
16 A I have no idea.
17 MS. YASSERI: I'd just like to note for the record that
18 Leo Marine's articles of incorporation were subpoenaed by the
19 General Counsel, and they would have been responsive to Leo
20 Marine's subpoena V-1-1GEP717. Issued by the General Counsel
21 on July 1st, 2022 to request number 32. There were no
22 documents produced.
23 JUDGE SANDRON: Is that -- is that correct, Mr.
24 Hilgenfeld?
25 MR. HILGENFELD: We produced all responsive documents.

1 JUDGE SANDRON: All right. So we assume that it doesn't
2 exist.
3 Q BY MS. YASSERI: I'd like to also show you, Mr. Houghton,
4 what's been already admitted into evidence as Respondent's
5 Exhibit 201. They are Starlight Marine's bylaws. These bylaws
6 also apply to Leo Marine, correct?
7 A I -- I have no idea. I wouldn't know.
8 MS. YASSERI: I'd like to just note for the record that
9 the General Counsel also subpoenaed the bylaws and like the
10 articles of incorporation they would have been responsive to
11 Leo Marine subpoena SDDB-1-1GEP717. Issued on July 1st, 2022
12 by the General Counsel. And no documents were produced on
13 behalf of Leo Marine.
14 JUDGE SANDRON: Is that correct -- is that correct, Mr.
15 Hilgenfeld?
16 MR. HILGENFELD: We provided all responsive documents.
17 JUDGE SANDRON: Okay. Then we assume that the document
18 does not exist.
19 MR. HILGENFELD: I guess, Your Honor, going back, I don't
20 think you can assume it does not exist. They asked for these
21 documents, there's a name change, the name change would go to
22 these documents. So in providing these documents we have
23 provided responsive documents. If Leo Marine -- there's no
24 additional documents that were not produced. I guess all I'd
25 say to clarify the record.

1 MS. YASSERI: I would take a clarification is it the
2 Respondent's position that what's been identified as GC
3 Exhibits 202 or 1 are applicable to Leo Marine?
4 MR. HILGENFELD: Leo Marine filed a name change with the
5 State of lor -- the State of California. The name change would
6 go to the corporate documents. We provided --
7 JUDGE SANDRON: All right. So --
8 MR. HILGENFELD: -- all responsive documents. So I don't
9 think you can make assumption that they don't exist. That's
10 all I'm saying.
11 JUDGE SANDRON: Well --
12 MR. HILGENFELD: We provided all responsive documents.
13 JUDGE SANDRON: Well, if there are bylaws, new bylaws
14 for --
15 MR. HILGENFELD: There are no new bylaws.
16 JUDGE SANDRON: Okay. All right.
17 MR. HILGENFELD: These bylaws would attach to --
18 JUDGE SANDRON: All right.
19 MR. HILGENFELD: Leo Marine services because of the name
20 change that occurred --
21 JUDGE SANDRON: All right. All right.
22 MR. HILGENFELD: -- that has been produced.
23 JUDGE SANDRON: So these carried over to Leo Marine?
24 MR. HILGENFELD: They -- they did as part of the name
25 change.

1 JUDGE SANDRON: All right. And I think -- I think that
2 answers the GC's question.
3 MR. HILGENFELD: I just can't say they -- they don't --
4 they don't exist is just my point.
5 THE WITNESS: All over my head.
6 JUDGE SANDRON: Yeah. Well -- well, I think you've
7 clarified there the --they don't exist to the extent that they
8 were no -- new bylaws or cert -- or certification of
9 incorporation they're carried over from Starlight.
10 MR. HILGENFELD: Correct.
11 JUDGE SANDRON: All right. I think that's clear.
12 Q BY MS. YASSERI: Mr. Houghton, you -- you testified about
13 the asset exchange with Saltchuk on direct examination. I
14 believe that took place sometime in December of 2020, correct?
15 A That is correct.
16 Q Do you know how many employees worked for Starlight at the
17 time of that asset exchange in December of 2020?
18 A I -- I do not have that information.
19 Q I'd like to show you, Mr. Houghton, what's been already
20 admitted into evidence as Respondent's Exhibit 220. It
21 identifies a list of employees by name. Do you know which
22 employees on this list worked for Starlight in 2020?
23 A I know -- I believe, Clay Holick. I'm not familiar with
24 that operation up there. But Clay Holick, I believe. That's
25 one name that I -- I know. Somebody that I actually got a job

1 for.
2 Q Clay Holick? Okay. Now -- now, prior to February of 2021
3 Starlight Marine only operated out of a single facility in
4 Alameda, California, correct?
5 A They operated out of Alameda, yes.
6 Q Okay. You testified earlier, Mr. Houghton, about issuing
7 directives to the fleet regarding certain policies. And I
8 think when I asked you for examples you -- you talked about
9 maybe some safety issues related to weather or what have you
10 that you'd want to sort of communicate to the -- to the
11 Centerline's fleet.
12 A Yeah. That's typically what I get is a safety issue that
13 I would like to relay.
14 Q And you -- you also communicate other directives as well,
15 right? To entire -- the entire Centerline fleet on occasion as
16 needed?
17 A Trying to think. It's usually just a general something
18 for the -- either safety, compliance, something of that nature,
19 yes.
20 Q Okay. All right. I'd like to show you what's been marked
21 for identification as GC Exhibit 284. It's an email from you
22 dated September 10th, 2021. Do you recognize this email?
23 A Yeah. Yes. I do.
24 Q And you sent this email in your capacity as Centerline
25 senior vice president of west coast operations?

1 A Yes. I did.
2 Q I want to direct your attention to the top of the email.
3 The reference to FDH35-5.
4 A Yes.
5 Q That's a barge used by Leo Marine, correct? In Septem --
6 that was a barge that was used by Leo Marine in September of
7 2021?
8 A Yes.
9 Q And were -- in the -- the recipient line where it says
10 "to" and then it says "fleet", who are the recipients of the
11 fleet email group?
12 A That's -- that's every tug and barge. This was a -- a
13 remembrance of us honoring those that would want to
14 participate.
15 Q And when you say, "Every tug and barge", is that every tug
16 and barge on the west coast, in your jurisdiction, operated by
17 the Centerline operating companies, or is that across the
18 nation?
19 A That -- that was fleet across the nation.
20 Q Across the nation. Do you have any idea as to how many
21 vessels that would include, fleet?
22 A Maybe 130 vessels.
23 Q And that would include a combination of tugs and barges?
24 A Um-hum.
25 Q And these would be the vessels being operated by the

1 Centerline subsidiaries, correct?
2 A Yes.
3 Q Now, sort of next to that, the reference to WHQ, who would
4 be included in that?
5 A Centerline.
6 Q Is that Centerline headquarters?
7 A That's Centerline the headquarters, yeah. And Olympic Tug
8 & Barge on the second floor.
9 Q And is that the building at 910, I believe, Southwest
10 Spokane?
11 A Spokane Steet. Yes, ma'am.
12 Q Okay. And this email was sent to managers, correct? At
13 Centerline.
14 A Some managers, yes.
15 Q Do you know which ones specifically?
16 A That'd be Matt Hammond, Carl Fessler, Bowman Harvey, Dan
17 Morrison, Sven Titland, Brian Moore, Kelly Moore, and Matt
18 Godden.
19 Q Matt Hammond, who is he?
20 A He no longer -- he retired. He was the manager of Harley
21 Marine Gulf.
22 Q And what about Carl Fessler?
23 A He was a manager. A barge manager in Harley Marine Gulf.
24 Q And lastly, Brian Moore.
25 A Ops manager in Harley Marine New York.

1 JUDGE SANDRON: I think we have Carl Fessler in the
2 record, don't we?
3 MR. HILGENFELD: I don't believe we do. It's in the
4 email.
5 JUDGE SANDRON: All right. So it -- that's -- it's sort
6 of seen in the document.
7 MS. YASSERI: Your Honor, I'd like to move for the
8 admission of GC Exhibit 284 at this time.
9 JUDGE SANDRON: Any objection?
10 MR. HILGENFELD: No objection.
11 JUDGE SANDRON: The document is received.
12 **(General Counsel Exhibit Number 284 Received into Evidence)**
13 Q BY MS. YASSERI: Mr. Houghton, now I'd like to show you
14 documents that have been marked for identification as General
15 Counsels Exhibits 285 through 287.
16 For efficiency they're being shown to you collectively but
17 we'll go through them one by one. They are emails from
18 September 30th, 2021, November 2nd, 2021, and March 8th, 2022,
19 regarding Centerline's fuel conservation initiative. Mr.
20 Houghton, do you recognize these emails?
21 A Yes. I do.
22 Q And you sent these three emails in your capacity as
23 Centerline's senior vice president of west coast operations?
24 A Yes. Yes, I did.
25 Q I'd like to direct your attention to GC Exhibit 285. To

1 an email sent by you on September 30th, 2021. In the recipient
2 list it references Harley Marine dispatch HMG. What -- wha --
3 what does that mean?
4 A That's Harley Marine Gulf.
5 Q And do you know who at Harley Marine Gulf would be on that
6 list there?
7 A It would be the dispatchers.
8 Q And there's a reference to a name, Brad Kroon, who is he?
9 A He is a -- a manager in Alaska for Olympic Tug & Barge.
10 JUDGE SANDRON: And what was his -- spell the last name
11 for the record.
12 MS. YASSERI: Kroon is K-R-O-O-N.
13 JUDGE SANDRON: Thank you.
14 Q BY MS. YASSERI: There's also a reference to the name Joel
15 Coffey, spelled C-O-F-F-E-Y. Who is he?
16 A A port captain at Olympic Tug & Barge.
17 Q And lastly, the name Lenny Baldassare,
18 B-A-L-D-A-S-S-A-R-E.
19 JUDGE SANDRON: And Lenny is with a Y.
20 MS. YASSERI: Oh, yeah.
21 JUDGE SANDRON: It could be with an I.
22 THE WITNESS: And at that time the company was called
23 Harley Marine New York. And he was a port captain.
24 Q BY MS. YASSERI: What is the name of the company? You
25 said Harley Marine New York?

1 A Yeah.
2 Q There's been a name change?
3 A I think they're looking -- not yet. Centerline Atlantic
4 is what it's changing to.
5 Q I -- I'm sorry. Can you repeat that?
6 A They're going to change it, I think, to Centerline
7 Atlantic.
8 Q Centerline Atlantic?
9 A Yeah.
10 Q Okay.
11 JUDGE SANDRON: Has that happened yet or is that in the
12 process?
13 THE WITNESS: I don't think it's -- no. It's in the
14 process. It hasn't happened. They're still going by Harley
15 Marine --
16 JUDGE SANDRON: Okay.
17 THE WITNESS: -- Gulf. Harley Marine New York.
18 JUDGE SANDRON: Thank you.
19 THE COURT REPORTER: Judge, I need him to speak up.
20 THE WITNESS: Okay. Sorry.
21 JUDGE SANDRON: You need to keep your voice up.
22 Q BY MS. YASSERI: Mr. Houghton, what was the fuel
23 conservation initiative?
24 A A little bit of this is my pet peeve, just for the
25 environment. Trying to get operators, captains, people

1 thinking about ways to conserve fuel. Less emissions.
2 Q You -- you wanted that to be considered by all these
3 Centerline operating companies?
4 A Wanted everybody to think about it. You know, what they
5 can do to conserve fuel and, you know, the -- yeah.
6 Q And this initiative it would be applicable to Westoil
7 Marine Services?
8 A Anybody that would listen to it and wanted to participate.
9 Yeah.
10 Q Okay. And in the email on GC Exhibit 285 you write, "We
11 as a company are being asked by a number of customers on how we
12 are managing are environmental footprint as it relates to fuel"
13 consum -- "consumption management." Who were the specific
14 customers that were asking about fuel consumption?
15 A Majority of the majors. It -- fuel consumption, our
16 environmental footprint, our carbon footprint, although they
17 sell the carbon.
18 Q Um-hum.
19 A They have an objective to cut carb -- carbon footprint for
20 their vendors. So sharing that information as part of the
21 Harley Marine Financing, you know, the -- renewing contracts.
22 That's -- this is a hot button for them.
23 Q I'd like to direct your -- your attention to GC Exhibit
24 286. In the recipient list, there's a reference to Chris --
25 forgive me -- Iszler. Chris, C-H-R-I-S. Iszler, I-S-Z-L-E-R.

1 Do you know who that is?
2 A Yeah. He's a manager for Pacific Coast Maritime in
3 Alaska.
4 Q And there's a reference to the name Michael Mayfield,
5 M-A-Y-F-I-E-L-D. Who is that?
6 A He is a port captain in Harley Marine Gulf.
7 Q And there's a reference to Sarah, S-A-R-A-H, Freyer,
8 F-R-E-Y-E-R. Who is she?
9 A She would be a dispatcher for Centerline Logistics.
10 Q Do you know where Ms. Freyer was based out of in November
11 of 2021?
12 A She would've been based out of, I think, her home at that
13 time is New York.
14 Q And I know Mr. Andre Nault's name has come up, but in
15 November of 2021, what was his role?
16 A He would've been Center -- or Westoil ops. Or he was just
17 a go all -- all -- all-around guy. I don't know what his title
18 was.
19 Q When you say, "all-around guy", he would work --
20 A He would help with the boats, the tugs, the barges, the
21 crewing. He was -- just had a million years of experience. An
22 elderly guy that we leaned on him for a little bit of
23 everything.
24 Q And he would assist with the boats and crewing for?
25 A Boats, barges, he wouldn't do crewing. He -- boats,

1 barges, HSE, he did a little bit of everything for just --
2 he -- he was real compliant there.
3 Q Okay. And Rachael Haykin, what was her role at the time
4 in November of 2021?
5 JUDGE SANDRON: We have her last name I assume?
6 MS. YASSERI: I believe her name has come up, yes.
7 JUDGE SANDRON: Has it come up?
8 THE WITNESS: I think -- think it was project manager.
9 Q BY MS. YASSERI: At Centerline?
10 A Yes.
11 Q And where was she based out of?
12 A She was based out of Seattle.
13 Q And Trent Nowlon, N-O-W-L-O-N.
14 A You mean NEW, or did I --
15 Q Oh, did I misspell that?
16 JUDGE SANDRON: Yeah, I think it's an E.
17 MS. YASSERI: Oh, I'm sorry. The copy --
18 JUDGE SANDRON: The paper, it looks like the copy is --
19 THE WITNESS: It's an E.
20 Q BY MS. YASSERI: My apologies. N-E-W-L-O-N, Newlon.
21 A That's correct. I think we got his name into the record
22 earlier here.
23 JUDGE SANDRON: Okay.
24 THE WITNESS: And he's commercial growth sales for
25 Centerline.

1 Q BY MS. YASSERI: And Michael Meyers, M-Y-E-R-S.
2 A M-E-Y-E-R-S. Yes, he's a -- a -- commercial sales for
3 Centerline.
4 Q I'd like to direct your attention to GC Exhibit 287. In
5 this CC line it references someone by the name of Bryon,
6 B-R-Y-O-N, Fletcher, F-L-E-T-C-H-E-R. Is that --
7 A He's our VP of HSE at Centerline Logistics.
8 Q I'm sorry, VP of HSE, what -- what's HSE?
9 A Health, safety, and environment.
10 Q Okay. And there's a reference to managers. Do you know
11 who would be included on that list?
12 A I don't know the exact routing on that. I don't know
13 who's on there.
14 Q Okay. Now, in this email I'd like to direct your
15 attention to the third sentence where you write, "Future
16 renewals of current contracts and new contracts will be weighed
17 heavily on how successful and diligent we are managing our fuel
18 consumption". Your reference to contracts in your email, that
19 refers to contracts that Harley Marine Financing is a party to?
20 A Yes, ma'am.
21 Q Okay. Your Honor, at this time I'd like to move for the
22 admission of GC Exhibits 285, 286, and 287.
23 JUDGE SANDRON: Are there cleaner copies of these
24 documents?
25 MS. YASSERI: Unfortunately, no.

1 MR. HILGENFELD: We would object just accumulation.
2 JUDGE SANDRON: What's that?
3 MR. HILGENFELD: Accumulation. It's accumulated -- unduly
4 accumulated.
5 JUDGE SANDRON: Well, I think they relate to a different
6 subject, so I'll accept them. General Counsel 285 to 287 are
7 received.
8 **(General Counsel Exhibit Numbers 285, 286, and 287 Received**
9 **into Evidence)**
10 JUDGE SANDRON: They do go to different -- serve different
11 people they mention, so they're on the record.
12 Q BY MS. YASSERI: Mr. Houghton, I'm showing you a document
13 that's been marked for identification as General Counsel's
14 Exhibit 288. It's an email from you from March 9th, 2022
15 regarding line incidents. Do you recognize this email?
16 A Yes.
17 JUDGE SANDRON: All right. I -- I think all the names
18 have been already identified on the recipients. So I don't
19 know if we need to go into any further details about the email.
20 Any objections to document?
21 MS. YASSERI: Your Honor, I do have some questions about
22 the content of the email.
23 JUDGE SANDRON: All right. Go ahead.
24 MS. YASSERI: Thank you.
25 JUDGE SANDRON: We're coming up to 4:00 so we have about

1 an hour.
2 Q BY MS. YASSERI: Mr. Houghton, what exactly is a line
3 incident?
4 A A line incident is when you use lines which are ropes to
5 tie up any tug and barge, any company they use lines and ropes
6 to tie up their barge to either a wharf or a ship which we call
7 lines. Or tie the tug to the barge, or the dock. And a line
8 incident is parting of lines so the lines break. The goal for
9 any mariner, any tug, any captain, is to never have a line
10 part.
11 Q In this email you state that there are two line incidents
12 this week that were preventable. Do you recall the
13 circumstances of those incidents that are referenced in this
14 email?
15 A I do not. They were probably through the hotline
16 notification.
17 Q And the hotline notification, is that something that's
18 used by all the Centerline subsidiaries?
19 A Yes. That goes to a Centerline dispatch that goes to a
20 Centerline HSE advisor. And then a notification to senior
21 management.
22 Q And then in this email you referred to -- in the last
23 sentence you say, "At a minimum, the weather guidelines and the
24 company SMS", is that the safety manual?
25 A Safety Management System.

1 Q System. Okay. And that also applies to all the
2 Centerline subsidiaries, correct?
3 A Yeah. There are appendixes for each reason in that. But
4 there's general guidelines that it relates to a lot of issues.
5 MS. YASSERI: I'd like to move for the admission of GC
6 Exhibit 288.
7 JUDGE SANDRON: Mr. Hilgenfeld?
8 MR. HILGENFELD: We're getting into cumulative pieces. He
9 testified, I don't think we need to see Mr. Houghton had sent
10 fleet information out on safety and different things and that's
11 what this is.
12 JUDGE SANDRON: All right. Well, I -- I don't see
13 prejudice in allowing it. So General Counsel Exhibit 288 is
14 received.
15 **(General Counsel Exhibit Number 288 Received into Evidence)**
16 Q BY MS. YASSERI: Mr. Houghton, I'd like to show you a
17 document that's been marked for identification as General
18 Counsel Exhibit 289.
19 A Thank you.
20 Q Do you recognize this email?
21 A Yes.
22 JUDGE SANDRON: How many more of these do you have?
23 MS. YASSERI: This is the last email.
24 JUDGE SANDRON: All right.
25 Q BY MS. YASSERI: And you sent this email in your capacity

1 as Centerline's vice president of west coast operations?
2 A Yes. I did.
3 Q Now, on the last sentence in your email it says, "In his
4 new role, Jeff will provide vessel operational oversight and
5 guidance and will be responsible for ensuring all Centerline
6 tugs operate in a safe manner and remain compliant with company
7 policy and Coast Guard regulations." What company policy were
8 you referring to?
9 A Each company policy. That would be the standard policy
10 for centerline and if each individual company had separate
11 policies and procedures they would enforce that too. But he's
12 a Centerline representative to make sure that our subsidiaries
13 companies are running safe and compliant. Similar to what I
14 do.
15 MS. YASSERI: I'd like to move for the admission of GC
16 Exhibit 289.
17 JUDGE SANDRON: Same objection?
18 MR. HILGENFELD: Same objection.
19 JUDGE SANDRON: All right. Well, I'll admit the document.
20 General Counsel Exhibit 289 is received.
21 **(General Counsel Exhibit Number 289 Received into Evidence)**
22 JUDGE SANDRON: Again, I don't see any prejudice to the
23 Respondent. And I -- I think they can be said to supplement
24 his testimony.
25 Q BY MS. YASSERI: Now, Mr. Houghton, I believe you -- you

1 testified that you work out of 1610 Barracuda?
2 A That's my home office when I'm there.
3 Q Yes. And where is your actual office located in that
4 building?
5 A It would be the Northwest Corner.
6 Q BY MS. YASSERI: And how long have you occupied that
7 specific office space?
8 A Maybe a year.
9 Q And prior to that time where -- where was your office
10 located?
11 A It was located in the South Center of the building.
12 Q And did you occupy that office in the South Center during
13 the time that you were general manager in Westoil?
14 A Yes.
15 Q And did you occupy that office while you were the vice
16 president of California operations at Centerline?
17 A Yup.
18 Q So the office that you're on in the Northwest Con --
19 Corner, that's -- you've used that office since you've been
20 serving as senior VP --
21 A Yeah.
22 Q -- at West Coast.
23 JUDGE SANDRON: Is that the same size? Or is it bigger?
24 THE WITNESS: Slightly bigger. Somebody -- one of our
25 sales guys that -- when -- when we -- when Center -- or Harley

1 Marine Financing got vested, the tug folks -- one of the sales
2 guys from that had the large office so we could entertain
3 people, we kept at separate as a, you know, for him for that.
4 And it just kind of remained empty, so I --
5 JUDGE SANDRON: You took it over.
6 THE WITNESS: After his depart -- and it's hidden. You
7 can't tell if you're in there or not. It's got no windows.
8 Q BY MS. YASSERI: Mr. Houghton, I want to talk to you a
9 little bit about -- well, let me ask you this. Centerline uses
10 a web scheduling system, right?
11 A Yes.
12 Q And that's used to sort of track all the jobs that are
13 ongoing among all the subsidiaries?
14 A Yes. I don't -- I don't know what -- what subsidiaries,
15 who can see what. So I -- I think there's a master one that
16 maybe that can work off of. But I don't know it that well, to
17 be honest with you.
18 Q Do you have access to it?
19 A I may have access to it. But I don't use it or haven't
20 used it in many, many years.
21 Q Are you familiar with the term "designated person ashore"?
22 A Yes.
23 Q What does that mean?
24 A That's dev -- designated person ashore. So if there's
25 any -- if -- any incident you want to share to get corrected or

1 have some help with, it's somebody to talk to.
2 Q And who is that somebody specifically?
3 A The DPA now is -- I'm sorry. I'm at a loss for that, who
4 our current DPA.
5 Q Is that individual the designated person for all of the
6 Centerline subsidiaries?
7 A It typically is.
8 Q Mr. Houghton, are you familiar with someone by the name of
9 Neal Salamunovich?
10 A Yes.
11 Q Who is he?
12 A He's a captain for Leo Marine LA.
13 JUDGE SANDRON: That's in -- that's in the record --
14 MS. YASSERI: Oh.
15 JUDGE SANDRON: -- I believe. Isn't it? If not, why
16 don't you make sure?
17 MS. YASSERI: Yes. It's not. S-A-L-A-M-U-N-O-V-I-C-H.
18 Neal -- first name Neal, N-E-A-L.
19 Q BY MS. YASSERI: Are you familiar with someone by the name
20 of Edgar Esquivas?
21 JUDGE SANDRON: Do you -- can you spell that?
22 MS. YASSERI: E-D-G-A-R, Esquivas, E-S-Q-U-I-V-A-S.
23 A Neal? Yes. Edgar? I've heard the name. I don't know if
24 I would recognize him if I see him.
25 Q Edgar Esquivas is a deckhand engineer at Westoil.

1 A Okay.
2 Q Correct?
3 A Okay. I don't -- I -- it's just unfortunately is one that
4 I --
5 JUDGE SANDRON: He doesn't know.
6 A -- don't have a relationship with.
7 Q BY MS. YASSERI: Mr. Houghton, Harley Marine Gulf -- they
8 haven't operated out of the LA and Long Beach ports, have they?
9 A No.
10 Q And Harley Marine New York hasn't either, correct?
11 A Out of the office?
12 Q Out of -- no. Out of -- have they performed work out of
13 the LA/Long Beach harbor?
14 A Possibly.
15 Q Prior to October of 2020, how often would Harley Marine
16 New York perform work out of the LA/Long Beach harbor?
17 A It -- it would be on a rare occasion if they're bringing
18 equipment around from one coast to the other for a job in LA.
19 Q I'd like to refer you, Mr. Houghton, to Respondent's
20 Exhibit 9. I believe that was presented yesterday. So it
21 should be in the stack in front of you.
22 It's an email that you sent to Stephen Parry on December
23 14th, 2020 with the subject "Glencore". You say, we are not
24 done -- "we are done negotiating with Glencore. Emilio has
25 agreed, 325,000 barrel minimum for two years" --

1 JUDGE SANDRON: Do you want to wait until he gets the --
2 MS. YASSERI: Oh. My apologies.
3 JUDGE SANDRON: -- the document out?
4 THE WITNESS: You can read it if you want.
5 MS. YASSERI: No. No. I -- thank you.
6 JUDGE SANDRON: I think it's better if you see it.
7 THE WITNESS: I'm sorry. I'm not as organized as you
8 guys. I'm getting to it here.
9 Q BY MS. YASSERI: And if you could also, Mr. Houghton, pull
10 up Respondent's Exhibit 3. I'm going to be talking about that
11 as well. So Respondent's Exhibit 9 and Respondent's Exhibit 3.
12 A Okay. I've got the 9.
13 Q And Respondent's Exhibit 3 is the Amended and Restated
14 Marine Transportation Agreement.
15 THE WITNESS: Can I steal your 3? I'll give it back.
16 MR. HILGENFELD: Oh, I have two. You can keep it.
17 THE WITNESS: Oh. I did see that one. Sorry, I was
18 looking for the email.
19 Q BY MS. YASSERI: So Mr. -- I'm sorry. Mr. Houghton, do
20 you have both exhibits in front of you?
21 A I've got 3 and 9.
22 Q Yes. Thank you.
23 In Respondent's Exhibit 9 in your email, you state,
24 "Emilio has agreed, 325,000 barrel minimum for two years. Same
25 terms and conditions". By that reference to "same terms and

1 conditions", that was referring to the Marine Transportation
2 Agreement in Respondent's Exhibit 3. Correct?
3 A Yeah. That's the same terms and conditions that were in
4 there. My meaning in that is only thing that had changed was
5 the barrel discount.
6 Q When you finalized the negotiated barrel minimum of
7 325,000, you hadn't seen Olympic Tug & Barge's bid that had
8 been submitted in response to the invitation to tender,
9 correct?
10 A No, I hadn't.
11 Q Mr. Houghton, you testified that Ms. Beckman had told you
12 about that 13 percent figure that you later shared with Mr.
13 Skow.
14 A Yes, ma'am.
15 Q And she never told you how she calculated that, did she?
16 A No.
17 Q Did you ever share that 13 percent figure with Mr. Vartan
18 at Westoil?
19 A Yes. He was well aware of it. Yes.
20 Q When? When did you tell him?
21 A I don't have the exact date. But he knew that, you know,
22 this was our goal to get to helping John.
23 Q Did you tell him before you told Mr. Skow?
24 A I don't know. But I don't believe so. I think I was
25 feeling -- seeing what John needed and what I could help him

1 with.
2 Q Do you know how long after you told Mr. Skow that you told
3 Mr. Vartan?
4 A I don't have that. It would have been right within that
5 week. Here's -- here's our goal.
6 Q And when you told Mr. Vartan that figure, what did he say?
7 A I don't -- I don't recall. It was just -- it gave --
8 giving both sides an idea of where they -- where we need to get
9 to and how, you know, creative do we need to get.
10 Q Mr. Houghton, you testified that Ms. Beckman had given you
11 that 13 percent figure sometime in mid-December; is that right?
12 A That would've been -- yeah. About the 10th or so. We --
13 I think we had lunch on the 14th. So it was somewhere in
14 between the time we were talking. He told me he -- he
15 didn't -- he didn't, you know, he'd want to know where he was
16 at. And that'd be very helpful in a, you know --
17 Q Were you aware that a letter had been sent by Ms. Beckman
18 to Brian Vartan on December 9th, 2020, informing him that
19 Westoil's bid had been rejected?
20 A I -- I don't know. I don't know if there was a letter. I
21 have no idea.
22 Q Were you aware that before you gave Mr. Skow that 13
23 percent figure, that a letter had been sent by Ms. Beckman to
24 Sven Titland at Olympic Tug & Barge informing him that OTB had
25 been awarded that LA/Long Beach barge work?

1 A I -- I was not aware of that.
2 Q Were you aware that Mr. Skow had requested from Mr. Vartan
3 to know that labor cost figure on multiple occasions before you
4 shared that with him?
5 A I -- I have no idea.
6 Q I want to talk a little bit, Mr. Houghton, about the oil
7 spill that happened in February of 2021 by Olympic Tug & Barge
8 in Washington State. Were you personally there at the location
9 where the spill occurred?
10 A I was not.
11 Q Did you see any pictures of the spill?
12 A Yes.
13 Q Who provided you the pictures?
14 A It would have been the managers on scene.
15 Q Do you know who that was specifically?
16 A It was, I believe, Ryan -- Byron Peterson was one of them.
17 I think our main -- he's main manager on the scene.
18 JUDGE SANDRON: Do we have that spelling? Or --
19 MR. HILGENFELD: I'm not sure we do.
20 JUDGE SANDRON: If you want, you can add a spelling.
21 THE WITNESS: B -- B-Y-R-O-N. Byron.
22 JUDGE SANDRON: And Peterson?
23 THE WITNESS: Peterson. P-E-T-E-R-S-O-N.
24 JUDGE SANDRON: All right. Thanks. Because we have a lot
25 of names so it --

1 THE WITNESS: Yeah.
2 JUDGE SANDRON: -- it's hard to keep track of them.
3 THE WITNESS: I know. It's hard for me to keep track of
4 them. Getting harder all the time as I get older.
5 Q BY MS. YASSERI: Mr. Houghton, I want to refer you back to
6 GC Exhibit 42 and 41. The IBU's January 16th, 2021 supposal
7 that was sent to you by John Skow.
8 A And I'm sorry, what was it?
9 Q GC Exhibit 42 and 41.
10 A Okay. If I'm lucky there's 41. And 42.
11 Q Yes.
12 A Yes, ma'am.
13 Q Okay. Directing your attention to GC 42, Mr. Skow's
14 January 16th, 2021 email where he attaches GC 41, the supposal.
15 You never replied to Mr. Skow, correct?
16 A I -- I did not.
17 Q And --
18 A I -- I -- I may have replied that I'm -- you know,
19 assuring him it got sent in some manner. Maybe a phone call
20 when he was -- when it got to me.
21 Q Okay. Well, you didn't reply at any time prior to January
22 19th, 2021. Because Mr. Skow follows up with you, doesn't he?
23 If you look up at the email above. He says "Doug, have you had
24 a chance to review the Union's proposal? Your response is
25 requested". Do you see that?

1 A Yes.
2 Q And you didn't respond to that email either, correct?
3 A I don't know if -- it does -- I don't know if I responded
4 to the email, or it was a phone call, or how that got responded
5 to, or if it did. I don't know.
6 Q You testified, Mr. Houghton, on direct that Dan Morrison
7 and Anthony Lobro currently directly report to you but that
8 there were others in the past. Who were some of the others?
9 A In the past I had HR underneath me. I've had direct
10 reports with Brian directly underneath me when he was at
11 Westoil. I had direct reports of -- I can't think of them
12 all. But it's changed -- it -- it's changed multiple times
13 over the years --
14 Q I guess --
15 A -- in the past.
16 Q I apologize. Directing your attention to the time you've
17 been serving as senior vice president of West Coast operations.
18 Other than Mr. Lobro and Mr. Morrison, have there been others
19 who have reported to you during your tenure?
20 A I -- I can't remember when the changes happened.
21 Q I'd like to direct your attention, Mr. Houghton, to
22 Respondent's Exhibit 3 once again, the Marine Transportation
23 Agreement.
24 A Very bottom.
25 Q I believe yesterday you testified that Glencore had

1 certain equipment requirements under this contract. And that
2 included three barges having --
3 A Yes, ma'am.
4 Q -- ready at any time. So I'd like to direct your
5 attention to page 3 of exhibit -- Respondent's Exhibit 3, to
6 section 3.4. It states Westoil shall provide Chemoil with two
7 barges. Where's the three-barge requirement outlined?
8 A Oh. There is a -- I'm sorry. Maybe that wasn't in the --
9 they -- Chemoil pays for all barging cost for third-party work
10 when in need of more than two barges in Westoil. They're -- I
11 thought it was in the contract. But the understanding is is
12 they need three barges to operate their business. Sorry.
13 Q That's just based on information -- conversations you had
14 with Glencore reps?
15 A Yeah. And that's it. And that's -- and I failed to look
16 to see if that's in the contract. But it does say that we will
17 provide the barges as needed. So we are contracted to give
18 them a third, fourth, fifth if they need it.
19 Q And what about the tug requirement? Where would that be
20 obligated?
21 A It would be as required.
22 Q As required?
23 A You would need a tug -- you need suitable tugs to move the
24 barges. You can't move a barge without a tug.
25 Q With respect to seeking authorization about the barrel

1 minimum for Glencore, your negotiations for Glencore, just to
2 clarify, you testified it was Mr. Godden's deci -- ultimate
3 decision, correct?
4 A That's correct.
5 Q Anybody else other than you and him involved?
6 A I think, you know, we -- they had the accounting staff.
7 And that -- that would've been it. Give -- feeding
8 information. But the ultimate decision that -- before I give
9 my final number was Mr. Godden.
10 Q And the accounting staff, that would be Mr. Parry, Mr.
11 Backe?
12 A Mr. Parry, John Saltsman, Backe, any -- anybody feeding
13 information. They wouldn't be decision makers.
14 MS. YASSERI: Your Honor, may I just have, like, two
15 minutes? I believe I'm almost don -- done.
16 JUDGE SANDRON: Okay. We'll go off the record.
17 MS. YASSERI: Thank you.
18 JUDGE SANDRON: Off the record.
19 (Off the record at 4:21 p.m.)
20 **RESUMED CROSS-EXAMINATION**
21 Q BY MS. YASSERI: Mr. Houghton, in that meeting on January
22 15th, 2021, did Mr. Godden tell you why Westoil had retained
23 the Minerva contract?
24 A I don't recall. I don't remember any --
25 Q Has Mr. Godden ever told you why Westoil had retained the

1 Minerva Contract as a result of the invitation to tender?
2 A He has not. And I have not asked.
3 Q Same question with respect to the Peninsula contract. Mr.
4 Gooden, has he ever told you as to why Westoil retained that
5 contract --
6 A No, ma'am.
7 Q -- in response to the invitation to tender?
8 A No, ma'am.
9 Q I have no further questions. Thank you, Mr. Houghton.
10 A Thank you.
11 JUDGE SANDRON: Okay.
12 Mr. Hilgenfeld, redirect?
13 MR. HILGENFELD: I do. I probably need the screen. If we
14 could use the television screen. Is that possible?
15 MS. YASSERI: Oh. What do you need? Oh. Yeah.
16 JUDGE SANDRON: Okay. We have a --
17 MS. YASSERI: The cord?
18 MR. HILGENFELD: The cord.
19 MS. YASSERI: Let me see where the remote is.
20 THE WITNESS: Holy moly. At the 11th hour we're going to
21 get a technical error?
22 (Counsel confer)
23 JUDGE SANDRON: Are we off the record? Let's go off the
24 record. Off the record.
25 (Off the record at 4:29 p.m.)

1 **REDIRECT EXAMINATION**

2 Q BY MR. HILGENFELD: Mr. Houghton, you were asked questions
3 regarding a declaration that you had filed in the Superior
4 Court of the County of Los Angeles on October of 2022. Do you
5 recall those questions?
6 A Yes, sir.
7 Q Were there mistakes in your declaration?
8 A There were.
9 MS. YASSERI: Objection.
10 MR. HILGENFELD: I'm allowed to -- you asked for
11 impeachment. I'm allowed to go through. It's not --
12 JUDGE SANDRON: Well --
13 MR. HILGENFELD: He corrected the depla -- declaration --
14 MS. YASSERI: Your Honor.
15 MR. HILGENFELD: -- with the court. We're allowed to go
16 into that.
17 MS. YASSERI: I'd like to also clarify if there were any
18 discussions between Mr. Houghton and Mr. Hilgenfeld during the
19 break regarding Mr. Houghton's testimony.
20 MR. HILGENFELD: I'm allowed to talk to my client about --
21 JUDGE SANDRON: Well --
22 MR. HILGENFELD: -- any type of issues.
23 JUDGE SANDRON: Well, there's a limit. I -- I -- I -- I
24 believe that there is -- there is a limitation on what you can
25 discuss with the client regarding his -- his prior testimony.

1 MR. HILGENFELD: I did not --
2 JUDGE SANDRON: Especially on cross.
3 MR. HILGENFELD: I did not violate the sequestration
4 order. I did not go past any of those pieces. This is not
5 anything that's --
6 JUDGE SANDRON: Well, did you discuss his -- did you
7 discuss that testimony with him when you were out in the
8 hallway?
9 MR. HILGENFELD: No.
10 JUDGE SANDRON: All right. But he swore to what was in
11 the -- in the statement. And I assume he was represented by
12 counsel. Correct?
13 MR. HILGENFELD: He -- well --
14 MS. YASSERI: Your Honor?
15 MR. HILGENFELD: -- the company was, but he filed a
16 corrected declaration that got submitted to the court. He's
17 allowed to talk about the corrected declaration that got
18 submitted to the court.
19 JUDGE SANDRON: Well, you're saying he submitted a --
20 MR. HILGENFELD: A new --
21 JUDGE SANDRON: -- second --
22 MR. HILGENFELD: Yes.
23 JUDGE SANDRON: -- corrected affidavit?
24 MR. HILGENFELD: Correct. That corrected the statements
25 that he went through before. We're allowed to go into the --

1 it's not impeachment evidence because he corrected it. He made
2 a mistake and he corrected it.
3 JUDGE SANDRON: I -- I see. So was it a -- a --
4 MS. YASSERI: General Counsel is not aware of the filing
5 of a corrected declaration, Your Honor.
6 MR. HILGENFELD: I sen --
7 MS. YASSERI: And I'd like to see that corrected
8 declaration.
9 MR. HILGENFELD: I emailed it to General Counsel.
10 JUDGE SANDRON: Why don't you -- do you want to -- why
11 don't you -- do you want to start with the General Counsel
12 before --
13 MR. HILGENFELD: I've even put two.
14 MS. YASSERI: Okay.
15 JUDGE SANDRON: I mean, if that's the case, if the second
16 one was filed, then you can go into that.
17 MS. YASSERI: When was it emailed, Mr. Hilgenfeld?
18 MR. HILGENFELD: Right when you were going through. Right
19 during -- I mean, you can look over my shoulder if you want.
20 But --
21 MS. YASSERI: Which docket number is it if there's two
22 files?
23 MR. HILGENFELD: It's the later docket number. I think
24 it's 120. Supplemental declaration of Doug Houghton.
25 JUDGE SANDRON: And you were going to admit it to only the

1 areas that the General Counsel --

2 MR. HILGENFELD: Correct.

3 JUDGE SANDRON: -- raised. Okay.

4 MR. HILGENFELD: Paragraphs 2 and 4, are what it's going

5 to be limited to -- and 8 -- 2, 4, and 8.

6 JUDGE SANDRON: Yeah. Does the General Counsel have it?

7 MS. YASSERI: Yes, Your Honor. I'm reading the --

8 JUDGE SANDRON: All right.

9 MS. YASSERI: -- paragraphs. Thank you.

10 JUDGE SANDRON: Okay.

11 MS. YASSERI: Your Honor, we're going to object to the

12 representation made by Mr. Hilgenfeld. This is a supplemental

13 declaration. It doesn't say that the declaration that was used

14 for impeachment includes inaccuracies. The way that it -- the

15 way the declaration is drafted, focuses on other facts, but it

16 doesn't necessarily say that the original declaration was

17 inaccurate.

18 JUDGE SANDRON: Okay.

19 MR. HILGENFELD: It says, "upon reviewing documents I

20 revised, that this date requires a revision" and then it goes

21 to --

22 MS. YASSERI: Where does it say that?

23 JUDGE SANDRON: Well --

24 MR. HILGENFELD: Paragraph 2. And then it goes through

25 other pieces, where he corrects what he had said.

1 JUDGE SANDRON: Specifically relating to the areas that
2 the General Counsel raised?
3 MR. HILGENFELD: Correct.
4 JUDGE SANDRON: It's too bad we don't have a hard copy?
5 MS. YASSERI: I'm sorry, Mr. Hilgenfeld. I'm quite
6 confused. So the reference to paragraph 2, you say, "upon
7 reviewing documents, I realized that this date requires a
8 revision", and it's in reference to the date that Mr. Houghton
9 held the position of senior vice president of U.S. West Coast
10 operations. I didn't --
11 MR. HILGENFELD: And then he goes through and corrects the
12 other pieces of it, in subsequent paragraphs, as regarding
13 responsibilities with Westoil, when he was the VP of
14 Centerline. It goes directly to the impeachment piece. We're
15 allowed to put it in. He was correcting the court record.
16 This is the same motion for adjudication before the Court.
17 It's the same issue.
18 MS. YASSERI: It doesn't say that, Your Honor.
19 MR. HILGENFELD: It does say that. The top of the header
20 is "supplemental declaration of Doug Houghton in support of the
21 motion for summary of adjudication". This was filed
22 supplemental in that declaration to make it correct.
23 MS. YASSERI: But the --
24 JUDGE SANDRON: All right.
25 MS. YASSERI: But the declaration doesn't say that the

1 initial declaration had inaccuracies. I think this
2 supplemental declaration provides further explanation of
3 perhaps some of the representations made in the original
4 declaration.
5 JUDGE SANDRON: Does it say anything about his
6 supervisory --
7 MS. YASSERI: It's --
8 JUDGE SANDRON: -- authority?
9 MS. YASSERI: It says, "since I've worked at Centerline, I
10 have not hired any individuals for Westoil".
11 JUDGE SANDRON: All right.
12 MS. YASSERI: My question was whether he had the
13 authority. That's -- there's a difference.
14 JUDGE SANDRON: All right, well, I think that could be
15 argued if Mr. Hilgenfeld wants to read in what he thinks are
16 the corrections or changes that go to what was in the original,
17 he can do so. I'll decide later whether it, you know,
18 actually, directly addresses what he said in his first sworn
19 statement.
20 MS. YASSERI: Understood, Your Honor.
21 JUDGE SANDRON: So if you want to --
22 MR. HILGENFELD: Would you prefer that I just read it into
23 the --
24 JUDGE SANDRON: Yes.
25 MR. HILGENFELD: -- record? Okay.

1 JUDGE SANDRON: Well, why don't you give -- give the date
2 and then --
3 MR. HILGENFELD: Certainly.
4 JUDGE SANDRON: -- what you're contending are the
5 corrections relative to the points that the General Counsel
6 brought up. He doesn't have to say what's in the document. It
7 speaks for itself.
8 MR. HILGENFELD: Very good. This was a "supplemental
9 declaration of Doug Houghton, in support of motion for summary
10 adjudication. The defendants are not a joint employer, and for
11 dismissal of defendant Centerline Logistics Corporation filed
12 on November 18th, 2022, in the" --
13 JUDGE SANDRON: Well, I don't think we need --
14 MR. HILGENFELD: I'm just getting -- I thought you just
15 needed it for the record as to the document that it was.
16 JUDGE SANDRON: No, I just needed the date actually.
17 MR. HILGENFELD: Oh okay, thank you. I apologize.
18 JUDGE SANDRON: Okay.
19 MR. HILGENFELD: The date was November 17th, 2022, that it
20 was signed.
21 JUDGE SANDRON: Unless the parties think it's important to
22 get -- I think you already identified the action, didn't you?
23 MS. YASSERI: Yes, I did.
24 MR. HILGENFELD: I'm just making clear it's the same
25 action.

1 JUDGE SANDRON: Yeah, it's fine. We can just --
2 MR. HILGENFELD: And then the paragraphs would be
3 paragraph 4, "after I worked as the general manager of
4 Westoil/Millennium, I accepted position with Centerline as the
5 vice president for California operations. I was then promoted
6 from that position to my current role of senior vice president
7 for U.S. West Coast Operation for Centerline. Since I've
8 worked at Centerline, I have" -- not bold/underlined -- "not
9 hired any individuals for Westoil. I have" --
10 bold/underlined -- "not fired any individuals from Westoil. I
11 have" -- bold/underlined -- "not disciplined any individuals
12 from Westoil. I have not" -- bold/underlined not "negotiated
13 any contracts on behalf of Westoil, and that includes any labor
14 negotiations with the IBU."
15 And then paragraph 8, "Since I went to work for
16 Centerline, I have not" -- and not is bold/underlined --
17 "handled grievances, hired, fired, disciplined, demoted,
18 disciplined, set schedules, or handled any day-to-day
19 operations for any crew members at Westoil."
20 JUDGE SANDRON: Okay. Listening to the record again, the
21 General Counsel can argue Houghton, from thereon, what was in
22 his original declaration and you argue you can argue the
23 opposite.
24 MR. HILGENFELD: Certainly.
25 **RESUMED REDIRECT EXAMINATION**

1 Q BY MR. HILGENFELD: Mr. Houghton, do you have General
2 Counsel's 41 in front of you? And it's the supposal.
3 A Yes, I do.
4 Q Under cross-examination, you had -- there was discussion
5 regarding the deckhand engineer piece and its effect on the
6 cost. Do you -- can you explain what the effect of that
7 provision would be on the cost -- the operational cost?
8 A It -- it would be no -- no reduction in cost. There's --
9 the tug never stays with the barge, so that engineer can never
10 take the deckhand position on the barge, so it was -- it was --
11 there was -- there was no give on that. There was no impact.
12 Q In looking at this supposal, would this supposal
13 materially lowered Westoil's operating costs in your opinion?
14 A No, the only thing that's on here that -- that -- that
15 alters that in any shape is third man, and that's just reducing
16 it when it's not needed, and it would be to captain's
17 discretion. There's nothing in here, any substance like, you
18 know, changing medical, any -- you know, or any scheduling
19 reducing, manning, changing, manning -- there was -- there was
20 nothing after all of this time --
21 JUDGE SANDRON: All right. That's fine.
22 A -- that gave up just --
23 Q BY MR. HILGENFELD: And Mr. Houghton, you also have
24 been -- I believe you testified about Starlight Marine
25 operating in San Francisco in 2020.

1 A Yes.
2 Q Did Starlight Marine operate anywhere else in 2020?
3 A They operated ship assist in the Pacific Northwest.
4 Q Okay. Has Leo Marine ever operated ship assist?
5 A Yes.
6 Q Leo Marine?
7 A No, no, Leo Marine has not.
8 Q Has Leo Marine ever operated in the Pacific Northwest?
9 A No, it has not.
10 MR. HILGENFELD: Okay. Thank you Mr. Houghton, that's all
11 the questions I have.
12 THE WITNESS: Oh, thank goodness.
13 JUDGE SANDRON: Is there any recross?
14 MS. YASSERI: Just one question briefly, if I may.
15 JUDGE SANDRON: Go ahead.
16 **RECROSS EXAMINATION**
17 Q BY MS. YASSERI: Mr. Houghton, with respect to GC Exhibit
18 41, once you received this from Mr. Skow, you never provided a
19 response to Mr. Skow, correct?
20 A I -- I don't -- I don't recall if there was written, oral,
21 or -- or that from there.
22 Q The answer is no?
23 A That I don't recall.
24 MR. HILGENFELD: I believe, objection. Mischaracterizes
25 his statement.

1 JUDGE SANDRON: Well --
2 MR. HILGENFELD: He's saying he doesn't recall.
3 JUDGE SANDRON: Let me see, you can't give a specific
4 answer to that?
5 THE WITNESS: No, I don't know if we -- at some point we
6 talked about it. I don't know when it was or what we talked
7 about or how it came to be that this proposal wasn't accepted.
8 Q BY MS. YASSERI: But you never provided any written
9 proposals to Mr. Skow in response to this?
10 A No, I did not.
11 Q You did not.
12 A Or they -- I -- I didn't personally, no.
13 MS. YASSERI: Thank you, Mr. Houghton.
14 THE WITNESS: Thank you.
15 JUDGE SANDRON: Any follow-up questions?
16 MR. HILGENFELD: No further questions.
17 JUDGE SANDRON: Okay, Mr. Houghton, then you are done, and
18 you don't have to come back.
19 THE WITNESS: Thank you very much.
20 JUDGE SANDRON: Have a good evening.
21 THE WITNESS: Come see us in East Long Beach. Let's go to
22 Baker Road. So you know, the three churches --
23 MR. HILGENFELD: Okay, okay, I think we need --
24 THE WITNESS: Are we done?
25 MR. HILGENFELD: Yeah, I think we didn't --

1 JUDGE SANDRON: We're still on the record.
2 THE WITNESS: Oh, we are. Okay. I just wanted to get
3 some -- let them know how close I was to that.
4 JUDGE SANDRON: So before we go off the record, anything
5 before we adjourn for the evening? Because we're going to --
6 yes?
7 MS. YASSERI: Not that this time, Your Honor. Tomorrow,
8 yeah, we will -- we'll sort of address what we have remaining
9 tomorrow.
10 JUDGE SANDRON: All right.
11 MR. HILGENFELD: Okay.
12 JUDGE SANDRON: Well, everybody have a good evening.
13 MR. HILGENFELD: Okay.
14 MS. YASSERI: You too, Your Honor.
15 JUDGE SANDRON: Off the record.
16 **(Whereupon, the hearing in the above-entitled matter was**
17 **recessed at 4:44 p.m. until Wednesday, March 15, 2023 at 9:00**
18 **a.m.)**
19
20
21
22
23
24
25

1 **C E R T I F I C A T I O N**

2 This is to certify that the attached proceedings before the
3 National Labor Relations Board (NLRB), Region 21, Case Numbers
4 19-CA-273208, 19-CA-273220, 19-CA-273226, 19-CA-273928, 19-CA-
5 273985, 19-CA-273771, 19-CB-273986, 21-CA-273926, Leo Marine
6 Services, Inc., Olympic Tug & Barge, Inc., and Centerline
7 Logistics Corporation and Olympic Tug & Barge, Inc. and
8 Centerline Logistics Corporation and Leo Marine Services, Inc.
9 and Centerline Logistics Corporation, Westoil Marine Services,
10 Inc., and Harley Marine Financing, LLC and Inlandboatmen's
11 Union of the Pacific Centerline Logistics Corporation, Leo
12 Marine Services, Inc., and Olympic Tug & Barge, Inc. and
13 International Organization of Masters, Mates & Pilots, AFL-CIO,
14 held at the National Labor Relations Board, Region 21, 312
15 North Spring Street, Tenth Floor, Los Angeles, California
16 90012, on March 14, 2023, at 9:01 a.m. was held according to
17 the record, and that this is the original, complete, and true
18 and accurate transcript that has been compared to the reporting
19 or recording, accomplished at the hearing, that the exhibit
20 files have been checked for completeness and no exhibits
21 received in evidence or in the rejected exhibit files are
22 missing.
23
24 _____
25 JACQUELINE DENLINGER

Official Reporter

OFFICIAL REPORT OF PROCEEDINGS

BEFORE THE

NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:

Leo Marine Services, Inc., Olympic Tug & Barge, Inc., and Centerline Logistics Corporation,	Case No.	19-CA-273208
and		
Olympic Tug& Barge, Inc.		19-CA-273220
and		
Centerline Logistics Corporation,		19-CA-273226 19-CA-273928
and		
Leo Marine Services, Inc.		19-CA-273985
and		
Centerline Logistics Corporation, Westoil Marine Services, Inc., and Harley Marine Financing, LLC,		19-CA-273771
and		
Seafarers International Union,		19-CB-273986
and		
Inlandboatmen's Union of the Pacific,		
and		

escribers
www.escribers.net | 800-257-0885

Centerline Logistics Corporation, Leo Marine Services, Inc., Olympic Tug & Barge, Inc.,

and

International Organization of Masters, Mates & Pilots, AFL-CIO.

21-CA-273926

Place: Los Angeles, California

Dates: March 15, 2023

Pages: 4252 through 4277

Volume: 27

OFFICIAL REPORTERS
eScribers, LLC
E-Reporting and E-Transcription
7227 North 16th Street, Suite 207
Phoenix, AZ 85020
(602) 263-0885

UNITED STATES OF AMERICA

BEFORE THE NATIONAL LABOR RELATIONS BOARD

REGION 21

In the Matter of:		
LEO MARINE SERVICES, INC., OLYMPIC TUG & BARGE, INC., AND CENTERLINE LOGISTICS CORPORATION,	Case No.	19-CA-273208
and		
OLYMPIC TUG & BARGE, INC.,		19-CA-273220
and		
CENTERLINE LOGITSICS CORPORATION,		19-CA-273226 19-CA-273928
and		
LEO MARINE SERVICES, INC.,		19-CA-273985
and		
CENTERLINE LOGISTICS CORPORATION, WESTOIL MARINE SERVICES, INC., AND HARLEY MARINE FINANCING, LLC,		19-CA-273771
and		
SEAFARERS INTERNATIONAL UNION,		19-CB-273986
and		
INLANDBOATMEN'S UNION OF THE PACIFIC,		
and		

CENTERLINE LOGISTICS CORPORATION, LEO MARINE SERVICES, INC., AND OLYMPPIC TUG & BARGE, INC., and INTERNATIONAL ORGANIZATION OF MASTERS, MATES, PILOTS, AFL-CIO.	21-CA-273926

The above-entitled matter came on for hearing, pursuant to notice, before **IRA SANDRON**, Administrative Law Judge, at the National Labor Relations Board, Region 21, 312 N. Spring Street, Tenth Floor, Los Angeles, California 90012, on **Wednesday, March 15, 2023, 10:47 a.m.**

1 **A P P E A R A N C E S**

2 **On behalf of the General Counsel:**

3 **THOMAS RIMBACH, ESQ.**
SANAM YASSERI, ESQ.
4 NATIONAL LABOR RELATIONS BOARD, REGION 21
312 North Spring Street
5 Tenth Floor
Los Angeles, CA 90012
6 Tel. (213)634-2778
Fax. (213)894-2778
7
On behalf of the Charging Party:
8
SARA YUFA, ESQ.
9 BUSH GOTTLIEB, A LAW CORPORATION
801 North Brand Boulevard
10 Suite 950
Glendale, CA 91203
11 Tel. (818)973-3206

12 **On behalf of the Respondent:**

13 **CHRISTOPHER L. HILGENFELD, ESQ.**
DANIEL SPURGEON, ESQ.
14 DAVIS GRIMM PAYNE & MARRA
701 Fifth Avenue
15 Suite 3500
Seattle, WA 98104-7055
16 Tel. (206)447-0182
Fax. (206)622-9927
17

18

19

20

21

22

23

24

25

1 **E X H I B I T S**

2

3 EXHIBIT	IDENTIFIED	IN EVIDENCE
4 **Joint:**		
5 J-6	--	4256
6 J-7	4256	4256
7		
8 **General Counsel:**		
9 GC-111	4273	4274
10 GC-112	4273	4274
11 GC-114	4273	4274
12 GC-115	4273	4274
13 GC-121	4273	4274
14 GC-123	4273	4274
15 GC-124	4273	4274
16 GC-129	4273	4274
17 GC-202	4274	4274
18 GC-203	4274	4274
19 GC-204	4274	4274
20 GC-205	4274	4274

21

22

23

24

25

1 **P R O C E E D I N G S**

2 JUDGE SANDRON: Preliminarily, I -- I note that the
3 parties proffered -- well, actually Joint Exhibit Number 6 was
4 already identified, and it's adjoining is received. And the
5 parties today have proffered Joint Exhibit 7, which is also
6 received.

7 **(Joint Exhibit Numbers 6 and 7 Received into Evidence)**

8 JUDGE SANDRON: I understand, Mr. Hilgenfeld, that at this
9 point the Respondent rests?

10 MR. HILGENFELD: That's correct, Your Honor.

11 JUDGE SANDRON: And I understand, Ms. Yasseri, aside from
12 what we're going to discuss regarding position statements, that
13 the General Counsel has no additional evidence to present in --
14 in any kind of rebuttal, but that you wish to make the motion
15 to conform the pleadings to the proof. Is that correct?

16 MS. YASSERI: That is correct, Your Honor.

17 JUDGE SANDRON: All right. I -- I will accept the motion.

18 The General Counsel wishes to offer position statements
19 that the Respondent's counsel filed on behalf of Centerline,
20 Leo Marine, and Westoil Marine, to which the Respondent
21 objects. I will offer counsels the opportunity to set out
22 their respective positions on the record.

23 Before we get to that, I indicated in our earlier,
24 off-the-record discussion this morning that I agree with the
25 Respondent's counsel that the declarations of witnesses

1 referenced in the position statements would not be appropriate,
2 and would violate fair due process, because the witnesses who
3 testified previously, that would be Mr. Godden, Mr. Vartan, and
4 Mr. Titland, were not given an opportunity either on
5 cross-examination or in any redirect, to explain or respond to
6 any statements they made in their declarations. And the same
7 holds true for, let's see, Benjamin (sic). What was his last
8 name?
9 MS. YASSERI: Bowman Harvey.
10 JUDGE SANDRON: Bowman Harvey. Excuse me. Bowman.
11 Couldn't read my handwriting. Bowman Harvey, who is not called
12 as a witness. And I understand the General Counsel, at this
13 point, is not offering those declarations. Is that correct?
14 MS. YASSERI: That is correct.
15 JUDGE SANDRON: Okay. So Ms. Yasseri, would you like to
16 explain, on the record, why you believe the position statement
17 should be admitted?
18 MS. YASSERI: Yes, Your Honor. The General Counsel seeks
19 admission of the position statements as party admissions under
20 Federal Rules of Evidence 801(d)(2). It is our position that
21 the General Counsel is not required to identify a contradiction
22 before seeking admission of position statements. That position
23 statements include admissions, and by virtue of that fact
24 should be admitted. There -- the Board has consistently
25 admitted position statements based on that basis without

1 requiring the General Counsel to identify a specific
2 contradiction.
3 JUDGE SANDRON: And I believe you previously provided two
4 Board decisions?
5 MS. YASSERI: Yes, Your Honor. The first one is Optica
6 Lee Borinquen, B-O-R-I-N-Q-U-E-N, Inc. cited at 307 NLRB 705,
7 footnote 6 (1992). The second case is Steve Aloi Ford, Inc.
8 Aloi, A-L-O-I, cited at 179 NLRB 229, footnote 2 (1969). We
9 also have a third case, it's Ablon Poultry and Egg Company,
10 Ablon, A-B-L-O-N, cited at 134 NLRB 827, footnote 1 (1961).
11 JUDGE SANDRON: Okay. And Mr. Hilgenfeld?
12 MR. HILGENFELD: Yeah. Thank you, Your Honor. So we
13 don't disagree that -- that this policy or position statement
14 can be an admission and admissible. What we would state is
15 that for it to be admitted, it needs to contain a statement or
16 statements conflicting with the party's position. That is
17 quoted in Raley's, 348 NLRB 382, 501-502 (2006). McKenzie
18 Engineering Company, 326 NLRB 473-485, note 6, (1998). Hogan
19 Masonry, 314 NLRB 332, point cite 331, note 1 (1994). United
20 Technologies Corp, 310 NLRB 1126, point cite 1127, note 1
21 (1993), enforced 29 F.3d 621, Second Court Circuit (1994); and
22 Massillon Community Hospital, 282 NLRB 675 note 5 (1987). It's
23 also on the ALJ Bench Book, page 202.
24 There's -- General Counsel's put forth no areas of
25 inconsistency that they're offering these admissions for. We

1 believe that without offering that, it infringes upon, not only
2 the Federal Rules of Evidence, but potentially, depending on
3 what's offered, the Respondent's ability to have due process in
4 the proceeding. So we would just note that for the record.
5 I would also note for the record there are three types of
6 documents being produced or offered by the General Counsel.
7 One are the traditional position statements. A second are
8 emails from General Counsel. The emails from General Counsel
9 are clear hearsay, and would not be admissions. They were
10 offered, regardless of why they're being offered by General
11 Counsel, they're hearsay and not admissible under the hearsay
12 rules.
13 And then the third, in -- I would note that are the
14 exhibits. Regardless of whether they're attached to the
15 position statements or not, an exhibit does not become a
16 position statement because it is attached to those exhibits to
17 be admit -- to be admitted, have to have all of the elements of
18 the Rules of Evidence required. So we would just note that for
19 the record, Your Honor.
20 JUDGE SANDRON: Do -- do you have any specific citations
21 that say the General Counsel has the obligation to identify, at
22 this point, the particular provisions in the position
23 statements that General Counsel contends are admissions or
24 inconsistencies?
25 MR. HILGENFELD: All I would -- I would note that I think

1 Raley's states the admission is admissible if it contains a
2 statement or statements conflicting with the party's position.
3 So that's what I just note for Your Honor.
4 JUDGE SANDRON: Okay. I -- I note that on -- on the
5 record, as well. Did -- I understood that Joint Exhibit 7
6 resolved the issue of the exhibits to which Mr. Hilgenfeld --
7 MR. HILGENFELD: I understood there were two different
8 types of exhibits. I think it -- it resolved one of the
9 issues. I don't think it resolved the second issue.
10 JUDGE SANDRON: Which -- which exhibit?
11 MS. YASSERI: Yes.
12 JUDGE SANDRON: Okay. Which -- because I know we had
13 discussed off the record the issue of the lists.
14 MS. YASSERI: Yes.
15 JUDGE SANDRON: That were contained in General Counsel's
16 Exhibit 120 -- well, in the position statement, which was
17 marked as General Counsel's Exhibit 121, and the superseding
18 list in General Counsel Exhibit 122. And I understand that
19 issue was resolved by Joint Exhibit 7?
20 MS. YASSERI: Yes, Your Honor. Joint Exhibit 7 has
21 resolved the issue with respect to the discrepancies in the
22 list that were proffered. And GC Exhibit 121 and GC Exhibit
23 122.
24 JUDGE SANDRON: Right.
25 MS. YASSERI: But we would still seek the admission of

1 those position statements on other basis.
2 JUDGE SANDRON: Oh, okay.
3 MS. YASSERI: Yeah. The list was just an issue --
4 JUDGE SANDRON: Right.
5 MS. YASSERI: -- we wanted to highlight just for clarity
6 of the record, because Respondents had informed us in GC
7 Exhibit 122, the position statement from July 23rd, 2021, to
8 destroy the prior list that was included in GC Exhibit 121.
9 And so we've resolved that issue now through agreement --
10 JUDGE SANDRON: Right.
11 MS. YASSERI: -- on Joint Exhibit 7.
12 JUDGE SANDRON: So -- so the lists are not being offered?
13 MR. HILGENFELD: Correct, Your Honor. I understood the
14 Employer list of not being offered, but the other exhibits
15 attached to the position statements are being offered, I
16 believe. At least some of them are.
17 JUDGE SANDRON: I -- I --
18 MR. HILGENFELD: Or do I have that wrong?
19 JUDGE SANDRON: -- I don't recall any other exhibits, per
20 se. Do you, Ms. Yasseri, have any other --
21 MS. YASSERI: Well, yes, I believe it was --
22 JUDGE SANDRON: Was other another one? Oh, was that the
23 exhibits to the PDFs?
24 MS. YASSERI: My apologies, Your Honor. One second.
25 JUDGE SANDRON: Yes.

1

2 MR. HILGENFELD: I thought it was GC-115.

3 JUDGE SANDRON: 115, right.

4 MS. YASSERI: 115. Yes, those exhibits are referenced in

5 the prior position statements. That's a separate issue from

6 the list, Your Honor.

7 JUDGE SANDRON: Oh, I see.

8 MS. YASSERI: Yes.

9 JUDGE SANDRON: That's -- so Mr. Hilgenfeld was referring

10 to that.

11 MR. HILGENFELD: Correct, Your Honor. And I would just

12 note that merely because something is referenced doesn't make

13 it an admission, or anything else. It's just a document. But

14 I'll just put that for the record and understand Your Court's

15 (sic) ruling.

16 I -- I would also add one more point, if I could, Your

17 Honor?

18 JUDGE SANDRON: Okay. Actually -- actually, I haven't

19 ruled yet.

20 MR. HILGENFELD: Okay.

21 JUDGE SANDRON: But I indicated off the record where I was

22 going. But go ahead.

23 MR. HILGENFELD: Fair enough. Sorry, Your Honor. Didn't

24 mean to misstate you.

25 JUDGE SANDRON: No, no. That's all right. That's fine.

1 I'm -- I'm going to, as I indicated, maybe I'm jumping ahead
2 here, but as I stated off the record, I -- I will admit the
3 position statements at this point, and those exhibits. But I
4 will consider arguments that Mr. Hilgenfeld, you -- you make in
5 your brief. And if I determine that you are correct in -- in
6 your positions, and I will revisit my rulings and reverse them
7 and exclude the position statements and/or the exhibits.
8 Go ahead. Why don't you --
9 MR. HILGENFELD: Yeah. And the -- the other -- the other
10 piece I would just note for the record, is I -- I don't believe
11 this is the whole world of communications and position
12 statements. And there were clarifications made at various
13 points in time. And to the extent that there's anything about
14 an inconsistency that was later clarified, we would just be
15 noting that we will probably be trying to reopen the record to
16 fully supplement the record of what the full -- the full
17 communication.
18 MS. YASSERI: Well --
19 JUDGE SANDRON: Yes.
20 MS. YASSERI: Your Honor, if I may, to the extent that
21 there was a clarification provided to the Region during the
22 investigation, that the General Counsel would certainly
23 acknowledge that clarification, and wouldn't rely on the
24 underlying admission if there was a clarification that that
25 that the Region considered.

1 JUDGE SANDRON: Well, do you -- I mean, there -- there are
2 a couple of ways to approach this. Do -- do you want to leave
3 the record open for a short period to -- or do you want to
4 close it?
5 MR. HILGENFELD: It's probably not an issue. I just don't
6 want to waive the --
7 JUDGE SANDRON: All right.
8 MR. HILGENFELD: -- I don't want to waive it. If -- if
9 they don't bring up an issue, then it's just not an issue and
10 we're good. And so I --
11 MS. YASSERI: Yeah.
12 MR. HILGENFELD: -- I just don't want to waive it.
13 JUDGE SANDRON: All right. That's fine. Okay, that's
14 fine. It's noted on the record if, you know, you -- you find
15 something that you feel would bear on -- on the earlier
16 position statements, you're welcome to seek to have that --
17 MR. HILGENFELD: Okay.
18 JUDGE SANDRON: -- into the record. And I understand Ms.
19 Yasseri is not objective if that does happen.
20 MR. HILGENFELD: Thank you.
21 JUDGE SANDRON: So now, I know we've had a lot of issues
22 and a lot of documents, and I -- I want to just make sure.
23 Is -- is there anything else, at this point, that the General
24 Counsel wishes to present before we get to the matter of the
25 filing of briefs?

1 MS. YASSERI: Just one other request, Your Honor. I -- I
2 know when we started this hearing back in August, it was on the
3 Zoom platform, and we just request that any affidavits that
4 were received by Mr. Hilgenfeld electronically, just to confirm
5 that they've been destroyed.
6 MR. HILGENFELD: They were destroyed on the day that they
7 were provided.
8 JUDGE SANDRON: Okay.
9 MS. YASSERI: Thank you.
10 MR. HILGENFELD: And they were destroyed in a confidential
11 bin.
12 JUDGE SANDRON: All right.
13 MS. YASSERI: Thank you.
14 JUDGE SANDRON: And is there anything else, Mr.
15 Hilgenfeld, before we get to briefs?
16 MR. HILGENFELD: I would just like clarification, just
17 because we have a lot of exhibits --
18 JUDGE SANDRON: Yes.
19 MR. HILGENFELD: -- that Ms. Yasseri went through that
20 just what got admitted on the position statements.
21 JUDGE SANDRON: Oh, yes, actually, that's a very good
22 point. I think they actually haven't been admitted.
23 MS. YASSERI: They have not.
24 JUDGE SANDRON: Thank you for pointing that out. That is
25 certainly something that we have to address before we close the

1 record. So I think maybe it might be helpful then, Ms.
2 Yasseri, if you can -- and -- and you've already provided
3 copies to opposing --
4 MS. YASSERI: We're going to pass them out right now, Your
5 Honor.
6 JUDGE SANDRON: -- okay. Why don't you pass them out --
7 MS. YASSERI: Yes.
8 JUDGE SANDRON: -- and I can actually read what they are
9 into the record at one time.
10 (Counsel confer)
11 JUDGE SANDRON: And at this point, off the record, I had
12 seen that one of these proposed exhibits, so I -- I know what
13 is involved.
14 (Counsel confer)
15 JUDGE SANDRON: These --
16 MR. HILGENFELD: This is one exhibit. Sorry.
17 JUDGE SANDRON: -- this is -- this one is this -- which one
18 is this one? That's 115.
19 (Counsel confer)
20 JUDGE SANDRON: Okay. So these exhibits, GC Exhibit 115,
21 are they referenced? I know there -- there -- there are, like,
22 what, 375 pages. And that exhibit, you -- you indicated, I
23 think, off the record, Ms. Yasseri, they relate to General
24 Counsel's Exhibits 111, 112, and 114?
25 MS. YASSERI: Yes. They were submitted in support. Yes.

1 JUDGE SANDRON: Are they referenced specifically in each
2 of the --
3 MR. HILGENFELD: They're not, Your Honor.
4 MS. YASSERI: I don't think they're specifically
5 referenced. They were submitted in support.
6 MR. HILGENFELD: And I guess we would disagree with the
7 characterization. As is typical, the General Counsel sent a
8 request for information, and a request for investigation. And
9 they were sent in -- we certainly sent them to the General
10 Counsel, but they weren't necessarily sent in support of. They
11 were sent because General Counsel asked for certain documents.
12 JUDGE SANDRON: I see. So -- so these documents were --
13 were provided by the Respondent?
14 MR. HILGENFELD: They were provided by the Respondents.
15 That is true.
16 JUDGE SANDRON: Okay.
17 (Counsel confer)
18 JUDGE SANDRON: Oh, I see. Here's -- and some of these
19 are probably already encompassed by other exhibits.
20 MR. HILGENFELD: Several of these are already in the
21 record, Your Honor.
22 JUDGE SANDRON: Right. I just want to see if -- so -- so
23 Ms. Yasseri, were these provided at the same time or a
24 different time?
25 MS. YASSERI: The same time.

1 JUDGE SANDRON: And that was?

2 MS. YASSERI: Around April 19th, 2021. I don't know the

3 exact date the Region received them, but they were submitted in

4 conjunction with those position statement.

5 JUDGE SANDRON: Oh. So --

6 MR. HILGENFELD: I'm -- I'm sure they were --

7 MS. YASSERI: Yes.

8 MR. HILGENFELD: -- I'm sure they're put in the --

9 JUDGE SANDRON: All right.

10 MR. HILGENFELD: -- system on that date.

11 (Counsel confer)

12 MS. YASSERI: Um-hum.

13 JUDGE SANDRON: Okay. So they were submitted in

14 conjunction with General Counsel's Exhibits 111, 112, and 114,

15 I think you indicated.

16 MR. HILGENFELD: Not necessarily, Your Honor.

17 (Counsel confer)

18 MR. HILGENFELD: So the Region submits a request to

19 provide --

20 JUDGE SANDRON: Right.

21 MR. HILGENFELD: -- a position statement, and they also

22 list what evidence they would like.

23 JUDGE SANDRON: Right.

24 MR. HILGENFELD: Some of these may be related to the

25 position statement. Some of them may not be related to the

1 position statement.

2 JUDGE SANDRON: Okay.

3 MR. HILGENFELD: That may be a nuanced without a --

4 without a difference.

5 JUDGE SANDRON: All right.

6 MR. HILGENFELD: But it is a slight difference.

7 JUDGE SANDRON: So -- so they were -- they were submitted

8 on or about April 19th?

9 MR. HILGENFELD: That's correct, Your Honor.

10 MS. YASSERI: Yes.

11 JUDGE SANDRON: Okay. So maybe we'll just leave out that

12 they necessarily related to this specific position statements.

13 I'll just make a note.

14 (Counsel confer)

15 JUDGE SANDRON: I don't want to get too overly technical.

16 Was that -- was that one request? They were providing in

17 response to one request, or you know, different request by the

18 General Counsel; if you recall?

19 MS. YASSERI: (Indiscernible, simultaneous speech).

20 MR. HILGENFELD: It's -- I -- I am probably relying more

21 on just standard procedures than what I recall in this case.

22 But it would have been -- each of the Respondents, I guess,

23 would have had their own request, but I -- I don't know that

24 for certain.

25 JUDGE SANDRON: Maybe --

1 MS. YASSERI: And it was actually the first request for
2 evidence that it was sent by my colleague in Seattle.
3 JUDGE SANDRON: All right.
4 MS. YASSERI: And I believe I'd have to check, Your
5 Honor --
6 JUDGE SANDRON: All right.
7 MS. YASSERI: -- when they were filed.
8 JUDGE SANDRON: Well, I -- I'm not sure we need to --
9 MS. YASSERI: Okay.
10 JUDGE SANDRON: -- get into that. I -- I think we can
11 just indicate they were submitted in response to the Regions --
12 it actually was Seattle, right, Region 19's request?
13 MS. YASSERI: Yes. I believe it was field attorney
14 Rachel Cherem --
15 JUDGE SANDRON: All right.
16 MS. YASSERI: -- issued the first request for evidence
17 letter.
18 JUDGE SANDRON: All right. I think we can just -- though
19 they -- well, confusing, because the General Counsel's Exhibit
20 111, 112, 114 were addressed to you, Ms. Yasseri.
21 MS. YASSERI: Yes. What happened, Your Honor, was Ms.
22 Cherem issued the request for evidence letter --
23 JUDGE SANDRON: Oh, okay.
24 MS. YASSERI: -- and then the seven cases are transferred
25 from Region 19 --

1 JUDGE SANDRON: Oh, okay. Fine.

2 MS. YASSERI: -- to Region 21.

3 JUDGE SANDRON: All right. Well, I think we can --

4 MS. YASSERI: Yeah.

5 JUDGE SANDRON: -- just say that they were submitted on or

6 about April 19th in response to the Regions -- Region 19's

7 request. That's fine. I don't think we need to --

8 MS. YASSERI: Okay.

9 JUDGE SANDRON: -- go into. Okay. Now, wait. Let's see.

10 We have 200. Those are emails.

11 MR. HILGENFELD: I thought you weren't submitting 121 and

12 122. Did I misunderstand that?

13 JUDGE SANDRON: Wait one second.

14 MR. HILGENFELD: Those are the lists. The employee lists.

15 MS. YASSERI: Oh, no. For other reasons.

16 MR. HILGENFELD: Oh.

17 MS. YASSERI: Yeah.

18 JUDGE SANDRON: Okay. This was -- wait a minute.

19 MR. HILGENFELD: Here it is. I don't --

20 (Counsel confer)

21 MR. HILGENFELD: Yeah, I think that's the one you --

22 MS. YASSERI: Yeah.

23 MR. HILGENFELD: -- we received.

24 MS. YASSERI: Yeah.

25 JUDGE SANDRON: So as I understand, the General Counsel

1 Exhibit 202, that -- that really was a request for evidence
2 regarding Leo Marine?
3 MR. HILGENFELD: What's this, Your Honor?
4 MS. YASSERI: 202.
5 JUDGE SANDRON: General Counsel Exhibit 202, it -- it
6 appears, looking over, that it relates to Leo Marine,
7 essentially?
8 MS. YASSERI: Well, it was actually related to the
9 position statements that were submitted on behalf of
10 Centerline, Leo Marine, Olympic Tug and Barge, and Westoil.
11 JUDGE SANDRON: All right. So I must -- I won't say that
12 that was -- that was going back to 111, 112, and 114?
13 MS. YASSERI: Yes.
14 (Counsel confer)
15 JUDGE SANDRON: Though it is a little bit confusing with
16 the changing regions, but I -- I think I'm not sure it's going
17 to make too much difference.
18 All right. Again, I think we can 202, okay 122 -- let's
19 see, 203. Let's see, this -- I'm not sure, let's see. Just
20 202. Did you give me 203?
21 MS. YASSERI: 203.
22 JUDGE SANDRON: 204 and 205? I -- I have --
23 MR. HILGENFELD: I believe so, Your Honor. They'd be
24 emails from Mr. Yasseri to myself.
25 JUDGE SANDRON: Oh, okay. Okay. Here's 122, 124, 205.

1 Okay. So those -- are -- 203 is -- let's -- let's go off the
2 record just for a minute.
3 (Off the record at 11:15 a.m.)
4 JUDGE SANDRON: The General Counsel has proffered the
5 following documents, which I will describe on the record. As I
6 said off the record, if either counsel wants any kind of
7 correction, let me know as we go.
8 There's General Counsel's 111, which is an April 19th,
9 2021 position statement filed on behalf of Centerline. General
10 Counsel's Exhibit 112 is an April 19th, 2021 position statement
11 filed on behalf of Leo Marine. General Counsel Exhibit 114 is
12 a position statement, also dated April 19th, 2021 for Westoil
13 Marine. General Counsel Exhibit 115 are exhibits that were
14 through to the PDFs that the Respondent submitted in response
15 in Region 19's requests for evidence.
16 Then General Counsel's Exhibit 121 is a position statement
17 for Leo Marine filed on May 11th, 2021. General Counsel's
18 Exhibit -- let see, 123 is a position statement filed on behalf
19 of Centerline on January 10th, 2022. General Counsel's 124 is
20 a position statement filed on behalf of Westoil Marine on
21 January 10th, 2022, also. And then there is General Counsel's
22 Exhibit 129, which was a January 19th, 2022 position statement
23 filed on behalf of Centerline.
24 Then we have emails that were sent by Mr. Yasseri
25 requesting additional evidence, and -- and these were

1 predicates to some of the later filings by the Respondent's
2 Counsel. General Counsel's Exhibit 202, dated April 22nd,
3 2021. General Counsel's Exhibit 203, dated February -- excuse
4 me, April 27, 2021. General Counsel's Exhibit 204, dated April
5 29th, 2021, and General Counsel Exhibit's 205, dated May 6th,
6 2021.
7 Does that -- does that cover all of the documents, Ms.
8 Yasseri, that you wish to offer?
9 MS. YASSERI: Yes, Your Honor. It does.
10 MR. HILGENFELD: Your Honor, I would just make one note
11 for the record.
12 JUDGE SANDRON: Yes.
13 MR. HILGENFELD: GC 121 is the May 11, 2021, Leo Marine
14 position statement. But it also includes exhibits, as well.
15 Just noting that for the record.
16 JUDGE SANDRON: And you had wanted those exhibits
17 attached --
18 MS. YASSERI: Yes.
19 JUDGE SANDRON: -- correct?
20 MS. YASSERI: Yes, Your Honor.
21 JUDGE SANDRON: As I indicated earlier, I will -- I will
22 admit all of these documents subject to reviewing my ruling,
23 depending on what Mr. Hilgenfeld states in his brief.
24 **(General Counsel Exhibit Numbers 111, 112, 114, 115, 121, 123,**
25 **124, 129, 202, 203, 204, and 205 are Received into Evidence)**

1 JUDGE SANDRON: And if I'm convinced that he is correct,
2 then I will reverse my ruling, and those documents will be
3 excluded from consideration.
4 I believe we've covered all of the matters of an
5 evidentiary nature. We've had a very long and interesting
6 trial. And I think the only remaining matter before we close
7 the record, at this point, is to set a new date for the filing
8 of briefs. I -- I will take this opportunity to thank counsels
9 for their willingness to cooperate, and for their
10 professionalism throughout the course of the trial, even while
11 they were vigorous advocates for their respective clients.
12 So as I indicated earlier, off the record, my authority at
13 this point is to set the filing of briefs for 35 calendar days
14 from today, which are kind of Wednesday, April 19th, of this
15 year. And that will be the date that I set at this morning. I
16 understand that counsels will shortly file a request to extend
17 the filing of briefs to Wednesday, June 28th, 2023, based on
18 the complexities of the trial; is that correct?
19 MS. YASSERI: Yes, Your Honor.
20 MR. HILGENFELD: Yes, Your Honor.
21 JUDGE SANDRON: All right. So the procedure then would be
22 to file a written request with Deputy Chief Judge, Arthur
23 Amchan, A-M-C-H-A-N, requesting that extension based on the
24 nature of the trial, and the complexities involved. As I said,
25 I will recommend that he approve the extension to that date.

1 I want to thank our very able court reporter, who has
2 performed stellar job throughout the course of this trial. We
3 certainly appreciate her service.
4 So everybody, if there's nothing further, I again, want to
5 say that I appreciate counsel's attitudes and behavior
6 throughout the course of the trial, and it certainly made the
7 hearing go a lot more smoothly than it would have been had
8 parties been less cooperative. So everybody take care, and we
9 will then stand closed.
10 MR. HILGENFELD: Thank you.
11 MS. YASSERI: Thank you, Your Honor.
12 **(Whereupon, the hearing in the above-entitled matter was closed**
13 **at 11:29 a.m.)**
14
15
16
17
18
19
20
21
22
23
24
25

1 **C E R T I F I C A T I O N**

2 This is to certify that the attached proceedings before the
3 National Labor Relations Board (NLRB), Region 21, Case Numbers
4 19-CA-273208, 19-CA-273220, 19-CA-273226, 19-CA-273928, 19-CA-
5 273985, 19-CA-273771, 19-CB-273986, 21-CA-273926, Leo Marine
6 Services, Inc., Olympic Tug & Barge, Inc., and Centerline
7 Logistics Corporation and Olympic Tug & Barge, Inc. and
8 Centerline Logistics Corporation and Leo Marine Services, Inc.
9 and Centerline Logistics Corporation, Westoil Marine Services,
10 Inc., and Harley Marine Financing, LLC and Inlandboatmen's
11 Union of the Pacific Centerline Logistics Corporation, Leo
12 Marine Services, Inc., and Olympic Tug & Barge, Inc. and
13 International Organization of Masters, Mates & Pilots, AFL-CIO,
14 held at the National Labor Relations Board, Region 21, 312
15 North Spring Street, Tenth Floor, Los Angeles, California
16 90012, on March 15, 2023, at 10:47 a.m. was held according to
17 the record, and that this is the original, complete, and true
18 and accurate transcript that has been compared to the reporting
19 or recording, accomplished at the hearing, that the exhibit
20 files have been checked for completeness and no exhibits
21 received in evidence or in the rejected exhibit files are
22 missing.

23

24

25

JACQUELINE DENLINGER

Official Reporter