

MAINE ETHICS COMMISSION

**York County Casino Initiative
Investigation Hearing - October 31, 2017**

[START RECORDING]

MS. MARGARET E. MATHESON: I'd like to call this meeting to order at just a hair past nine. It's the Maine Commission on Governmental Ethics and Election Practices. Item one on today's agenda is the hearing relating to the Commission's investigation into the financing of the York County Casino Initiative Campaign. The Commission voted on June 9th, 2017 to conduct this investigation. Since then a significant number of documents have been produced in response to the subpoenas. Primary purpose of today's hearing is for the Commission to hear testimony of Cheryl Timberlake, who is the treasurer for Horseracing Jobs Fairness Ballot Question Committee, and Lisa Scott who is the principal officer of Horseracing Jobs Fairness Ballot Question Committee, as well as three other ballot question committees that she registered in April of this year, 2017. The Lisa Scott Ballot Question Committee, International Development Corporation BQC, and Miami Development Corporation BQC. The notice of today's hearing was provided to the public

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1 and sent to counsel of the above-mentioned
2 ballot question committees, as well as Cheryl
3 Timberlake, Capital Seven LLC, and Bridge
4 Capital LLC, on October 13th, 2017. The notice
5 outlines the legal and factual issues to be
6 addressed at today's hearing, and I'll briefly
7 read from the notice that was provided. Whether
8 Lisa Scott, Miami Development Concepts LLC and
9 International Development Concepts LLC should be
10 found in violation of 21-AM.R.S.A. §1056-B, for
11 not registering and filing campaign finance
12 reports as ballot question committees during the
13 period from December 2015 through April 2017;
14 whether campaign finance reports filed by
15 Horseracing Jobs Fairness Ballot Question
16 Committee from December 2015 through April 2017
17 should be considered late due to misreporting of
18 the sources of contributions that it received;
19 whether any other entities, such as Capital
20 Seven LLC, Bridge Capital LLC, or Regent Able
21 Associates were required to register and file
22 campaign finance reports as a result of their
23 activities in support of the casino initiative
24 campaign; and whether there are mitigating
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1 circumstances as defined in title 21-A M.R.S.A.
2 § 1062-A, subsection 2, paragraph A through C,
3 that would warrant waiving in whole or in part
4 the statutory penalties for Lisa Scott, MDC,
5 IDC, or HRJF for failures to register and file
6 timely campaign finance reports substantially
7 conforming to the reporting requirements.

8 That's a mouthful. The hearing will be
9 conducted today in accordance with Maine
10 Administrative Procedure Act and Chapter 2 of
11 the Commission's Rules. The witnesses will be
12 sworn today. Each witness will have an
13 opportunity to make an opening statement, after
14 which she'll be questioned, first by Commission
15 staff and counsel, followed by counsel for other
16 individuals and entities, and Commissioners may
17 ask questions at any point. The Commission held
18 a meeting yesterday here by telephone conference
19 pursuant to title 21-A, § 1002, subsection 2,
20 paragraph B, to address several procedural
21 issues. And parenthetically, thank you
22 everyone, counsel, Commissioners, staff for
23 devoting a good portion of the day yesterday to
24 iron some of these things out. To address
25

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1 several procedural issues raised by the
2 respondents, including confidentiality of
3 certain exhibits as investigative working papers
4 pursuant to title 21-A, § 1003, subsection 3-A.
5 The Commission voted unanimously to maintain the
6 confidentiality of the following exhibits: staff
7 exhibits 10, 11, 22, 23, 37 through 42, 51,
8 attachments B and C to exhibit 52, and exhibits
9 81 to 83. At the present time the staff report
10 is also confidential as an investigative working
11 paper. At the conclusion of testimony today
12 counsel for respondents will have an opportunity
13 to present all arguments on the factual and
14 legal issues before the Commission. The
15 Commission staff may make closing remarks as
16 well. The hearing will then be closed and the
17 Commission may proceed to deliberations, or may
18 conclude the hearing and continue deliberations
19 on another day. It will depend in part how long
20 the testimony goes, and whether the
21 Commissioners feel that we have received all the
22 information we need to address the legal and
23 factual issues before us in this investigation,
24 or whether additional time is needed for
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1 reflection and/or gathering of more information.
2 Before we begin, first of all I'd like to remind
3 folks to speak loudly enough, this is a recorded
4 proceeding. That's all right. Also I'm going
5 to ask counsel who'll be participating today to
6 please introduce themselves for the record; if
7 you would state your name and the person or
8 entity you're representing at the hearing today.
9 And could we just do that right now?

11 MR. BRUCE M. MERRILL: Good morning,
12 Commissioners, I'm Bruce Merrill, I represent
13 Lisa Scott.

14 MR. THIMI MINA: Good morning, Thimi Mina
15 and Alfred Frawley representing Bridge Capital
16 LLC.

17 MR. DREW KETTERER: Good morning, Drew
18 Ketterer, I represent Capital Seven.

19 MR. AVERY DAY: Good morning, Commissioners,
20 Avery Day, I represent Cheryl Timberlake.

21 MR. WILLIAM A. LEE, III: I have a question
22 based on that

23 MS. MATHESON: Yes.

24 MR. LEE: If I may. Mr. Merrill, previously
25 I think you stated that you represented both MDC

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1
2 and IDC, as well as Lisa Scott, is that still
3 correct?

4 MR. MERRILL: I'm sorry, you are correct, I
5 represent Lisa Scott and her two businesses, MDC
6 and IDC.

7 MR. LEE: Thank you.

8 MS. MATHESON: Thank you. Also
9 participating today will be the Commission's
10 executive director Jonathan Wayne, and legal
11 counsel to the Commission, Assistant Attorney
12 General Phyllis Gardiner. We have a suggested
13 order of questioning which we discussed at our
14 telephone conference. And so before we begin,
15 are there any questions? Yes, Mr. Day.

16 MR. DAY: Madam Chair, the issue of the
17 exhibits, and particularly the privileged log is
18 still an open question. I was just curious when
19 we would resolve that.

20 MS. MATHESON: You know, I guess as it, and
21 if it occurs today, we'll have to clear the room
22 and discuss that, I would assume.

23 MR. LEE: I have a question.

24 MS. MATHESON: Yes.

25 MR. LEE: To Mr. Day, I believe you had a

1 memo that you had previously done on the subject
2 of that privilege log, and you were going to
3 circulate that to us. I have not seen it.
4

5 MR. DAY: Okay, I can--

6 MR. JONATHAN WAYNE: [interposing] We can
7 make paper copies, and then Mr. Frawley, I
8 believe, sent something out, and on that same
9 issue.

10 MR. MERRILL: Correct.

11 MR. LEE: Or anybody who sent anything in.
12 I haven't seen anything - - .

13 MS. MATHESON: Yeah, we haven't seen it so--

14 MR. LEE: [interposing] We had a vigorous
15 argument going on yesterday, and I think we
16 ended by saying people have done some legal work
17 on it, let's take a look at it.

18 MS. MATHESON: Let's take a look. All
19 right, so we are now going to enter the hearing
20 portion of the agenda. And the suggested order
21 of questioning that has been agreed upon is Ms.
22 Timberlake first, and if you and counsel would
23 like to approach. Commission staff will...
24 Good morning.

25 MS. CHERYL TIMBERLAKE: Good morning.

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1
2 MS. MATHESON: Ms. Timberlake, could you
3 please state your name for the record.

4 MS. TIMBERLAKE: Cheryl Cole Timberlake.

5 MS. MATHESON: Thank you. Could you raise
6 your right hand, I'm going to swear you in. Do
7 you swear or affirm to tell the truth at this
8 public hearing today?

9 MS. TIMBERLAKE: Yes I do.

10 MS. MATHESON: Very well, thank you.

11 MR. JONATHAN WAYNE: Can I begin?

12 MS. MATHESON: Certainly, Commission staff.

13 MR. WAYNE: Thank you for coming.

14 MS. TIMBERLAKE: Thank you.

15 MR. WAYNE: Oh that's right, there is a
16 statement that--I didn't mean to--

17 MS. MATHESON: [interposing] Oh that's
18 right.

19 MR. WAYNE: I apologize.

20 MS. MATHESON: And I should've too. That's
21 right, I'm sorry, I'm looking--yes. And both
22 witnesses today, if they care to make a
23 statement should do that right at the outset.
24 I'm sorry, it's been a while.

25 MS. TIMBERLAKE: Good morning members of the

1
2 Ethics Commission. As you know, my name is
3 Cheryl Timberlake, and I want to thank you for
4 the opportunity today to present some comments
5 on the issue pending before you. I am
6 personally and professionally engaged in this
7 issue, let me give you my background. As you
8 know from appearance before you previously, I'm
9 committed to the Harness Horsemen's Racing
10 Association, MHHA. I initially heard about the
11 Scott family, and their efforts in this state on
12 this particular topic from my clients. MHHA had
13 a meeting with associates of the family in the
14 initiative. And my client asked me to get
15 involved and figure out the status of the
16 situation. After several months of discussion
17 with both my existing client, and a reflection
18 of how best to proceed to represent the
19 Horsemen, I decided to join Lisa Scott and her
20 effort to get this specific initiative on the
21 ballot. But let me be clear, my focus, and my
22 primary objective in this endeavor, is to
23 continue to work and further the efforts as it
24 pertains to the harness racing industry. The
25 legislature unfortunately has been unable to

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1
2 adopt a gaming proposal with a comprehensive
3 framework. HRJF provided an opportunity through
4 the citizen initiative process to set in place
5 an endeavor to complete what was started in
6 2003, which was a gaming facility in Bangor.
7 Unfortunately, we did not complete that in the
8 southern Maine section with a harness racing
9 track making a new facility there. You have
10 before you a staff report, it's 18 months-plus.
11 And I sit here today and think we're almost
12 November 1st tomorrow, so it might be two years,
13 so I may have to update the 18 months. But
14 nonetheless, there are thousands of emails, of
15 documents, of binders, receipts, production.
16 This is a very extensive paperwork process. And
17 what you have before you in my read, and in what
18 I have in my office, unfortunately are just some
19 highlights. So I want to be here today to
20 reinforce the rest of what you don't have. And
21 I also want to do the appropriate due diligence
22 for the missing pieces, and by that I mean the
23 rest of my team. I am on record as the
24 treasurer, so I sign off in that capacity. But
25 this is my first opportunity to do this, so I

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1 took the initiative and hired a law firm with
2 Lisa Scott's authorization, Solton Bass ,
3 excellent law firm. In addition I hired a very
4 prominent accounting team, MacDonald Page, who I
5 worked with with other clients to assist me in
6 all my financial reconciliations. Thank God.
7 Little did I know early on in December how many
8 moving parts and pieces, or that 4.2 million was
9 going to be involved in this initiative. As you
10 know this is a very high-profile issue. You
11 can't open the paper or listen to the radio
12 without something going on in this. It's
13 gaming, it's a lot of money, and it's a very
14 successful family. From the outset, however, my
15 Maine team was only focused on the initiative
16 and compliance. We met with the Secretary of
17 State's Office very early in our signature
18 collection effort to make sure that on that side
19 of the house, from the ballot standpoint, from
20 the collection of signatures, we knew what we
21 had to do and what our timetables were. In
22 addition, we met with the Ethics Commission to
23 seek guidance on our financial reporting. As I
24 indicated, this was our first time in doing

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1 this, we wanted to make sure we understood what
2 to do, when, and how. With respect to our
3 financial reporting we have made amendments.
4 There were some technical clarifications that we
5 needed to be made, how someone got reimbursed,
6 how in the electronic system it got reported.
7 But at the end of the day, with hindsight being
8 20/20, my team can only do the job with the
9 information we know. And I think that's very
10 important as this proceeding goes forward.
11 Second, this is again, it's a two-month--two-
12 year process, over 4.2 million in funding and
13 expenditures. My team has tracked all
14 contributions and all expenditures, through the
15 use of email, through the use of banks,
16 financial tracking, and our excellent accounting
17 firm. We have filed each and every initial
18 report on time. If there needed to be a
19 clarification it was amended and it was filed
20 and we cooperated. Every request is verified
21 and documented. As the point person and the
22 decision maker, Lisa Scott acknowledged and
23 approved each and every filing. If there was
24 something wrong or unsupported, my team
25

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1 should've been told. I am only the treasurer,
2 but there were others intimately involved in all
3 of the transactions and the paperwork. We are
4 handicapped and cannot fulfill the details of
5 our reporting if we don't know. HRJF was
6 created by Lisa Scott and she is the principal
7 officer. Not one person on my team knew of
8 fundraising, loans, or other monies alleged in
9 the staff report, other than what we have
10 stated, Lisa Scott and her companies, IDC and
11 MDC. I make particular note on page 5 of
12 Bruce's response brief, where he says the
13 position by stating, and I quote, "All the funds
14 contributed to HRJF came from Ms. Scott and her
15 entities, the funds were her own," end quote.
16 All funds contributed to HRJF were tracked,
17 accounted for, and reported. There was never an
18 effort to hide or deny to the public any details
19 with respect to monies to support this effort.
20 We took great care to do this. If there's a
21 dispute, and I recognize it's regarding the
22 source of the amounts. Third, I've been
23 criticized in the staff report, and I put it in
24 quotes, as someone who's "aware of" certain
25

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1 things. And therefore, because I should've been
2 aware of something, the reporting financial
3 details should be different. I wish I had the
4 ability to sit here and be a Monday-morning
5 quarterback, I do not. There is not the reality
6 in my world, or the world of my team, living day
7 to day and tracking what we tracked, or the
8 elements that we experienced, what we reported
9 is what we knew. The staff report argues that
10 Lisa Scott was not the sole funding for this
11 effort. Yet her own response brief reaffirms
12 that position as her entities, because she is
13 the sole member. How can I, or my team, be
14 expected to decipher the distinctions, when even
15 today there's a disagreement regarding these
16 monies and how they were transacted. Are there
17 loans or not? Are there contributions or not?
18 Were there solicitations or not? The one fact
19 that is clear, and we were not part of, are the
20 various communications between all of these
21 extended corporate entities; Bridge Capital,
22 Capital Seven, and Regent Able. It's come up
23 earlier, but I'm going to use it in my
24 statement. As my response brief noted, there's

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1 a 120-page privilege log, 120 pages in this log.
2
3 And I believe it's the best example of the
4 corporate veil. I was stunned when I saw it.
5 There are more than 2,000-plus emails in this
6 log. I don't know what the emails say, but
7 there are dates and transactions, and the
8 details tell you about the 18 months, and the
9 parts that my team were not in the loop and did
10 not know about. Yet after the fact we are now
11 supposed to know all of these hidden details and
12 the information, and have been asked that we
13 should've made different decisions. In
14 addition, with the benefit of hindsight, I'm now
15 being held accountable for some of Lisa's
16 associates. Each individual who I've worked
17 with on this campaign, and my team worked with,
18 were introduced to us as associates. Each one
19 of them had a very specific project they were
20 working with Lisa on. And they each had various
21 emails, so our transactions differed depending
22 on which email they decided to sign off with.
23 With the benefit of review of these corporate
24 emails, the staff report has determined that
25 these associates should've been known to me, and

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1 their affiliated business entities made a
2 connection to a funding effort. I can't draw
3 that connection, I can't close that loop because
4 someone is here with my principal officer
5 working on a project. Lisa was the face and the
6 manager of this initiative. All the behind-the-
7 scenes discussions regarding money transfers and
8 exchanges were not known to us. There's one
9 thing that's clear to me now, as is clear to
10 other Maine consultants who have testified for
11 other entities, we are on a need-to-know basis.
12 Finally, since my initial interview there have
13 been several things that have been highlighted.
14 My response brief goes through several of those
15 and explains them for you. I want to close.
16 I'm a professional. I work in this state. I
17 work at the state house, I am very, very proud
18 of my record. I started my business at a law
19 firm, who merged with a public affairs firm.
20 And when that happened, unfortunately, it came
21 to my attention one day at a legislative hearing
22 that someone in the law practice represented a
23 different interest than our public affairs
24 practice. When I went back to the home team and
25

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1 had the conversation, they admitted to setting
2 up some Chinese walls. I was not comfortable.
3 When that legislative session ended, I left,
4 started Capitol Insights, and I haven't looked
5 back since. Every day I look in the mirror--and
6 I represent, people would say, some
7 controversial clients--but I am proud of who I
8 am and what I do. I do not look back to those
9 financial disclosure issues when I started my
10 company to where I am now. I took this position
11 seriously for the horseracing industry, and I
12 sit here before you today to want to reinforce
13 my desire and my professional credentials. And
14 with that I am happy to answer any questions
15 that you and the staff may have.
16

17 MR. WAYNE: Should I begin?

18 MS. MATHESON: Pardon?

19 MR. WAYNE: Should I begin the questions?

20 MS. MATHESON: Yes.

21 MR. WAYNE: Okay.

22 MS. MATHESON: Thank you, yes.

23 MR. WAYNE: Thank you. Ms. Timberlake, as
24 the treasurer of the ballot question committee,
25 could you describe for the Commissioners what

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1
2 your responsibilities were?

3 MS. TIMBERLAKE: Yes absolutely. So my
4 responsibilities were to recognize that the
5 statute had very specific deadlines and
6 timelines for reporting. So we set up a
7 protocol in the office. And your staff has
8 postcards and electronic communications, so you
9 shouldn't be missing any of them. But
10 nonetheless, we set up an internal notification
11 for what the deadline was. We reached out to
12 anybody who was part of the effort to ask of
13 them, I have a deadline, I need in writing, I
14 need to know what you're doing, when you're
15 doing it, and how it relates. And that is--so
16 for us it's Schedule A, which is contributions,
17 and Schedule B, which is expenditures. And so
18 we reached out to the vendors, the field
19 workers, and anybody on point to ensure that I
20 need documentation, I can't take your word for
21 it, I need the receipts, I need the paper trail,
22 I need all the documents compiled. When the
23 documents were received in house they were sent
24 to Tetiana, who is our point person at MacDonald
25 Page. And she and I worked collaboratively to

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1
2 ensure that there was a schedule put together so
3 that we could track the various paperwork.

4 MR. WAYNE: And did you offer advice to Lisa
5 Scott on how to report the campaign finances?

6 MS. TIMBERLAKE: We reached out to Lisa
7 Scott to ensure, both electronically and in
8 phone calls, what are you doing, we need to have
9 it, here's the deadline, we need the
10 documentation. I had legal counsel with me, and
11 she had her own team, both in Texas and here in
12 Maine, to assist her in her compliance endeavors
13 on the other pieces.

14 MR. WAYNE: Did you, around the time you
15 began as treasurer, did you look at the
16 Commission's web site for guidance on financial
17 reporting by ballot question committees?

18 MS. TIMBERLAKE: We looked at the web site,
19 and we also had a hard copy paper, it's not a
20 binder, but it's a document that your office
21 produces, yes.

22 MR. WAYNE: And do you recall whether you
23 looked at the ballot question committee's
24 statute, which is § 1056-B?

25 MS. TIMBERLAKE: 1056-B has been the heart

1 of all of our conversations, so I think, as you
2 look at all of the statute, it is one component.

3 MR. WAYNE: Okay, you did look at it at the
4 time?

5 MS. TIMBERLAKE: I think all of us looked at
6 it.

7 MR. WAYNE: Okay, thank you. And did you
8 understand that a person who collects more than
9 \$5,000 to influence a ballot question must
10 register as a ballot question committee?

11 MS. TIMBERLAKE: That's the issue at heart
12 which it collects. Lisa's monies were all
13 reported, whether it was Lisa, IDC, or MDC. We
14 were never informed of, again, those words that
15 I used in my opening statement; solicitation,
16 contributions. So the source or the evolution
17 of these monies, quite candidly, is still a
18 mystery to me.

19 MR. WAYNE: So I understand you're saying
20 there's certain information that you didn't
21 receive, but did you have a general awareness
22 that a person that does receive money in excess
23 of \$5,000 to influence a ballot question, did
24 you understand that was a trigger for having to
25

1 register as a ballot question committee? Did
2 you have an understanding of the legal
3 requirement that collecting money requires
4 someone to register as a ballot question
5 committee?
6

7 MS. TIMBERLAKE: Yes, that trigger of 5,000.

8 MR. WAYNE: Okay great, thanks. Could you
9 describe for the Commissioners how you would go
10 about gathering the information when a campaign
11 finance report was due?

12 MS. TIMBERLAKE: It was--phase one of this
13 was certainly more challenging than phase two
14 because of the number of players involved. But
15 we reached out to the initial team leader, who
16 is Silver Bullet. Silver Bullet had three
17 different coordinators in the field, so we were
18 coordinating with all of them regarding what are
19 you expending, how are you expending it. I need
20 detailed flights, car rentals, hotels, other
21 identified expenditures, so we had a whole array
22 of information from team leaders. In addition
23 we sent emails and phone communication to the
24 principal officer asking her what have you done,
25 how have you done it, I need a paper trail. The

1 statute's very clear that you need to have--I
2 can't take someone's word for it, I need to
3 understand date, time, expenditure, and what was
4 it for.

5
6 MR. WAYNE: Can you tell us what bank
7 statements you saw and relied on in filing the
8 campaign finance reports?

9 MS. TIMBERLAKE: That's a complex question,
10 'cause sometimes it was either a bank statement
11 or a financial printout. So we received
12 financial activity reports, and we relied on
13 those, and the accountant assisted us in
14 deciphering those, along with the principal
15 officer.

16 MR. WAYNE: Okay, let's try to break that
17 down a little bit. So as the treasurer of
18 Horseracing Jobs Fairness, you would've had
19 access to the bank accounts for Horseracing Jobs
20 Fairness, correct?

21 MS. TIMBERLAKE: For Horseracing Jobs
22 Fairness I had access .

23 MR. WAYNE: You could obtain those yourself.

24 MS. TIMBERLAKE: Absolutely. Oh and had
25 them, they were sent to us, absolutely.

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1
2 MR. WAYNE: And with respect to Lisa Scott's
3 accounts, that's what I want to zoom in on, and
4 maybe at this point I can start referring to
5 some exhibits in our--we prepared a notebook,
6 the black one in front of you. And in my
7 questions I only intend to refer to about seven
8 of them. And just this morning I created some
9 homemade tabs.

10 MS. TIMBERLAKE: Pink tabs?

11 MR. WAYNE: Yes.

12 MS. TIMBERLAKE: It is October, I think
13 that's appropriate.

14 MR. WAYNE: Okay, so--and maybe a few others
15 will come up, but those are the primary ones,
16 and so help you get to them quickly. If I could
17 ask you to turn to exhibit 22.

18 MR. MERRILL: 23, Jonathan?

19 MR. WAYNE: Well I was going to start with
20 22. Is that one of the reports that you said
21 you relied on?

22 MS. TIMBERLAKE: So this, yes, this is one
23 of the financial activity reports, Bank of
24 America, with an account number and detailed
25 itemizations for February--I guess it goes kind

1 of backwards here--January and February. Well
2 that's 23. Okay, so 22 is December 30th of 2015
3 to February of 2016 I think.
4

5 MR. WAYNE: Okay, and do you recognize which
6 account that's associated with?

7 MS. TIMBERLAKE: I would have to go back.
8 There are a number of accounts at Bank of
9 America, and so off the top of my head I don't
10 know, 4312, I apologize.

11 MR. WAYNE: That's quite all right.

12 MS. TIMBERLAKE: I have a little sheet that
13 I have to use to annex this and reconcile these.

14 MR. WAYNE: In our staff investigation we
15 determined this is a bank account relating to--
16 it's Lisa Scott's personal banking account. And
17 that's exhibit 22, and that's one of the ones
18 that we deemed to be confidential permanently as
19 financial information not normally available to
20 the public.

21 MS. TIMBERLAKE: Okay.

22 MR. WAYNE: And then if you could turn to
23 the next one briefly, exhibit 23, does that look
24 like another account activity report that you
25 relied on?

1
2 MS. TIMBERLAKE: This is another activity
3 report...

4 MR. WAYNE: Just to move things along, the
5 staff has determined that this is an account
6 activity report for International Development
7 Concepts...

8 MS. TIMBERLAKE: This is IDC, okay.

9 MR. WAYNE: ...LLC, and that is another
10 document that we're keeping confidential because
11 it's financial information not normally
12 available to the public.

13 MS. TIMBERLAKE: Okay.

14 MR. WAYNE: So how is it that you got access
15 to these reports, these activity reports, when
16 you were preparing the campaign finance reports?

17 MS. TIMBERLAKE: Yeah, we needed to
18 substantiate and track transfers of monies. If
19 we didn't receive a picture copy when a wire
20 transfer or a transaction was made, we needed to
21 figure out what funds were coming in, where they
22 were going, who they were going to. So if we
23 didn't have an email that indicated here are the
24 financial transactions, date, time, this month,
25 we asked for financial activities. And Tetiana

1
2 at Macpage was excellent at verifying and
3 tracking all the itemizations, and making sure
4 that we had a cross-reference sheet.

5 MR. WAYNE: Do you remember who--are you
6 saying that someone received these from Lisa
7 Scott then?

8 MS. TIMBERLAKE: Yes.

9 MR. WAYNE: Do you remember who it was?

10 MS. TIMBERLAKE: Either Corinna in my office
11 to Tetiana, or Tetiana directly. I think there
12 were some emails that indicate that Tetiana had
13 to have spoken with Lisa directly to get
14 financial specifics.

15 MR. WAYNE: Okay, and could you describe
16 what Tetiana would do with all this information
17 that she compiled?

18 MS. TIMBERLAKE: God love Tetiana and
19 someone in the accounting world. I'll tell you
20 what, she's amazing. Yeah, she would, in
21 whatever software package she had, she would
22 take the inputs, cross-reference, follow up with
23 a conversation to me. You know, Cheryl, is this
24 an acceptable expense? Cheryl, this doesn't
25 have tracking. Cheryl, this is a duplication.

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1
2 Cheryl--I mean she went through all the minutia
3 of the food, winter clothing, socks. I mean I
4 had no understanding of the detail of
5 expenditures that were going to be involved in
6 this. And she tracked it all, from airlines to
7 Priceline, to rental cars. Put it all in the
8 spreadsheet, and verified it by team leader, by
9 date, created a schedule. And then we had a
10 conversation with what's missing, what do I need
11 to verify, how can I follow up, what do I need
12 to do?

13 MR. WAYNE: And when you say prepare a
14 schedule, do you mean that Tetiana would--or
15 Corinna would prepare a draft campaign finance
16 report with specific entries for your
17 consideration? Is that what you're saying?

18 MS. TIMBERLAKE: [interposing] So the
19 wording is probably a worksheet in the
20 accounting world, she sent it to me as a
21 schedule, 'cause she called it a schedule in the
22 attachment. But I called it a worksheet. And
23 again, I don't know the financial program, but
24 she had it itemized and detailed, and sent it to
25 us so that we could proof it with what we had in

1 house in the event that there was something
2 missing or something duplicative. We took her
3 information, and then created a draft from what
4 you have on your web site, which is a Schedule A
5 and a Schedule B.
6

7 MR. WAYNE: And was the draft report done in
8 handwriting or print-out or--

9 MS. TIMBERLAKE: [interposing] Yes, we did
10 it in handwriting first and then electronically.
11 The first one, as you know, you file, you have
12 to do in handwriting. And then after that your
13 system is set up so that you can electronically
14 input it.

15 MR. WAYNE: Okay, and do you think that you
16 would've reviewed the draft reports that were
17 created in handwriting before they were
18 submitted to our office?

19 MS. TIMBERLAKE: Yes, I did, and they were
20 also sent out for the chairperson's review.

21 MR. WAYNE: Okay, and when you say the
22 chairperson, do you mean that Lisa Scott would
23 review the handwritten draft reports?

24 MS. TIMBERLAKE: Before anything was filed
25 we sent it to her for review and approval.

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2 MR. WAYNE: And just to be specific, is it
3 the draft, the draft report's in handwriting
4 that Ms. Scott would regularly review, or would
5 it be information that was already typed into
6 our database?

7 MS. TIMBERLAKE: So you can't get it from
8 the database out. Once you go in it's
9 electronically challenging to save, I believe.
10 And we always had this issue of what do we do
11 and what can't we do. And so I could be
12 mistaken, but it's my understanding that that's
13 what we did.

14 MR. WAYNE: We could've helped you with
15 that.

16 MS. TIMBERLAKE: Oh, I'm sorry. Well in the
17 future, thank you.

18 MR. WAYNE: That's fine, thank you.

19 MS. TIMBERLAKE: I see you--we've had
20 technology questions before and you've been
21 great at it.

22 MR. WAYNE: All right, thank you.

23 MS. TIMBERLAKE: Yes.

24 MR. WAYNE: So anyway Lisa Scott would
25 regularly review--

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MS. TIMBERLAKE: [interposing] Yes.

MR. WAYNE: --the handwritten campaign finance reports before they were filed with our office, is that your testimony?

MS. TIMBERLAKE: We have email correspondence, and I don't have the exhibits flagged for you, but where we sent for her, and she would be approving what we filed.

MR. WAYNE: Okay, and just one last question those two account activity reports, 22 and 23, do you think that it's likely you would've had an occasion to look at both of those when you were compiling the report in the spring of 2016?

MS. TIMBERLAKE: Candidly I think they went directly to the accountant because they had information personal to Lisa, and we relied on her printed worksheet schedule. To me it's a schedule, but her worksheet that defined HRJF with the itemizations.

MR. WAYNE: And as you reviewed the draft reports, would you have compared the draft reports, the information in those draft reports, to these account activity statements?

MS. TIMBERLAKE: Yes.

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2 MR. WAYNE: So you--in that process would
3 you have seen those account activity statements?

4 MS. TIMBERLAKE: Probably.

5 MR. WAYNE: Okay, thank you.

6 MS. TIMBERLAKE: Yeah.

7 MR. WAYNE: Commissioners, I was going to
8 move on to another topic, if that's fine.

9 MR. LEE: Are we being asked if we have any
10 questions?

11 MR. WAYNE: I mean I know that everyone
12 wants this to be an orderly process. I can keep
13 going, I'm about 20 percent done.

14 MR. LEE: I have one question.

15 MR. WAYNE: Okay.

16 MR. LEE: How do you identify that one of
17 these accounts, exhibit 22, is Lisa Scott, and
18 23 is IDC, when we don't see a name of the
19 account on the paperwork?

20 MR. WAYNE: I offered--

21 MR. LEE: [interposing] That's a question to
22 anybody who can answer it.

23 MR. WAYNE: I offered that as a shortcut,
24 Commissioner. It's very clear to us from all
25 sorts of information that we've seen,

1 particularly emails conveying these. In fact I
2 think maybe some of the emails that Avery Day
3 produced might convey that--have been the means
4 by which these were conveyed from Lisa Scott to--
5 --so I mean there's a number of ways we
6 established in the course of the investigation.
7 And I don't think there's going to be any
8 dispute. And if you'd like I can ask Lisa Scott
9 that when she testifies exactly where those
10 reports belong to.

12 MR. LEE: There's no name listed here, and
13 we just have many, many entries.

14 MS. MATHESON: So I just, I just, I guess I
15 want to clarify with Ms. Timberlake, you, in
16 your job as treasurer, at some point, either in
17 preparing or after the accountants had put
18 together a schedule, you would see these
19 financial activity reports from--with clearly
20 different account name, not being--but different
21 account numbers, different financial
22 institutions.

23 MS. TIMBERLAKE: Yeah. What would be really
24 interesting for the Commission, and you can't
25 quite tell, at least on mine, but exhibit 022013

1 you can see some have been highlighted. We had
2 to rely on the chairperson to come and
3 highlight, color code, highlight this document
4 so that we knew which were which project. She
5 had several projects happening, and would you
6 please highlight for us where these funds are
7 going and what it is. And we had a coded sheet
8 that said Olympic Consultants, Silver Bullet. I
9 mean we had to do the cross-referencing
10 according to codes so that we could track it
11 with wire transfers, or anything from
12 Horseracing Jobs and Fairness, to make sure that
13 the numbers reconciled. So the coding, you see
14 something that's CC payment, that's credit card,
15 not an expense crossed out, the different
16 activities. That's the highlighted document
17 that we rely on.

18
19 MS. MATHESON: But I'm saying you would see
20 that it was--that there were different accounts
21 being referenced.

22 MS. TIMBERLAKE: Yes, so 4312, I would've
23 had a sheet that said all the Bank of America
24 accounts, here's the number, I would've known
25 what that was.

1
2 MS. MATHESON: And what name were you
3 associating that with?

4 MS. TIMBERLAKE: This? Lisa Scott. Now
5 whether this is Lisa Scott MDC or Lisa Scott
6 personal, I can't tell you without going back to
7 my little sheet. The staff has said it's her
8 personal--

9 MS. MATHESON: And so for exhibit 23, you
10 knew what--did you know--you would've known, you
11 would have known that it was a different account
12 than the other one, and what name would you have
13 associated with that on your list.

14 MS. TIMBERLAKE: Actually this one didn't
15 get produced until much later. So the IDC one,
16 I didn't see this until later. So at the
17 initial reporting in December I did not see
18 this. But through the transactions, as Jonathan
19 has indicated, that's when it became apparent to
20 us that this was IDC because it was asked for.

21 MS. MATHESON: Okay. Commissioner Nass?

22 MR. RICHARD A. NASS: Yes, Cheryl, in your
23 initial statement you had suggested that in
24 phase one it was Silver Bullet was your first,
25 it was the first company that you dealt with.

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All this really was to Olympic.

MS. TIMBERLAKE: To Olympic then Silver Bullet, yeah.

MR. NASS: So Olympic was first.

MS. TIMBERLAKE: Yeah, Olympic was on the ground before I came on board.

MR. NASS: Oh okay.

MS. TIMBERLAKE: On retainer, is the key petitioner in the initiative.

MR. NASS: But when you came on board you dealt with Olympic first.

MS. TIMBERLAKE: I dealt with Olympic first, and then Silver Bullet took Olympic under a contractual amendment.

MR. NASS: Okay, thank you.

MS. TIMBERLAKE: Yup.

MR. WAYNE: Thank you. Did Lisa Scott say anything to you about the source of the money that she was using for the campaign?

MS. TIMBERLAKE: Yes, and there's emails, communication, both with Olympic, myself, and with my team that these were her monies.

MR. WAYNE: Let's focus on conversations, direct conversations between you and her on the

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2 phone or in person. What did she say to you to
3 lead you to believe that she was spending her
4 own money?

5 MS. TIMBERLAKE: It's my project, these are
6 my monies, I want to be successful. And that's
7 not just me, Jonathan, everybody, she was very
8 engaged in this effort. And it was her project,
9 and she wrote it to us in the email, and we took
10 it and that's where we went. And when you ask
11 for monies they were there.

12 MR. WAYNE: And are you at this point
13 recalling any specific conversations, or are you
14 talking generally about multiple conversations
15 in which she referred to this as her own money?

16 MS. TIMBERLAKE: Yeah, multiple
17 conversations.

18 MR. WAYNE: Can you even recall specific
19 conversations at this point?

20 MS. TIMBERLAKE: A date and a time, no.

21 MR. WAYNE: Okay. Did she ever say anything
22 to you to lead you to think that she had
23 obtained the money from some other source?

24 MS. TIMBERLAKE: No.

25 MR. WAYNE: Did you ever ask Lisa Scott

1
2 whether she had received any money from another
3 source?

4 MS. TIMBERLAKE: When staff brought to our
5 attention the need to amend and create others,
6 there were lengthy conversations about status of
7 funds, were they loans, were they contributions,
8 were they--and there were a lot of
9 conversations, but those were all after the
10 fact.

11 MR. WAYNE: And these conversations you had
12 with us, these are the ones that took place in
13 April 2017?

14 MS. TIMBERLAKE: April, that sounds like the
15 right time, yup.

16 MR. WAYNE: Okay. But you've testified that
17 you knew collecting more than \$5,000 from some
18 other source, or receiving \$5,000 from some
19 other source, is a trigger to having to register
20 as a ballot question committee. Did you ever
21 think to ask her whether she was getting money
22 from some other source?

23 MS. TIMBERLAKE: These are all in my--every
24 wire transfer says Lisa Scott. So all funds,
25 whether it was her company, her personal

1 checking, or Horseracing Jobs and Fairness were
2 Lisa. And I looked at it as these are Lisa's
3 entities, not an affiliated--I think it's easy
4 to look--again, I can't play Monday morning
5 quarterback. I've seen their production of
6 documents, and I appreciate your questioning.
7 But the facts from my team and what we knew were
8 not that. They were Lisa's money, Lisa's wires,
9 this is her project. She was here, she worked
10 very hard, she was on the ground, she was with
11 us, she made this happen. There was no doubt in
12 my mind that these were hers.

14 MR. WAYNE: Okay, so just to have a direct
15 answer, you did not ask Lisa Scott whether she
16 received money from some other source.

17 MS. TIMBERLAKE: I don't recall having that
18 specific question. If we did, I can't answer
19 it.

20 MR. WAYNE: Okay. All right, let's turn to
21 another one of those pink exhibits, 118. So do
22 you remember this, the episode that's referred
23 to in that email? Do you remember the episode
24 that's referred to in that email?

25 MS. TIMBERLAKE: Yes I do.

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2 MR. WAYNE: I thought you would. What was
3 the context there?

4 MS. TIMBERLAKE: This is very unfortunate,
5 because we literally had to get the state and
6 local police involved. We had a circulator, a
7 disgruntled circulator, from the Lewiston area
8 affiliated with Olympic Consulting, who was
9 upset, and didn't know who else to reach out to.
10 And of course I'm identified on the fact report
11 or the ballot committee report as the treasurer.
12 So he called, he sent faxes, he's very
13 threatening, and to the point where we had to
14 engage police do a cease and desist, and change
15 our phone protocol, change our entrance and exit
16 strategy. It's unfortunate that these type of
17 individuals took to that level. But one, a
18 couple of the threats were sent to us were to
19 really speak of the initiative in a very
20 negative way, and I took that personally. I
21 first of all didn't like criminal threats, I
22 didn't like threats, and I didn't want my name
23 or my staff to be intimidated in that regard.
24 So I wrote Lisa this email saying I want to go
25 on the record and talk about this individual and

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2 what he's just done, because it's not how we
3 operate in Maine, and it was my request to her
4 to have that opportunity. Lisa didn't like--she
5 wanted to stay focused on the signature effort.
6 And when we were done we would proceed, but I,
7 as you can read it, was very upset because of
8 this encounter.

9 MR. WAYNE: So is it fair to say you were
10 worried that the Portland Press Herald would get
11 a one-sided account from this gentleman, John
12 Merchant, concerning the ballot questions, and
13 you wanted to respond, is that about right?

14 MS. TIMBERLAKE: Well I think to me, I mean
15 I don't know specifically what happened or
16 didn't happen in the field, all I know is the
17 extent to which John Merchant threatened me and
18 my staff, and I thought that was out of bounds.
19 And so from a character standpoint, if there was
20 a story going to be written, I wanted to make
21 sure that this individual was put into a true
22 context.

23 MR. WAYNE: So were you asking for
24 permission to provide information to the
25 newspaper?

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MS. TIMBERLAKE: I was.

MR. WAYNE: And if I can draw your attention to the second page of that email at the top, it says page 118-2, where it says, "I will not discuss the Scott family, I will not discuss the funding for the effort." Why did you say that you would not discuss the funding for this effort?

MS. TIMBERLAKE: So there's like a--as we know from the heightened media that's engaged right now, Lisa expressed a serious concern that the reporting on anything that would go on would not be seen favorable for her. They continued to focus on her brother, on certain allegations that were unfounded, and the fact that--I mean and the media to that point was already alleging they're foreigners, it's a shell company, the money came from various sources. So I'm trying to reinforce that I'm not going to talk about any of these things that I recognize for you and your family are hot-button issues. My sole focus is to go in, and I describe it in my email, and to talk about I want to protect my professional name and the role that I have, and

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1 that's the rest of the email.

2
3 MR. WAYNE: So would you say that, in terms
4 of the campaign dealing with the press, that
5 Lisa Scott was reluctant to disclose involvement
6 of her brother in the campaign?

7 MS. TIMBERLAKE: Ask that again, Jonathan.

8 MR. WAYNE: Was Lisa Scott reluctant to
9 disclose to the press that her brother was
10 involved in the campaign?

11 MS. TIMBERLAKE: I think there are emails,
12 and even press releases that Lisa distributed,
13 that describe her position and her relationship
14 with her brother.

15 MR. WAYNE: So that was a yes or no
16 question, was she reluctant or wasn't she
17 reluctant?

18 MS. TIMBERLAKE: I don't know if she was
19 reluctant or not reluctant, I was focused on the
20 initiative, and trying to keep a positive
21 presence, given this John Merchant.

22 MR. WAYNE: And at the time this email was
23 sent, who did you think was funding the
24 campaign?

25 MS. TIMBERLAKE: Lisa.

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2 MR. WAYNE: So hadn't you already just filed
3 a campaign finance reports saying that Lisa was
4 funding the campaign?

5 MS. TIMBERLAKE: Absolutely.

6 MR. WAYNE: It was already public knowledge
7 that it was Lisa who was funding the campaign,
8 is that correct?

9 MS. TIMBERLAKE: That's correct.

10 MR. WAYNE: So why are you saying you will
11 not discuss the funding?

12 MS. TIMBERLAKE: Because in the press
13 reports, which we can highlight, there's already
14 negative accolades as it pertains to the
15 initiative, because the initiative states who
16 benefits. And so there was this indirect tie
17 back to Lisa regarding who owned Bangor Raceway,
18 who gets to benefit, what was going on. So
19 there was this, whether I reported it, there was
20 still the media emphasis on trying to get at
21 who's going to benefit, what does this mean, and
22 we want to get some more facts about the
23 project.

24 MR. WAYNE: Did Lisa Scott ever ask you not
25 to talk about who was funding the campaign?

1
2 MS. TIMBERLAKE: I don't have a media role
3 in this, I'm a treasurer, I don't do public
4 relations. My company is advocacy, government
5 relations, and regulatory. When I work with a
6 client that needs me to reach out I hire another
7 firm, my key firm is here. Press relations are
8 unique and specific, I don't do that.

9 MR. WAYNE: But as someone who's on record
10 as the treasurer of the committee, wouldn't you
11 regularly get inquiries from the press?

12 MS. TIMBERLAKE: Because my name and contact
13 information was here, and I was Maine based, I
14 would get requests via email and phone calls and
15 forward them on to the principal.

16 MR. WAYNE: Okay great, thank you.

17 MS. TIMBERLAKE: Yup.

18 MR. WAYNE: Let's turn to exhibit number 87.
19 So when was that document created? Or let me
20 withdraw that question. Is this an email from
21 you to Lisa Scott?

22 MS. TIMBERLAKE: This is an email from me to
23 Lisa.

24 MR. WAYNE: And when did you send that?

25 MS. TIMBERLAKE: The date on this exhibit is

1
2 April 25th, 2016.

3 MR. WAYNE: And what is going on in the
4 campaign at the time this email was sent?

5 MS. TIMBERLAKE: April 25th we had lost the
6 ruling with the Secretary of State, so we had
7 not qualified valid signatures. We had lost a
8 judicial proceeding in the courts, so we were in
9 a holding pattern so to speak. We had no status
10 at this point as it pertains to the initiative.

11 MR. WAYNE: And what were you trying to get
12 across to Lisa Scott in your email?

13 MS. TIMBERLAKE: This email is asking about
14 next steps, what exactly is going to transpire
15 at this point. And it says, I mean I can read
16 it if you want, but it talks about what is the
17 continued role, what are the details. And then
18 you've highlighted here, would you like me to go
19 into that Jonathan?

20 MR. WAYNE: Well let me ask a specific
21 question. There is some language in there that
22 says "given the relationship with the new
23 investor," and I highlighted it for efficiency's
24 sake, who was that investor that you were
25 referring to?

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MS. TIMBERLAKE: That I don't know.

MR. WAYNE: Well are you saying you didn't know at the time who the investor was?

MS. TIMBERLAKE: So in April of--April 25th, Lisa had indicated that through many of her projects she was reaching out to investors, and one of them she hoped would fund Maine. So with that understanding, and given that we were done, in my view we were done, I didn't know, but if there was an opportunity to continue a round two, I wrote this email, we're bringing closure as of April 1st, and we need to finish all of our current obligations and move to the next phase. From this email there was no follow-up. Since then, as I've had the opportunity to look at the full record, I understand that the new investor funded Massachusetts and did not fund Maine.

MR. WAYNE: At the time this was sent did you know that there was an investor in place?

MS. TIMBERLAKE: No. She was having conversations and was looking to a new investor, which was a green light to me that, well, we're going to do a phase two, because at this point

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we weren't doing anything.

MR. WAYNE: And do you now know who the investor is?

MS. TIMBERLAKE: I believe I know who the investor is through the documents.

MR. WAYNE: And who do you believe that investor is?

MS. TIMBERLAKE: Regent Able.

MR. WAYNE: You use the phrase "given the relationship," what was the relationship that you were referring to there?

MS. TIMBERLAKE: That was the point, I don't know the relationship. I was told that there was going to be a new investor, but I don't know the name or the terminology of who it's going to be. If I did, much like I did in April of 2017, I would've asked for all the specifics. If there's a new investor, we need to bring closure and we need to move forward because we're done. I mean there's nothing happening with the campaign, except I'm finishing finance reports and coming under the purview of the Commission.

MR. WAYNE: Did you ask for more information from Lisa Scott about who the investor was?

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2 MS. TIMBERLAKE: I did, and I didn't get--
3 it's an investor from Massachusetts, and they
4 wanted--Massachusetts had qualified and was on
5 the ballot, Maine had been denied, and we were
6 in petition mode. So we weren't in a position
7 to proceed. We needed to either go back in the
8 field and collect qualified signatures, and
9 there was a timetable to that, or we weren't
10 going anywhere. So Maine was, I literally say,
11 in this conundrum of are we or aren't we? And
12 the issue here was are we or aren't we? And I'm
13 asking the same question. We're having a
14 conversation regarding my specific role, I don't
15 know what we're doing. And so from the
16 documents that have now been produced it's clear
17 that whoever the investor was, which we now
18 know, they invested in Massachusetts. It had
19 qualified, it was on the ballot, it was moving
20 forward.

21 MR. WAYNE: Didn't you understand that this
22 new investor might be paying for phase two of
23 the campaign?

24 MS. TIMBERLAKE: No, because I didn't know
25 there was going to be a phase two. That's what

1
2 I'm asking, I'm asking about my whole role in
3 what's transpiring. I don't have any knowledge
4 yet of is there going to be a phase two.

5 MR. WAYNE: Well given your knowledge that
6 there are potential investors as you moved into
7 phase two, did you ever ask any information
8 about who this investor was?

9 MS. TIMBERLAKE: Say that again, as I went
10 into phase...

11 MR. WAYNE: Moving forward into the fall,
12 did you ever seek to confirm whether or not
13 there was an investor who was paying for the
14 political campaign?

15 MS. TIMBERLAKE: There was conversations
16 about initial investors after she wanted to have
17 the interview with the signature gatherers, that
18 was a clear sign that we are moving forward with
19 phase two. And that's in August, September of
20 that year, this is April.

21 MR. WAYNE: In September did you ever ask
22 for information about whether an investor was
23 paying for the political campaign?

24 MS. TIMBERLAKE: I did.

25 MR. WAYNE: And what were you told?

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2 MS. TIMBERLAKE: They were not at that point
3 until we qualified for the ballot, we were still
4 in petition mode.

5 MR. WAYNE: Can you clarify what you were
6 told about that? Were you told anything about
7 whether or not an investor was paying for the
8 petitioning campaign in the fall?

9 MS. TIMBERLAKE: Yeah, we have--and I can't
10 flag the specific exhibit, but we asked and were
11 told not until we qualified.

12 MR. WAYNE: What do you mean not until you
13 qualified?

14 MS. TIMBERLAKE: We were still in petition
15 status, we needed to get to the level where we
16 are qualified.

17 MR. WAYNE: You're the treasurer for the
18 ballot question committee.

19 MS. TIMBERLAKE: What?

20 MR. WAYNE: Your job is to report on the
21 campaign finances.

22 MS. TIMBERLAKE: Absolutely.

23 MR. WAYNE: So in the fall of 2016, as you
24 were paying expenses for petitioning, did you
25 ask whether the investor had any kind of

1 financial role in this campaign?

2 MS. TIMBERLAKE: This particular investor I
3 did not.

4 MR. WAYNE: Any investor.

5 MS. TIMBERLAKE: We did have conversations
6 about future investors.

7 MR. WAYNE: In the fall...

8 MS. TIMBERLAKE: Yes. I can get into who
9 they are.

10 MR. WAYNE: No that's okay.

11 MS. TIMBERLAKE: Oh.

12 MR. WAYNE: Thank you. Let's look at
13 exhibit--

14 MR. NASS: [interposing] Yeah, I have a
15 question.

16 MR. WAYNE: Yeah please.

17 MR. NASS: There's more to that one line,
18 Cheryl.

19 MS. TIMBERLAKE: Sure.

20 MR. NASS: So the relationship, we're
21 talking about the new investor, but then after
22 that outstanding payments still to be resolved.
23 So your statement that this was done at that
24 point, you were aware there was a big chunk of
25

1 bills yet to be paid, so you're not done.

2 MS. TIMBERLAKE: Well we're reconciling with
3 the accountant. So this is April where we had
4 just done a report, and we were still trying to
5 track airline, rental, and various
6 documentations.
7

8 MR. NASS: But you got bills out there to be
9 paid and some angry people probably,
10 potentially, so that's--

11 MS. TIMBERLAKE: [interposing] Well the
12 angry people were who's responsible, whether it
13 was the Silver Bullet or the team leaders there.

14 MR. NASS: But somebody's got to come up
15 with money to pay for these bills 'cause they're
16 still outstanding at that point. I mean I think
17 that's what you're saying. You're not done at
18 that point 'cause you got bills to be paid.

19 MS. TIMBERLAKE: Well and what I say is I
20 prefer to finalize all the current obligations
21 before we move on to any next phase with a new
22 investor. So for her and I it's like any
23 accountant, HRJF is here, let's finish up what
24 we're doing, put things in storage, finalize it,
25 and then figure out what if any next steps are

1
2 going to occur.

3 MR. NASS: Okay.

4 MS. TIMBERLAKE: Yeah.

5 MS. MATHESON: Yes, Commissioner Lee.

6 MR. LEE: Rather than having to go back to
7 this point, Ms. Timberlake, and again on exhibit
8 087-001, the April 25th email from you to Lisa,
9 in that third paragraph, the introductory
10 clause, "given the relationship with a new
11 investor", the words "given the relationship"
12 strongly suggests that you and Lisa share some
13 knowledge about a relationship existing at that
14 time, not something that would exist in the
15 future. Are you with me, it wouldn't be phrased
16 that way, can you explain that?

17 MS. TIMBERLAKE: Lisa met with the investor
18 and had positive conversations with them. The
19 hope was, as I understood it, it was going to be
20 Maine and Massachusetts. That didn't come to
21 fruition and that's unfortunate. If it had the
22 follow-up communication, the follow-up
23 information is who are they, what do they do, we
24 need to report, much like we did in the future.

25 MR. LEE: But doesn't the phrase "given the

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1 relationship" suggest that the person writing
2 that understands that there is an existing
3 relationship with the subject, which would be
4 this new investor?
5

6 MS. TIMBERLAKE: I didn't have access to the
7 new investor. What I knew was Lisa indicating
8 she had a new investor potential and that, if it
9 is a new relationship, I'd like to close phase
10 one, figure out what I'm doing, and then move
11 forward. I don't know who it is at this point.
12 I know from hindsight having read the record.

13 MR. LEE: I'll let it go for right now.

14 MR. WAYNE: If no one else has questions,
15 I'd like to move on to exhibit 88 which is the
16 next one. And I want to draw your attention to
17 the bottom paragraph. Is this in 88, is this an
18 email from you to Lisa Scott?

19 MS. TIMBERLAKE: This is an email from me to
20 Lisa Scott.

21 MR. WAYNE: And when did you send this
22 email?

23 MS. TIMBERLAKE: This is dated January 23rd,
24 2017.

25 MR. WAYNE: And at this time has the

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1
2 legislate--I'm sorry, has the Secretary of State
3 approved the petitions yet, if you know? If you
4 don't know, that's fine.

5 MS. TIMBERLAKE: I think this is the timing
6 of when they have. We submitted just before
7 Christmas in December, and they have one month.
8 So if I'm looking at that I think you're
9 correct. But hang on, let me read it. "Manage
10 to decide", so the opening line says "manage to
11 decide," so I'm guessing a decision has been
12 offered. Yes, it's qualified.

13 MR. WAYNE: Okay. So there's some language
14 in the bottom there, I might've highlighted it
15 in your copy, "the investors need to make some
16 key decisions soon." At this point did you know
17 who the investors were?

18 MS. TIMBERLAKE: In December of 2016 we had
19 a lengthy conversation about investors,
20 potential investors into the system as it
21 pertains to Scarborough Downs and to real estate
22 and to the campaign. And there are a number of
23 names that I can offer up, but that was the
24 phrase. As you go into the campaign these
25 investors need to make some decisions.

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1
2 MR. WAYNE: Were you aware at that time that
3 an investor had already put money into this
4 campaign?

5 MS. TIMBERLAKE: Not at that time.

6 MR. WAYNE: What were the key decisions that
7 needed to be made soon?

8 MS. TIMBERLAKE: Campaign, where, post,
9 Scarborough, I mean all of the elements of what
10 needed to happen as next steps.

11 MR. WAYNE: So at this time did you
12 understand that there were actual investors or
13 not?

14 MS. TIMBERLAKE: She didn't confirm that
15 there were actual investors, there were
16 significant opportunities with a Vegas gaming
17 entity Navegante, who she wanted to help get
18 licensed. There were conversations through her
19 other two associates with Ocean Properties,
20 which is the main entity. There were
21 conversations with Scarborough Downs, Sharon
22 Terry, and Ed McCall. Do we buy, do we not buy?
23 Do we put them in, do we not put them in? So
24 there were a number of moving parts outside of
25 the initiative 'cause the ballots were done with

1
2 respect to real estate location of the entity,
3 Scarborough Downs and then Partners.

4 MR. WAYNE: Okay. Going back to your
5 opening statement, now that you've had a chance
6 to see the documents in this investigation, do
7 you believe that you were excluded from the
8 information about who was funding this campaign?

9 MS. TIMBERLAKE: I do.

10 MR. WAYNE: Do you believe that you were
11 misled by Lisa Scott as to who was funding the
12 campaign?

13 MS. TIMBERLAKE: That's a very good
14 question. I mean this is her project, she felt
15 very strongly about it. I didn't have access to
16 the knowledge and the documents that are in
17 front of you in that privilege log. There are a
18 lot of decisions and pieces that happened
19 elsewhere, and didn't happen here on the ground.
20 I don't know whether I would say misled, or I
21 just didn't have the facts that I needed at the
22 time.

23 MR. WAYNE: Okay, thank you. I'm going to
24 move on to other topics off of this, of her
25 knowledge of the funders, okay? Do you know

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Laurence Hamilton?

MS. TIMBERLAKE: Laurence was one of Lisa's associates.

MR. WAYNE: Do you remember when you first met him?

MS. TIMBERLAKE: I met him at a lunch meeting in Portland, I'm going to get the timing off, yeah, spring of 2017, '16.

MR. WAYNE: Spring of 2016.

MS. TIMBERLAKE: April probably.

MR. WAYNE: April. What was the purpose of the meeting?

MS. TIMBERLAKE: Laurence was with Lisa and Brandon. And we had a lunch meeting, he was inquiring about Maine's landscape for gaming specifically. He was visiting Scarborough Downs, they were headed to Bangor to see the facility there. Laurence was very--forensic probably isn't the right word--very detail oriented, asking a lot of questions as it pertains to the track at Scarborough, real estate, and he was into numbers. Laurence was very fiscal-oriented about money and rate of return, so he was doing a lot of due diligence

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1
2 for Maine so that he could use that in
3 Massachusetts.

4 MR. WAYNE: And could you repeat, you
5 thought he was an associate of Lisa Scott's,
6 could you elaborate on that? Or I forget the
7 word you used.

8 MS. TIMBERLAKE: Yeah, he was an associate
9 working with her in Massachusetts -on that
10 initiative.

11 MR. WAYNE: In Massachusetts.

12 MS. TIMBERLAKE: Yeah.

13 MR. WAYNE: What did you say about his work
14 in Massachusetts?

15 MS. TIMBERLAKE: Well he was interested in
16 the Suffolk Downs relationship, and so he came
17 to me to assess Scarborough Downs, two totally
18 different entities. But he was doing some
19 homework on the racing component here so that he
20 could understand the Mass. Gaming Commission and
21 Suffolk Downs.

22 MR. WAYNE: And did you believe he was an
23 employee of Lisa Scott's?

24 MS. TIMBERLAKE: I didn't see--everybody who
25 was with Lisa had a relationship, but I didn't

1 see them as employees. It was more--each one of
2 them had a project. Brandon worked in D.C.,
3 Phil worked in St. Kitts with her, and Laurence
4 was her on-point for Massachusetts.
5

6 MR. WAYNE: Okay, did you see him
7 subsequently in the summer or the fall?

8 MS. TIMBERLAKE: Yes I did.

9 MR. WAYNE: How many times would you say you
10 had an occasion to meet with him?

11 MS. TIMBERLAKE: I met with him in Boston
12 for a meeting with Lisa, then I met with him--
13 first time in Maine was when we interviewed the
14 signature collection firm JEFF, J-E-F-F. And
15 then I met with him on real estate in
16 Scarborough Downs, he was inquiring--that was a
17 breakfast meeting about what the legislature was
18 doing, was there a competing measure? And I
19 followed up in an email with the WhiteSand
20 Gaming report, so again, he was doing more
21 homework and due diligence on the added
22 components outside of the ballot question doing
23 real estate pieces. And then I don't know if
24 there was another one.

25 MR. WAYNE: Would you say he had a

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1 managerial role in the second phase of the
2 campaign?

3
4 MS. TIMBERLAKE: I didn't see it as
5 managerial. He was a--he was a numbers guy, he
6 was very--real estate and numbers were
7 Laurence's specialty. But not managerial, no,
8 he didn't--he was a different mindset.

9 MR. WAYNE: Okay, and you mentioned a
10 petitioning firm just a minute ago, could you
11 just clarify what that petitioning firm was?

12 MS. TIMBERLAKE: Okay, so the acronym is J,
13 caps, J-E-F-F, the individual is Jim Flewelling
14 [phonetic]. I don't what J-E-F-F, what it
15 stands for, but nonetheless the name of it's
16 JEFF.

17 MR. WAYNE: Is it JEFF Associates?

18 MS. TIMBERLAKE: Yes.

19 MR. WAYNE: Okay, thank you.

20 MS. TIMBERLAKE: Yup.

21 MR. WAYNE: As a ballot question committee
22 treasurer, were you aware that if there's a
23 business entity that is paying an employee to
24 work on an initiative, that's a financial
25 transaction that has to be reported at some

1 point? Did you know about that requirement? If
2 a business entity is employing an employee to
3 work on an initiative, that is a transaction
4 that needs to be reported in some fashion,
5 either as an in-kind contribution to the
6 committee, or to--as an expenditure by the
7 committee. This may be a fine point, but I'm
8 asking you whether you were aware of that. Were
9 you aware of that legal reporting requirement as
10 a treasurer of a committee?
11

12 MS. TIMBERLAKE: Yes, either in-kind or any
13 other services.

14 MR. WAYNE: Okay, so did you ever ask Mr.
15 Hamilton, who he was working for?

16 MS. TIMBERLAKE: No, 'cause my first initial
17 interaction with him was for Massachusetts. And
18 it wasn't until the interview process with JEFF
19 that he had any affiliation with me.

20 MR. WAYNE: I guess what I'm asking is, did
21 you feel that he was there as someone's
22 employee?

23 MS. TIMBERLAKE: I didn't look at him as an
24 employee. That's an interesting distinction
25 now, Jonathan, but I didn't look at him in that

1
2 capacity.

3 MR. WAYNE: Did you understand that he
4 worked for one of the investors?

5 MS. TIMBERLAKE: I did not until after I
6 read the production documents.

7 MR. WAYNE: Okay. Can we turn to exhibit
8 59?

9 MR. NASS: Can I ask a question before you
10 go on?

11 MR. WAYNE: Yeah sure.

12 MS. TIMBERLAKE: Certainly.

13 MR. NASS: I guess I'm confused as to what
14 you thought his role was. He's a numbers guy,
15 he's interested in real estate, but he just
16 didn't appear out of no place. I mean he
17 must've been there at somebody's request, he has
18 to have, how do you think he got there?

19 MS. TIMBERLAKE: Well he was Lisa's point
20 person. She had an individual with her for
21 every one of her projects. And so--

22 MR. NASS: [interposing] So that individual
23 would've been an employee.

24 MS. TIMBERLAKE: That's an interesting--
25 their emails always were different. So that's

1 part of my challenge, which is this is an
2 associate, she had different people who worked
3 with her in different capacities. Laurence was
4 very specific to Massachusetts. He was very
5 interested in the gaming, Suffolk Downs, what
6 was transpiring in that arena. And then
7 assisted Lisa when we came back for phase two.

8 MR. NASS: But his interest would indicate
9 that he was working for somebody, and you
10 thought that he was working for Lisa.

11 MS. TIMBERLAKE: Yeah.

12 MR. NASS: Okay, thank you.

13 MS. MERI N. LOWRY: I have a question.

14 MS. MATHESON: Yes, Commissioner Lowry.

15 MS. LOWRY: Thank you. Cheryl, you said
16 that at the lunch where you met Laurence
17 Hamilton, the meet-and-greet lunch, Brandon was
18 there.

19 MS. TIMBERLAKE: Yes.

20 FEMALE VOICE: Who's Brandon?

21 MS. TIMBERLAKE: Okay, Brandon--I'm going to
22 get his last name wrong and I'll have to look it
23 up in the record--when Phil James left in
24 January of 2016, Brandon came as Lisa's

1
2 associate. He was working with her on a
3 Washington, D.C. project, of which I don't have
4 any information. Another initiative is my
5 guess.

6 MS. LOWRY: Got it. And in response to a
7 question by Jonathan you mentioned a few of
8 Lisa's associates. Can you remind us, who were
9 her associates that you were introduced to?

10 MS. TIMBERLAKE: So Philip James, Brandon,
11 whose last name escapes me, it begins with a V,
12 Laurence Hamilton. And then the initiative
13 started with Hoolae, whose last name I can't do
14 either. And Hoolae was here on the ground,
15 prior to my tenure, being engaged at all with
16 the initiative. He was here working with Bruce,
17 Lisa, and others with respect to getting the
18 initiative going.

19 MS. LOWRY: So those four.

20 MS. TIMBERLAKE: Yes, the four gentlemen.

21 MS. LOWRY: Okay, thank you.

22 MR. WAYNE: Great. I wanted to ask you
23 about exhibit number 59.

24 MR. MERRILL: I'm sorry...

25 MR. WAYNE: 59, sorry. So could you explain

1
2 to the Commissioners what
3 is this document?

4 MS. TIMBERLAKE: This--oh, the exhibit
5 059001 is an email from me to Lisa and to
6 Laurence, dated March 7th, 2016.

7 MR. WAYNE: Thanks. And are you conveying
8 that, any, information in this email?

9 MS. TIMBERLAKE: This is a forward of a
10 forward, which is confusing. But the forward is
11 LLC information, and it is from my staff person.
12 And I assume, if I flip the page, that that's
13 the attachment.

14 MR. WAYNE: Okay. And for the record, Ms.
15 Timberlake is referring to exhibit 60 as the
16 attached document to 59. So how did you come to
17 be sending this exhibit 60 to Laurence Hamilton?

18 MS. TIMBERLAKE: It's at request of Lisa.

19 MR. WAYNE: And did Lisa suggest that you
20 send it, and what was her request?

21 MS. TIMBERLAKE: It's a forwarding trail and
22 it looks like it's a request from Lisa.

23 MR. WAYNE: What did you understand about
24 Mr. Hamilton at that time?

25 MS. TIMBERLAKE: I don't have any basis at

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that time, none.

MR. WAYNE: So did she ask you to forward that document to Laurence Hamilton?

MS. TIMBERLAKE: Yes.

MR. WAYNE: How did she do that? How did she make the request to you to forward that to Mr. Hamilton?

MS. TIMBERLAKE: Well it's either on phone or--because it says it's forwarded.

MR. WAYNE: I know. Do you remember her asking you to forward that?

MS. TIMBERLAKE: Not specifically, other than the trail reference, yeah.

MR. WAYNE: Do you remember what she told you about why--anything about the conversation?

MS. TIMBERLAKE: No, none.

MR. WAYNE: Do you remember anything about the conversation?

MS. TIMBERLAKE: I don't, I don't have that.

MR. WAYNE: Okay. So thinking back to your earlier testimony, would you say it's fair that you met with Mr. Hamilton about a handful of times, several times? How would you characterize it?

1 MS. TIMBERLAKE: Can I count them up? I
2 don't know.

3 MR. WAYNE: Several times?

4 MS. TIMBERLAKE: There were a couple of
5 meetings, yeah.

6 MR. WAYNE: I believe your attorney's letter
7 said several, does that sound about right? I'm
8 asking, is that several, is that a fair
9 description?
10

11 MS. TIMBERLAKE: We had several meetings.

12 MR. WAYNE: Okay, do you recall when we
13 interviewed you on August 17th, you denied
14 meeting Mr. Hamilton more than one time?

15 MS. TIMBERLAKE: When you asked the
16 question, and perhaps I need the hearing aid, I
17 thought you asked me when did I meet him in
18 Maine, so that was a mistake, yeah.

19 MR. WAYNE: So you were responding to the
20 question of did you meet him--did you meet him
21 more than once in Maine.

22 MS. TIMBERLAKE: [aside] What is happening?

23 MR. WAYNE: So when you denied meeting him
24 more than once, you thought I was referring to
25 Maine meetings?

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MS. TIMBERLAKE: Yeah.

MR. WAYNE: And in fact you met him several times in Massachusetts.

MS. TIMBERLAKE: Correct.

MR. WAYNE: Okay, let's move on to exhibit number 102. And what is exhibit 102?

MS. TIMBERLAKE: This is an email from me to Laurence, and copied Hoolae and my staff person on November 22nd, 2016.

MR. WAYNE: Okay, and what's the topic of the email?

MS. TIMBERLAKE: Re: Hoolae's email.

MR. WAYNE: I mean but what is discussed in the email?

MS. TIMBERLAKE: Oh, great to have breakfast to discuss Scarborough Downs, as promised, here's the WhiteSand report, the economist is Clyde Barrows, this is the link to gaming, keep me posted on the outcomes of Scarborough, any luck finding real estate in southern Maine?

MR. WAYNE: So you had a breakfast meeting with Laurence Hamilton and Hoolae Paoa?

MS. TIMBERLAKE: I don't know how you say it.

1
2 MR. WAYNE: I just might want to confirm
3 with counsel.

4 MR. MERRILL: That is correct, Paoa.

5 MR. WAYNE: And Hoolae is right?

6 MR. MERRILL: Hoolae, correct.

7 MR. WAYNE: Hoolae Paoa.

8 MR. MERRILL: Your Hawaiian is excellent.

9 MR. WAYNE: Okay, thank you. Okay, so you
10 had breakfast with these two individuals?

11 MS. TIMBERLAKE: I did.

12 MR. WAYNE: And you discussed the
13 Scarborough Downs situation, is that correct?

14 MS. TIMBERLAKE: Yes, the horseracing
15 component, yup.

16 MR. WAYNE: And what did you understand Mr.
17 Paoa's role in the project to be?

18 MS. TIMBERLAKE: The Scarborough Downs, Mr.-
19 -Hoolae's easier for me than--my Hawaiian is not
20 very good. Hoolae's focus from the beginning
21 was with the Harness Horsemen's Association, so
22 he was still working Scarborough Downs. And I
23 was actually pleased to see that that might come
24 to pass, because it was on the market, and there
25 were serious conversations about next steps in

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that regard.

MR. WAYNE: And did you understand him to be an employee of any of the principals involved in this campaign?

MS. TIMBERLAKE: Good question. He was from the industry who was--

MS. MATHESON: [interposing] Are we talking about Hoolae...?

MR. WAYNE: Hoolae Paoa.

MS. MATHESON: Thank you.

MR. WAYNE: Yeah. I'm sorry, I meant Hoolae. Did you understand him to be employed by any of the entities involved?

MS. TIMBERLAKE: So from my industry sources, which is the context for this, they always refer to him as the Scott family. So it was both a combination of Lisa and Shawn, so it was never clear. And that's how I knew him from the industry. I had not met Hoolae until the breakfast meeting.

MR. WAYNE: Okay, but you understood him to be an employee of the Scott family in some capacity?

MS. TIMBERLAKE: In some capacity.

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1
2 MR. WAYNE: Okay, and as the ballot question
3 committee treasurer, did you ever try to nail
4 down who he worked for?

5 MS. TIMBERLAKE: He was doing the additional
6 research that wasn't directly related to the
7 signature collection effort, so at this point I
8 didn't decipher--although we had conversations
9 about management for Scarborough Downs, we had
10 conversations about investment, and there were
11 conversations about real estate, but no, I
12 didn't decipher his role because it wasn't
13 specific to collection of signatures.

14 MR. WAYNE: I understand what you're saying.
15 When you were interviewed by the Commission
16 staff on August 17th, isn't it true that you
17 told us that you never dealt with Hoolae Paoa?

18 MS. TIMBERLAKE: Oh, until the breakfast
19 meeting I had not dealt with him.

20 MR. WAYNE: When we were interviewing you
21 about your understanding of his role in the
22 campaign, isn't it true that you told us you
23 never dealt with him at all?

24 MS. TIMBERLAKE: I don't recall that. Not
25 part of the campaign for the initiative I didn't

1 meet with him, but I did meet with him for this
2 breakfast.

3
4 MR. WAYNE: Okay.

5 MS. TIMBERLAKE: But I had not met with him
6 prior to. There seems to have been an
7 understanding from my previous work, but I was
8 not part of the previous campaign, so I did not
9 know who this individual was.

10 MR. NASS: Question.

11 MS. MATHESON: Yes.

12 MR. NASS: So I thought you just said
13 earlier that he was on the ground before you
14 were involved.

15 MS. TIMBERLAKE: But I had not met him. So
16 I didn't engage in this until November. He was
17 here doing groundwork with my client, I found
18 out from my client, but I had not met the
19 individual. He reached out and had a private
20 meeting with some of the Harness Horsemen's
21 Association, and met with Scarborough, which is
22 Olympic Consultant, and did that work. I wasn't
23 privy or part of any of those conversations
24 until much later when I put the pieces together,
25 but I had not met the individual until the

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1 breakfast meeting.

2 MS. MATHESON: Where was the breakfast held?

3 MS. TIMBERLAKE: The Senator Inn. I was in
4 legislative session, so they had to come to
5 Augusta.

6 MR. LEE: Where was the meeting that you had
7 with Hamilton in April of 2016?

8 MS. TIMBERLAKE: Portland restaurant whose
9 name I can't recall.

10 MR. LEE: So there's at least two meetings
11 in Maine.

12 MS. TIMBERLAKE: I can tell you where it
13 was, but he was here looking at Scarborough
14 Downs, and was en route to Bangor to see the
15 facility there.

16 MR. LEE: But didn't you say just a couple
17 minutes ago that you must've misunderstood
18 Jonathan's question when he asked you how many
19 times you met with Mr. Hamilton to think that he
20 was only asking you about how many times you met
21 with him in Maine?

22 MS. TIMBERLAKE: Say that again.

23 MR. LEE: Didn't you just a couple of
24 minutes ago say that, when you had answered
25

1 Jonathan's question back in the summer, and said
2 that you'd only met with Mr. Hamilton once, you
3 thought that he was asking you how many times
4 you had met with him in Maine?

5 MS. TIMBERLAKE: No, and I think our staff
6 report indicates that anything relative to that
7 questioning was a misstatement on my part. I
8 had meetings with Laurence, and I've just
9 defined a couple of them for you.

10 MMR. LEE: Right, but didn't you just say a
11 couple minutes ago that you thought the
12 misunderstanding was you thought that Mr.
13 Wayne's question to you was how many times you
14 had met with Mr. Hamilton in Maine, and that's
15 why you said once, 'cause there was only one
16 meeting?

17 MS. TIMBERLAKE: No, I've met with him in
18 Maine for more than once.

19 MR. LEE: Well that's apparent right now.

20 MS. TIMBERLAKE: Yeah.

21 MR. LEE: But I'm just backing up a couple
22 of minutes, and I can be corrected, but I
23 believe you said the source of the
24 misunderstanding between you and Mr. Wayne
25

1 during the question that took place in August
2 was that, when he asked you how many times you
3 had met with Mr. Hamilton, you thought he asked
4 you how many times you had met with him in
5 Maine, and that is why you said once. And now
6 you're saying you at least met twice, because we
7 have this April, and we have the meeting that's
8 just described from November 22nd. Can you
9 explain that?
10

11 MS. TIMBERLAKE: Oh, this meeting of--

12 MR. LEE: [interposing] No, can you explain
13 the discrepancy in your testimony?

14 MS. TIMBERLAKE: No, I apologize. When I
15 met with staff regarding Laurence, my
16 understanding was he asked me how many times I
17 had met with him, and I said the once. We
18 clearly have met more than once.

19 MR. LEE: No.

20 MS. TIMBERLAKE: What?

21 MR. LEE: We can read this back if we need
22 to, but I think what you said just a few minutes
23 ago was the source of the misunderstanding was
24 you thought he was asking how many times you had
25 met with Mr. Hamilton in Maine, and you said

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once.

MS. TIMBERLAKE: [interposing] For the Maine initiative.

MR. LEE: And now it's apparent you've at least met with him twice.

MS. TIMBERLAKE: Can I answer or not? So there's a distinction for me when I met with him as it pertains to Mass. versus Maine. And this meeting was not top of mind until it was brought to my attention, which I'm happy to refer to it, and very pleased that it's here because it's the horseracing piece. But my recollection, when I met with Laurence as it pertains to Maine, was the JEFF meeting, the J-E-F-F meeting regarding signatures. Other times meeting with him it was specific to his activities relative to Massachusetts. That's how I distinguished who he was, what he did, and various activities.

MR. BRADFORD A. PATTERSHALL: When you think of "main," you're thinking topically, not geographically.

MS. TIMBERLAKE: Exactly, I apologize, I'm thinking of--these people are associates working on initiatives with her, not the endeavor. So

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1 JEFF was signature collection effort, this was
2 real estate management Scarborough Downs. I
3 decipher it basically because I'm trying to
4 figure out what role are they playing, and what
5 do I need to do in my capacity. This is real
6 estate in Scarborough Downs. When I met with
7 him earlier it was Massachusetts. I met with
8 him in Maine, but it was Massachusetts. And
9 then the other meeting with JEFF, that was
10 specific, 'cause we now were interviewing a
11 signature collection effort, making a decision
12 whether we were going forward with phase two.
13 That's how I--because these guys are all
14 project-specific with her, I have to think of
15 them as those projects.

16 MR. LEE: Okay, thank you.

17 MS. TIMBERLAKE: Okay. Sorry about that.

18 MR. WAYNE: Thank you.

19 MS. TIMBERLAKE: I apologize.

20 MR. WAYNE: Excuse me. I wanted to refer to
21 one more exhibit relating to Mr. Paoa, and
22 that's--it's actually not one of the pink ones,
23 so you'll have to find it by flipping through
24 the book, it's exhibit 33.

1 MS. TIMBERLAKE: I'm sorry, Jonathan, what?

2 MR. WAYNE: 33.

3 MR. DAY: I'm sorry, Jonathan, can you
4 repeat the--

5 MR. WAYNE: [interposing] 33.

6 MR. DAY: 33.

7 MR. WAYNE: So what is this document?

8 MS. TIMBERLAKE: It is from Stavros Mendros
9 to me on Sunday, December 20th, subject
10 "budget."

11 MR. WAYNE: And who else is the email
12 addressed to?

13 MS. TIMBERLAKE: Oh, I'm sorry, there's
14 three of us; me, Lisa, and Hoolae Cambodia.

15 MR. WAYNE: If I can offer a clarification,
16 that's the nickname for this particular email
17 address that is sometimes used. So what phase
18 of the campaign was this at?

19 MS. TIMBERLAKE: December 20th, so we had
20 received our petitions, we're registered with
21 you for the ethics, we were in the field
22 collecting signatures.

23 MR. WAYNE: So was this the first month of
24 petitioning activity?
25

1
2 MS. TIMBERLAKE: Several weeks of
3 petitioning activity.

4 MR. WAYNE: Okay, and what is Mr. Mendros
5 trying to convey in this email?

6 MS. TIMBERLAKE: "Here's an updated budget,
7 we have spent"--he's talking information about
8 his expenditures.

9 MR. WAYNE: And is he requesting money?

10 MS. TIMBERLAKE: His last line says "a wire
11 would be helpful."

12 MR. WAYNE: And was there a document
13 attached to Mr. Mendros' email?

14 MS. TIMBERLAKE: It says there is but I
15 don't see it.

16 MR. WAYNE: Yeah, it's not included in the--
17 but what is indicated in the email is the
18 attached document? What document is--what's the
19 name of the file that was attached to this
20 email?

21 MS. TIMBERLAKE: The attachment says
22 "invoice Cheryl."

23 MR. WAYNE: So why is a request for payment
24 and an invoice being sent to you and to Lisa and
25 to Hoolae?

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2 MS. TIMBERLAKE: Good question. Hoolae
3 helped recruit Stavros to be engaged, and so I
4 think they had a close working relationship. I
5 was a new treasurer to this, but other than that
6 I would be guessing, I don't know.

7 MR. WAYNE: And at that time what did you
8 understand Hoolae's involvement to be in this
9 new campaign that you were just brought onboard
10 with?

11 MS. TIMBERLAKE: He was getting it off the
12 ground, he recruited Stavros to be the
13 petitioner, met with the Harness Horsemen's
14 Association, that's what I know.

15 MR. WAYNE: All right, thank you. What was
16 the--could you repeat for the Commissioners,
17 what was the company that gathered the petition
18 signatures in the second phase of the campaign?

19 MS. TIMBERLAKE: JEFF.

20 MR. WAYNE: JEFF Associates?

21 MS. TIMBERLAKE: Associates, sorry there's
22 an associate.

23 MR. WAYNE: Thank you. And did JEFF
24 Associates enter into a written contract with
25 the campaign?

1
2 MS. TIMBERLAKE: JEFF Associates worked with
3 the principal in Massachusetts. So to qualify
4 for the Massachusetts ballot this firm, both in
5 Revere and statewide, had experience with
6 signature collection and were local. And so
7 they did work for them in Massachusetts, and
8 there we interviewed them in September of 2016
9 to take up phase two for signature collection in
10 Maine.

11 MR. WAYNE: Okay, and when you say we
12 interviewed JEFF Associates, who's the we in
13 that statement?

14 MS. TIMBERLAKE: Yeah, Lisa, Laurence, and
15 I.

16 MR. WAYNE: Laurence Hamilton.

17 MS. TIMBERLAKE: And JEFF--excuse me, Jim
18 Flewelling had his staff person, Edie--I want to
19 say her last name is Bagette [phonetic]--she
20 would be the person on the ground here with us.
21 So there were four of us, maybe five of us in
22 that meeting.

23 MR. WAYNE: And just to clarify, Edie is the
24 employee of James Flewelling who is the
25 principal of JEFF Associates, is that correct?

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MS. TIMBERLAKE: That's correct.

MR. WAYNE: Thank you. So did JEFF Associates sign a written contract with your campaign committee?

MS. TIMBERLAKE: No they did not.

MR. WAYNE: Okay, let's turn to exhibit 91 then.

MR. LEE: 91?

MR. WAYNE: Yeah, exhibit 91. So is this an email from Laurence Hamilton?

MS. TIMBERLAKE: This is an email to JEFF3800, so that's his email signatory from Laurence copying Lisa and I.

MR. WAYNE: Okay, do you remember receiving this?

MS. TIMBERLAKE: Probably, there was a-- yeah, I mean I'm on it so I received it.

MR. WAYNE: Okay. So what does this email discuss?

MS. TIMBERLAKE: This is consulting agreement between JEFF and Miami Development Concepts, with one, two, three--two changes specified to the agreement.

MR. WAYNE: So did JEFF Associates enter

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1
2 into a consulting agreement with Miami
3 Development Concepts?

4 MS. TIMBERLAKE: Yes.

5 MR. WAYNE: It did, okay. And what did you
6 under--when was this email sent?

7 MS. TIMBERLAKE: This one is September 26.

8 MR. WAYNE: So this is about the time that
9 JEFF Associates is being hired to do the second
10 phase of the petition, is that correct?

11 MS. TIMBERLAKE: That's correct.

12 MR. WAYNE: And at that time what did you
13 understand Miami Development Concepts to be?

14 MS. TIMBERLAKE: Miami Development Concepts
15 was the principal LLC for Lisa Scott in
16 Massachusetts, and JEFF worked for Miami
17 Development Concepts and that entity collecting
18 signatures there.

19 MR. WAYNE: Could repeat that again? I'm
20 sorry, what was Miami Development Concepts?

21 MS. TIMBERLAKE: Was the LLC for
22 Massachusetts.

23 MR. WAYNE: Was it involved in the Maine
24 campaign?

25 MS. TIMBERLAKE: After reading the

1 production documents, yes it was.

2 MR. WAYNE: But in September 2016 you were
3 not aware that MDC was involved in the Maine
4 campaign?
5

6 MS. TIMBERLAKE: Well no, Lisa Scott's
7 companies were part--her monies came in, but
8 specifically the MDC portion, I did not connect
9 those dots.

10 MR. WAYNE: Okay. But in September 2016 you
11 were aware of Miami Development Concepts, is
12 that correct?

13 MS. TIMBERLAKE: Aware of, yes, yes,
14 Massachusetts.

15 MR. WAYNE: But you were aware that the
16 company had some involvement. MDC was hiring
17 the petitioning company to work in Maine, is
18 that correct?

19 MS. TIMBERLAKE: Well that's part of the
20 challenge when you--should it have been
21 Horseracing or was it MDC? And the
22 conversation--JEFF had the relationship working
23 with MDC in Massachusetts. So is the contract
24 in Massachusetts a continuation, or are you
25 Harness Racing Jobs and Fairness?

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2 MR. WAYNE: Okay, why don't we turn to the
3 next page, which is exhibit 92. What's that
4 document?

5 MS. TIMBERLAKE: This is a--oh, it's J-E-F,
6 one's singular, not double, sorry I always
7 thought it was JEFF--JEF Associates invoice
8 number one, 300,000 to Miami Development
9 Concepts, dated September 27th.

10 MR. WAYNE: And what work was the subject of
11 this invoice?

12 MS. TIMBERLAKE: For contract executed,
13 signature gathering, management, verification -
14 - delivery, retrieval, appropriate government
15 authorities, invoice number one.

16 MR. WAYNE: So does this relate to work JEF
17 Associates did in Maine?

18 MS. TIMBERLAKE: Given the date, yes.

19 MR. WAYNE: Okay, and who's the invoice
20 addressed to?

21 MS. TIMBERLAKE: Miami Development Concepts.

22 MR. WAYNE: Okay, and did HRJF pay the
23 invoice amount of \$300,000 do you think?

24 MS. TIMBERLAKE: That's a good question, let
25 me--because there was--I reached out to JEF and

1
2 asked him to specify, given his relationship
3 with MDC, is this MDC work or is it HRJF? And
4 the trail of communication indicates that he
5 would update it to reflect Maine.

6 MR. WAYNE: Okay, so I'm just trying to
7 understand, HRJF is the principal campaign
8 committee, but there's this other entity, Miami
9 Development Concepts, being invoiced,
10 contracting for the work. Can you please help
11 us understand what you knew MDC was at that
12 time?

13 MS. TIMBERLAKE: Miami Development Concepts,
14 MDC, was Lisa's LLC primarily working
15 Massachusetts, that's what I understood. The
16 relationship she had with JEF reinforced this
17 here. I asked that this get changed to reflect
18 HRJF and work in Maine.

19 MR. WAYNE: So are you saying that you later
20 asked Jim Flewelling to change the invoices so
21 that they were addressed to Horseracing Jobs
22 Fairness Committee?

23 MS. TIMBERLAKE: Yes.

24 MR. WAYNE: Is that what you're saying,
25 that's the change you're referring to?

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MS. TIMBERLAKE: Yes.

MR. WAYNE: Okay. When do you think you first became aware of Miami Development Concepts?

MS. TIMBERLAKE: My staff received her LLC information in March, but I was unaware that she made the request, printed it, and that it was available. Because in hindsight she said to me, if I'd known it was related, we would've copied it and kept it in the binder. So I didn't specifically become aware of Lisa's new entity until later. Exactly when, Jonathan, I can't-- because I did all the finances, but the specificity of it, I know when it was created, and I know that we helped print that document for her. But the specific date upon which I connected it I don't know.

MR. WAYNE: So you know it was a new entity?

MS. TIMBERLAKE: It was a new entity.

MR. WAYNE: And what did you understand its purpose was?

MS. TIMBERLAKE: My understanding was it was Massachusetts, her new initiative in Massachusetts.

1
2 MR. WAYNE: And did you ever ask her about
3 where MDC was getting its money from?

4 MS. TIMBERLAKE: It didn't--it was not
5 citizen initiative for me, I did not.

6 MR. WAYNE: But here it is paying for
7 petition signatures gathered in Maine in
8 September.

9 MS. TIMBERLAKE: Oh, at that time, I
10 apologize, at that time I did not.

11 MR. WAYNE: Yeah, sorry, in the fall did you
12 ever ask Lisa Scott--in the fall of 2016 did you
13 ever ask Lisa Scott what money MDC was using to
14 pay for petitioning expenses?

15 MS. TIMBERLAKE: I did not specifically ask
16 that question.

17 MR. WAYNE: Why didn't you ask that?

18 MS. TIMBERLAKE: Well again, I think in
19 hindsight, 20/20, after looking at all of your
20 documents, we can reflect differently. But at
21 the time it was Lisa's entity, and I captured
22 and reported those dollars and those
23 transactions.

24 MR. WAYNE: Okay, so when do you think you
25 first became aware of Miami Development? I

1
2 apologize, I think I asked you that.

3 MS. TIMBERLAKE: You did, I know, and you
4 asked me that in the interview. And so it's
5 kind of a--it's here, but when you say aware of--
6 --and I think aware of versus my signature effort
7 is where I get challenged, because it's there,
8 but it's Massachusetts focused. She created it
9 from Massachusetts, she created it in late March
10 of that year, that was its LLC. Horseracing
11 Jobs and Fairness was the main LLC. How they
12 crossed, when they crossed...

13 [Sound of sirens]

14 MS. TIMBERLAKE: We don't need anymore of
15 that, we've got power outages.

16 MR. WAYNE: Isn't it true that, when we
17 interviewed you on August 17th, you told us you
18 were not aware of Miami Development Concepts
19 until April of 2017?

20 MS. TIMBERLAKE: The details of which I did
21 not, that's correct, that is correct.

22 MR. WAYNE: But you had heard of it earlier.

23 MS. TIMBERLAKE: Heard of it in terms of
24 Massachusetts, but not specific to Maine, yeah.

25 MR. WAYNE: Thank you. Commissioners, I

1 think those are all of my questions for Cheryl
2 Timberlake.
3

4 MS. MATHESON: Okay, I'd like to propose
5 that we just take a couple-of-minute break, is
6 that all right? I think everybody could use,
7 let's say, 10 or 12 minutes.

8 [Off the record]

9 MS. MATHESON: All right, folks, I think--
10 let's get ready to get back into it, folks.
11 Thank you everyone for your patience and for
12 being prompt back. And Jonathan, you've
13 indicated you're done for the moment.

14 MR. WAYNE: That's right.

15 MS. MATHESON: All right, Mr. Merrill.

16 MR. MERRILL: Thank you. Cheryl, good
17 morning.

18 MS. TIMBERLAKE: Good morning.

19 MR. MERRILL: As you know, when we appeared
20 before this Commission back in spring of this
21 year, I was representing Lisa, her two
22 companies, and I represented you as the
23 treasurer of Horseracing Jobs Fairness, correct?

24 MS. TIMBERLAKE: Correct.

25 MR. MERRILL: And I believe my

1
2 representation of you was as an employee of a
3 company that Lisa owned, any disagreement with
4 that?

5 MS. TIMBERLAKE: I am not an employee of a
6 company.

7 MR. MERRILL: You were an employee of
8 Horseracing Jobs Fairness, correct?

9 MS. TIMBERLAKE: No, I was a consultant and
10 treasurer of a ballot committee, I am not an
11 employee. I'm an independent contractor, I am
12 not an employee.

13 MR. MERRILL: I represented you, though, in
14 your capacity as a treasurer of Horseracing Jobs
15 Fairness, correct?

16 MS. TIMBERLAKE: That's correct.

17 MR. MERRILL: I did not represent you
18 individually, correct?

19 MS. TIMBERLAKE: Correct.

20 MR. MERRILL: And in fact you later on
21 retained the services of Mr. Day to represent
22 you individually, correct?

23 MS. TIMBERLAKE: Correct.

24 MR. MERRILL: So while I do not believe that
25 I have a conflict of interest in cross-examining

1
2 you, as you know, I consulted with your attorney
3 about this, and he advised me that you were
4 willing to waive any potential conflict that
5 there might be. And I would like you to put
6 that on the record today that you're waiving any
7 potential conflict that might result from my
8 prior representation of you as the treasurer of
9 Horseracing Jobs Fairness.

10 MS. TIMBERLAKE: Yes, I do waive it.

11 MR. MERRILL: Thank you.

12 MS. TIMBERLAKE: You're welcome.

13 MR. MERRILL: Now Cheryl, you indicated
14 before you started Capitol Insights, you worked
15 for a law firm, is that correct?

16 MS. TIMBERLAKE: Correct.

17 MR. MERRILL: Are you a lawyer?

18 MS. TIMBERLAKE: No.

19 MR. MERRILL: Did you go to law school?

20 MS. TIMBERLAKE: No.

21 MR. MERRILL: So you have no legal training.

22 MS. TIMBERLAKE: No.

23 MR. MERRILL: What was your job at the law
24 firm?

25 MS. TIMBERLAKE: I was a paralegal legal

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assistant.

MR. MERRILL: And that was Soltan Bass?

MS. TIMBERLAKE: No.

MR. MERRILL: What firm was that?

MS. TIMBERLAKE: Lipman and Katz.

MR. MERRILL: You indicated that you got involved in this initiative, Horseracing Jobs Fairness, 'cause you thought it was in the best interest of the Maine Harness Horsemen's Association?

MS. TIMBERLAKE: I believed the citizen initiative would have enabled the Harness Horsemen's Association to further commercial racing in southern Maine.

MR. MERRILL: And you had indicated that you wanted to get involved in this initiative as a continuation of the work that was began in 2003, correct?

MS. TIMBERLAKE: Well it's a continuation of the first initiative, correct.

MR. MERRILL: The initiative that brought slots and now a casino to Bangor was in 2003, correct?

MS. TIMBERLAKE: Correct.

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2 MR. MERRILL: And there was an attempt to
3 get gaming in southern Maine at that time, but
4 it was unsuccessful, correct?

5 MS. TIMBERLAKE: Correct.

6 MR. MERRILL: And you wanted to continue
7 that because you thought it was in the best
8 interest of the Maine Harness Horsemen's
9 Association?

10 MS. TIMBERLAKE: Correct.

11 MR. MERRILL: Take a look at TC3 if you
12 could please. Do you have that, Cheryl?

13 MS. TIMBERLAKE: I have your binder and the
14 TC3?

15 MR. MERRILL: TC3 in a binder that we
16 provided you, yes. If you look at the email
17 from you to Lisa, dated November 9th, 2015, it
18 says: "Lisa, the Maine Harness Horsemen's
19 Association has requested a consulting proposal
20 from my firm for lobbying in the upcoming
21 session. As I indicated, that would not be my
22 desired role for the gaming industry. Where do
23 things stand? Is there an opportunity to work
24 on the York county initiative?" Why were you
25 sending that email to Lisa at that point in

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1
2 time?

3 MS. TIMBERLAKE: November 9th Lisa and I
4 were in conversations about the status of where
5 things stood. There were three pending
6 proposals, ideas before the Secretary of State.
7 I needed to solidify a contract in the upcoming
8 legislative session. And if I didn't solidify
9 the contract I need to know, I didn't want a
10 conflict. And so I needed to figure out what I
11 was doing, and I sent Lisa this where do things
12 stand, is there an opportunity to pursue the
13 York County piece, or am I going to go back and
14 represent the Horsemen in the legislature?

15 MR. MERRILL: The Horsemen had a proposal in
16 the legislature at that point in time, correct?

17 MS. TIMBERLAKE: They had a carryover bill
18 pending in the legislature.

19 MR. MERRILL: But you thought it would be
20 more beneficial to go to work for Horseracing
21 Jobs Fairness.

22 MS. TIMBERLAKE: As I indicated in my
23 opening statement, the legislature has not been
24 able to adopt a comprehensive framework. And a
25 ballot initiative is what did it the first time,

1 and potentially could do it this time.

2
3 MR. MERRILL: So again, you thought that
4 Horseracing Jobs Fairness had a better chance of
5 passing than the proposal that was in the
6 legislature by the Harness Horsemen's
7 Association at that time.

8 MS. TIMBERLAKE: I felt that it was an
9 opportunity to put my skills to work and see
10 what I could do for the industry.

11 MR. MERRILL: And when you say your skills,
12 in the report, or the letter rather, that Mr.
13 Day has submitted, you're basically saying
14 you've never been a treasurer of a BQC before
15 this, is that correct?

16 MS. TIMBERLAKE: I've never been a
17 treasurer.

18 MR. MERRILL: So what skills were you going
19 to put to work for Horseracing Jobs Fairness?

20 MS. TIMBERLAKE: Well the initial
21 conversations with Lisa and I were for the
22 initiative, not treasurer. And there's an email
23 here, and I can find it, that says I could be
24 talked into being a treasurer, I however
25 hesitate because of certain people who were

1 involved. The treasurer was the ultimate role
2 that we decided on.
3

4 MR. MERRILL: And when did you start
5 conversations with Lisa about wanting to go to
6 work for this initiative?

7 MS. TIMBERLAKE: That fall, the exact date I
8 don't know, it was late October.

9 MR. MERRILL: And you approached Lisa, she
10 didn't approach you, correct?

11 MS. TIMBERLAKE: The Harness Horsemen's
12 Association brought to my attention, from their
13 meeting, that the Scott family was back, and
14 that there was this initiative, could I go find
15 out what was going on, and I reached out to
16 Lisa.

17 MR. MERRILL: And you were also contacted by
18 Kathleen Newman?

19 MS. TIMBERLAKE: I had a passing
20 conversation with Kathleen and inquired, have
21 you heard the rumor? And she said it's not a
22 rumor, Lisa is here and you should reach out to
23 her.

24 MR. MERRILL: And for the benefit of the
25 Commission, who is Kathleen Newman?

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2 MS. TIMBERLAKE: Kathleen Newman is the--
3 was, pardon me, was the deputy chief of staff
4 for the governor.

5 MR. MERRILL: And she was at that time in
6 2015?

7 MS. TIMBERLAKE: Yes.

8 MR. MERRILL: Take a look at TC2 if you
9 would please. Look at the bottom email dated
10 Sunday, October 11, 2015, 9:09 a.m. This is an
11 email you sent to Lisa and Shawn, correct?

12 MS. TIMBERLAKE: Uh-huh.

13 MR. MERRILL: And we're talking about Lisa
14 Scott and Shawn Scott?

15 MS. TIMBERLAKE: Correct.

16 MR. MERRILL: And your email says: "How are
17 you, I wanted to reach out to inquire about the
18 latest proposals regarding a southern Maine
19 gaming facility. Kathleen Newman gave me a
20 heads-up on this and encouraged me to contact
21 you. I'm very interested in continuing my
22 advocacy in this policy area. If there's an
23 opportunity I'd like to be part of the team. I
24 look forward to working with you, thanks." And
25 then it has your signature at the top of the

1 next page, or your electronic signature. Why
2 did you contact Shawn Scott?
3

4 MS. TIMBERLAKE: Why did I contact Shawn
5 Scott?

6 MR. MERRILL: Yeah.

7 MS. TIMBERLAKE: Because the information
8 that I had from everybody was that it's the
9 Scotts and--so I sent both Lisa and Shawn the
10 email.

11 MR. MERRILL: Okay, and you had worked on
12 the Bangor initiative, who had hired you for
13 that?

14 MS. TIMBERLAKE: I worked--I did not work on
15 the initiative, I was retained in January of
16 2004 as part of the advocacy team to set up the
17 Gambling Control Board. I was not part of the
18 initiative, not the campaign, I was
19 legislatively focused.

20 MR. MERRILL: And who hired you in 2004?

21 MS. TIMBERLAKE: Bruce Gerrity through the
22 firm here, Preti Flaherty.

23 MR. MERRILL: And you were working for Shawn
24 Scott at that point?

25 MS. TIMBERLAKE: No, I was working for a

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1
2 different coalition name, it was not Cap 7 and
3 Shawn Scott.

4 MR. MERRILL: But at that point the
5 initiative that had passed was the initiative
6 that allowed Bangor Historic Track, which was
7 owned by Capital Seven at that time, to put slot
8 machines in, correct?

9 MS. TIMBERLAKE: The 2003 initiative set up
10 the racing gaming component at that time, yes.

11 MR. MERRILL: And did you ever meet Shawn
12 Scott at that time?

13 MS. TIMBERLAKE: Yes.

14 MR. MERRILL: And did you meet Lisa at that
15 time?

16 MS. TIMBERLAKE: I met the whole family, we
17 all did.

18 MR. MERRILL: Including the mother,
19 Victoria.

20 MS. TIMBERLAKE: Yes.

21 MR. MERRILL: And you know them all very
22 well from that first go-around in 2003?

23 MS. TIMBERLAKE: We did.

24 MR. MERRILL: Lisa--second email Lisa gets
25 back to you and writes: "Hi Cheryl, it' great to

1
2 hear from you. My mom asked that I say hi from
3 her as well. We appreciate the email and will
4 stay in touch with you as we know more. Thank
5 you, Lisa." Now what was your understanding of
6 who the "we" was in that sentence?

7 MS. TIMBERLAKE: Well I sent it to both her
8 and Shawn, so I'm guessing the "we" is both of
9 them.

10 MR. MERRILL: Okay, and you didn't need any
11 clarification on that, you wrote back in the top
12 email, and just said: "Please say hello to your
13 mom, glad to hear back from you," correct?

14 MS. TIMBERLAKE: That's the email.

15 MR. MERRILL: Now you have read the letter
16 that Avery has submitted to the Commission dated
17 October 26th? TC1.

18 MS. TIMBERLAKE: Yes, that's our response.

19 MR. MERRILL: My question was, have you read
20 it?

21 MS. TIMBERLAKE: Yes.

22 MR. MERRILL: And I'm assuming you read it
23 before it was submitted?

24 MS. TIMBERLAKE: Yes.

25 MR. MERRILL: You claim that you believed,

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1
2 and I quote: "Lisa Scott and the company she
3 controlled were personally funding the
4 initiative," correct?

5 MS. TIMBERLAKE: Correct.

6 MR. MERRILL: And that is all on page 3 of
7 TC1. And you claim that, quote: "Though Shawn
8 Scott and other principals were giving direction
9 through Lisa Scott, great care was taken to not
10 reveal to me from where this direction was
11 coming," correct? And that's on page 4 of TC1.

12 MR. LEE: And where on page 4? If you could
13 make it a little easier for us.

14 MR. MERRILL: I'm sorry.

15 MR. LEE: It's a long page.

16 MR. MERRILL: Page 4 on the second full
17 paragraph, about half-way down, after it says
18 CCT27, exhibit CCT30, and exhibit CCT33, it
19 says: "Though Shawn Scott and other principals
20 were given direction through Lisa Scott, great
21 care was taken not to reveal to Cheryl Lake from
22 where this direction was coming." Are you able
23 to find it? And you agree with that statement,
24 right Cheryl?

25 MS. TIMBERLAKE: Which--now that I have the

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1
2 reference, can you explain--what is your
3 question? Which--

4 MR. MERRILL: [interposing] You claim that,
5 though Shawn Scott and other principals were
6 giving direction through Lisa Scott, great care
7 was taken to not reveal to you from where this
8 direction was coming.

9 MS. TIMBERLAKE: The privilege log is very
10 self-evident in the pages and the documentation
11 as to the corporate veil and why things were set
12 up. That is not a guess in hindsight now,
13 Bruce.

14 MR. MERRILL: That's not my question, my
15 question is do you agree with the statement in
16 this letter that, though Shawn Scott and other
17 principals were giving direction through Lisa
18 Scott, great care was taken to not reveal to
19 Cheryl Timberlake from where this direction was
20 coming.

21 MS. TIMBERLAKE: That's what I just said,
22 yes.

23 MR. MERRILL: So you agree with that
24 statement.

25 MS. TIMBERLAKE: I agree.

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2 MR. MERRILL: And by the way, are you aware
3 that in the privilege log there are over 2,000
4 emails, and over 920 of them have your email
5 address on them, that you were included in them?

6 MS. TIMBERLAKE: My emails were sent to
7 Lisa, and Lisa forwarded them to however many
8 individuals, you and the rest of the team. My
9 initiating email starts a communication, but the
10 wall exists, and I am not aware of any of that.
11 So my emails start it, but the rest of it,
12 Bruce, as you are well aware, I'm not privy to
13 any of that.

14 MR. MERRILL: But you don't disagree that
15 almost half of the emails on the privilege log
16 have your name associated with it.

17 MS. TIMBERLAKE: I was on the front lines,
18 if Lisa felt the need to forward my email, it
19 starts with me.

20 MR. MERRILL: That's not my question. Do
21 you agree, and you can take the time to look at
22 the privilege log, that your email address is on
23 920 of the 2,000 emails that are privileged?

24 MS. TIMBERLAKE: I can't give you the number
25 of emails that are included with my name on the

1
2 privilege log.

3 MR. MERRILL: And your associate, Corinna
4 Rodrigue, is also on some of those emails,
5 correct?

6 MS. TIMBERLAKE: Correct.

7 MR. MERRILL: And when you say your staff,
8 is there anyone other than Corinna that works
9 for you at Capitol Insights?

10 MS. TIMBERLAKE: Corinna is my sole
11 employee.

12 MR. MERRILL: You also claim in this letter
13 that the use of the term "investor" in emails
14 was not intended, quote: "intended to mean an
15 entity funding the ballot initiative," end
16 quote, but rather, quote: "a company that would
17 ultimately fund development of this project once
18 regulatory approvals were okayed."

19 MR. DAY: Bruce, can you show us where that
20 is?

21 MR. MERRILL: Yes, that's on page 7. That
22 is under paragraph 4, use of the term investors,
23 about two-thirds of the way down. It says:
24 "Moreover, when the term, 'investor,' was used,
25 it was never clear that term was intended to

1
2 mean an entity funding the ballot initiative, or
3 rather a company that would ultimately fund
4 development of this project once regulatory
5 approvals were obtained." Now why would someone
6 invest in an initiative before it passed if
7 they're going to be part of the development?

8 MS. TIMBERLAKE: The development includes
9 the specific site location, as well as--and we
10 have some of the documentation here--elements
11 for Scarborough Downs.

12 MR. MERRILL: But my question is, why is
13 somebody going to invest in something that may
14 never come to pass?

15 MS. TIMBERLAKE: I'm not following you, what
16 do you mean?

17 MR. MERRILL: You're saying that the term
18 investor was never clear to you if it meant
19 somebody funding the initiative or someone who's
20 going to fund the development of the project.
21 There'd be no project unless the initiative
22 passed, correct?

23 MS. TIMBERLAKE: That's correct.

24 MR. MERRILL: So why would somebody invest
25 in the development of the project before the

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initiative is passed by the voters?

MS. TIMBERLAKE: So if you're looking at the second full sentence of paragraph 4 on page 7, is that the sentence?

MR. MERRILL: The one that starts with "moreover."

MS. TIMBERLAKE: Oh, that's the third sentence, all right, hang on. I'm at the second sentence, you're at the third. So if you give me specific reference I'm happy to do it, but investor, the ballot initiative is one series. Investors with Scarborough Downs, and investors with respect to the site location are distinction. So here you're not drawing that distinction. Moreover, when the term, rather, it's a company for funding the development of the project once regulatory approvals were done.

MR. MERRILL: Cheryl, my understanding of this sentence, and I want to make sure that I'm understanding correctly, it says when the term investor was used it was never clear whether that term was intended to mean an entity funding the ballot initiative, or rather a company that would ultimately fund development of this

1 project once regulatory approvals were obtained.

2 Are you saying that you never understood what
3 was meant by the word investor?
4

5 MS. TIMBERLAKE: No, I understand the term
6 investor. And if you go up previously, what I
7 say, for example, 'cause we just skipped over
8 it, the Los Vegas gaming entity that I was
9 specifically tasked to work with in Revere was a
10 potential investor for this initiative.
11 Navegante came and made it very viable for Lisa
12 to potentially get a gaming license. So what
13 I've defined for you in this paragraph is the
14 company, Navegante, which was involved in the
15 ballot initiative in Massachusetts, was a
16 potential investor in Maine.

17 MR. MERRILL: You still haven't answered my
18 question. Am I reading that next sentence
19 correctly, that you were unclear whether an
20 investor meant someone that was investing in the
21 initiative, or someone who is going to invest in
22 the development of a project after the
23 initiative passed?

24 MS. TIMBERLAKE: Investor could mean either
25 or all of that.

1
2 MR. MERRILL: What did you understand it to
3 mean?

4 MS. TIMBERLAKE: It depends...

5 MR. MERRILL: You went through several
6 emails with Jonathan early today on the word
7 investor, I want to know what your understanding
8 of the word investor is.

9 MS. TIMBERLAKE: We can through each one of
10 them. I reflected on investment as it pertains
11 to--one of them says Scarborough Downs, one of
12 them says let's do it.

13 MR. MERRILL: So every time you used the
14 word investor you were referring to Navegante?

15 MS. TIMBERLAKE: That's not what I just
16 said, Bruce.

17 MR. MERRILL: By the way, Lisa was not in
18 charge of the initiative in Massachusetts,
19 correct?

20 MS. TIMBERLAKE: I'm not sure who was in
21 charge of the initiative in Massachusetts.

22 MR. MERRILL: Eugene McCain was in charge
23 of the initiative in Massachusetts, correct?

24 MS. TIMBERLAKE: If you say so, I don't--I
25 went down for a very specific focus in Revere,

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working--

MR. MERRILL: [interposing] And when you were asked during the interview by Commission staff, you mistook their question about whether you were involved in Massachusetts. You said no because you weren't thinking of Revere?

MS. TIMBERLAKE: There were two separate gaming endeavors, one in Massachusetts that was statewide, and one that was a local ballot initiative for Revere. I was focused on Revere.

MR. MERRILL: What exactly did you do in Revere?

MS. TIMBERLAKE: I was asked to develop local grassroots specific to the dying horseracing industry that was there, because of Suffolk Downs losing its fortitude, reach out to unions and veterans. And so my specific focus was that grassroots component.

MR. MERRILL: And who hired you in Revere?

MS. TIMBERLAKE: Trailblazer Group.

MR. MERRILL: And who is the owner or principal of Trailblazing Groups?

MS. TIMBERLAKE: Oh, the principal? The person who was my contact is where my invoices

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1 and agreement are with.

2 MR. MERRILL: Which is who?

3 MS. TIMBERLAKE: Jason--his last name
4 escapes me at the moment, I can look it up.

5 MR. MERRILL: What was your involvement with
6 Lisa in Revere?

7 MS. TIMBERLAKE: Lisa was doing both the
8 local initiative and the Massachusetts
9 initiative. My focus was really working with
10 Larry Wolf and David Vance. David Vance was the
11 horse contact, Larry Wolf was the Vegas point
12 person who came in to work to try to develop the
13 localness of the initiative. Lisa had other
14 responsibilities. I wasn't working with Lisa,
15 per se, I had my own task assignments.

16 MR. MERRILL: Going back to TC3 for a
17 moment. You sent an email to Lisa on November
18 9th, correct?

19 MS. TIMBERLAKE: Correct.

20 MR. MERRILL: And that's a follow-up to your
21 email on TC2 of October 12th?

22 MS. TIMBERLAKE: Yes.

23 MR. MERRILL: And you wanted to find out
24 whether they were interested in retaining you,
25

1
2 correct?

3 MS. TIMBERLAKE: Correct.

4 MR. MERRILL: So two weeks go by, you don't
5 get a response, you send this email, dated
6 November 9th that we talked about, asking if
7 there's an opportunity to work on the York
8 County initiative, correct?

9 MS. TIMBERLAKE: Correct.

10 MR. MERRILL: And Lisa writes back to you
11 that same day, November 9th, 2015, to you and to
12 Shawn, Re: Gaming initiatives: It says "Hi
13 Cheryl, I'm seeing your previous email for the
14 first time. I apologize and am not sure how I
15 missed it. Let me talk with everyone and get
16 back to you. In the meantime can you give me an
17 idea as to pay? The more info I have the better
18 so I can present this." Now doesn't that
19 suggest that Lisa's working with other people on
20 this initiative?

21 MS. TIMBERLAKE: She's working with Stavros
22 who'd already been retained. She was working
23 with Sharon Terry because there was an
24 initiative in the pipeline for Sharon Terry.
25 And I'm not sure who the third entity that she

1
2 might have been working with. There were three
3 different initiatives pending with the Secretary
4 of State's Office.

5 MR. MERRILL: And how about Shawn Scott?

6 MS. TIMBERLAKE: Well I notice that Shawn is
7 blind-copied on this, so I don't recognize that
8 he's copied in my response. Lisa's the only one
9 I heard back from with respect to my tenure and
10 the initiative.

11 MR. MERRILL: And correct me if I'm wrong,
12 but I believe in your testimony and questioning
13 by Jonathan, you indicated that a potential
14 investor was Scarborough Downs. And you
15 mentioned Sharon Terry and Ed McDonald--Ed
16 McCall rather.

17 MS. TIMBERLAKE: Correct.

18 MR. MERRILL: Wasn't it true that Sharon
19 Terry has been wanting to sell Scarborough
20 Downs?

21 MS. TIMBERLAKE: Part of their contractual
22 desire was to bring gaming as a death wish to
23 Joe Ritchie. She wanted very much to fulfill
24 that. She was not able to until there were
25 conversations about sales. If she could bring

1 gaming to Scarborough Downs, that was her higher
2 priority.

3
4 MR. MERRILL: What information do you have
5 that suggests that Sharon Terry wanted to be an
6 investor in the Maine initiative?

7 MS. TIMBERLAKE: Industry conversations
8 because of the Harness Horsemen.

9 MR. MERRILL: I'm sorry, could you say that
10 again?

11 MS. TIMBERLAKE: Because of my connections
12 with the Harness Horsemen's Industry
13 Association.

14 MR. MERRILL: Oh, someone at the Harness
15 Horsemen told you that?

16 MS. TIMBERLAKE: Yeah.

17 MR. MERRILL: If it's your understanding
18 that this initiative was solely Lisa Scott's,
19 that's correct, right? That Lisa Scott was the
20 head of Horseracing Jobs Fairness.

21 MS. TIMBERLAKE: Correct.

22 MR. MERRILL: Then again, why does she have
23 to consult with anyone?

24 MS. TIMBERLAKE: It's a good question. As
25 of 11/9 Horseracing Jobs and Fairness did not

1
2 exist.

3 MR. MERRILL: Correct. When were you
4 actually retained to be the treasurer of
5 Horseracing Jobs Fairness?

6 MS. TIMBERLAKE: December of 2015, December
7 something, I can check the date.

8 MR. MERRILL: Take a look at TC4 please.
9 Did you have an opportunity to look at that?

10 MS. TIMBERLAKE: Yes.

11 MR. MERRILL: And you're advising Lisa that
12 on October--I'm sorry, on December 10th of 2015
13 you had lunch with her that day, correct?

14 MS. TIMBERLAKE: Yes.

15 MR. MERRILL: And do you recall the first
16 time that you spoke with Lisa concerning this
17 initiative?

18 MS. TIMBERLAKE: As a follow-up to whenever
19 my client--had to be October.

20 MR. MERRILL: Do you recall having a meeting
21 with Lisa at Slate's in Hallowell in October?

22 MS. TIMBERLAKE: I met with Lisa in October,
23 I can't give you the specific date or location.
24 But there were conversations when she disclosed
25 to me that there were three initiatives, the

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1
2 follow-up.

3 MR. MERRILL: So you could've had a meeting
4 with her at Slate's.

5 MS. TIMBERLAKE: Could've been Slate's,
6 could've been The Senator.

7 MR. MERRILL: My point is do you recall Lisa
8 telling you at that time that she was going to
9 be heading up an initiative on behalf of her
10 brother Shawn?

11 MS. TIMBERLAKE: No.

12 MR. MERRILL: Do you recall her telling you
13 that the money for the initiative was going to
14 come from Shawn?

15 MS. TIMBERLAKE: No.

16 MR. MERRILL: How well would you say that
17 you knew Lisa from going back to 2003?

18 MS. TIMBERLAKE: Oh, Lisa was part of some
19 coalition meetings when we were discussing the
20 legislative positions. How well did I know her?
21 I knew her well enough to know that she was
22 successful, she was here, she was committed to
23 this initiative moving it forward.

24 MR. MERRILL: And you believe you knew her
25 well enough to believe that she had \$4.2 million

1 of her own money to invest in this initiative?

2 MS. TIMBERLAKE: I did, and I know, Bruce,
3 you did, because we spoke to the Commission
4 staff and talked about the fact that she was
5 successful and had multiple sources, whether it
6 was trust fund or checking or various corporate
7 endeavors, so I absolutely believed it.
8

9 MR. MERRILL: Well Cheryl, that was in the
10 context of explaining to the Commission that we
11 had a disagreement as to their reading of
12 section 1056-B, and yours and my reading,
13 correct?

14 MS. TIMBERLAKE: I'm not sure if it was
15 specific to that, or if we were talking about
16 Lisa's ability to fund and lead the initiative.

17 MR. MERRILL: You believed throughout this
18 campaign that there was no obligation to report
19 the funds going back behind Lisa, correct?

20 MS. TIMBERLAKE: Behind Lisa?

21 MR. MERRILL: I'm sorry, let me reword it,
22 let me rephrase. It was your understanding of
23 section 1056-B that you only had to report the
24 money coming from Lisa Scott or her two
25 companies, correct?

1
2 MS. TIMBERLAKE: As treasurer of Horseracing
3 Jobs and Fairness we reported all monies
4 contributed and all expenditures made known to
5 us. Lisa never told us about the trigger
6 mechanism which said solicitations,
7 contributions, and fundraising. We reported
8 Lisa and Lisa's companies as the sources of
9 contributions.

10 MR. MERRILL: Because you believed that was
11 all you were required to do, correct?

12 MS. TIMBERLAKE: Well it was what I believed
13 was required and it's all I knew.

14 MR. MERRILL: My question is you reported it
15 because you believed that's all you had to
16 report at the time based upon your understanding
17 of section 1056-B, correct?

18 MS. TIMBERLAKE: Correct.

19 MR. MERRILL: And throughout this letter
20 that Avery submitted to the Commission, for
21 example at page 3, under team of professionals
22 assembled, you state "Horseracing Jobs Fairness
23 contracted with Soltan Bass, LLC as legal
24 counsel for the ballot initiative, and had the
25 advice of several other lawyers. You see where

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I read that?

MS. TIMBERLAKE: Yes.

MR. MERRILL: Who were the several other lawyers that you consulted about this ballot initiative?

MS. TIMBERLAKE: Oh, Debra and you are copied and engaged on several of the communications with Lisa.

MR. MERRILL: Okay, going back to when?

MS. TIMBERLAKE: I learned from the production of documents that you were engaged in August or September of 2015 prior to the initiative ever coming to the light of day.

MR. MERRILL: But I didn't consult with you at that time, did I?

MS. TIMBERLAKE: No, you consulted with Lisa.

MR. MERRILL: Right, so how do you know who Horseracing Jobs Fairness--you said Horseracing Jobs Fairness contracted with Soltan Bass, that was something you did, correct?

MS. TIMBERLAKE: No, Lisa did.

MR. MERRILL: Lisa contracted with Soltan Bass?

1
2 MS. TIMBERLAKE: The emails show that Lisa
3 approved retaining legal counsel 'cause it was a
4 horseracing retainer. MacDonald Page was a
5 Capitol Insights retainer, I retained them.

6 MR. MERRILL: So when you're saying that
7 they had the advice, that Horseracing Jobs
8 Fairness had the advice of several other
9 lawyers, it wasn't 'cause you had any personal
10 knowledge of that, it's something you've
11 learned?

12 MS. TIMBERLAKE: No, in establishing and
13 moving through this, Debra and you were both
14 copied and engaged in communication once
15 Horseracing Jobs and Fairness was established.

16 MR. MERRILL: December of 2015?

17 MS. TIMBERLAKE: From December of 2015
18 moving forward.

19 MR. MERRILL: I disa--I'd like you to show
20 me where I was involved after the initiative was
21 approved by the Secretary of State. And I will
22 represent to you, Cheryl, I had nothing to do
23 once the initiative was approved by the
24 Secretary of State.

25 MS. TIMBERLAKE: Bruce, you sat in front of

1 this Commission with me, we went through all the
2 finances--

3
4 MR. DAY: [interposing] Excuse me, object.
5 This is to take Cheryl's testimony, not Bruce's,
6 correct?

7 MR. MERRILL: Cheryl, I came back when there
8 was an issue with one of the signature-gathering
9 companies, correct? That's when you and I first
10 appeared before the Commission, correct?

11 MS. TIMBERLAKE: I'm sorry, I'm taking
12 notes.

13 MR. MERRILL: You and I first appeared
14 before the Commission last spring, or I guess in
15 February it was, because of a signature-
16 gathering effort? Cheryl, did you have any
17 contact with me, between December of 2015 and
18 when we first appeared before the Commission,
19 because of the signature-gathering issue?

20 MS. TIMBERLAKE: Did I?

21 MR. MERRILL: Yeah.

22 MS. TIMBERLAKE: I think you are copied on
23 the emails with Debra, Bruce. I can go back and
24 verify it. I've got to go through the records
25 and show it to you.

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MR. MERRILL: All right, Cheryl.

[Pause]

MR. MERRILL: Now on CT3 you indicate that you want to be a part of the team, correct?

MS. TIMBERLAKE: I'm sorry, you said CT, did you mean TC?

MR. MERRILL: TC3.

MS. TIMBERLAKE: Okay. I'm sorry, did you--

MR. MERRILL: [interposing] Do you agree? You say you want to officially be part of the team?

MS. TIMBERLAKE: Well since there was an opportunity to work on the initiative.

MR. MERRILL: Do you say Lisa, "as we discussed briefly on Friday, I'd like to be officially part of"--

MS. TIMBERLAKE: [interposing] Bruce, where are you?

MR. MERRILL: TC3.

MS. MATHESON: Oh the second page.

MS. TIMBERLAKE: Oh, apologies, see--

MR. MERRILL: Top of the second page, LRS42. And this is dated October 27th.

MS. TIMBERLAKE: Right.

1
2 MR. MERRILL: "As we discussed briefly on
3 Friday, I'd like to be officially part of the
4 team working for the Southern Maine Gaming
5 Facility. While I'm happy to offer guidance to
6 move the effort forward, I believe a
7 professional relationship is preferred so that
8 all parties understand the roles and
9 responsibilities." What do you mean by all
10 parties?

11 MS. TIMBERLAKE: My biggest hurdle in even
12 engaging as treasurer was Olympic Consulting.
13 He had--I have to be careful--it was a challenge
14 dealing with this individual, and so I'm trying
15 to be professionally correct here, I apologize.
16 But as you can say, I believe a professional
17 relationship is preferred, and I say that being
18 politically correct. I needed--if I was going
19 to be involved in it, I wanted to be at the
20 highest level of confidence. And I was unclear
21 whether the team people, between Hoolae and this
22 individual, whether we were going to be able to
23 get that. And that's what I referred by working
24 with the team in a professional relationship.

25 MR. MERRILL: But you had a solid

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1 relationship with Stavros Mendros, correct?

2 MS. TIMBERLAKE: I don't know that I would
3 describe it that way.

4 MR. MERRILL: Really.

5 MS. TIMBERLAKE: He was a legislator, so I
6 was respectful. But I also was aware that there
7 were conduct that I don't think I would want
8 affiliated with. But he was here, he was the
9 ballot initiative person, I couldn't change
10 that. So when I wrote that, and I don't mean
11 any disrespect, please don't take this in that
12 regard, but she had people already on the ground
13 working with her and for her.

14 MR. MERRILL: Look at paragraph 3. "I
15 recognize the priority now is the final
16 petitions from the Secretary of State to allow
17 the collection of signatures to certify the
18 gaming initiative for the 2016 ballot. To
19 complement that outreach, I believe you need an
20 insider voice to assist in building
21 relationships with legislative, regulatory, and
22 industry officials. I have already positioned
23 myself in this capacity. In addition I have a
24 solid relationship with Stavros, and would be
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1
2 happy to coordinate on the statewide signature
3 collection efforts and the grassroots for the
4 local approval." We're talking about Stavros
5 Mendros, right?

6 MS. TIMBERLAKE: We are.

7 MR. MERRILL: So you want to say today he's
8 challenging, but in this email you say you have
9 a solid relationship with him.

10 MS. TIMBERLAKE: Well no, what I said in the
11 opening paragraph is "I believe a professional
12 relationship is preferred so that all parties
13 understand the roles and responsibilities."

14 MR. MERRILL: Cheryl, this is your email,
15 correct? You wrote this email, right? These
16 are your words, "I have a solid relationship
17 with Stavros," correct? Those are your words,
18 correct?

19 MS. TIMBERLAKE: Yes.

20 MR. DAY: That's been asked and answered.

21 MS. TIMBERLAKE: Yes, I was waiting for the
22 end of the series to get to...

23 MR. MERRILL: You say at the end of that
24 email: "I hope we can continue to work together
25 on the goals started over a decade ago." And

1 that goal was to bring gaming to southern Maine,
2 correct?

3 MS. TIMBERLAKE: Correct.

4 MR. MERRILL: And obviously Shawn Scott was
5 part of a team pursuing that goal, you
6 understood that, correct?

7 MS. TIMBERLAKE: Shawn started the
8 initiative in 2003, correct.

9 MR. MERRILL: And he was involved in wanting
10 to bring gaming to southern Maine, correct?

11 MS. TIMBERLAKE: In 2003, correct.

12 MR. MERRILL: In 2017.

13 MS. TIMBERLAKE: This email is directed
14 specifically to Lisa, and there is no--in this
15 email I don't make reference to Shawn.

16 MR. MERRILL: I know you don't, I'm asking
17 you a question. You understood that Shawn was
18 involved in this present initiative.

19 MS. TIMBERLAKE: No I did not.

20 MR. MERRILL: Have you ever read the
21 initiative?

22 MS. TIMBERLAKE: I've read the initiative,
23 and I know that it says one entity can benefit
24 from it.

1
2 MR. MERRILL: And you know that that entity
3 is Capital Seven, correct?

4 MS. TIMBERLAKE: I do, and to this day I
5 don't know the membership of Capital Seven.

6 MR. MERRILL: But you know that Shawn Scott
7 is at least a member of Capital Seven, correct?

8 MS. TIMBERLAKE: I have been told that. I
9 have yet to get that specific documentation.

10 MR. MERRILL: Are you denying that Shawn
11 Scott is a member of Capital Seven?

12 MS. TIMBERLAKE: I don't know who's a member
13 of Capital Seven.

14 MR. MERRILL: Are you denying that Shawn
15 Scott is a member of Capital Seven?

16 MR. DAY: I think she just answered your
17 question, Bruce.

18 MR. MERRILL: You will agree that Capital
19 Seven is the only one that can benefit from the
20 passing of this initiative, correct?

21 MS. TIMBERLAKE: I'm sorry.

22 MR. MERRILL: You will agree that Capital
23 Seven is the only entity that can benefit from
24 the passage of this initiative, correct?

25 MS. TIMBERLAKE: As is stated in the

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1 initiative, I think it says percentage ownership
2 of the bank, or we could look it up. There is
3 specifically--there are some very specific
4 language that is worded in the initiative.
5

6 MR. MERRILL: Yes.

7 MS. TIMBERLAKE: Yes.

8 MR. MERRILL: Very specific.

9 MS. TIMBERLAKE: Very specific.

10 MR. MERRILL: And the only entity it applies
11 to is Capital Seven, correct?

12 MS. TIMBERLAKE: I believe so, I don't have
13 the details in that regard. Perhaps you and
14 Debra can answer it because you helped craft it.

15 MR. MERRILL: Are you going to sit here
16 under oath in front of this Commission and say
17 that you don't know who's going to benefit from
18 the passage of the initiative, when which you
19 were the treasurer of Horseracing Jobs Fairness?

20 MS. TIMBERLAKE: What you asked was details
21 of membership of Capital Seven of which I don't
22 know.

23 MR. MERRILL: No I didn't, I asked you,
24 could you agree with me that the only entity
25 that will benefit from the passage of this

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initiative is Capital Seven?

MS. TIMBERLAKE: We can pull the initiative language. If that's what it says, yes. I think it doesn't specify Capital Seven. I think the initiative says somebody who owned a certain percentage of the Bangor track at--and I need to pull it.

MR. MERRILL: And you're saying you never looked into who that was before?

MS. TIMBERLAKE: We can all look into it.

MR. MERRILL: That's not my question. Did you, as the treasurer of Horseracing Jobs Fairness, have any interest in understanding what the initiative was all about?

MS. TIMBERLAKE: I have a great deal of interest in knowing what the initiative was about.

MR. MERRILL: Going back to TC4, you're advising Lisa that there's an urgent need to have a PAC formed, and for paperwork be filed with the Ethics Commission, correct?

MS. TIMBERLAKE: TC4 is an email from me to Lisa on December 10th, subject gaming, yes.

MR. MERRILL: And you give her the link for

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1 the Ethics Commission, correct?

2 MS. TIMBERLAKE: There is a link here,
3 correct.
4

5 MR. MERRILL: And you say: "I could be
6 persuaded to be the treasurer, but have concerns
7 with some of the players we discussed, as they
8 don't share our sense of professionalism."

9 MS. TIMBERLAKE: Correct.

10 MR. MERRILL: And you're referring to Hoolae
11 and Stavros at this point?

12 MS. TIMBERLAKE: Correct.

13 MR. MERRILL: And again you advise you
14 haven't executed a contract with the Horsemen's
15 Association, but you have looked at other
16 initiative reports, and you're giving her an
17 idea of what you'd be looking for to be paid
18 compensation for being treasurer, correct?

19 MS. TIMBERLAKE: Correct.

20 MR. MERRILL: Now you claim that Lisa told
21 you on multiple occasions that all funds would
22 be coming from her?

23 MS. TIMBERLAKE: Correct.

24 MR. MERRILL: And I believe you've
25 identified an example of that in your letter to

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the Commission?

MR. DAY: Do you care to refer us to that, Bruce?

MR. MERRILL: Turn to TC6 if you would, Cheryl. This is an email from you to Lisa Scott dated December 16th of 2015, correct?

MS. TIMBERLAKE: Correct.

MR. MERRILL: It says: "As we discussed here are some of the issues that the industry and media, now that the registration is filed in public, questions under Southern Maine Gaming Initiative. One, the definition is who is eligible for the license. Will that be an individual or a corporation, (Cap Seven or Scott family member"?

MS. TIMBERLAKE: Right, and then there's the text of the initiative asking specifically to answer that question.

MR. MERRILL: So you knew that Capital Seven was the only entity, or perhaps a Scott family member, that could benefit from the initiative, correct?

MS. TIMBERLAKE: Well I did not know there was a question mark. The question is who does

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1 benefit? But the language in the initiative
2 doesn't specify an individual. It says 51
3 percent of an entity licensed to operate.
4 Everybody assumes it. I'm asking, and the media
5 is asking, and my former clients the Horsemen
6 are asking.
7

8 MR. MERRILL: But you say "an individual or
9 a corporation," and then you put in parentheses
10 "(Capital Seven or Scott family member),"
11 referring to the corporation, correct?

12 MR. DAY: Objection, I think Cheryl's
13 answered this question about her understanding
14 of who was eligible under this initiative to
15 have the license, probably more than a few
16 times.

17 MR. LEE: And I'll add that I realize
18 there's a benefit to reading some of this,
19 because not everyone here has this document
20 before them. But the five of us who are going
21 to be deliberating do have it, and we've read it
22 as well.

23 MR. MERRILL: Thank you. Turn to TC8 if you
24 would please, Cheryl. You have an email to Lisa
25 that's dated March 18, 2016, subject follow-up.

1
2 "Lisa, I'm giving Corinna a bonus for all her
3 hard work overtime and weekends she gave to the
4 initiative. Do you want to offer her something?
5 Thanks." Now Corinna is your employee, correct?

6 MS. TIMBERLAKE: Correct.

7 MR. MERRILL: But you're asking for Lisa to
8 contribute to your employee's bonus, correct?

9 MS. TIMBERLAKE: It's a question to Lisa,
10 correct.

11 MR. MERRILL: And Lisa responds in the upper
12 email, that's three days later on March 21st,
13 "Hi Cheryl, I'm a little confused. The last
14 time we discussed Corinna receiving a bonus, you
15 said that you were going to pay her out of your
16 invoice. And I did request a wire to be sent
17 out this week so that I can pay you." Why would
18 Lisa Scott be requesting that a wire be sent out
19 if it's her money?

20 MS. TIMBERLAKE: Depending on which company
21 and where she's at, she doesn't process. And if
22 she's traveling wires take a while, I've learned
23 that.

24 MR. MERRILL: So even though it's her money,
25 you're saying she'd have to request a wire from

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her own account?

MS. TIMBERLAKE: Yeah you do.

MR. MERRILL: Isn't this more consistent with the fact that she was drawing down on a loan that she'd gotten from her brother Shawn to pay for this initiative?

MS. TIMBERLAKE: I have no knowledge of what you just said.

MR. MERRILL: You had access to her bank accounts, correct?

MS. TIMBERLAKE: No, I did not have access to Lisa's bank accounts. I am Horseracing Jobs and Fairness treasurer, I do not have access to Lisa's bank accounts.

MR. MERRILL: You didn't have passwords to Lisa's bank accounts?

MS. TIMBERLAKE: I did not have passwords to Lisa's bank accounts, Horseracing Jobs and Fairness.

MR. MERRILL: Did you have access to Horseracing Jobs Fairness bank account?

MS. TIMBERLAKE: Yes.

MR. MERRILL: If this--there are several emails, and we'll go through them, where you're

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1 saying bills have to be paid, I need to be paid,
2 we got to get this straightened out. If Lisa
3 had all this money, why was there trouble
4 funding, paying the bills, and paying you?
5

6 MS. TIMBERLAKE: The monies were not in the
7 Horseracing Jobs and Fairness account, Lisa
8 personally approved and paid all expenditures.

9 MR. MERRILL: That's not my question. If
10 you believed that all this money was Lisa, why
11 was there always problems getting money to pay
12 the bills of Horseracing Jobs Fairness,
13 including you?

14 MS. TIMBERLAKE: Well when Lisa focused on
15 Massachusetts she was distracted. And I sent
16 her emails saying this needed to be done, this
17 needed to be done, this needed to be done, and
18 it always got done.

19 MR. MERRILL: Look at TC9 please. Is your
20 testimony that you understood Laurence Hamilton
21 to be involved with the Maine initiative to get
22 information to use in the Massachusetts
23 initiative, correct?

24 MS. TIMBERLAKE: Initially when I met
25 Laurence that's what he did.

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MR. MERRILL: What did he do after that?

MS. TIMBERLAKE: He came back--what is the date on this, November--so he came back and was with us on the Maine initiative continuing to do real estate work with Bulose [phonetic] and Company, he was doing work with Scarborough Downs, and he was doing tracking with the Whitesands Gaming Report.

MR. MERRILL: And it's your testimony you didn't understand at this time that he was an employee of Regent Able?

MS. TIMBERLAKE: I did not know that.

MR. MERRILL: And we can agree that, as of November 28, 2016, the Massachusetts initiative had already been defeated.

MS. TIMBERLAKE: November 28th, it had been defeated.

MR. MERRILL: Turn to TC10 if you would please. This is the very next day, November 29, 2016, and you send an email to Lisa and Laurence Hamilton, correct?

MS. TIMBERLAKE: Correct.

MR. MERRILL: And it's your understanding that Laurence Hamilton was here to look at

1 possible properties for the initiative, correct?

2
3 MS. TIMBERLAKE: He was doing research on
4 real estate properties, he was doing some due
5 diligence with respect to Scarborough Downs. In
6 addition, when the storage unit--we put all of
7 the initiatives in a storage unit after phase
8 one because municipalities rejected them or--
9 anyways the storage unit had an online credit
10 card, and Lisa's credit card was not manually
11 processing. She specifically asked Laurence to
12 follow up and assist. He went online, from that
13 point on Laurence was copied on certain
14 financial communications.

15 MR. MERRILL: And that's why you're copied
16 on this email asking for money?

17 MS. TIMBERLAKE: Correct. Well this email--
18 Lisa's account, all of the Bank of America
19 accounts got shut down. I don't know if there
20 was a scam or a hacking, to this day I'm not
21 sure I even understand. So Horseracing and all
22 of Lisa's accounts were shut down. So what this
23 is saying is, when will the HRJF account be
24 ready?

25 MR. MERRILL: And it's your testimony that

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1
2 it's not because of the fact that you knew that,
3 as of April 2016, Regent Able was funding phase
4 two of the initiative.

5 MS. TIMBERLAKE: If you read the documents I
6 do now, but I did not then.

7 MR. MERRILL: I'm asking at the time you
8 sent this email in November of 2016.

9 MS. TIMBERLAKE: No.

10 MR. MERRILL: And that you didn't know the
11 Laurence Hamilton worked for Regent Able.

12 MS. TIMBERLAKE: LaurenceHamilton@gmail.com,
13 no I did not.

14 MR. MERRILL: And would that be your same
15 answer to TC11 as to why you included Mr.
16 Hamilton on, again, another email to Lisa Scott
17 asking for funding?

18 MS. TIMBERLAKE: Correct.

19 MR. MERRILL: Look at TC12. This is an
20 email from Laurence Hamilton to you, correct?

21 MS. TIMBERLAKE: It is to me from Laurence,
22 copied Corinna and Lisa Scott.

23 MR. MERRILL: But it says "Hi Cheryl,"
24 correct?

25 MS. TIMBERLAKE: Correct.

1
2 MR. MERRILL: And it's dated December 19th
3 of 2016, correct?

4 MS. TIMBERLAKE: Correct.

5 MR. MERRILL: "Hi Cheryl, hope you are well.
6 Do you by any chance happen to have the
7 accounting for the Horseracing Jobs Fairness PAC
8 account? I've been asked to go over this year's
9 expenses in Maine, and then for the Maine
10 initiative, so I can complete account
11 reconciliation. All the best and many thanks,
12 Laurence." Why was he asking for the
13 Horseracing Jobs Fairness account?

14 MS. TIMBERLAKE: Good question, and what's
15 missing is Lisa's response where she says,
16 Laurence, you're not getting it, we're a day
17 away from filing, Cheryl is responsible for the
18 ballot initiative. So there's a follow-up email
19 where my principal steps in and says no.

20 MR. MERRILL: Oh we don't have that.

21 MS. TIMBERLAKE: I didn't realize you were
22 going to produce this until a half hour ago.

23 MR. MERRILL: Well you were already
24 requested to produce everything you had.

25 MS. TIMBERLAKE: It's here, I don't have it

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in front of me.

MR. MERRILL: Maybe you can find it during lunch.

MR. DAY: Objection, this is overly argumentative.

MR. PATTERSHALL: I can state from my standpoint it's not overly persuasive when it gets argumentative like that.

MR. NASS: I'm just wondering, based on yesterday's activities, that this isn't all just another delay.

MR. MERRILL: What other role did Laurence play in the Maine initiative?

MS. TIMBERLAKE: What role did Laurence play? Laurence was, as I said to you, very forensic, he was into numbers, he did real estate stuff. When Lisa needed the backup on the storage unit for the credit card, that was Laurence. Laurence was with Hoolae, he was doing Scarborough Downs. He was the location logistics individual. I don't know how else to -I think I've described this to you a couple of times.

MR. MERRILL: Take a look at TC13 if you

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1
2 would. This is an email from Toko Kobayashi,
3 correct?

4 MS. TIMBERLAKE: Yes.

5 MR. MERRILL: And it's to Lisa Scott and to
6 Shawn Scott, Laurence Hamilton, John Baldwin,
7 and Sam Fal [phonetic], correct?

8 MS. TIMBERLAKE: Correct.

9 MR. MERRILL: And its subject line is Maine
10 signature gathering by JEF?

11 MS. TIMBERLAKE: Correct.

12 MR. MERRILL: And JEF, you indicated, was
13 one of the signature-gathering companies that
14 was hired by Horseracing Jobs Fairness?

15 MS. TIMBERLAKE: He was the only phase two
16 vendor for signature collection.

17 MR. MERRILL: And what's your understanding
18 of who Toko Kobayashi is?

19 MS. TIMBERLAKE: I have no idea.

20 MR. MERRILL: So you don't know--

21 MS. TIMBERLAKE: [interposing] So this is
22 one of the 2,000-plus emails in the corporate
23 veil that I'm not included. I don't have
24 access, nor do I understand or appreciate any of
25 this in the context of the real world Maine

1
2 people. So you've asked me to read--tell you
3 the document. I can verify it, Bruce, but I
4 don't have any of this information.

5 MR. MERRILL: Well refer to the last page of
6 this exhibit. Isn't it true that Lisa cut and
7 paste what's on the first page of TC13, and sent
8 it to you under the heading "What We Discussed?"

9 MS. TIMBERLAKE: I have two different ones,
10 so I am a little confused by this.

11 MR. DAY: Can you clarify this exhibit
12 'cause it's a little chopped up, it's a little
13 confusing. It's not just one document.

14 MS. TIMBERLAKE: It's got four different
15 emails in one exhibit.

16 MR. MERRILL: No, but I think it's actually
17 two different emails. First email is from Toko
18 Kobayashi to Lisa Scott, Shawn Scott, Laurence
19 Hamilton et al. But then Lisa cuts and pastes
20 the first part of it, basically the body of it,
21 and sends it to you under the subject heading
22 "What We Discussed." Do you recall receiving
23 this from Lisa?

24 MR. LEE: Would this be the one that ends in
25 four digits, 3027?

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MR. MERRILL: 3027, correct.

MR. LEE: Maybe if they could be identified that way it'll be easier, 'cause we got four different pages here, and common parties and so on.

MR. MERRILL: Okay. Would you agree with me that it appears that Lisa cut and paste the body of the text from 6504, and pasted it on an email to you on what is 3027?

MS. TIMBERLAKE: I have no idea if this is a cut and paste.

MR. MERRILL: Well why don't you read it and see if there's anything that's left out.

MS. TIMBERLAKE: Well that's not what-- you're telling me that I review the--here are my comments. I don't know whether that's a cut and paste.

MR. MERRILL: All right, let's try this way. Look at 3027, this is an email from Lisa to you on September 22nd of 2016, correct?

MS. TIMBERLAKE: Correct.

MR. MERRILL: And the subject line is "What We Discussed,"?

MS. TIMBERLAKE: Correct.

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2 MR. MERRILL: Okay, which is not the subject
3 line of the original email, correct?

4 MS. TIMBERLAKE: What's the original email?

5 MR. MERRILL: Two pages earlier where it
6 says Maine signature collecting by JEF.

7 MS. TIMBERLAKE: So how do I know that,
8 Bruce, with all due respect, there's an email
9 from Lisa to me. How do I--I don't appreciate
10 your--I don't have the original email, I don't
11 know that this is a cut and paste.

12 MR. MERRILL: You do have the original
13 email, it's TC13LRS6504.

14 MS. TIMBERLAKE: I have it in front of me
15 today, I didn't have access, nor was I privy to
16 it at this point in time.

17 MR. MERRILL: Take the time right now and
18 look at it, and tell me whether you'll agree
19 that Lisa cut and paste the body of the first
20 email and put it in an email that she sent to
21 you.

22 MS. MATHESON: How can--

23 MR. LEE: May I?

24 MS. MATHESON: Yes, please.

25 MR. LEE: I would assume that that's the

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1 only way of reproducing this. Couldn't somebody
2 have just taken the first email and just typed
3 numbers one and two there so it would look the
4 same, because it would've been typed as opposed
5 to a cut and paste for example?
6

7 MR. MERRILL: I suppose anything is
8 possible, Commissioner. But I guess I'll--let
9 me ask you this question: Why would Lisa be
10 sending you this email?

11 MS. MATHESON: Is that a question?

12 MR. LEE: Yeah, why did you get it?

13 MS. MATHESON: Yeah.

14 MS. TIMBERLAKE: If there was a contract
15 with a vendor that I have to reconcile with
16 invoices, I need to know the specificity of what
17 the contract terms are. We had issues in phase
18 one. As we know we were in front of this
19 Commission with respect to details and minutia.

20 MR. MERRILL: Turn to the last page which is
21 LRS3029. This is an email that you're sending
22 to Lisa Scott, correct?

23 MS. TIMBERLAKE: Correct.

24 MR. MERRILL: Same heading, "What We
25 Discussed." And you say "totally on point,

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thanks for the text to Jim." Who's Jim?

MS. TIMBERLAKE: Jim Flewelling is the JEF associate's vendor, it's the phase two signature-collecting individual, Jim.

MR. MERRILL: "I'm sorry, do you have an agreement/contract? Edie keeps calling me, I'm not responding until I know the status of their work."

MS. TIMBERLAKE: So they want to go in the field and start collecting.

MR. MERRILL: Who's they?

MS. TIMBERLAKE: Jim Flewelling and Edie, Edie Bagette is the associate. I have in the storage unit the cases of the petitions. They want to go in the field with the petitions. What I'm asking is, do you have a contract agreement? She keeps calling, what's the status? They want to get going.

MR. MERRILL: And what do you mean when you say "totally on point?" Aren't you referring to email that she sent you below?

MS. TIMBERLAKE: No, it sounds like we have two different conversations happening as a stream in this email text.

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2 MR. MERRILL: So you wouldn't agree that,
3 when you say totally on point, you're referring
4 to the email that Lisa sent you below.

5 MS. TIMBERLAKE: Not necessarily, 'cause it
6 says thanks for the text to Jim, and I don't
7 know what that text is.

8 MR. MERRILL: Turn to TC14 if you would
9 please. All right, can we break for lunch now?

10 MR. MINA: Is this a good point for you
11 folks?

12 MR. MERRILL: 25 after.

13 MR. MINA: Or do you want to keep going?
14 It's up to you.

15 MR. DAY: I could--

16 MR. LEE: You said 12:30, right?

17 MS. MATHESON: Yeah, you want to just go
18 another five or six? Do you need a break , I
19 mean is there a--

20 MR. NASS: [interposing] Is there a good
21 reason that you want to break now?

22 MR. MERRILL: It was just a good breaking
23 point where I was.

24 MR. MINA: How long do you plan on taking on
25 ?

[Conversation among Commissioners]

MS. MATHESON: An hour. Certainly,
Commissioner, we can ask all--

MR. LEE: Just rather than going back to
these exhibits, in fact, Ms. Timberlake, I'm
referring to this TC13, and it's a 3029... And
if you look on--are you there?

MS. TIMBERLAKE: Yes.

MR. LEE: Okay, if you look at number two,
this was retyped or cut and paste, I don't know,
but if you look at number two it says, and
there's a personal pronoun, "we should have MDC
manager, Lisa, sign the agreement, was there a
problem with this?" My question, that says "I
would think Alliance Capital has nothing to do
with Maine referendum work, and I would
certainly not want Gene to get--to not want Gene
to involve," or I guess to be involved in the
deal. "Please let me know if this works." Who
did you think was the "I" and the "me" being
referred to in this?

MS. TIMBERLAKE: So I don't even know
Alliance Capital, so this doesn't--I don't know
who those entities are.

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1 MR. LEE: Okay, that was my question.

2 MS. TIMBERLAKE: Yeah. Gene I assume is the
3 Gene from Massachusetts, but I don't know that.

4 MR. LEE: Yeah, who the "I" or the "me" was
5 who probably was authoring this--

6 MS. TIMBERLAKE: [interposing] The cut and
7 paste or the retyping, yeah, I don't know.

8 MR. LEE: Okay, thank you.

9 MR. MERRILL: And I don't know if that
10 answers your question, Commissioner, but if you
11 look at 6504--

12 MR. DAY: [interposing] Excuse me, is this
13 proper? I mean the question is to take Cheryl's
14 testimony and not Bruce.

15 MR. LEE: Oh. I know the answer--

16 MR. MERRILL: [interposing] Okay, I'm sorry.

17 MR. LEE: I've looked at 6504. But it's
18 not--but that person's name, Toko Kobayashi, is
19 not mentioned in the signature line on any of
20 the subsequent emails, so that part is left off.
21 And that's why I was just--it just ended up
22 standing there as an "I" or a "me," and I was
23 just wondering whether you knew who that was,
24 that's all. I know who it is, it's Toko.

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MS. MATHESON: We all know now.

MR. LEE: Whoever Toko is.

MS. MATHESON: Well I would say let's go ahead and break then, and we'll be back here-- let's try to meet back here at 25 after, right?

[off the record]

[on the record]

MS. MATHESON: And we're up, right?

MR. PAUL LAVIN: Yes.

MS. MATHESON: All right. Mr. Merrill, you have the floor.

MR. MERRILL: Thank you, Madam Chair. Cheryl, is it your testimony that Lisa hid Shawn Scott's involvement in the campaign from you?

MS. TIMBERLAKE: That's a really good question, Bruce. Her brother is very close to her, and there are several times when Lisa reached out for technical advice, but involved with the campaign from my standpoint as funding and treasurer, he was not, to my knowledge from Lisa involved in funding. She did consult and get pieces of professional advice from him. So, I want to be clear when you say that what you are referring to.

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2 MR. MERRILL: Well, are you saying that Lisa
3 never told you that her brother, Shawn, had
4 loaned her money on this initiative.

5 MS. TIMBERLAKE: I never knew anything from
6 my opening statement about loans, fundraising,
7 solicitations, none of it.

8 MR. MERRILL: But you knew Shawn was
9 involved?

10 MS. TIMBERLAKE: You've asked the involved
11 question, again, and she talked with her brother
12 about suing Silver Bullet 'cause she didn't make
13 the ballot. She talked with her brother, should
14 I go with the marijuana campaign for the appeal,
15 and she, it seems like there was a third
16 occasion when she went to her brother for the
17 professional entrepreneurial advice but involved
18 versus this, no.

19 MR. MERRILL: You reached a point where you
20 felt that securing Scarborough Downs was crucial
21 to the success of the campaign, correct?

22 MS. TIMBERLAKE: Crucial to this? My
23 genesis in joining this was always the Harness
24 Horsemen's Association. And Scarborough Downs
25 as the southern Maine track was the investment

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opportunity to fulfill.

MR. MERRILL: And your job with the Horseracing Jobs Fairness BQC was to act as treasurer?

MS. TIMBERLAKE: Correct.

MR. MERRILL: Did you have any other responsibilities?

MS. TIMBERLAKE: You have attached several exhibits and I have produced my own documents for invoicing. And in my invoices you will see that I assumed or was compensated for providing and tracking Lisa's media so that she was aware while she traveled what the Maine press was doing.

MR. MERRILL: What's a ballot committee chair?

MS. TIMBERLAKE: Excuse me?

MR. MERRILL: What is a ballot committee chair?

MS. TIMBERLAKE: What is a ballot committee chair? According, this is the point person on the initiative.

MR. MERRILL: Okay. Take a look at TC 14 if you would, please. Is the treasurer the point

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person on the ballot, BQC?

MS. TIMBERLAKE: For finances, yes.

MR. MERRILL: And what else?

MS. TIMBERLAKE: Compliance with Schedule A,
Schedule B.

MR. MERRILL: Did you consider yourself the
ballot question chair for Horseracing Jobs
Fairness?

MS. TIMBERLAKE: No.

MR. MERRILL: Look at the first email from
you to Lisa dated Sunday January 8th, 2017.

"Lisa, while I appreciate your commitment the
citizen drive in Maine needs more focus.
Industry is connecting on status of SD, what's
happening?" Industry is referring to the Maine
Harness Horsemen's Association, correct?

MS. TIMBERLAKE: Correct.

MR. MERRILL: SD is referring to Scarborough
Downs, correct?

MS. TIMBERLAKE: Correct.

MR. MERRILL: "You never submitted a bid,
question, exclamation point. I don't get it.
I'm ready to resign. This doesn't make sense
and I need clients I can support. Horseracing

1
2 Jobs Fairness can't win without the industry and
3 we are all very frustrated. I'll file the
4 Ethics Commission report but after that I'll be
5 done as ballot committee chair, unless there's a
6 full commitment to the campaign effort. It's
7 been a long and hard, it's been hard and long 15
8 months, let me know how we end up. Thanks,
9 Cheryl." So, you did consider yourself the
10 ballot committee chair, correct?

11 MS. TIMBERLAKE: Well, I meant treasurer but
12 it, the, this does in fact say chair.

13 MR. MERRILL: Cheryl, this is your email,
14 right?

15 MS. TIMBERLAKE: I answered.

16 MR. MERRILL: You wrote it, correct?

17 MS. MATHESON: She's, she's already
18 answered.

19 MS. TIMBERLAKE: Oh, my goodness.

20 MS. MATHESON: I think she has answered your
21 question, Mr. Merrill.

22 MR. MERRILL: Look at the response you get
23 from Lisa above, the next day, January 9th.
24 "Cheryl, Shawn and I are working with the
25 attorney to present an offer. The problem is

1
2 Noah and how to protect ourselves, but our
3 attorneys are sorting this out so we can present
4 the offer. It's just going to take a little
5 time. Please know that you do have our full
6 commitment and we really want you on board."

7 Now, can we agree that she was referring to
8 herself and Shawn throughout that email?

9 MS. TIMBERLAKE: That's how I read it.

10 MR. MERRILL: So, Ch--

11 MS. TIMBERLAKE: [interposing] As it
12 pertains to Scarborough Downs and the purchasing
13 of real estate and the management of the track
14 and facilities.

15 MR. MERRILL: You also provided legal advice
16 to Shawn and Lisa, correct?

17 MS. TIMBERLAKE: No, I am not an attorney.
18 I didn't sleep in the hotel or drink or have the
19 breakfast, no.

20 MR. MERRILL: Take a look at TC 15. Now,
21 this is an email from you to Shawn and Lisa,
22 correct?

23 MS. TIMBERLAKE: TC 15, when is the, yes, it
24 is.

25 MR. MERRILL: And the subject matter is the

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Maine Constitution, correct?

MS. TIMBERLAKE: The subject is the Maine Constitution.

MR. MERRILL: And you say, "Shawn and Lisa, here is the article for the Maine Constitution. The underlined sections are on point. The petition is valid for 18 months. The signatures are valid for 12 months. I think the key question is, how do we preserve those Horseracing Jobs Fairness signatures that the Secretary of State has validated? They are only good for one year so we have assumed December is the date for future signature submissions to be added to our petition. Bruce's legal reference also indicated December as the upcoming deadline. Happy to verify specifics through my contacts at Secretary of State, let me know if this helps." Now, this has to do with how long the signatures could be used to get the ballot measure approved by the Secretary of State, correct?

MS. TIMBERLAKE: This has to do with a section of the Maine Constitution under the direct initiative of legislative process.

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Correct.

MR. MERRILL: And, and you specifically tell them, you're telling him how long the signatures that had already been gathered are going to be valid? 'Cause the first time it was, it, it failed, correct? The Secretary of State disallowed too many signatures? Correct?

MS. TIMBERLAKE: Correct, and the questions are, are they going forward, what do they want to do, Lisa is discussing with the vendor this, how many contracts do we need, what is the cost per signature, what does it mean, there are some specifics that you have to contemplate in phase two. One of them is, how many signatures were valid, how many more do we need? What's the time table to submit them? And tt's all spelled out.

MR. MERRILL: And you sent it to both Shawn and Lisa, correct?

MS. TIMBERLAKE: Lisa was having an issue with Shawn in terms of the specifics, she said, can you send it to both of us, and I did.

MR. MERRILL: You're essentially giving them legal advice on how to submit the petitions and

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how long the signatures are good for, right?

MS. TIMBERLAKE: I don't think it's legal advice, I think I am referring to the Constitution and saying, here are the provisions.

MR. MERRILL: Well, you sent them the Constitution and you were interpreting it for them. Correct?

MR. DAY: I think this has been asked and answered, it's a reasonable disagreement about what constitutes the practice of law.

MR. MERRILL: Did you consult with Soltan Bass before you sent this out?

MS. TIMBERLAKE: Candidly, I don't recall.

MR. MERRILL: So, you might have?

MS. TIMBERLAKE: Well, I certainly work in the Legislature and consult the Constitution repeatedly and look at ballot initiatives and it's purview of who I am and what I do. I don't necessarily, am in a court of law and advising her in that regard.

MR. MERRILL: But you did consult with Soltan Bass about the statutes that were applicable to this initiative, correct?

1
2 MS. TIMBERLAKE: Soltan Bass was HRJF
3 retained attorneys, yes.

4 MR. MERRILL: And you specifically spoke to
5 them about reporting issues, having to do with
6 this initiative?

7 MS. TIMBERLAKE: We, we met with the
8 Secretary of State, we met with the Ethics and
9 we discussed reporting issues.

10 MR. MERRILL: Look at TC 16, please. And
11 specifically, this is a billing statement from
12 Soltan Bass, correct?

13 MS. TIMBERLAKE: Yes.

14 MR. MERRILL: For the period, January 7,
15 2016, through February 1st, 2016th?

16 MS. TIMBERLAKE: Yes.

17 MR. MERRILL: And on the second page it
18 shows that they charged Horseracing Jobs
19 Fairness on January 10th for related reporting
20 research, on January 11th for ballot issue
21 submission criteria, on January 12th for
22 initiative and reporting issues, and on January
23 13th for additional reporting issues, correct?

24 MS. TIMBERLAKE: That's what the invoice
25 says.

1
2 MR. MERRILL: And you recall consulting with
3 them on these issues, correct?

4 MS. TIMBERLAKE: Correct.

5 MR. MERRILL: Now, was your understating
6 that Deborah Dice Perez [phonetic] represented
7 Shawn Scott?

8 MS. TIMBERLAKE: My understanding is that
9 Deborah represents the Scott family slash and
10 enterprises, so Lisa and Shawn.

11 MR. MERRILL: And with regard to the
12 initiative, why would you be sending Deborah
13 Dice Perez the the ballot initiative 1056-B?
14 I'm sorry, the ballot reporting statute 1056-B?

15 MS. TIMBERLAKE: Well, at the, at the
16 request of my client.

17 MR. MERRILL: Your client, Shawn Scott?

18 MS. TIMBERLAKE: No, my client, he's on-

19 MR. DAY: [interposing] Can we slow down?

20 MS. MATHESON: Where are, are you looking at
21 a specific exhibit?

22 MR. MERRILL: [interposing] Not yet.

23 MS. MATHESON: Okay.

24 MR. LEE: Is this relevant?

25 MR. MERRILL: It is. Highly. Take a look

1
2 at TC 17. Do you recall having conversations
3 with Deborah Dice Perez about the § 1056-B of
4 the Maine Statutes?

5 MS. TIMBERLAKE: I don't, and I was happy to
6 see in your response that you submitted this
7 because it was a question asked of Jonathan of
8 me and an email, I couldn't put it in context.
9 He is, like, Cheryl, this is July 2016, and I'm,
10 like, Jonathan, I can't for the life of me
11 figure it out. And so, for you to send the text
12 supporting information that my client requested
13 I do this was very beneficial, thank you.

14 MR. MERRILL: Well, good. Then explain to
15 us, you said, my bad, I told Deborah, you're
16 referring to Deborah Dice Perez, right?

17 MS. TIMBERLAKE: Correct.

18 MR. MERRILL: "I'd send it and got now, just
19 finishing lunch, will research and send soon."
20 Correct?

21 MS. TIMBERLAKE: Correct.

22 MR. MERRILL: And that was a response to
23 Lisa's request, "Hi Cheryl, will you send
24 Deborah the statute that states we only have to
25 report me and funding Horseracing Jobs Fairness

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and CC me? Correct?

MS. TIMBERLAKE: That's what the text says.

MR. MERRILL: And then TC 18 is the exhibit 134 that Jonathan showed you earlier this morning, correct?

MS. TIMBERLAKE: Uh...

MR. MERRILL: If you look at the top right hand corner it says Exhibit 134 001.

MS. TIMBERLAKE: Yes, 134, thank you.

MR. MERRILL: So, you had advised Deborah Dice Perez and Lisa that the Maine statute only required you to disclose Lisa as a funding source, correct?

MS. TIMBERLAKE: Lisa's, Lisa's text says that. All I did in this email was the link and the ballot question reporting section. I didn't advise anything. I did a cut and paste of the statute as requested by my client and sent it to her Texas attorney.

MR. MERRILL: Well, you highlighted a section of it, correct?

MS. TIMBERLAKE: I did.

MR. MERRILL: And why did you highlight that section?

1
2 MS. TIMBERLAKE: Because it referenced 1056-
3 B.

4 MR. MERRILL: Well, the whole statute is
5 1056-B, why did you highlight part two content?

6 MS. TIMBERLAKE: Because it was as
7 requested.

8 MR. MERRILL: And you basically indicate
9 that this is the statutory requirement for
10 Schedule A reporting, contributions to PAC
11 activities, correct?

12 MS. TIMBERLAKE: Um...

13 MR. MERRILL: It's your first line of the
14 email. "As per our discussion please see the
15 attached Maine Ethics and Elections Practice
16 statutory requirement for Schedule A reporting,
17 colon, contributions to PAC activities."

18 MS. TIMBERLAKE: That's the first sentence.

19 MR. MERRILL: And that's what you were
20 representing to him that you were sending to
21 him, right?

22 MS. TIMBERLAKE: These?

23 MR. MERRILL: Correct?

24 MS. TIMBERLAKE: It's attached.

25 MS. MATHESON: Isn't that the question you

1
2 just asked her?

3 MR. MERRILL: No, this was a different one.
4 You're representing to him that this is the
5 statute, correct?

6 MS. TIMBERLAKE: This is the statute.

7 MR. MERRILL: And where did you get the
8 statute from?

9 MS. TIMBERLAKE: The link is there and then
10 I spelled it out as well.

11 MR. MERRILL: Okay, and where did you
12 actually get what you spelled out for him?

13 MS. TIMBERLAKE: Well, if the link is there
14 I got it online.

15 MR. MERRILL: Well, my question is--

16 MS. TIMBERLAKE: [interposing] 'Cause I
17 don't think I could type that in and, well, I
18 really could, maybe, I suppose.

19 MR. MERRILL: The date on this email that
20 you sent is July 11th. The statute you sent them
21 had been amended three months earlier and you
22 sent them the statute that had not been amended.

23 MS. TIMBERLAKE: And so, the question in
24 those three month is the website up to date
25 from the 90 days when they adjourned?

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MR. MERRILL: So you--

MS. TIMBERLAKE: [interposing] Did I send them the effective statute, is that the question? I would have to go to the website and look.

MR. MERRILL: My question, my question is, if you were advising them, why didn't you send them the most recent statute that was available?

MR. DAY: Objection, he's assuming that she's is advising them. I don't think she's ever conceded that she's providing anybody legal advice.

MR. MERRILL: Strike advising, why did you send them a statute that had been amended three months earlier?

MS. TIMBERLAKE: I sent them the statute online 1056-B at that point in time.

MR. MERRILL: And you believed it was accurate at the time you sent it, right?

MS. TIMBERLAKE: Yes.

MR. MERRILL: And you were advising Lisa that--

MS. TIMBERLAKE: [interposing] I was not advising Lisa.

1
2 MR. MERRILL: Alright, you're telling Lisa
3 she could be the only contributor listed because
4 she's a single source, correct?

5 MS. TIMBERLAKE: No, I am giving her the
6 specific section of statute as per her request
7 to her Texas attorney.

8 MR. MERRILL: The statute that you sent them
9 doesn't require multiple sources or original
10 source, correct?

11 MS. TIMBERLAKE: That section underlined
12 says single source.

13 MR. MERRILL: Correct, so you were advising
14 her that she can, that you can report her as a
15 single source without having to disclose
16 original source, correct?

17 MR. DAY: I think this has been asked and
18 answered, I don't know what further we're trying
19 to get at here.

20 MR. MERRILL: You are familiar with the term
21 original source, correct?

22 MS. TIMBERLAKE: Correct.

23 MR. MERRILL: 'Cause as a lobbyist you are
24 required to disclose original source, correct?

25 MS. TIMBERLAKE: Correct.

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2 MR. MERRILL: Look at TC 20. This is an
3 email from Lisa to you dated January 27th of
4 2017, correct?

5 MS. TIMBERLAKE: Correct.

6 MR. MERRILL: And Lisa says that it's from
7 Shawn, correct?

8 MS. TIMBERLAKE: Correct.

9 MR. MERRILL: And it's your understanding
10 that's Shawn Scott, correct?

11 MS. TIMBERLAKE: Correct.

12 MR. MERRILL: And Shawn is saying, "also
13 point out that this initiative follows the
14 WhiteSands report and provides a \$5 million
15 licensing fee to the State as suggested by the
16 report. Report says that locating the project
17 in York County provides the best benefits to the
18 State and that's why they suggested it.

19 According to the WhiteSands Report the market
20 supports a project in York." Now, was this
21 being sent to you for the purposes of a press
22 release?

23 MS. TIMBERLAKE: Horseracing Jobs, as of
24 January 27th, Horseracing Jobs and Fairness had
25 been approved by the Secretary of State and it

1 was going to be on the ballot. Lisa was looking
2 at press statements, this was feedback from her
3 brother.
4

5 MR. MERRILL: And the email discusses a
6 potential site in York County, correct? I'm
7 sorry, potential site for York County casino?

8 MS. TIMBERLAKE: No, it's referencing the
9 WhiteSands Report.

10 MR. MERRILL: You are familiar with the
11 WhiteSands Report?

12 MS. TIMBERLAKE: Correct.

13 MR. MERRILL: And it suggests that a, that
14 southern Maine could support a third casino,
15 correct, in sum and substance?

16 MS. TIMBERLAKE: Well, as you have seen the
17 media current initiative there seems to be some
18 confusion about how you would interpret the
19 WhiteSands economic analysis and having sat
20 through the hearings and represented the
21 industry, they did a follow up and there's some
22 finger pointing, but the report and the
23 differentials talk about the harm to the other
24 casinos, what this will mean, so, this is his
25 feedback on the WhiteSands Report.

1
2 MR. MERRILL: But anyway, this is a pretty
3 high level part of the overall project, correct?

4 MS. TIMBERLAKE: The initiative had just
5 qualified for the ballot.

6 MR. MERRILL: Right, so now you're moving in
7 to the campaign phase, you want to get it
8 passed, correct?

9 MS. TIMBERLAKE: No, at this point this is a
10 drafting of the press release.

11 MR. MERRILL: For what purpose?

12 MS. TIMBERLAKE: To make a statement.

13 MR. MERRILL: As to?

14 MS. TIMBERLAKE: The information regarding
15 whatever Lisa wants to say.

16 MR. MERRILL: So, you didn't really
17 understand what she wanted you to do with this?

18 MS. TIMBERLAKE: What I was going to do with
19 it? Lisa issued the concluded press statements
20 with her photo following the announcement that
21 she qualified.

22 MR. MERRILL: TC 23 A. January 23rd of 2017,
23 has the initiative been approved yet?

24 MS. TIMBERLAKE: January 23rd, yes.

25 MR. MERRILL: And you are writing to Lisa

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1
2 about Maine media, correct?

3 MS. TIMBERLAKE: That's what the RE line
4 says.

5 MR. MERRILL: Okay. And let me start with
6 the first, well, let me get down to the bottom.
7 January 23rd, 7:16, you wrote, "Mainers need to
8 decide," well, you didn't write, you were
9 referring to an article, correct? "Mainers to
10 decide whether to allow casino in York County?"

11 MS. TIMBERLAKE: This is a trail of emails,
12 I guess if you're starting from the bottom it is
13 a link to a media story.

14 MR. MERRILL: Okay, and your next email up,
15 basically says, "very disappointed in this
16 article, he wrote it before he contact us. His
17 call came in to the office after 3:00 p.m.
18 Corinna was back from her lunch around 1:00,
19 2:00 p.m. I don't like being taken advantage
20 of. You won't be on my list in the future.
21 I'll check to see if the piece is updated after
22 we send our print press release." What, what
23 did you mean at that point?

24 MS. TIMBERLAKE: A news story had been
25 produced before Lisa's announcement had been

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received.

MR. MERRILL: And your email at the top of the page? This is to Lisa, correct?

MS. TIMBERLAKE: Yes.

MR. MERRILL: And you say, "okay, reacted to House Chair comments, the press release is included in a link, the station wanted a verbal interview, wants coverage of the details. There is work to be done here, people are craving information and want facts. Investors need to contemplate how to proceed quickly." And by investors you mean what?

MS. TIMBERLAKE: Scarborough Downs, the York County location, which they talked about earlier, any, any opportunities to present her story going forward now that she's qualified.

MR. MERRILL: Now, you sent Lisa, excuse me, the Maine Public Radio release, correct?

MS. TIMBERLAKE: Um...

MR. MERRILL: In your middle email, you sent her a link.

MS. TIMBERLAKE: Yes.

MR. MERRILL: Okay, I'm assuming you read that article?

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2 MS. TIMBERLAKE: Probably listened to it, if
3 it was public radio.

4 MR. MERRILL: Okay, but you said you were
5 very disappointed in it, so you either listened to
6 it or you read it, correct?

7 MS. TIMBERLAKE: Correct.

8 MR. MERRILL: Look at TC 23 B, correct,
9 please. Is this the Maine Public Radio spot you
10 are talking about? Article?

11 MS. TIMBERLAKE: I'm assuming so, I can't
12 follow the link and the print out looks to be
13 the same date.

14 MR. MERRILL: So, if you look at the second
15 page of this, it says at the top, "that man is
16 Shawn Scott, a Las Vegas resident with gambling
17 operations all over the country. He was behind
18 a campaign that eventually led to the operation
19 now known as Hollywood Slots in Bangor." Next
20 paragraph, "Scott has largely withdrawn from
21 public view but he surfaced last fall when his
22 business partners were revealed to be
23 bankrolling an unsuccessful gambling campaign in
24 Massachusetts. Scott's role in a Maine ballot
25 campaign is also murky but his sister, Lisa

1
2 Scott, of Miami has contributed \$4 million to
3 the effort so far. There was no mention of
4 Shawn Scott in the campaign's first ever written
5 statement." And then it gives a site for that,
6 issued Monday. So, you knew at this point that
7 Shawn Scott was the one that was going to
8 benefit from the initiative, correct?

9 MS. TIMBERLAKE: I knew that Shawn, I, I
10 don't think that I'm connecting that here. And
11 I think that I addressed that earlier with the
12 knowledge of the specificity of the initiative
13 and what it says with a certain percentage.

14 MR. MERRILL: When you look at the, strike
15 that. Take a look at TC 24. This is the same
16 date as TC 23, and Lisa Scott is forwarding you
17 the article that is on the second page of this,
18 correct?

19 MR. DAY: I'm going to object, there's no
20 way to tell from this first page of TC 24 to say
21 that there's an attachment, there's no link,
22 there's no subject line. I don't know if the
23 top of the email got cut off or what? But, I'm
24 not sure how you tie the press article that's on
25 the next page to that.

1
2 MR. MERRILL: Have you ever seen the article
3 that's attached to this email?

4 MR. DAY: I object, I think he's assuming
5 that it's attached to the email and the...

6 MR. LEE: There was an objection...

7 MR. MERRILL: [interposing] I'm sorry

8 MR. LEE: ...and the question is being
9 repeated the same way, so, I think the Chair may
10 need to rule on that.

11 MS. MATHESON: I'm sorry, I'm actually
12 reading this, I, no, I, I do think that there is
13 no, there is no link here. Do you have--I'm
14 going to sustain that.

15 MR. MERRILL: I'll withdraw the question,
16 let me just ask you, have you ever seen what is
17 marked as LRS 4767?

18 MS. TIMBERLAKE: I don't recall.

19 MR. MERRILL: Take a look at TC 25. It's an
20 email on April 7th of 2017, from Shawn Scott to
21 Lisa Scott, correct?

22 MS. TIMBERLAKE: That's what it says.

23 MR. MERRILL: And Scott replies yes to
24 Lisa's question, "did you leave a voicemail for
25 Cheryl?" Do you recall speaking to Mr. Scott

1 during this point in time?

2 MS. TIMBERLAKE: No.

3 MR. MERRILL: At all?

4 MS. TIMBERLAKE: At all.

5 MR. MERRILL: Do you remember being in your
6 office one day and insisting that we call Shawn
7 Scott so that you could ask him to indemnify you
8 against any interview?
9

10 MR. DAY: I'm going to object, is, are you
11 testifying Bruce, or are you asking her a
12 question?

13 MR. MERRILL: [interposing] I'm asking her a
14 question, I'm asking her a question, Avery. Do
15 you recall being in your office and insisting
16 that we call Shawn Scott- [crosstalk]

17 MR. AVERY: [interposing] It seems like it's
18 coming from your knowledge.

19 MS. TIMBERLAKE: [interposing] So, to answer
20 the email here, this, I have no knowledge of,
21 April 7th, don't, I mean, my birthday is April
22 13th, but I did not receive a phone call from
23 Shawn Scott and that's what this is referring
24 to. So, if you want to talk about--

25 MR. MERRILL: [interposing] A specific

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1 question, do you recall calling Scott, Shawn
2 Scott, and asking him to indemnify you for any
3 fine that you might receive as a result of this
4 Commission's investigation?
5

6 MS. TIMBERLAKE: The conversation that Lisa,
7 you, and I had was about my continued, if there
8 was a role to play as treasurer for her and her
9 three BQCs. And I specifically said, no. I
10 don't understand the liability, I don't
11 understand the companies, I don't understand any
12 of the details. Horseracing Jobs and Fairness
13 is my treasurer responsibility exclusively.

14 MR. MERRILL: My question was, do you recall
15 asking him to indemnify you if any penalty was
16 imposed on you because you knew at that point
17 there was joint and several liability between
18 you and Lisa Scott?

19 MS. MATHESON: Didn't she just answer that?

20 MR. MERRILL: No, yes or no?

21 MS. TIMBERLAKE: I just answered there was a
22 conversation with Lisa, you, and I, and Shawn
23 regarding the three entities, the liability and
24 my denial to want to continue because of this.
25 And I just defined for you, Lisa, BCQ, IDC, MDC,

1
2 I was not continuing in something that I didn't
3 know about, there weren't answers for, there
4 were no paper trial, no.

5 MR. MERRILL: Cheryl, my question very
6 simple, did you ask Shawn Scott to indemnify
7 you--

8 MR. DAY: [interposing] I'm going to object,
9 I think this is the third or fourth time we've
10 heard this question.

11 MR. MERRILL: She hasn't answered my
12 question, Madam Chair. It's a simple question,
13 did you ask him to indemnify you, yes or no?

14 MS. MATHESON: I'll allow that.

15 MS. TIMBERLAKE: Yes.

16 MR. MERRILL: Thank you. Now, you claim you
17 never knew Philip James [phonetic] worked for
18 Bridge Capital, correct?

19 MS. TIMBERLAKE: At the point in time, no, I
20 did not. I know that his email signatory is
21 this plus he has an expatriate email signatory.

22 MR. MERRILL: Look at TC 26 A, please.
23 Excuse me. In the first email in the middle of
24 the page Lisa is asking you if you can ask
25 Corinna to copy and paste right into the FedEx

1 tracking tomorrow, correct?

2 MS. TIMBERLAKE: Can you access the system
3 air bills yes.

4 MR. MERRILL: And she has forwarded the
5 email from Philip James, correct?

6 MS. TIMBERLAKE: It appears, so, yes.

7 MR. MERRILL: And it says Philip James
8 worked for Bridge Capital, correct?

9 MS. TIMBERLAKE: His signatory line on this
10 email, yes.

11 MR. MERRILL: Look at TC 26 B, this is
12 another email from Lisa to you dated January 22nd
13 of 2016, correct?

14 MS. TIMBERLAKE: Correct.

15 MR. MERRILL: And she's forwarding an email
16 from Philip James where again it shows that he
17 is an employee of Bridge Capital, correct?

18 MS. TIMBERLAKE: His signatory line is
19 Bridge Capital.

20 MR. MERRILL: 26 C. This is from you to
21 Lisa dated January 25th, 2016. And again, it
22 references a Philip I. James who is an employee
23 of Bridge Capital, correct?

24 MS. TIMBERLAKE: His signatory line says
25

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1
2 Bridge Capital.

3 MR. MERRILL: But it is still your position
4 that you didn't realize that the man worked for
5 Bridge Capital?

6 MS. TIMBERLAKE: The known entity Bridge
7 Capital was not known to me. When Mr. Riley
8 [phonetic] testified before the VLA Committee, I
9 was medically injured and in my office listening
10 and I remember saying to my staff, why is he
11 testifying about a construction company? Bridge
12 Capital was not, after the fact, these emails,
13 Philip had another email he also communicated
14 with me on, the expatriate, because of his work
15 with Lisa in Saint Kitts [phonetic] for visas
16 and passports. So, he has multiple emails that
17 he communicated with us on.

18 MR. MERRILL: Let's look at TC 27, please.
19 This is an email from you to Lisa dated April
20 25th, 2016, correct?

21 MS. TIMBERLAKE: Correct.

22 MR. MERRILL: You say, "Lisa, we have not
23 had the opportunity to discuss the next steps
24 for Horseracing Jobs Fairness. While we've had
25 conversations on my continued role there are no

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2 specific details defined, responsibilities and
3 compensation. Given the relationship with the
4 new investor, and outstanding payments still to
5 be resolved, I prefer we finalize all current
6 obligations and move in to the next phase,
7 retroactive to April 1st. My professional
8 services during the appeal or outside of the
9 Secretary of State filing completed in February.
10 Capitol Insights would like to continue to make
11 the southern Maine casino a reality in York
12 County. To accomplish that goal there is a lot
13 of work to be done, this will take time, staff,
14 and resources. I am happy to coordinate these
15 details but need a signed agreement or
16 contract." When you said, given a relationship
17 with the new investor, you're referring to
18 Regent Able correct?

19 MS. TIMBERLAKE: No, I did not know Regent
20 Able. Lisa had met with either a single or a
21 plural investor, investors, with respect to her
22 projects. What I understand is, and she was
23 happy and excited because of Massachusetts. The
24 opportunity to go forward in Maine with a new
25 investor. I am highlighting, if there is, given

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1 the new relationship, and maybe it's a bad
2 choice of words, Lisa said she was meeting, she
3 confirmed what I was told the investor was
4 investing in Massachusetts because it was on the
5 ballot. We were still petitioning only. If
6 there had been a decision in terms of an
7 investor I would have followed up with Lisa and
8 said, name, number, serial number, much like I
9 did after this staff said to me, you need to
10 create a new BQC. I have this email, I need
11 this information to comply.
12

13 MR. MERRILL: Cheryl, this is dated in April
14 25th of 2016. You reported on a report that you
15 and Corinna prepared, which is staff exhibit 143
16 008, that on April 26th, the very next day,
17 Regent Able contributed \$150,000 to the
18 initiative.

19 MS. TIMBERLAKE: My staff report did not
20 identify Regent Able because it was not known to
21 me in April. You are referring to, yes, HRJF
22 met every obligation, we filed everything
23 timely. I did not know Regent Able nor did
24 Tetiana at MacPage [phonetic] who helped me work
25 though this in her schedule, identify Regent

1 Able on that date.

2 MR.PATTERSHALL: Aren't those one year
3 apart? It says, 4/26/17.

4 MR. MERRILL: I just want you to note the
5 date that the money came in, okay?

6 MR. PATTERSHALL: Okay.

7 MR. MERRILL: It came in the very next day,
8 that's my point.

9 MR. PATTERSHALL: The email is 4/25/2016,
10 right?

11 MR. MERRILL: Yes, but if you look at 143 08
12 it's reported...

13 MR. PATTERSHALL: [interposing] The bottom,
14 it was that asterisks at the bottom?

15 MR. LEE: 143 08?

16 MS. TIMBERLAKE: So, after the fact we are
17 getting her highlighted document?

18 MR. DAY: I just want to make sure...

19 MR. MERRILL: So, at the time that this
20 additional \$150,000 came in you did not think it
21 was from a new investor?

22 MR. PATTERSHALL: [aside] When was the date?

23 MS. TIMBERLAKE: I've got to be able to go
24 back and track it. No [unintelligible] if
25

1
2 there's a new investor I need the details and
3 the information.

4 MR. MERRILL: My question is, at the time
5 you reported the \$150,000, on the filing that
6 you made, I guess it would be the second
7 quarter, you reported that there was \$150,000
8 came in on April 26, are you saying that you
9 didn't know at the time that you filed that that
10 Regent Able had supplied that money to the
11 campaign?

12 MS. TIMBERLAKE: I did not know. Lisa is
13 responsible for telling me if monies came in we
14 tracked it to her and her two companies.

15 MR. MERRILL: And as of April 25th of 2016,
16 when you write this, the initiative has not been
17 approved yet, correct?

18 MS. TIMBERLAKE: The initiative has been
19 denied.

20 MR. MERRILL: It has been denied, right.
21 So, there is no reason for anybody to invest in
22 a casino project, correct?

23 MS. TIMBERLAKE: Well, that is the point,
24 she said that we are looking at investors, the
25 investor focused on Massachusetts because it was

1
2 an initiative. We are still in petition phase,
3 I think I've said this.

4 MR. MERRILL: No other questions for this
5 witness, thank you.

6 MS. MATHESON: Thank you.

7 MR. PATTERSHALL: Can I just clarify, I just
8 want to make sure I understand, I apologize, on
9 143 08, which you may or may not have before
10 you.

11 MS. TIMBERLAKE: I'm trying to find it,
12 yeah.

13 MR. PATTERSHALL: Okay. There is an
14 asterisk down at the bottom with a date of April
15 26th, 2017, and I think it says per a telephone
16 conference from Corinna Rodrigue [phonetic] Do
17 you see where I'm reading that?

18 MS. TIMBERLAKE: I do.

19 MR. PATTERSHALL: Okay, so and the asterisk
20 refers to some data above it, one of them
21 including 4/26/16, the Regent Able contribution?

22 MS. TIMBERLAKE: Mm-hmm.

23 MR. PATTERSHALL: So, that information was
24 just coincidentally exactly one year, provided
25 one year later, is that right?

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MS. TIMBERLAKE: Oh, is it one year later?

MR. PATTERSHALL: Well, that's what I'm trying to figure out, I just want to make sure I understand.

MS. TIMBERLAKE: Yes, I-

MR. PATTERSHALL: [interposing] In other words, in April 26 of '17, retroactively you thought about it, somebody corrected the filing to show that there was \$150,000 contribution by Regent Able on 4/26/16?

MS. TIMBERLAKE: So, after staff advised us we went in and amended Horseracing Jobs and Fairness and so what you have are the three new BQCs--

MR. PATTERSHALL: [interposing] Okay.

MS. TIMBERLAKE: --and the identified dollars attributed to those entities.

MR. PATTERSHALL: Okay, but, so, what attorney Merrill is saying is, it is the next, even though you thought of it retroactively, it is the very next day after your email was sent, you're allocating a payment by Regent Able, right?

MS. TIMBERLAKE: I am not allocating a

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1
2 payment.

3 MR. PATTERSHALL: Or you're, you're listing
4 it.

5 MS. TIMBERLAKE: No, this, this report was
6 produced in 2017.

7 MR. PATTERSHALL: I understand, but there is
8 a date on that exhibit, it says 4/26/16.

9 MS. TIMBERLAKE: So when-

10 MR. LEE: [interposing] Which exhibit?

11 MS. TIMBERLAKE: --no it's, the exhibit is-

12 MR. PATTERSHALL: --140, 143-008.

13 MS. TIMBERLAKE: Yeah.

14 MR. LEE: Where is the date?

15 MR. PATTERSHALL: It's the first entry
16 listed on that page.

17 MS. TIMBERLAKE: Yeah.

18 MR. PATTERSHALL: It says Regent Able
19 Associates Company. Column two.

20 MS. TIMBERLAKE: Yeah.

21 MR. PATTERSHALL: The date says, 4/26/16,
22 asterisk.

23 MS. TIMBERLAKE: Yeah.

24 MR. PATTERSHALL: 4/26/16 is the day after
25 you sent that email that is TC 27. Is that

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correct?

MS. TIMBERLAKE: Yes, I guess, I'm doing the, yeah. Yep. Yep.

MR. PATTERSHALL: Okay.

MS. TIMBERLAKE: Yeah.

MR. PATTERSHALL: Just by coincidence that information was given, was entered in here on 4/26/17, see that asterisk at the bottom? And that's why he asked you that question, he said-

MS. TIMBERLAKE: [interposing] Thank you, I-

MR. PATTERSHALL: --okay, at the time that you, at the time that that was made the day after your email, he as asking you, did you know?

MS. TIMBERLAKE: Yeah.

MR. PATTERSHALL: Oh, okay. I just wanted to clarify for my understanding.

MS. TIMBERLAKE: Thank you, well, I didn't have this up front. And it-

MR. PATTERSHALL: [interposing] It's alright.

MS. MATHESON: --but it was first reported at part of HRJF'S which I can't find an initial report in here, I don't know where it is. All I

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2 have is the amended schedule in this... I have
3 the amended schedule that shows that it was
4 Miami Development Concepts instead of the, I
5 don't now, schedule A, so, I'm sure it's
6 somewhere in here. I don't need to see it.

7 MR. PATTERSHALL: Okay.

8 MR. MERRILL: Can I ask one last question?
9 You reported the \$150,000 as having been
10 received by Horseracing Jobs Fairness on April
11 26 of 2016, correct? No one is suggesting it
12 wasn't reported, it was reported, correct, it's
13 just a question of who you indicated the money
14 came from, correct?

15 MS. TIMBERLAKE: I would need an exhibit in
16 front of me that says Horseracing, I'm assuming
17 your dollar amount in your entry are correct.

18 MR. MERRILL: And it would have been
19 reported as such and come from Lisa Scott?

20 MS. TIMBERLAKE: Horseracing Jobs and
21 Fairness Lisa Scott.

22 MR. MERRILL: Thank you.

23 MS. MATHESON: Okay, Mr. Mina or Mr.
24 Ketterer, do you have follow up questions?

25 MR. MINA: I do.

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MS. MATHESON: All right.

MR. MINA: Thank you, Chairman. Cheryl, I'm
Thimi Mina, Bridge Capital.

MS. TIMBERLAKE: Hi.

MR. MINA: How are you doing?

MS. TIMBERLAKE: Good, how are you?

MR. MINA: Yeah, good. I've got questions,
but I'm getting tired of listening to you answer
some of them and I think we're going to end up
plodding over a lot of ground needlessly. So,
I'll try to reverse engineer this a little and
try to figure out why we're here today. You
were trying to do this right, weren't you, from
the beginning? Isn't that a true and accurate
statement?

MS. TIMBERLAKE: Well, I think my opening
statement was clear that I had never been a
treasurer but I put together a Maine team and
our whole focus was compliance from both--

MR. MINA: [interposing] It's not--

MS. TIMBERLAKE: --the Secretary of State
and the Ethics side.

MR. MINA: --it's not a trick question--

MS. TIMBERLAKE: [interposing] Well--

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2 MR. MINA: --I'm trying to confirm that you
3 were trying to be honest and compliant with the
4 statute from the beginning, weren't you?

5 MS. TIMBERLAKE: Yes.

6 MR. MINA: And we'd have to agree, Cheryl,
7 that sitting here today, it's not a trick
8 question, I'm just trying to get to the bottom
9 of this, that there is a disagreement between
10 the lawyers sitting on that side of the room,
11 and the lawyers sitting on this side of the
12 room, as to whether original sources of funding
13 have to be reported. Did you understand that to
14 be the case?

15 MS. MATHESON: Are you asking for a
16 conclusion of law?

17 MS. TIMBERLAKE; Yeah--

18 MR. MINA: To understand that there is a
19 debate--

20 MS. MATHESON: [interposing] Sorry.

21 MR. MINA: --your lawyer, our lawyers, their
22 lawyers, are debating whether or not original
23 sources have to be reported.

24 MR. DAY: I'm going to object, I think we're
25 supposed to keep this confined to, she's a

1 [unintelligible].
2

3 MR. MINA: Allow me to be helpful. She is
4 trying to do this right and the lawyers can't
5 agree on the way to do it right. And you had to
6 amend the reports because the Commission staff
7 took a view that was contrary to the view that
8 was taken initially, correct?

9 MS. TIMBERLAKE: We amended the reports as
10 per recommendation and advice of staff.

11 MR. MINA: Okay, and had you known that
12 money was being received by Ms. Scott from
13 external sources and you didn't believe that,
14 only money to her had to be reported, that you
15 agreed to what the staff is saying now, in other
16 words, that external sources had been, had to be
17 reported, you would have reported them, right?

18 MS. TIMBERLAKE: I don't think I followed
19 you, you went--

20 MR. MINA: [interposing] Okay, let's take it
21 in pieces. Had you known back in 2015, for
22 example, that money that Lisa got from an
23 external source should have been reported,
24 that's the way you would have done it had you
25 known that, correct?

1
2 MS. TIMBERLAKE: Well, my team and I
3 reported everything received and the essence of
4 where we're at is the source. So, what you're
5 asking me is a hypothetical of if I had a legal
6 team and staff had met and it was different,
7 would we have been different?

8 MR. MINA: Exactly.

9 MS. TIMBERLAKE: And as I said at the
10 beginning, I can't play Monday morning
11 quarterback.

12 MR. MINA: Well, I get to ask the questions
13 Cheryl, and I'm trying to get you to concede
14 that at the time you filed these reports you
15 were of the view that external sources of
16 funding did not have to be reported, correct?

17 MS. TIMBERLAKE: Correct.

18 MR. MINA: Okay, and when the controversy
19 arose as to the correctness of that view, you
20 and your legal team, including Mr. Merrill,
21 consulted with the staff and decided to amend
22 the reports, to add BQCs, like IDC and MDC, and
23 Lisa Scott in her own right, correct?

24 MS. TIMBERLAKE: Correct.

25 MR. MINA: And when you received, for

1
2 example, an email from Lisa forwarding you a
3 wire transfer from the entity known as IDC,
4 International Development Concepts, as early as
5 December of 2015, had you believed otherwise,
6 you would have filed IDC as a BQC, correct?

7 MS. TIMBERLAKE: Correct, the transaction
8 details were reported as Lisa Scott as the
9 signatory on the wire transfer.

10 MR. MINA: Okay. So, can we at least agree
11 on this, that in view of exhibits, what are
12 they, 17, and 18, yeah, the exchange between--

13 MR. LEE: [interposing] Are you talking
14 about the cross examination exhibits or are you
15 talking about the exhibits in the examination
16 report?

17 MR. MINA: --yeah, the cross examination,
18 17, and 18, these are the ones that Bruce went
19 through with you. You were earlier asking for
20 the statute concerning who has the report and
21 you sent them back the statute, you remember
22 that exchange, you just had it, right?

23 MS. TIMBERLAKE: Right.

24 MR. MINA: Okay, so, in view of that
25 exchange isn't it a fair interpretation of

1
2 what's going on here, is honest confusion either
3 by Lisa Scott, you, the people you are
4 consulting for advice and anybody else on your
5 side as to whether external sources, original
6 sources, have to be reported?

7 MS. TIMBERLAKE: I think in my opening
8 statement I made the comment that we're here
9 today not because we didn't want 4.2 million to
10 be hid from the public, we disclosed it, time,
11 date, the question becomes, how to appropriately
12 get to the source.

13 MR. MINA: Dead on, I'm, I'm, I'm over here,
14 you, I'm not trying to, I know you're tired but
15 please cooperate with me a little bit longer.
16 Because I think it's important, don't you? That
17 the fact that this was an honest mistake and not
18 a malicious or intentional violation of the
19 statute is something the Commissioners should
20 know.

21 MS. TIMBERLAKE: Well, I think there's a
22 couple of elements here. I work with a team,
23 but I also work with a client. So, I think what
24 I knew, I reported. And I look now at the rest
25 of these documents, which haven't yet come to

1
2 their purview and the exchanges, those are out
3 of my realm.

4 MR. MINA: What do you mean out of your
5 realm, what do you mean, out of your expertise?

6 MS. TIMBERLAKE: I, we didn't have access,
7 we weren't part of any of these, this, this
8 corporate veil.

9 MR. MINA: But, but look, the corporate
10 veil, I want to talk to you about the corporate
11 veil. I don't want to belabor this, but if I
12 were, for purposes of my questions, Cheryl, if I
13 were to tell you that 922 of those documents
14 were not emails you wrote that got forwarded
15 without your knowledge, they were documents that
16 you sent to the, or received, hold on, hold on,
17 you sent or received from the people inside the
18 corporate veil. That doesn't sound like you're
19 being left out of the loop, does it?

20 MS. TIMBERLAKE: The only person that I
21 received anything from was Lisa.

22 MR. MINA: So, are you willing to submit--

23 MS. TIMBERLAKE: [interposing] So, let's
24 look at the documents so that I can
25 appropriately show the Commission all of what is

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being defined here.

MR. MINA: Well, the Commission has the log and if they want to see them they can go to Superior Court Justice and get them. But my question to you is, are you willing to submit on the record of that privileged log, that those emails, 922 of them, were authored by you and sent by you to people who were among the privileged class?

MS. TIMBERLAKE: Well, first of all, I don't think I've itemized every one of them to know that it's 922. I have looked at it and recognized that my emails that I generated to my client then went in other places, and there are all kinds of other things that happened. Now--

MR. MINA: [interposing] Okay, and you don't have a problem with attorney client privilege as a concept, do you? As a paralegal you know that it's one of the, one of the most sacrosanct points in the law, right? The clients have a right to talk to their lawyers in private--

MR. DAY: [interposing] I'm sorry, what, how is this relevant?

MR. MINA: --well, I'll tell you what it's

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2 relevant to. It's relevant, she wants to use
3 the privilege log as both a sword and a shield.
4 And she shouldn't do that.

5 MR. DAY: I, I, I, I think you're trying to
6 use the privilege log to draw this inference
7 that Cheryl is on these--

8 MR. LEE: [to Chairwoman] May I ask a point
9 of clarification?

10 MS. MATHESON: Yeah.

11 MR. LEE: Who submitted the privilege log?

12 MR. MINA: Lisa Scott.

13 MR. LEE: Okay, they didn't submit the
14 privilege log.

15 MR. MINA: Correct, they had their own,

16 MR. MERRILL: Yes they did, they submitted
17 it as an exhibit to their filing.

18 MR. LEE: But the actual assertion of the
19 privilege was made by Lisa Scott.

20 MR. MERRILL: Correct.

21 MR. MINA: Correct, with identifying the
22 parties of the transaction, she gives an opening
23 statement and testifies that she is not really
24 privy in those communications because, it was
25 simply the communication that she wrote that got

1 forwarded without her knowledge of cyberspace.-

2 MR. LEE: [to Chairwoman] May I ask a
3 question?
4

5 MS. MATHESON: Certainly.

6 MR. MINA: --You have it in front of you and
7 you can deal with it, but---

8 MR. LEE: [interposing] I, I, because you're
9 having this discussion about the, about the,
10 what she received, what she sent and so forth,
11 are you at, at the point of waiving the attorney
12 client privilege?

13 MR. MINA: No, [unintelligible]

14 MR. LEE: So that we can actually get to the
15 bottom of who said what?

16 MR. MINA: Are you asking me or him, I'm
17 sorry?

18 MR. LEE: I'm, well, you are, you asserted
19 the privilege. I'm asking-

20 MR. MINA: [interposing] Absolutely not, ,
21 to the contrary. What we're trying to do is to
22 rebut her public assertion on evidence based on
23 a privileged document.

24 MS. TIMBERLAKE: I, I--

25 MR. MINA: [interposing] [unintelligible]

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2 that was never a reason, Commissioner, if we
3 didn't think it should even be in play here
4 today, and we ask that you not allow that but
5 they brought it in and now we have to defend it.

6 MS. TIMBERLAKE: But-

7 MR. DAY: [interposing] I guess I interject,
8 we have not raised the law, we haven't referred
9 to the law--

10 MR. MINA: [interposing] Yet.

11 MR. DAY: -- I believe you've kind of opened
12 the door here by saying, here is what was in the
13 log, here are the numbers of emails that Cheryl
14 is on that were sent and received--

15 MR. MINA: [interposing] I beg to differ,
16 she--

17 MR. DAY: --I mean, you've referred to it,
18 not us, at this point.

19 MR. MINA: --no, no, I beg to differ, it was
20 she, Madam, Chairman, she referred to it
21 explicitly and repeatedly in her opening
22 statement. And it's here for the record.

23 MS. MATHESON: Yeah.

24 MR. MINA: Okay, I'm showing this has been
25 marked as TC 30, Cheryl.

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MS. MATHESON: It has been?

MR. LEE: A two pager.

MS. MATHESON: There we go.

MR. MINA: This is a two page document, it's on reverse sides.

MS. TIMBERLAKE: Yeah.

MR. MINA: Okay. It's Lisa Scott to you, on December 21st, 2015. And it has an enclosed PDF file, which is on the reverse. These were produced in production earlier, and I'll represent to you that the reverse of this, the enclosure, is a funds transfer request dated December 21st, 2015, depicting a wire transfer from International Development Concepts. And it's an entity you are now aware of, correct?

MS. TIMBERLAKE: Correct.

MR. MINA: Okay. And it shows that the wire transfer in the amount of, how much, Al? \$70,000 went to Stavros Mendros, which could have only been in connection with the Maine operation, correct?

MS. TIMBERLAKE: Correct.

MR. MINA: Okay, so, we would have to concede, would we not, that upon receipt of this

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1
2 you knew that money in the amount of \$70,000 was
3 being sent by IDC to Stavros Mendros upon the
4 authorization of Lisa Scott whose signature is
5 on the page, correct?

6 MS. TIMBERLAKE: Correct.

7 MR. MINA: Okay. So, if you believed, at
8 the time, that external sources of funding to
9 the campaign had to be reported as a matter of
10 law, as a compliant and honest person that you
11 are, you would have done that, correct?

12 MS. TIMBERLAKE: This was reported. Lisa
13 Scott's 12/21, 70,000 is on HRJF report.

14 MR. MINA: And it's dated January 7, 2016,
15 correct?

16 MS. TIMBERLAKE: I would have to pull HRJF's
17 report to--

18 MR. MINA: [interposing] Okay, but you know
19 you reported it?

20 MS. TIMBERLAKE: We reported it.

21 MR. MINA: Okay. If you, and you reported
22 this coming from Lisa?

23 MS. TIMBERLAKE: Correct.

24 MR. MINA: Right, and if, if you believe
25 that IDC had to be a reporting BQC, you would

1 have reported IDC too, as a BQC, right?

2 MS. TIMBERLAKE: Correct.

3 MR. MINA: So, and the reason you didn't is
4 because that wasn't your understanding of the
5 law.
6

7 MS. TIMBERLAKE: We met with the Ethics
8 staff in January, with counsel to have a
9 conversation, this was already on the record and
10 reported, about are we in compliance, what do we
11 need to do, where are we going? And I
12 understand we had some concerns with respect.
13 But I, in my role as treasurer, with legal
14 counsel, went to staff and had the meeting in
15 January to have this conversation.

16 MR. MINA: Okay, are, are, are you
17 suggesting, and forgive me if I am wrong, but
18 are you suggesting that the staff of the Ethics
19 Commission confused you about this or they gave
20 you different advice?

21 MS. TIMBERLAKE: No, we had conversations
22 with the staff with respect to this after the
23 fact.

24 MR. MINA: Okay--

25 MS. TIMBERLAKE: [interposing] We--

1
2 MR. MINA: --okay, go ahead, I'm sorry, I
3 cut you off. Cheryl, may I just ask a few more
4 questions? I know you're, I know you're
5 exhausted here. All I'm trying to get at is
6 that none of this, none of it is a product of a
7 purposeful evasion of the statute. You had just
8 mistaken individually, as a team, or both, and
9 you didn't intend to violate the statute, isn't
10 that a fair and honest statement?

11 MS. TIMBERLAKE: I would characterize my
12 role and my team's role as focused on
13 compliance. There was never an intent to mislead
14 or not report the dollars. This, along with 4.2
15 million are all itemized and reported.

16 MR. MINA: And that's why you wanted to be
17 indemnified by Mr. Scott, because you knew you
18 hadn't done anything intentional, you knew there
19 was confusion and you knew that there were
20 conflicting legal views on what to report. And
21 as a lobbyist, this is a compound question, I
22 anticipate your objection, as a lobbyist, you're
23 a registered lobbyist, correct?

24 MS. TIMBERLAKE: I am a registered lobbyist.

25 MR. MINA: Okay, and you know you have to

1
2 report original sources, right?

3 MS. TIMBERLAKE: Every month I personally
4 fill out and complete my lobbyist report. My
5 staff provide me with my clients and the dates
6 for that specific month with the LDs, the bills,
7 pardon me, that I track. And I input the
8 information and after I input the information
9 there is an affidavit form that comes up and
10 it's very specific. Before you can file you
11 need to check off and certify and it asks you
12 very specifically on the form and I run several
13 trade associations, so, when you run trade
14 associations there are multiple members that are
15 involved. Not single source, I have multiple
16 members in trade associations. And it will ask
17 you, if you spend more than 1,000 on an LD, I
18 need to go in and provide them with the
19 identifiable original source. Okay--

20 MR. MINA: [interposing] And you would have
21 done - go ahead--

22 MR. PATTERSHALL: Is there more, is there
23 more to the answer?

24 MR. MINA: Please.

25 MS. TIMBERLAKE: So, that is, in my frame of

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1
2 reference, the statute that I am familiar with
3 in terms of transparency and supplying
4 identifiable details every month to the Ethics
5 Commission.

6 MR. MINA: And it's different, well, at
7 least at the time you thought it was different
8 than the way you report under the Maine Clean
9 Elections Act, right?

10 MS. TIMBERLAKE: I don't report under Clean
11 Elections.

12 MR. MINA: No, I mean, as a lobbyist, you
13 know, you get this form, you've laid it out for
14 us, how every month you go through it and it
15 asks specific questions about the original
16 source. It's not the same way under the Maine
17 Clean Elections Act, is it?

18 MS. TIMBERLAKE: I'm not in the Clean
19 Elections Act.

20 MR. MINA: Well, you're the treasurer of a
21 BQC that is operating under it--

22 MS. TIMBERLAKE: [interposing] No, I'm not.

23 MR. MINA: --and you've represented--

24 MR. DAY: [interposing] Just a point of
25 clarification.

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MS. TIMBERLAKE: No, I'm not.

MR. DAY: These disclosures are not pursuant to the Maine Clean Elections Act.

MS. TIMBERLAKE: I'm not involved in the Clean Elections.

MR. DAY: You folks have used that term inappropriately.

MR. MINA: I'm sorry, what now?

MS. TIMBERLAKE: No, I'm not part of the-

MS. LOWRY: [interposing] It's under the campaign finance laws.

MR. DAY: This is campaign finance law, not Maine Clean Election Law.

MR. MINA: I'm, I'm sorry, then, then, then, strike that and the record will reflect I misspoke. But you would not have filed the way you did or caused the filings that you did, in this case, here, before this Commission, had you believed that your obligations were the same as they were for you as a lobbyist under a different statutory framework, correct?

MS. TIMBERLAKE: I don't think I'm following your multi-faceted question.

MR. MINA: Well, it's simple.

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MS. TIMBERLAKE: Okay.

MR. MINA: You're a lobbyist, you're required to report individual, original sources, correct?

MS. TIMBERLAKE: Correct.

MR. MINA: Okay. And you did not file original sources in this case because you did not believe you had to, correct?

MR. LEE: Hasn't she answered that question several times?

MR. MINA: And she said yes--

MR. LEE: Right--

MR. MINA: But it's a minor predicate. And then you also--

MR. LEE: [interposing] But it's already been made.

MR. MINA: --but you also had the Massachusetts statute that you discussed with Lisa Scott. And you distinguished it from the Maine statute, did you not?

MS. TIMBERLAKE: I don't believe I did. I think her counsel at time, did, Alexis Fallon who has appeared before this entity, was Lisa's Massachusetts's counsel and has knowledge of the

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2 Massachusetts' law. I do not. I am not from
3 Massachusetts, I do not practice my lobbying in
4 Massachusetts, that was Alexis Fallon, not me.

5 MR. MINA: When, when the Scotts ran into an
6 issue in Massachusetts, in reporting original
7 sources, and were sanctioned in Massachusetts,
8 for that very violation, did Lisa Scott not come
9 to you and say, do we have the same issue in
10 Maine?

11 MS. TIMBERLAKE: No.

12 MR. MINA: No? Are you sure of that?

13 MS. TIMBERLAKE: What issue?

14 MR. MINA: Are you sure of that?

15 MS. TIMBERLAKE: Am I sure of what?

16 MR. MINA: The question I just asked you,
17 which I'll ask you again, when the Scotts ran
18 into an issue in Massachusetts with respect to
19 the failure to report individual sources under
20 their statute, did not Lisa Scott approach you
21 and say, do we have the same issue here in
22 Maine?

23 MS. TIMBERLAKE: No, I have no recollection
24 of that. That disposition in Massachusetts
25 never came to my attention until February of

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2017.

MR. MINA: Okay, and when it did, were you asked whether it had ramifications here in Maine?

MS. TIMBERLAKE: No, 'cause I don't think I understood it. I had to ask details about it and what it meant in light of activities. So, no, I don't connect those dots.

MR. MINA: You didn't, you didn't understand the Massachusetts statute?

MS. TIMBERLAKE: I don't have the need to understand the Massachusetts statute.

MR. MINA: Okay, well, were you asked about it?

MS. TIMBERLAKE: No, I was not.

MR. MINA: I have nothing further, thank you very much.

MS. TIMBERLAKE: Mm-hmm.

MS. MATHESON: Mr. Ketterer?

MR. KETTERER: Madam Chair, members of the Commission, Capital Seven waives examination of this witness.

MS. MATHESON: Thank you. Mr. Day, if you have questions to follow up, and it's also my

1 understanding that we will allow Cheryl to come
2 back, Ms. Timberlake, as a follow up if she
3 needs to. That's-

4 MR. DAY: [interposing] Great, thank you.

5 MS. MATHESON: We discussed that the other
6 day. I'll do the same for all the parties.

7 MR. DAY: Well, I appreciate it and I
8 realize it's getting late in the day but I do
9 feel like I have a number of questions to ask.

10 MR. LEE: It's still early in the day.

11 [laughter]

12 MR. DAY: I like that attitude.

13 MS. TIMBERLAKE: We're going to go home and
14 it's going to be dark whether we have or not,
15 right?

16 MS. MATHESON: Right.

17 MR. DAY: And I, I will say, some of these
18 may jump around, it's just based off of my notes
19 of questions that were asked this morning. But
20 I will get going. So, Cheryl, aside from
21 serving as treasurer of this BQC, what did you
22 typically do for work here in Augusta?

23 MS. TIMBERLAKE: My company is Capitol
24 Insights, it is a legislative advocacy,
25

1 regulatory firm. We manage trade associations,
2 and so I practice in front of the State House
3 and government agencies.
4

5 MR. DAY: How long have you worked as a
6 lobbyist like this?

7 MS. TIMBERLAKE: Over two decades.

8 MR. DAY: As a lobbyist you are regulated by
9 this Commission?

10 MS. TIMBERLAKE: I am, I file all those
11 monthly reports.

12 MR. DAY: And have you ever had a fine or
13 infraction with this Commission?

14 MS. TIMBERLAKE: I believe when I first left
15 the law firm and went out on my own I filed all
16 of my reports and Marilyn Canavan [phonetic]
17 called and said, there's an annual report. And
18 I said, what's the annual report? And now we
19 have fixed that because if you file 12 reports
20 the system automatically does your annual report
21 for you. But back in the day when we did paper
22 there was an annual report that needed to be
23 filed and I think I missed it, so, I want to be
24 up front with the Commission and let you know,
25 she called me because I was a Colby grad from

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2 Waterville and she's, like, Cheryl, there's a
3 report. I can get a waiver for you in front of
4 the Commission but there's an annual report that
5 we have to file that encapsulates everything.

6 MR. DAY: And other than that incident--

7 MS. TIMBERLAKE: [interposing] Yeah.

8 MR. DAY: --you tried to faithfully comply
9 with the disclosure laws?

10 MS. TIMBERLAKE: I have. Well, Jonathan can
11 tell me if I haven't but I'm 100 percent.

12 MR. DAY: I guess I will start with this
13 question from this morning. One thing I am
14 trying to get an idea of is the process that you
15 used in order to file the reports, and I'm
16 wondering if you can look at exhibits CCT 7
17 through CCT 11 and, in the back of the manual...

18 MS. TIMBERLAKE: That's, that's, that's...

19 MS. MATHESON: Under tab seven?

20 MS. TIMBERLAKE: This is the smaller book.

21 MS. MATHESON: Tab seven in the smaller
22 book.

23 MR. DAY: That's seven to 11.

24 MS. MATHESON: Right? Am I right? Yes.

25 MR. TIMBERLAKE: Yes.

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MR. MERRILL: And these were

[unintelligible]

MR. DAY: Correct.

MS. MATHESON: And what numbers were you having?

MR. DAY: These are CCT seven through CCT 11.

MS. MATHESON: Thank you.

MR. DAY: And these are a number, can you identify what these documents are?

MS. TIMBERLAKE: CCT seven is from me to my staff person, Corinna, copying Lisa and Tetiana whose last name I won't try to articulate at MacDonald Page and it's requesting some specific bank statements and information to verify the supporting documentation of Schedule A, Lisa's bank and credit card statements.

MR. DAY: And CCT eight?

MS. TIMBERLAKE: CCT eight is from me to, again, Tetiana at MacDonald Page copying Lisa, saying, set aside Schedule B, focus on Schedule A, we need to get the details for this report. Sending additional bank statements in the morning.

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2 MR. DAY: And you'll agree, CCT nine through
3 11, not to belabor this, were also email's
4 related to putting together this particular
5 filing?

6 MS. TIMBERLAKE: Yes, in order to put
7 together a filing we sent out the documented
8 paper trail requesting the specific itemization
9 details and what we needed whether it was bank
10 statements, credit cards, et cetera. So, these
11 are all emails that document that.

12 MR. DAY: And so, your work to prepare this
13 particular filing is similar to other filings,
14 you involved both Tetiana and Lisa Scott in that
15 process?

16 MS. TIMBERLAKE: And Corinna in my staff as
17 she was central to the staff when I was at the
18 State House doing legislative responsibilities.

19 MR. DAY: And so, Lisa Scott received the
20 draft reports and reviewed them and approved
21 them before they were signed?

22 MS. TIMBERLAKE: Yes.

23 MR. DAY: Did you regularly ask her is there
24 anything else we need to disclose? Is this
25 information accurate?

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2 MS. TIMBERLAKE: Always asking for review,
3 another set of eyes, are we there? Let's, you
4 know, let's, again, focused on compliance, and
5 documentation. You have to remember as
6 treasurer I had to have the verifiable
7 documentation. And I will tell you honestly
8 right now, one of the issues is when someone
9 says cash. When it's Horseracing Jobs and
10 Fairness, I can capture cash. But when it's
11 cash, et cetera, I need to figure out, how do I
12 assign that? So, there are a number of issues
13 with respect to this and we captured everything
14 to the best of our ability; itemization, the
15 tracking, the documentation.

16 MR. DAY: The staff report, and I think
17 questions today call into question the
18 likelihood of, or the feasibility, believability
19 that you would have thought Lisa had the
20 resources to fund this. Did you think that Lisa
21 Scott was personally funding this effort?

22 MS. TIMBERLAKE: I did.

23 MR. DAY: Did she make statements indicating
24 that she was funding this effort?

25 MS. TIMBERLAKE: It's in writing in an

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2 email, she told my team, if anyone on my team
3 ever, and again, I'm one person that's here
4 testifying, and you're hearing from me, but
5 there are other professionals who supported me
6 in this effort, if there was ever a red flag or
7 a question as to what we were doing and how we
8 were doing it, the reason I had those engaged
9 and employed with me, or under contract, I
10 should say, not employed, was to ensure that we
11 all were working towards compliance and that
12 goal. And never did anyone question or bring to
13 my attention that issue. It's not just Lisa
14 Scott, all of us worked towards reporting
15 everything that was known to us.

16 MR. DAY: Can I ask you to look at Exhibit
17 CCT three? And can you describe what this
18 document is?

19 MS. TIMBERLAKE: This document has some
20 redactions but it's from Lisa to three
21 individuals regarding a Maine wire. I am not on
22 it, no one on my team is on it, "Dear, a person,
23 please wire Stavros start up monies from Bank of
24 America account first thing in the morning. We
25 are losing days while he tries to get banking

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1 info." And then there's another paragraph that
2 states, "will anyone be available to get this
3 approved?"

4 MR. DAY: And the date on that is December
5 9th?

6 MS. TIMBERLAKE: The date on that is
7 December 9th.

8 MR. DAY: Okay, now can I ask you to look at
9 Exhibit CCT five? And specifically the first
10 email on the top of page two of that exhibit.

11 MS. TIMBERLAKE: This is an email from
12 Stavros to me dated Monday, December 14th, RE
13 approved budget, renting office space at 1800,
14 the spreadsheet lists towns, printing at
15 Staples, travel ticket costs, names of
16 petitioners...

17 MR. DAY: If, if you turn to the second page
18 of that document there's a December 14th email
19 from you.

20 MS. TIMBERLAKE: Yes, this is a December 14th
21 email from me and it says, "you received cash
22 from who?" Because, again, cash is one of those
23 that I've got to figure out how to report. It
24 says I need itemized receipts and I'm looking to
25

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2 verify it and Stavros says he has that cash.

3 MR. DAY: And then on the first page at the
4 bottom, does Lisa Scott verify?

5 MS. TIMBERLAKE: It says "he believes he got
6 it from Lisa, please verify the source." And
7 she verifies, "all funds are from me."

8 MR. DAY: Is that consistent with other
9 statements you received from Lisa about the
10 source of funding?

11 MS. TIMBERLAKE: It is.

12 MR. DAY: In your staff interview this came
13 up, did, did Lisa--

14 MS. LOWRY: I don't see confirmation--

15 MS. MATHESON: [interposing] Oh, it's--

16 MR. NASS: [interposing] We're confused by
17 that.

18 MS. LOWRY: Yeah, I don't see a confirm from
19 Lisa. It's easier when you do it.

20 MR. DAY: Okay, it's at the bottom of page
21 one on December 14th--

22 MR. LEE: [interposing] Of which one, of
23 which CCT--

24 MR. DAY: --CCT five.

25 MS. LOWRY: "All funds are from me," oh, so

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you went back from, from two back to one.

MS. TIMBERLAKE: It's a trail, the trail emails are hard to follow.

MR. DAY: Correct.

MS. LOWRY: Thank you.

MR. DAY: And that was an email, from Lisa Scott.

MS. LOWRY: Okay, thank you.

MR. DAY: Did Lisa Scott say or do anything that gave you the impression that she was in charge of this initiative?

MS. TIMBERLAKE: She was here, she stayed in a hotel room for weeks, months. She was making decisions, she was employing people, she was helping out daily. She was more than committed, like I said, it was her project and she was here and very focused on the ground doing what needed to be done.

MR. DAY: And did Lisa Scott seem like someone who could afford to spend millions of dollars on a ballot initiative?

MS. TIMBERLAKE: Lisa Scott dedicated to the initiative, even amongst all of her travels and her other projects, and I never questioned her

1 ability, she was able to, to fund it.

2 MR. DAY: Do you say that, did you perceive
3 her as a successful developer?
4

5 MS. TIMBERLAKE: For the St. Kitts' project
6 she showed us pictures, she talked about what
7 that meant, the construction, the
8 accommodations, I mean, I can give some
9 additional examples but, yeah, there was, she
10 had multiple projects and she had current
11 projects underway that we knew about, Miami, DC,
12 and then in April and May the, Massachusetts
13 stuff.

14 MR. DAY: Did she live a lifestyle that did
15 make you think this is somebody who has wealth?

16 MS. TIMBERLAKE: Certainly a category
17 outside of my domain, but yes.

18 MR. DAY: I apologize, I've got a list and a
19 lot of these have been answered, so I don't
20 think I need to belabor the point. So, as your
21 role as treasurer, did you ever understand that
22 to be a role where you were to provide advice,
23 legal advice or compliance advice?

24 MS. TIMBERLAKE: My role as treasurer was to
25 timely report, capture itemizations, work with

1
2 my team to ensure we had documented information
3 with respect to what was going on in the field.
4 Eliminate duplications, make sure it was
5 specific to the initiative. Unfortunately we
6 had some people who thought they could submit
7 travel vouchers to Florida and do things that
8 were not specific to Maine. So, there was a lot
9 of minutiae that we went through, but it was
10 about making sure that the 4.2 million that we
11 had itemized and captured was done so so that
12 the, everybody could see it.

13 MR. DAY: To the best of your recollection,
14 I am sure there is a lot of folks here, but how
15 many attorneys did you know were working on this
16 at one point, or at various points?

17 MS. TIMBERLAKE: Oh, my. Well, we know that
18 Bruce and Deborah started the initiative very
19 early on and Deborah continued to be involved
20 from Texas. I employed through Horseracing Jobs
21 and Fairness, Soltan Bass. Bruce continued to
22 be involved on the behalf of the various
23 entities that he's identified today and then the
24 staff here, obviously, from Ethics and then you
25 came on board.

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MR. DAY: And how about Alexis Fallon?

MS. TIMBERLAKE: Oh, Alexis was here before this commission a couple months ago, it was my understanding from the Mass. disposition that she was representing Lisa and all of those entities. She came before you representing, I believe, Cap Seven and now she's not representing Cap Seven, she has, I think, a different capacity which I'm not sure of.

MR. DAY: So, who did you think that somebody was in charge of providing advice on compliance and interpreting the law?

MS. TIMBERLAKE: Well, for my benefit, again, it was Soltan Bass and then for Lisa's it could have been one of many entities, and it, one of many of those individuals. Early on I have communication with Deborah with respect to, whether it's political action committee, whether it's ballot committee, what details need to be affirmed, so, there were multiple people engaged.

MR. DAY: There were other people who worked with Lisa Scott to get the information to put into the disclosure reports, correct?

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2 MS. TIMBERLAKE: Other people who worked
3 with Lisa Scott to get the information in
4 disclosure reports? My central-

5 [Mobile phone ringing]

6 MR. MERRILL: Sorry.

7 MS. MATHESON: That's a nice interlude.

8 [laughter]

9 MR. MINA: It's going to put me to sleep
10 here. [laughter]

11 MS. TIMBERLAKE: I'm sorry, Avery, can you?

12 MR. DAY: Did, did other people-

13 [Mobile phone ringing]

14 [Laughter]

15 MALE VOICE 2: [interposing] Silence.

16 MR. DAY: --talk with Lisa or, or work with
17 Lisa to try to assemble these reports?

18 MS. TIMBERLAKE: Oh, as the emails indicate,
19 both Corinna and Tetiana were very much on point
20 to ensure that we had timely documentation and
21 could make the filing. So, I had others in my
22 team working on that so that it could be
23 prepared and filed timely.

24 MR. DAY: And did any of these people raise
25 any questions to you about the accuracy of the

1 reporting or the sources of funding?

2 MS. TIMBERLAKE: No, and it would, could
3 easily have been tracked I think that's what's
4 disappointing is Tetiana's, call it a schedule,
5 but we have a Schedule A and B. Her worksheet
6 could encompass, because a column that could
7 clearly identify all of those specific details.

8 MR. DAY: Related to, you, you've called it
9 the corporate veil with access to information,
10 how did you receive direction or how were you
11 told what, what you had to do in order to
12 fulfill your job role? Who did you receive that
13 direction from?

14 MS. TIMBERLAKE: Lisa was my point of
15 contact for HRJF.

16 MR. DAY: So, when you were required to do
17 something she told you what to do?

18 MS. TIMBERLAKE: Yeah.

19 MR. DAY: And when you needed authority to
20 do something, to speak to the press about John
21 Merchant, or something else, who did you go
22 authority, who did you go to for the authority?

23 MS. TIMBERLAKE: So, Lisa was the face, the
24 manager, she was clearly on point for all of
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those decisions.

MR. DAY: And when you sought authorization to pay a bill, who did you ask?

MS. TIMBERLAKE: Lisa received and approved all invoices and expenditures for HRJF.

MR. DAY: Did it appear to you that Lisa was giving you this direction or that she was receiving instructions from somebody else?

MS. TIMBERLAKE: No, Lisa was on point for the decision making.

MR. DAY: In the course of the investigation did you receive and review documents produced by other parties?

MS. TIMBERLAKE: Yes, in addition to all of the binders and the financial aspects of what has happened I have tracked the production documents from other parties.

MR. DAY: And did you identify a pattern of communication that you were not aware of for review on these disclosures?

MS. TIMBERLAKE: Yes, we've had conversations and that my emails were forwarded to and circulated to others and references made, decisions made, information that I was not privy

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2 to or aware of, and then I would get a
3 communication back from my original email from
4 Lisa with the answer.

5 MR. DAY: So, can I ask you to look at CCT
6 12? And in order to move this along quickly,
7 this is an media inquiry that you forwarded to
8 Lisa Scott, correct?

9 MS. TIMBERLAKE: Correct, the inquiry came
10 from a journalist from a specific newspaper
11 started January 5th, excuse me, 2016. I
12 forwarded it to Lisa saying, the media wants
13 some details. She forwards it, my email, not
14 copying me, to Shawn, should we continue? His
15 response, again, back to Lisa, no need to get
16 involved at this time.

17 MR. DAY: Okay, now, can you look at exhibit
18 CCT 13?

19 MS. TIMBERLAKE: CCT 13 is a continua--, my
20 original email regarding the request for her,
21 she responds back. "Other than we are busy
22 collecting signatures, no comment."

23 MR. DAY: So, based on that communication
24 pattern were you aware that she had reached out
25 to Shawn Scott to get advice on how to respond?

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2 MS. TIMBERLAKE: No, this is communication
3 outside of what I knew.

4 MR. DAY: Can we look at exhibit CCT 16?
5 And I, I guess I'll ask, your review of the
6 record, did you find that emails you provided to
7 Lisa Scott were regularly forwarded to other
8 parties without your knowledge?

9 MS. TIMBERLAKE: The log was very
10 insightful, again, after the fact, to see all of
11 the dialogue and exchanges that were beyond my
12 team's, my team's knowledge. So, it was very
13 insightful.

14 MR. DAY: And exhibit CCT 16 is your
15 forwarding a media story or an update regarding
16 marijuana bill to Lisa Scott and then she
17 subsequently forwards it to Shawn Scott without
18 including you, is that correct?

19 MS. TIMBERLAKE: That is correct.

20 MR. DAY: Exhibit CCT 28. This is another
21 example where you sent an email and then
22 subsequently it's been forwarded by Lisa Scott,
23 is that correct?

24 MS. TIMBERLAKE: That's correct, it's
25 November 30th, 2016. It's from the signature

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2 collectors in the field for phase two. They
3 sent me an update, I forwarded it to Lisa, went
4 into specific details. She then, according to
5 this, sent it to others.

6 MR. DAY: And can you identify who those
7 others are?

8 MS. TIMBERLAKE: Yes, Shawn, JKB, Toko and
9 I won't do the pronunciation, and Laurence
10 Hamilton .

11 MR. DAY: And Toko Kobayashi is that a name
12 that you are familiar with or somebody who it
13 was ever explained to you who that was?

14 MS. TIMBERLAKE: No, it's an interesting
15 name but I'm glad it's Japanese.

16 MR. DAY: And do you think, do you hear the
17 name Toko very often here in Maine?

18 MS. TIMBERLAKE: I've never heard it.

19 MR. DAY: So, that would have stuck out in
20 your mind, if a Toko is mentioned at one point
21 in time?

22 MS. TIMBERLAKE: Unless it's a nickname
23 somewhere but I don't know Toko.

24 MR. DAY: All right, CCT 37.

25 MR. LEE: Point of order?

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MS. MATHESON: Yes, yes, Commissioner?

MR. LEE: It seems that this was covered in some detail in the opening statement and has been the, subject to a lot of cross examination and also some of it was covered in questions by Mr. Wayne. I feel like we're following the same ground here. It, the point being made is that there are a number of emails where, where Ms. Timberlake was not included in replies or when things were forwarded somewhere. And this, I'm feeling that we've, we've covered that pretty well.

MR. DAY: Understood, understood. And I, I guess the, I certainly was not trying to belabor the point and sort of avoid reference to the privilege log by providing an actual examples of the emails that we do have produced. If you'll permit me one more I'd actually like to look at the cross binder, right there in front, this one. And it's TC three. And I know we covered this earlier but in that email-

MR. NASS: [interposing] Which, which email?

MR. DAY: I'm sorry, exhibit TC three.

MR. NASS: Okay, gotcha.,

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MR. LEE: Which page of TC three?

MR. DAY: The first page. The very first email on that chain at the top, it, Shawn Scott is BCC'd in that correspondence, is that correct?

MS. TIMBERLAKE: Yes.

MR. DAY: And your examination of the documents produced then was not uncommon?

MS. TIMBERLAKE: That's correct.

MR. DAY: I'll sort of plow through these exhibits here, T, uh, CCT, so, back to the other binder. CCT number 40. And 41, the questions are related to both of those. It's been stated here that with, with this initiative, when you first learned of this initiative you reached out to both Shawn and Lisa, is that correct?

MS. TIMBERLAKE: That's correct.

MR. DAY: And did you hear back from Shawn?

MS. TIMBERLAKE: Did not, I heard back from Lisa.

MR. DAY: And did you continue to try to contact Shawn at that point?

MS. TIMBERLAKE: No, I had a meeting with Lisa and we proceeded from there.

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2 MR. DAY: And CCT 40 and CCT 41 reflect that
3 you were discussing with Lisa alone the terms of
4 this engagement and, or, the potential of you
5 working on this initiative?

6 MS. TIMBERLAKE: Yes, that's correct.

7 MR. DAY: Hoolae Paoa, who we'll discuss
8 this morning, was it ever explained to you who
9 Hoolae's role or who his employer were, was?

10 MS. TIMBERLAKE: No, my understanding from
11 the horseracing industry is he works for the
12 Scotts and was very engaged because of the
13 Scarborough Downs piece.

14 MR. DAY: Did he ever provide you with a
15 business card or something to identify who he
16 was working for?

17 MS. TIMBERLAKE: No, no business card, and
18 my first face to face with him was the breakfast
19 meeting where we exchanged information and the
20 WhiteSands Gaming Report.

21 MR. DAY: And did your interactions with
22 Hooae make you suspect someone other than Lisa
23 Scott was controlling and/or funding this
24 effort?

25 MS. TIMBERLAKE: No, it was the continuation

1 of the original 2003 initiative.

2 MR. DAY: And Philip James, was his role or
3 his employer ever explained to you?
4

5 MS. TIMBERLAKE: No, Philip James, again,
6 had the expatriate email for a majority of
7 communications and then also the Bridge Capital
8 but I didn't recognize until I reviewed the
9 production documents, red flag, Bridge Capital.
10 He was, again, I think I've said this, the visa
11 passport individual working with Lisa in the
12 Saint Kitts project while she was here on the
13 ground for almost a month or more than a month.
14 She had a lot of sales, marketing activities,
15 she wanted a point person with her and he was
16 here.

17 MR. DAY: And did your interactions with
18 Philip James make you suspect anyone that other
19 than Lisa Scott was controlling the funding this
20 effort?

21 MS. TIMBERLAKE: No.

22 MR. DAY: And similar with Laurence
23 Hamilton, did you interactions with him make you
24 suspect that someone other than Lisa Scott was
25 controlling the funding of this?

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MS. TIMBERLAKE: No.

MR. DAY: And we've probably covered this, but I, I would appreciate the leeway, in terms of the Laurence Hamilton meetings, you were asked about this in the staff interview in August, correct?

MS. TIMBERLAKE: Yes.

MR. DAY: And do you feel you made a misstatement regarding how many times you met with Mr. Hamilton?

MS. TIMBERLAKE: Yeah, I discussed that this morning, the specificity of when he was working Mass. projects versus when he was working specific for Maine and our endeavor here to collect signatures.

MR. DAY: And you'd like to correct that?

MS. TIMBERLAKE: Yes, if I didn't already, I'm sorry, do I have to formally do?

MR. DAY: No.

MS. TIMBERLAKE: I don't know the process in that regard, I'm used to the legislature.

MR. DAY: In the August staff interview you were asked about your involvement with Massachusetts, can you explain your response to

1
2 that question?

3 MS. TIMBERLAKE: Yes. I was specifically
4 engaged to work for the Revere initiative, not
5 the statewide initiative in Massachusetts, and
6 so, my answer was specific to my role and
7 responsibilities in that engagement.

8 MR. DAY: And you didn't volunteer any more
9 information regarding Massachusetts, can you
10 explain why?

11 MS. TIMBERLAKE: In hindsight, I was, there
12 was a new gaming partner that had been
13 identified for Massachusetts, Navagante, they
14 were a Las Vegas firm, and they had specific
15 gaming experience and horseracing experience,
16 which is why they wanted me to come down in
17 connection with grass roots. It was unclear to
18 me, now that with the campaign I understand that
19 I don't need to be concerned, but I was afraid
20 that if I referenced Navagante that would be
21 confidential business partner investor, so I did
22 not. But that was the sole purpose of going to
23 Revere and working with them and an opportunity
24 to bring that gaming partner back here and work
25 with us in this initiative if we could.

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MR. DAY: Can you explain how press statements were typically put together as part of this effort and what your role was?

MS. TIMBERLAKE: Well, there weren't a lot of press statements, I mean, you can see the emails, a lot of press asking, people asking, wanting information. For those press statements that were afforded the opportunity to be released, I would indicate, you know, the initiative should respond, and Lisa would say, can you put this down for me? I need to see it in writing. So, I would put something down in writing according to her direction and then she would get back to me. There weren't many that made it full circle.

MR. DAY: So, Lisa Scott was typically on the road, not in front of the computer?

MS. TIMBERLAKE: Lisa traveled in different time zones and different locations for her projects, so, we did a lot of email and verbal communication. So, she didn't have access, necessarily, to the Maine media. I was getting the phone calls and email requests and sending her those highlights so that she could track

1 what was happening with her project here.

2
3 MR. DAY: There's a lot of discussion about
4 the term investor. And I think at one point you
5 were asked, is it conceivable that someone would
6 invest in real estate buildings or any of that
7 until the approvals were received? Do you think
8 it's plausible that an investor would invest in
9 real estate in order to facilitate the campaign?

10 MS. TIMBERLAKE: Well, two things in that
11 regard. To generate additional local support,
12 which was seriously lacking, a show of good will
13 by Lisa and/or other investment partners was
14 important. The first campaign had the harness
15 horsemen industry, the breeders, you know, I
16 mean, there was a whole host of people on the
17 ground, a local law firm, a local public
18 relations, it was very well developed. This
19 initiative didn't have that same, and so the
20 Scarborough Downs opportunity was an opportunity
21 for real estate, for the gaming license, a show
22 of good will that because the initiative was
23 silent, a show of good will for the industry, in
24 addition, where is the facility going to be?
25 Scarborough Downs is not in York County.

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1 Scarborough Downs is in Cumberland County. So,
2 there was this constant conversation about, your
3 initiative says this, but, you know, you need to
4 do a couple of other things to show everybody
5 what was transpiring. Those are the investment
6 and managerial conversations that the industry,
7 myself, and others were looking for.
8

9 MR. DAY: In terms of, there were corporate
10 documents that were sent to Laurence Hamilton
11 and then there were other corporate documents
12 that Corinna was asked to print, was it unusual
13 for you, in your office, to facilitate these
14 types of requests from Lisa Scott?

15 MS. TIMBERLAKE: Well, I don't think they
16 happen often but there was occasion because she
17 was in a hotel and if she needed something
18 printed, that she felt was either confidential
19 or secure, she needed a hard copy, she called
20 Corinna and it was executed. I didn't, I was at
21 the State House so I didn't always know what it
22 was or approve it, it was, she printed it.

23 MR. DAY: This, this is maybe a minor point.
24 Earlier there was an email where you stated you
25 had a solid relationship with Scarborough. That

1 email was a business proposal, correct?

2 MS. TIMBERLAKE: Correct.

3 MR. DAY: And the people, sometimes on
4 occasion when they are making these proposals,
5 they overstate the nature of their relationship
6 to an investor.
7

8 MS. TIMBERLAKE: Correct, I, I wasn't going
9 to read into the politics, but he was a State
10 Legislator and with that he deserves the
11 appropriate recognition, so...

12 MR. DAY: Can, can you explain a little bit
13 further, Laurence Hamilton's relationship, there
14 was Bob's Storage [phonetic] where the petitions
15 were stored. And Laurence paid for that, can
16 you, can you explain that and why he
17 subsequently was a part of financial related
18 email?

19 MS. TIMBERLAKE: Well, the technical
20 clarification to that is it's an online payment
21 and we, we, received my office, 'cause it's
22 HRJF, received the electronic notification that
23 the credit card on file wasn't processing. So,
24 we get an email and I forwarded the email to
25 say, you know, we need to take care of this.

1 This is a Maine vendor, I don't like people not
2 getting paid. So, the first month it was taken
3 care of and it happened again. And so, we
4 reached back out to Lisa to say, I know you're
5 busy in Massachusetts but we really need to get
6 this expedited. And so, she asked Laurence to
7 figure out how to handle it online for her. She
8 reached out to Corinna, Corinna sent the online
9 email, here is how you process, here is what you
10 need to do. So, which credit card paid for it?
11 I don't know, but Laurence was included on that
12 point at Lisa's direction.
13

14 MR. DAY: And so, he was on subsequent
15 emails.

16 MS. TIMBERLAKE: He was on subsequent emails
17 following to make sure that the storage unit
18 which was a Maine business, got timely payment
19 for services of that rental.

20 MR. DAY: So, throughout this process there
21 was discussion of investors and the potential of
22 them getting on board. That's, is that correct?

23 MS. TIMBERLAKE: That's correct.

24 MR. DAY: And based on your experience, some
25 of these investors were discussed but they fell

1 through and they never came to the table?

2
3 MS. TIMBERLAKE: Well, there was certainly
4 hope for, what I was hoping for Navagante, but
5 the Massachusetts loss was hard for people to
6 turn around and then invest in the initiative in
7 Maine that hadn't qualified, they were still
8 petitioners. So, when and if there was a
9 qualification perhaps Navagante would surface as
10 a gaming partner in the future, who knows?
11 Conversations with others with respect to
12 sighting Ocean Properties for a York County
13 location, Scarborough Downs, for the track, what
14 am I missing? There, there were conversations
15 but the challenge was always, from what I
16 understood from Lisa, Massachusetts became the
17 priority once the courts denied our petition
18 appeal. And we, we didn't have that investor
19 commitment that I referenced in the email.

20 MR. DAY: So, were you ever told
21 specifically, here is an investor and they
22 are...

23 MS. TIMBERLAKE: No, I did not get the name,
24 I [unintelligible due to cough] specifics of the
25 investor because they didn't invest in Maine, to

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1
2 my understanding. In reading the breadth of
3 documents that tell a different story.

4 MR. DAY: You were asked earlier if you
5 agree that your name was on over 900 emails that
6 were part of this privilege log, is that
7 correct, or do you see that your name was on
8 where you were a recipient or sender of various
9 emails?

10 MS. TIMBERLAKE: I am a recipient and
11 sender, I certainly haven't itemized the log to
12 know whether it's that number.

13 MR. DAY: Sure.

14 MS. MATHESON: Aren't we back to the same
15 issue, though, that you sort of started this
16 line with about, I think that's established,
17 the, from, from the emails.

18 MR. DAY: Sure, okay.

19 MS. MATHESON: I mean, that's just my sense
20 of things.

21 MR. DAY: The, I, I think my point was, she
22 may have been on the emails, it doesn't mean she
23 was on the entire stream.

24 MS. MATHESON: Right.

25 MR. DAY: Got it.

1
2 MS. MATHESON: And I'm sure we're going to
3 hear...

4 MR. DAY: Um...

5 MS. MATHESON: No, it's great, great.

6 MR. DAY: So, there may be some confusion
7 about the use of the term original source by
8 various parties, and I'm wondering if you can
9 look at exhibit CCT 53? This, this is not a
10 document that was produced during production
11 this is just an aid to try to illustrate.

12 MR. MINA: If, for the record, it's your
13 demonstrative exhibit that you prepared?

14 MR. DAY: That's correct. So, this chart
15 shows the first box is, is Lisa Scott and then
16 arrows pointing in three directions, arrows
17 representing a flow of money going straight to
18 HRJF and to the two LLCs. Do you think that's
19 an accurate conception of your understanding of
20 how the money flowed to HRJF?

21 MS. TIMBERLAKE: Yes, one of the three
22 venues is how HRJF either directly, or through
23 those, paid the various vendors.

24 MR. DAY: Okay, and when you talk about
25 original source, you're not looking at the

1 statute from Massachusetts, correct?

2 MS. TIMBERLAKE: No, I'm referencing a
3 lobbying statute from Maine which I deal with
4 hands on every month and have for a number of
5 years.
6

7 MR. DAY: So, your understanding of Maine's
8 lobby disclosure law is that you are required to
9 report the original source of funding?

10 MS. TIMBERLAKE: Correct.

11 MR. DAY: And this chart that reflects your
12 conception of the flow of money, the original
13 source in that chart would be Lisa Scott, is
14 that correct?

15 MS. TIMBERLAKE: Lisa, Lisa Scott would be
16 the original source.

17 MR. DAY: Okay. I think I've just got two
18 more exhibits-

19 MR. NASS: [interposing] Can I ask a
20 question about that?

21 MS. MATHESON: Sure, Commissioner.

22 MR. NASS: The arrow from Lisa Scott to IDC,
23 and the arrow from Lisa Scott to MDC, were you
24 ever aware there was actually any money
25 represented by those arrows? Did you ever see

1
2 any documentation that dollars went from Lisa to
3 IDC or Lisa to Miami Development Corporation, or
4 Concepts?

5 MS. TIMBERLAKE: So, what I saw is an
6 exhibit that just--

7 MR. NASS: [interposing] There's two arrows.

8 MS. TIMBERLAKE: --came to you, which is,
9 this is, I don't know if it got marked, I can't
10 tell you what exhibit, I apologize.

11 MS. MATHESON: It's on the back.

12 MR. PATTERSHALL: It's Exhibit TC 30, if you
13 need.

14 MS. TIMBERLAKE: Thank you, TC 30. TC 30's
15 exhibit is a funds transfer request from Lisa
16 Scott's IDC account to Stavros. And, so Lisa
17 Scott signs, and some of this money got
18 transferred to Stavros, Horseracing Jobs and
19 Fairness used this supporting documentation and
20 captured this expenditure in our--

21 MR. NASS: [interposing] I understand that,
22 I'm looking at the ar--, different arrows.

23 MS. TIMBERLAKE: Mm-hmm.

24 MR. NASS: The arrows on the chart, Lisa
25 Scott to IDC and the arrow from Lisa Scott to

1
2 MDC.

3 MS. TIMBERLAKE: Mm-hmm.

4 MR. NASS: I don't, in all this paper, I
5 didn't ever really seeing anything, so, my
6 question is, did you ever see any money flow
7 from Lisa to these two other entities?

8 MS. TIMBERLAKE: So, we'd have to go to her
9 corporate, those two bank statements to look
10 specifically to those sources.

11 MR. NASS: That was my question.

12 MS. TIMBERLAKE: Yeah.

13 MR. NASS: So, you think that money actually
14 flowed from Lisa to those, those two arrows
15 that--

16 Ms. TIMBERLAKE: [interposing] Two, two
17 companies.

18 MR. NASS: Okay, thank you.

19 MR. DAY: Okay, did you appreciate the legal
20 distinction that the money went to an LLC before
21 it was parked at HRJF? Or did you understand
22 that that was not relevant because it came from
23 Lisa's account?

24 MS. TIMBERLAKE: Well, we, anything relative
25 to Lisa and funding of the campaign we captured,

1
2 and so this has been captured and so we're back
3 to that original source question.

4 MR. DAY: But that was your understanding of
5 the original source?

6 MS. TIMBERLAKE: That was my understanding
7 it's Lisa, it's her owner, single source
8 signature.

9 MR. DAY: Did you know Regent Able was
10 providing funding to help qualify this question
11 for the ballot?

12 MS. TIMBERLAKE: Not until after I read the
13 production documents, saw the emails and the
14 verifications.

15 MR. DAY: Did you know Bridge Capital was
16 providing funding that would help qualify this
17 for [unintelligible]--

18 MR. LEE: [interposing] Didn't she ask, been
19 asked and answered that question a couple of
20 times already?

21 MR. DAY: I think that's the end of my
22 questions.

23 MS. MATHESON: Yes, Commissioner.

24 MS. LOWRY: Cheryl, I have a couple
25 questions. Did Shawn Scott agree to indemnify

1
2 you, associated with any of the funds, any
3 potential funds?

4 MS. TIMBERLAKE: No.

5 MS. LOWRY: What was your backup position
6 when he said no to you?

7 MS. TIMBERLAKE: I don't know that I had a
8 backup position, per se, it was part of the
9 conversation with the three BQCs and the lack of
10 the documentation and the information. So,
11 that's when I agreed to, we'll electronically
12 help you get it started and then, you know? I
13 wanted to comply with the two weeks that the
14 Commission staff gave us to amend HRJF, that was
15 my responsibility, fulfill that amendment and
16 then try and bring closure.

17 MS. LOWRY: And so is, did that mark the end
18 of your relationship with the Scott family?

19 MS. TIMBERLAKE: We probably had some
20 additional follow up to fill out the report
21 forms.

22 MS. LOWRY: Mm-hmm.

23 MS. TIMBERLAKE: There's some, but, yes.

24 MS. LOWRY: Mm-hmm.

25 MS. TIMBERLAKE: To answer your question.

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1
2 MS. LOWRY: Mm-hmm, mm-hmm. And did they
3 offer you any, have, are you getting any
4 protection, in, you know, we call it
5 indemnification, was there any, anything else
6 that was offered to you to make you feel more
7 comfortable or continue a relationship with the
8 Scott family?

9 MS. TIMBERLAKE: No, I fulfilled my
10 responsibilities or have attempted to fulfill my
11 responsibilities as treasurer. I think there
12 are a few outstanding things with the Commission
13 that I have to do--

14 MS. LOWRY: Mm-hmm.

15 MS. TIMBERLAKE: -with respect to amendments
16 that are technical.

17 MS. LOWRY: Mm-hmm, mm-hmm, mm-hmm.

18 MS. TIMBERLAKE: But I have not heard from,
19 I am not compensated, I am not doing anything--

20 MS. LOWRY: [interposing] Got it.

21 MS. TIMBERLAKE: --as it pertains to any
22 way, shape or form.

23 MS. LOWRY: Thank you, by my count that was
24 my one question. And my second question--

25 [laughter]

1
2 MS. TIMBERLAKE: [interposing] Oh my lord, I
3 wondered why she grinned.

4 MS. LOWRY: And my second question is there
5 has been a lot of questions that relate to where
6 the money came from to fund the York County
7 casino ballot question initiative. Am I saying
8 it right when I say that partly you understood
9 that any indications that you received of
10 funding by MDC and IDC, you still considered to
11 be Lisa Scott?

12 MS. TIMBERLAKE: I, Lisa's signature, I
13 considered those to be her sole member,
14 corporate entities and therefore it's Lisa.

15 MS. LOWRY: You considered them to be, and
16 so, even on this TC 30 that, no, not TC 30, CCT,
17 yeah, 53? You know, I look at that chart and I
18 think, well, if there's not original, if, if
19 Cheryl didn't think this was original source
20 then this makes it seem as though the sources
21 that should have been reported through the
22 Ethics Commission were IDC and MDC. So, I'm
23 trying to understand why you, if, did I make
24 that enough of a question? I'm trying to get
25 your understanding, partly there has been a lot

1 of questions put on you about your understanding
2 of who needs to file the reports.

3 MS. TIMBERLAKE: Mm-hmm.

4 MS. LOWRY: And a suggestion that if you
5 thought it was original source then you would
6 have included IDC and MDC as BQCs.

7 MS. TIMBERLAKE: So, I view this as a
8 representation of flow of money that funded the
9 initiative for Horseracing Jobs and Fairness.
10 It was Lisa, MDC, and IDC. And as I now
11 understand the tri--, the statute, the trigger
12 is a certain level, but includes solicitation,
13 fundraising, and contributions. And so, what
14 has been filed in their brief and what I
15 understood is, these were her corporate
16 entities, and the fact that she either asked for
17 or requested money from others was not known.

18 MS. LOWRY: Because you thought MDC and IDC
19 were Lisa?

20 MS. TIMBERLAKE: Yeah.

21 MS. LOWRY: Okay, thank you.

22 MS. TIMBERLAKE: Yeah.

23 MS. MATHESON: Do you have a question?

24 MR. NASS: Cheryl, do you know who wrote the
25

1 original, the voter agreed-on initiative?

2
3 MS. TIMBERLAKE: I saw some transactions in
4 the brief early on where they were talking about
5 changing the 100 mile radius and that would be
6 Deborah and Bruce communicating in the pipeline,
7 who ultimately wrote it, I don't know. I know
8 Stavros was the petitioner who submitted it
9 'cause talking with Deputy Director Julie Flynn
10 I was able to find that one out.

11 MR. NASS: Okay, thank you.

12 MS. TIMBERLAKE: Yup.

13 MS. MATHESON: Anybody else? I'm just...
14 All right. I'm going to suggest we take, take
15 five?

16 MR. WAYNE: I imagine that some of you, or,
17 or staff might have questions for Cheryl
18 Timberlake after Lisa Scott's testimony.

19 MS. MATHESON: Right, right.

20 MALE VOICE 2: But I'm deferring until a
21 later time.

22 MS. MATHESON: Absolutely.

23 MR. WAYNE: Yeah.

24 MS. MATHESON: So, you're still under oath,
25 and let's take five minutes and then we'll start

1
2 the next one.

3 [Pause in proceedings]

4 MS. MATHESON: All right, thank you,
5 everyone. It is a nice prompt crowd. I
6 appreciate that. Yes. All right, Ms. Scott.

7 MS. SCOTT: Hi.

8 MS. MATHESON: Welcome. Please state your
9 name for the record.

10 MS. SCOTT: Lisa Scott.

11 MS. MATHESON: Okay, and I'm going to ask
12 you to be sworn in. Please raise your right
13 hand. Do you swear or affirm to tell the truth
14 at this public hearing today?

15 MS. SCOTT: I do.

16 MS. MATHESON: Thank you very much. Oh,
17 yes, if you, do you have a statement, Miss
18 Scott, that you would care to, uh-

19 MS. SCOTT: [interposing] I do, yes, I do.

20 MS. MATHESON: Okay, thank you.

21 MS. SCOTT: So, public speaking is my
22 biggest fear, so, if everyone could be patient,
23 I just want to warn all of you, and bear with
24 me. Good afternoon, my name is Lisa Scott. I
25 am here today to answer any questions this

1 commission may have about the York County
2 initiative, specifically the funding for my BQC
3 Horseracing Jobs Fairness. I understand that
4 one issue under discussion is whether my filing
5 should have listed my brother's company as the
6 original source of funds for the campaign. I
7 have worked with my brother Shawn on many
8 projects over the years, including the Bangor
9 project. Bangor was a family project, my mother
10 worked on that as well. Over ten years ago my
11 family began discussing the possibility of
12 developing another casino in southern Maine. We
13 hoped to make money from it, but also expected
14 it would bring jobs and millions of dollars to
15 Maine. My brother is involved in business
16 ventures all over the world. So, the York
17 County project was not going to happen unless
18 someone else was available to relocate to Maine
19 and handle the day to day operations. I wanted
20 that opportunity because I value opportunities
21 to work with my brother and my mother. And so,
22 we agreed that I would run the York County
23 campaign. I formed Horseracing Jobs and
24 Fairness in December of 2015 for that very
25

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1
2 purpose. Shawn, through his company, Capital
3 Seven, loaned me the funds to start Horseracing
4 and run the campaign. There is no paperwork for
5 a loan, because it is a family loan. But the
6 Horseracing BQC is my company. I ran daily
7 operations at the campaign and the money Shawn
8 lent was mine to use on the campaign at my
9 discretion. That said, my business style is to
10 collaborate with the people who I partner with.
11 So, I often ran ideas by my family for their
12 input as I would with anyone. Although I had
13 campaign experience I am not a lobbyist or a
14 lawyer, so I hired Cheryl Timberlake to be the
15 treasurer of Horseracing to ensure that my BQC
16 complied with Maine's complicated and changing
17 campaign finance laws. My relationship with
18 Cheryl went back years. In 2003, 2004 we worked
19 on the Bangor project. Last year we worked on
20 an initiative in Massachusetts. Cheryl and I
21 always had a great professional relationship and
22 as a result I didn't hesitate to hire her.
23 Right from the start I disclosed to Cheryl that
24 I had partners in this project. In addition to
25 my brother, Shawn, a company by the name of

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1 Regent Able was eventually an investor. As the
2 treasurer it was imperative for Cheryl to
3 understand all of the sources of funds and
4 certainly, there was no benefit to doing
5 otherwise. Because we were working on multiple
6 projects we reported the money once it was
7 decided where it would be used. It was not
8 always clear which project certain dollars would
9 be allocated to. However, once it was allocated
10 to Maine it was reported. In late 2016 the
11 Massachusetts Election Commission told us that
12 we needed to disclose the original source of
13 funds, not just the immediate source. Because
14 of this I asked Cheryl specifically whether
15 Maine had an original source reporting
16 requirement like Massachusetts. She said it did
17 not and that all funds must be reported as being
18 contributed by me because they came from my bank
19 account. For the same reason she told me it did
20 not matter whether the money passed through MDC
21 or IDC bank account before I put it into
22 Horseracing, because they were all me. That
23 explanation did and still does make perfect
24 sense to me sitting here today. It doesn't seem

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1 right to report Shawn or anybody else as the
2 contributor if the funds came from my bank
3 account. And because of this I, I really hate
4 to say this because I have considered Cheryl one
5 of my closest friends, but her testimony today
6 simply was not truthful. I, I am sad, and I, I
7 think she's probably scared but I, I just want
8 to say that, interject that. It was never my
9 intention to hide my brother's involvement in
10 question one. In fact, the language included in
11 the ballot question specifically indicated that
12 in the event that question one passed, a company
13 owned by my brother would be the only party
14 authorized to apply for a gaming license. It
15 never occurred to me that there would be a
16 benefit to concealing Shawn's interest in seeing
17 question one passed. Our families past success
18 in Bangor is one of the very best reasons to
19 vote yes on question one. It has always been my
20 intention to comply with Maine's campaign
21 finance laws. I believe that was Cheryl's
22 intention as well. There would not have been
23 any benefit to concealing something that
24 everyone already knew. Since the Commission

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1 brought these issues to my attention I have made
2 every effort to disclose everything that I have
3 been asked to disclose and that is why I
4 volunteered to speak with you here today under
5 oath. I hope I can clear up whatever questions
6 today you may have.

7
8 MS. MATHESON: Thank you. All right,
9 Jonathan?

10 MR. JONATHAN WAYNE: The oath has been
11 administered?

12 MS. MATHESON: Pardon?

13 MR. WAYNE: Oath?

14 MS. MATHESON: Oath! I did it, I did it.

15 MR. WAYNE: Oh, really? I missed it, I'm
16 sorry.

17 MS. MATHESON: She is sworn in.

18 MR. WAYNE: Sorry, I apologize.

19 MS. MATHESON: That's all right.

20 MR. WAYNE: Just in terms of the facilities,
21 I just want to say, I know some of our chairs
22 kind of go down. If you're comfortable, that's
23 fine, but if you ever want to raise--

24 MS. SCOTT: [interposing] That was
25 intentional! I'm short.

1
2 MR. WAYNE: Oh, okay, all right. That's
3 fine.

4 MS. MATHESON: You could be taller.

5 MS. SCOTT: No, I like to touch the ground.

6 MR. WAYNE: Okay, I just wanted to make sure
7 you were--

8 MS. SCOTT: [interposing] I, I have a torn
9 meniscus, so that's why.

10 MR. WAYNE: Oh. Ow.

11 MS. MATHESON: Mm.

12 MS. SCOTT: Or had a torn meniscus.

13 MR. WAYNE: Great, thank you very much for
14 being here. I'm Jonathan Wayne, the Executive
15 Director of the commission staff. Just want to
16 clarify a point from your statement, who formed
17 Horseracing Jobs Fairness as a limited liability
18 company?

19 MS. SCOTT: I did.

20 MR. WAYNE: You did?

21 MS. SCOTT: I did.

22 MR. WAYNE: And who owns the LLC?

23 MS. SCOTT: I do.

24 MR. WAYNE: Are you the sole owner?

25 MS. SCOTT: I am.

1
2 MR. WAYNE: Can you tell the Commission what
3 was the purpose in forming Horseracing Jobs
4 Fairness?

5 MS. SCOTT: I formed that at the directions
6 of Cheryl, Cheryl Timberlake.

7 MR. WAYNE: What did you think was going to
8 be the purpose of the organization?

9 MS. SCOTT: For the York County initiative.

10 MR. WAYNE: All aspects of the initiative?
11 Just trying to get, just understand the scope of
12 what was intended with this LLC?

13 MS. SCOTT: Well, to, yes, all aspects,
14 starting with the signature gathering.

15 MR. WAYNE: Okay. What about the political
16 campaign that, you know, typically involves
17 campaign advertising, is that going to be the
18 vehicle for--

19 MS. SCOTT: [interposing] We, we hadn't
20 gotten to that point, we hadn't made the ballot
21 but my, I can assume that we would have used
22 that.

23 MR. WAYNE: Okay. Great. Thank you. Well,
24 was it going to be the business entity that
25 would own the casino or, or--

1
2 MS. SCOTT: [interposing] We hadn't, we
3 hadn't gotten that far yet.

4 MR. WAYNE: Okay. Just want to clarify.
5 Okay. Thank you.

6 MS. SCOTT: Of course.

7 MR. WAYNE: And just to clarify some
8 testimony earlier today by Cheryl Timberlake and
9 I'll, also of interest to the Commissioners, who
10 drafted the language for the initiative?

11 MS. SCOTT: I was not involved at that
12 point.

13 MR. WAYNE: So, you're unsure of who drafted
14 the initiative?

15 MS. SCOTT: Not 100 percent. It, it may
16 have been Bruce and Deborah, I, I don't recall
17 and I wasn't focused or truly involved at that
18 point.

19 MR. WAYNE: Okay, and do you know who hired,
20 well, let me put it this way, who first
21 contacted Stavros Mendros to work as a political
22 consultant?

23 MS. SCOTT: It was not me, I can tell you
24 that.

25 MR. WAYNE: Do you know who it was?

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MS. SCOTT: I, I can't say for certain.

MR. WAYNE: Okay.

MS. SCOTT: I, I would guess it was Hoolae but I can't say for certain.

MR. WAYNE: Okay. And among you and your colleagues who were working on this campaign, do you know who was the first person to think of pursuing a casino in southern Maine?

MS. SCOTT: Gosh, we were, we were working with Sharon back in '03, my mom and I were trying to purchase Scarborough Downs as far back as then.

MR. WAYNE: But in this more recent effort do you know who first decided to pursue it?

MS. SCOTT: I think there was always communication between my family and Sharon's over the last ten years. I don't think it ever, ever stopped. And, of course, Ed as well.

MR. WAYNE: Okay, great.

MS. SCOTT: I mean, you know, within a, every few months somebody was talking to the other one in relation to wanting to put something together.

MR. WAYNE: That's fine, thank you. After

1 the petitioning began in December 2015 did you
2 begin to receive money to pay for the
3 petitioning costs?
4

5 MS. SCOTT: Yes, I did.

6 MR. WAYNE: And what was the source of that
7 money?

8 MS. SCOTT: It was from my brother.

9 MR. WAYNE: And do you know which business
10 entity actually provided the money to you?

11 MS. SCOTT: It was wired to me, it was wired
12 to me through Bridge Capital, which he is an
13 owner of, and lent to me by Capital Seven.

14 MR. WAYNE: Okay.

15 MS. SCOTT: Which he's an owner of.

16 MR. WAYNE: So, just to clarify, it was
17 Bridge Capital's money that came to--

18 MS. SCOTT: [interposing] Lent to Capital
19 Seven, which my brother is a partner in both,
20 I'm sorry.

21 MR. WAYNE: No, that's okay, the money went
22 from Bridge Capital to you, is that correct?
23 And I'll get to Capital Seven in a minute, but
24 is that much correct?

25 MS. SCOTT: Yes.

1
2 MR. WAYNE: Okay, and was this a loan, was
3 this as part of a loan from Bridge Capital to
4 Capital Seven?

5 MS. SCOTT: Capital Seven had an equity line
6 with Bridge Capital.

7 MR. WAYNE: Okay. So, Bridge Capital lent
8 money to Capital Seven?

9 MS. SCOTT: Exactly, yes.

10 MR. WAYNE: Okay, and as part of that loan
11 Bridge Capital would, would pay you to, for the
12 petitioning, is that, do I have that right?

13 MS. SCOTT: Yes, yes, that is correct too,
14 I'm, I'm in a lot of development so it would be
15 very similar if I was going to build a home for
16 you. And say you went down to your local bank
17 and got a loan, the draws would come directly to
18 me. That's the best way I can explain it.

19 MR. WAYNE: Okay, and how did you, how would
20 you, well, how would you, how would the amounts
21 determine that Bridge Capital would pay you?

22 MS. SCOTT: Well the, the loan amount, it was
23 whatever money was needed at the time.

24 MR. WAYNE: Did you ask for specific amounts
25 of money from Bridge Capital?

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MS. SCOTT: I did, I did.

MR. WAYNE: And how would you typically do that?

MS. SCOTT: Well, as, as I'm sure you've all seen in the emails we, we were under the gun and it was a lot of pressure and we were trying to accomplish something in four weeks, so, it was practically on a daily basis. And, and the loan had to be increased as the weather got worse and we had to bring more people in the collect signature, so...

MR. WAYNE: Did you email John Baldwin [phonetic] and Shawn Scott to ask for money?

MS. SCOTT: Yes.

MR. WAYNE: And did they know that the money they were giving to you was to be used for the petitioning?

MS. SCOTT: Absolutely.

MR. WAYNE: And do you ever recall using any of that money for any kind of personal expenses? This is not a trick question, I just--

MS. SCOTT: [interposing] No, no, I mean, some, some funds were spent on, you know, we had to do an environmental study for Scarborough

1
2 Downs, so, I knew some of the funds were spent,
3 were spent on that. I'm just thinking, I'm sure
4 there's probably some title reports or something
5 to do with Scarborough, a little bit of money.

6 MR. WAYNE: Okay, I guess what I'm really
7 getting at is you've analogized this to a loan
8 from a bank and did, did you feel at liberty to
9 use this money for purposes other than promoting
10 the casino?

11 MS. SCOTT: No, no.

12 MR. WAYNE: Thank you. Did Horseracing Jobs
13 Fairness hire Cheryl Timberlake?

14 MS. SCOTT: Can I, can I go back there?

15 MR. WAYNE: Please.

16 MS. SCOTT: I did, I did feel I had the right
17 to spend some of the money towards, like I said,
18 an environmental study with Scarborough Downs,
19 you know, real estate as well.

20 MR. WAYNE: I'm, I'm sure. But, but once
21 you received the money your understanding was it
22 was to be used to promote the initiative only,
23 is that, is that right?

24 MS. SCOTT: Not, not only, some funds would
25 be allocated towards the, you know, doing the

1 background on Scarborough Downs.

2 MR. WAYNE: Oh, oh. That's fine. Thank you.
3 I appreciate that.

4 [Side conversation with counsel]

5 MS. SCOTT: And Jonathan--

6 MR. MERRILL: [interposing] Jonathan,
7 clarification.

8 MR. WAYNE: Please.

9 MS. SCOTT: Some, some of those funds were
10 also spent on real estate projects in
11 Massachusetts as well.

12 MR. WAYNE: Some of the money that you
13 received from Bridge Capital?

14 MS. SCOTT: Yes.

15 MR. WAYNE: Okay, thank you.

16 MS. SCOTT: Yes.

17 MR. WAYNE: And could you help us understand
18 what the environmental impact study has to do
19 with the campaign? I, I just what to
20 understand.

21 MS. SCOTT: It doesn't, that's what I was
22 saying, it had nothing to do with the campaign.

23 MR. WAYNE: Okay, all right. What, what did
24 you hire Cheryl Timberlake to do?
25

1
2 MS. SCOTT: Well, originally we, we met
3 right here in Hallowell and I, I, we discussed
4 the fact that, that I was going to be doing
5 this, that my brother was actually giving me the
6 funds, providing the funds to do this. And that
7 I needed her help with pretty much everything,
8 to be honest, from, from helping to decipher
9 where the best places to have people go to
10 collect signatures, to all the detail oriented
11 stuff that Cheryl is good at, and obviously as
12 the treasurer as well. And I had hoped that we
13 would have moved forward into a successful
14 campaign with Cheryl also.

15 MR. WAYNE: Okay. Let's just focus on the
16 treasurer duties, what did you think she was
17 going to be doing as the treasurer of the ballot
18 question committee?

19 MS. SCOTT: Everything, and she, she knows,
20 she knows me. I was relying on her to do all of
21 the reporting.

22 MR. WAYNE: So, she was going to be doing
23 the reporting, to us, the financial reports?

24 MS. SCOTT: She was pretty much going to
25 tell me everything that had to be done. W5hen

1
2 it, when it came to the details it was
3 absolutely, I relied on Cheryl for the, for the
4 detail work.

5 MR. WAYNE: Okay, financial record keeping,
6 is that going to be part of her
7 responsibilities?

8 MS. SCOTT: Absolutely, yes, yes, every time
9 I would, I would do a wire or I wrote a few
10 checks, I immediately scanned it and sent it to
11 her before I even left the bank. She kept all
12 the records.

13 MR. WAYNE: Okay.

14 MS. SCOTT: So, I would do it with my phone,
15 literally, and send it to her immediately.

16 MR. WAYNE: Did you hear her testimony
17 earlier that her, it was not her job to provide
18 you with legal advice, I don't, did you catch
19 that?

20 MS. SCOTT: I did, but, I mean, again, I, I
21 relied on her for, for all of that.

22 MR. WAYNE: So, you would disagree with that?

23 MS. SCOTT: I would, absolutely.

24 MR. WAYNE: And did she advise you on how to
25 do campaign finance reporting?

1
2 MS. SCOTT: Yes. And let, let me clarify,
3 Cheryl, like I said, Cheryl was one of my
4 closest friends, she, she knew and she knows
5 that I didn't have \$4.2 million to put into
6 this, that's no secret.

7 MR. WAYNE: We're going to get to that next,
8 okay?

9 MS. SCOTT: Okay, I had to borrow the funds
10 to be able to do this.

11 MR. WAYNE: Okay.

12 MS. SCOTT: She, I didn't just readily have
13 millions of dollars sitting in my, in my bank
14 account.

15 MR. WAYNE: Okay, I, I appreciate you
16 volunteering that.

17 MS. SCOTT: Okay.

18 MR. WAYNE: We'll, we'll get to that next I
19 promise.

20 MS. SCOTT: Okay.

21 MR. WAYNE: Thank you. When Cheryl
22 Timberlake prepared campaign finance reports for
23 filing with our office, would she show you the
24 reports for you to approve of them?

25 MS. SCOTT: And I did hear her say that, if

1 she had it would have been via email. I don't
2 recall looking at them.

3 MR. WAYNE: Do you remember seeing any
4 handwritten reports at all that were drafts of
5 what would be submitted to our office?
6

7 MS. SCOTT: Only when we did the second tier
8 BQCs.

9 MR. WAYNE: You're, and you're referring to
10 the ones that were filed with our office in
11 2017?

12 MS. SCOTT: Exactly.

13 MR. WAYNE: But not the ones in 2016?

14 MS. SCOTT: But I, I can't say she didn't
15 email them to me but I certainly didn't see any,
16 that I, when I was going through all of my
17 emails for you and, but again, I can't say for
18 certain whether she sent them to me or not. I
19 don't, I did not look at them, I can tell you
20 that.

21 MR. WAYNE: Okay, great. I just wanted to
22 refer to one report that is in the exhibit book
23 as an example for your, of your review of these
24 reports and what I've done is put another set of
25 blue sticky notes on them. Last time it was

1 pink but those are blue, the ones right there.

2 I wonder if I could refer you to exhibit number
3 136, and it's, I actually wanted to go to a
4 specific page which is page 17 in 136.MR.

5
6 MERRILL: 13 you say, Jonathan?

7 MR. WAYNE: 17, page.

8 MR. MERRILL: 17?

9 MR. WAYNE: Yeah. If you wouldn't mind,
10 could you please take a look at those two
11 contributions that are reported there and the
12 dates and the amounts?

13 MS. SCOTT: Okay.

14 MR. WAYNE: So, just to make sure we're all,
15 all looking at the same page it's 136 page 17.
16 A couple, is that right?

17 MR. MERRILL: I'm sorry can you repeat that?

18 MR. WAYNE: They're dated November, you see
19 contributions that are dated November 9th and
20 November 30th of 2016?

21 MS. SCOTT: Okay.

22 MR. WAYNE: Okay, so, these are contributions
23 that Horseracing Jobs Fairness BQC reported to
24 this office and they're, the report says that
25 they, these were contributions from you which

1
2 HRJF received in November of 2016, and there are
3 two contributions and one is in the amount of
4 330,000 and one is a little over 193,000. So,
5 the question is, let's start with who provided
6 those amounts--

7 MS. SCOTT: [interposing] So if--

8 MR. WAYNE: --what entity provided those
9 amounts to HRJF on those days?

10 MS. SCOTT: I provided those funds.

11 MR. WAYNE: Okay, did the funds come from
12 your personal bank account, this would have been
13 in November 2017.

14 MS. SCOTT: I can say--

15 MS. MATHESON: [interposing] 2016.

16 MS. SCOTT: --I only--

17 MR. WAYNE: --2016, I'm sorry, '16--

18 MS. MATHESON: '16.

19 MR. WAYNE: --pardon me. 2016.

20 MS. SCOTT: I only used IDC when I'm visiting
21 my mother in Hawaii and that would have been
22 over the holidays. So, here I would, I would
23 have to assume it was Bank of America. Whether
24 it came from, I believe this would have come
25 from Miami Development Concepts.

1
2 MR. WAYNE: Right, okay, that's my
3 understanding.

4 MS. SCOTT: Okay.

5 MR. WAYNE: So, if the money actually came
6 from Miami Development Concepts, could you help
7 us out with why did the BQC report it as coming
8 from you?

9 MS. SCOTT: I believe Cheryl viewed me, MDC,
10 and IDC all as the same person.

11 MR. WAYNE: Okay.

12 MS. SCOTT: That's the best answer I can
13 give you.

14 MR. WAYNE: And you were the principal
15 officer of the BQC, is that correct?

16 MS. SCOTT: Yes.

17 MR. WAYNE: Okay. So, were you aware that
18 Horseracing Jobs Fairness was reporting
19 contributions in your name, even though the
20 funds actually came from Miami Development
21 Concepts?

22 MS. SCOTT: Not, not until it was pointed
23 out to me.

24 MR. WAYNE: Well, when would that have been?

25 MS. SCOTT: I believe when all of this came

1 about here, with the investigation.

2 MR. WAYNE: In March or April of 2017?

3 MS. SCOTT: Mm-hmm.

4 MR. WAYNE: So, just to be clear, so, at the
5 time this report was filed, and the filed date
6 is on the previous page, filed with our office
7 on December 20th of 2016, were you aware that
8 money was being reported in your name when it
9 actually came from Miami Development Concepts?
10

11 MS. SCOTT: Specifically, no.

12 MR. WAYNE: You were unaware of that?

13 MS. SCOTT: No, but I would have agreed
14 with, I mean, Cheryl's thought process, they
15 were all one and the same.

16 MR. WAYNE: Okay. So you didn't, you
17 wouldn't have seen anything wrong with that, had
18 you known?

19 MS. SCOTT: No, no, I mean, I mean, I used
20 my own social security number to get my EIN
21 numbers for each of my entities, to me, they're
22 all the same.

23 MR. WAYNE: Okay, all right, thank you.
24 Well, yeah, except that, was this, the money in
25 Miami Development Concepts, was that your money?

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1
2 MS. SCOTT: It, it was my money, I borrowed
3 the money. So it, it, to me, if I, and tell me
4 if I'm, if I'm explaining this wrong or if I'm
5 not answering your question--

6 MR. WAYNE: [interposing] Oh, no, I'm sorry,
7 I don't mean, please go ahead.

8 MS. SCOTT: --but if I went out took out a
9 second on my home, I would feel like that's my
10 money, not, not anybody else's.

11 MR. WAYNE: I understand you're saying that
12 Bridge Capital lent you the money.

13 MS. SCOTT: Capital Seven.

14 MR. WAYNE: I'm sorry, Capital Seven, thank
15 you. But this was money from Miami Development
16 Concepts.

17 MS. SCOTT: Okay.

18 MR. WAYNE: Did anyone lend money to Miami
19 Development Concepts?

20 MS. SCOTT: No, no.

21 MR. WAYNE: Okay.

22 MS. SCOTT: It was to me, it was to me.

23 MR. WAYNE: Who lent that money to you?

24 MS. SCOTT: Capital Seven.

25 MR. WAYNE: Okay, the money, do you

1
2 understand where the money came from that was
3 deposited into Miami Development Concepts?

4 MS. SCOTT: Where, where, where the money
5 came from?

6 MR. WAYNE: Yes.

7 MS. SCOTT: Where the wire originated from?

8 MR. WAYNE: Yes.

9 MS. SCOTT: Yes.

10 MR. WAYNE: Did MDC receive money from
11 Regent Able?

12 MS. SCOTT: Yes, I'm sorry, yes, absolutely.

13 MR. WAYNE: Okay, all right. Did Regent
14 Able ever lend you any money?

15 MS. SCOTT: No, they did not lend me money,
16 they invested.

17 MR. WAYNE: Okay. Did you ever, so I'm
18 still trying to understand, you may have been
19 the legal owner of Miami Development Concepts
20 but was there any of your money in Miami
21 Development Concepts?

22 MS. SCOTT: At, at times, at times there
23 was. Not near the dollar amounts that went
24 through the, you know, other than the money I
25 borrowed. But I have MDC when I'm here in the

1 United States, when I'm visiting my mom I have
2 my First Hawaiian Bank, which is IDC and then I
3 have a personal account, but when I'm in Hawaii
4 we don't have a Bank of America there, that's
5 why I have First Hawaiian Bank.

6 MR. WAYNE: So, if this is, would you say,
7 would it be, I've heard you say that most of the
8 money in Miami Development Concepts came from
9 Regent Able?
10

11 MS. SCOTT: Yes, yes.

12 MR. WAYNE: Okay, so, if most of it was from
13 Regent Able why would it, why would it have been
14 accurate reporting to report this in the name
15 of, this money in your name when it was really
16 Miami Development Concepts' money or Regent
17 Able's money, depending on how you look at it.
18 It just, why was Lisa, why would it be accurate
19 reporting to have your name associated with
20 these funds, when really, these were not your
21 funds.

22 MS. SCOTT: From Regent Able?

23 MR. WAYNE: My understanding is that these
24 funds did come from Regent.

25 MS. SCOTT: From these two, from these two

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here.

MS. SCOTT: Yeah.

MR. WAYNE: So, why, why would it have been appropriate reporting to have your name be on these particular contributions that were received by Horseracing Jobs Fairness?

MS. SCOTT: I think, and I'm not as familiar with these documents but I believe we had filed, we called it first attempt, the phase one for collecting the signatures. And we filed everything on a Schedule C, I believe it was as Schedule C. I believe just out of repetition with Regent Able we filed a C. I know we reported all the funds, did we, did we check the right box? I don't think we did. I think there was a mis--, a miscommunication at that point.

MR. WAYNE: Okay, I think you are referring to the report that we got in April that reported loans to MDC and to you, and why don't we just set that aside--

MS. SCOTT: [interposing] Okay

Mr. Wayne: --for another time if that's all right--

MS. SCOTT: Okay, certainly

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MR. WAYNE: Thanks a lot.

[Side conversation with counsel] MR. WAYNE:
Okay, thank you. I want to go back to your
earlier testimony, in the first few months of
the campaign did you tell Cheryl Timberlake that
you received money from Bridge Capital?

MS. SCOTT: I told, I told Cheryl, we were
sitting there at Slate's and I told Cheryl that
I was, will be receiving funds from my brother.
I, I, I, there was many times, I told her at
Slate's, I, again, she, she knew me, she knows
my mom, she knows my whole family, she knows
that I don't have an extra \$4 million just
sitting in a bank account. And certainly, when
we had the issue in Massachusetts, I went
straight to her and I said, Cheryl, are we okay
in Maine?

MR. WAYNE: Okay, so, now that reference to
Massachusetts is jumping a whole year ahead, so
let's just keep back the--

MS. SCOTT: [interposing] Okay.

MR. WAYNE: --focus to the first few months
of the campaign.

MS. SCOTT: Certainly.

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2 MR. WAYNE: Other than the conversation at
3 Slate's, can you recall any other conversations
4 in which you explicitly said the money came from
5 your brother or from Bridge Capital or anything
6 along those lines?

7 MS. SCOTT: I, yes, yes, absolutely. She
8 knew that I was borrowing money and she also
9 knew that I was, there were times when I was
10 having difficulty getting my draws to even, to
11 even pay her invoices for that matter.

12 MR. WAYNE: Okay, I realize this was a long
13 time ago, but I'm just trying to understand were
14 there any specific conversations where you said
15 this?

16 MS. SCOTT: There's, there's certainly the
17 one at Slate's, there was certainly, as soon as
18 the, as soon as the issue popped up in Mass., I
19 immediately, she may have been at my apartment
20 when I asked her then, she and Charlie. And I'm
21 just thinking, just give me a moment. I would
22 say, obviously, on that text message I was
23 asking.

24 MR. WAYNE: Okay, well, this--

25 MS. SCOTT: So...

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1
2 MR. WAYNE: Okay, thank you. When did the
3 conversation at Slate's happen?

4 MS. SCOTT: Before she came on board, prior
5 to her coming on board.

6 MR. WAYNE: So, she came on board in what
7 month?

8 MS. SCOTT: November, December of 2015, and
9 I'm, I'm guessing, I'm giving you my best guess.

10 MR. WAYNE: That's fine, thank you. And
11 that's when you don't know and you're just
12 guessing, it's good to qualify it, thank you.
13 So, I don't want to put, give you a specific
14 month but, I mean, can you give us any, a better
15 idea of the month where you might have had that
16 conversation with her?

17 MS. SCOTT: Well, it was certainly before I
18 formed Horseracing Jobs and Fairness. So--

19 MR. WAYNE: [interposing] Are you--

20 MS. SCOTT: --I can look at the origination
21 date of that.

22 MR. WAYNE: Are you placing it around
23 October or November of 2015?

24 MS. SCOTT: Yeah, November I would guess.

25 MR. WAYNE: Okay, all right. And so that

1 was prospective, you said, I'm, I don't want to-

2 -

3
4 MS. SCOTT: [interposing] I was excited, we
5 were, we were talking about the project, I told
6 her that I was given this chance, I mean there,
7 there were no secrets that my brother was going
8 to loan me the money, I was, was hoping to, that
9 she was going to come on, I mean, there were no
10 secrets about that.

11 MR. WAYNE: Now, the next specific
12 conversation that you made a reference to was
13 after the compliance problems arose in
14 Massachusetts. That wasn't, there is quite a
15 large gap there, that wasn't until December of
16 2016, so, that's a year or 13 or 14 months
17 later.

18 MS. SCOTT: This, this is true.

19 MR. WAYNE: [interposing] Do you think you
20 had other conversations where you said to her--

21 MS. SCOTT: --yes, yes.

22 MR. WAYNE: Okay. Tell us about those.

23 MS. SCOTT: Well, I can't give you precise,
24 precise but I know along the way when she, her
25 bills were behind, her invoices weren't being

1
2 paid, she knew I was trying to get the draws to
3 take care of her, to, to pay her bills. And so,
4 she was patient with me knowing that I was, and
5 I think you probably have seen a few of the
6 emails, I certainly had some, where I was
7 struggling to get my draws to, to pay the bills
8 here. And so, Cheryl knew that I was doing
9 everything I could to, to get the draws, so, so
10 first I could pay her invoice and all of that.
11 So, so she knew.

12 MR. WAYNE: Were you specific about which
13 company was providing the money?

14 MS. SCOTT: My brother, no, I would just say
15 my brother.

16 MR. WAYNE: Okay.

17 MS. SCOTT: Sometimes other names, but
18 generally my brother, so...

19 MR. WAYNE: So, do you think you ever
20 specially mentioned that the payments were from
21 Bridge Capital?

22 MS. SCOTT: No, no, I would have just said
23 Shawn or my brother.

24 MR. WAYNE: Okay, do you think you ever gave
25 her any details in terms of dates or amounts of

1
2 money that you got from Bridge Capital? Did you
3 ever communicate that to her?

4 MS. SCOTT: I don't believe I did, but as I
5 would get draws I would, I mean, literally, I, I
6 could be sitting there waiting at the bank for
7 the, for the money to hit, so I could transfer
8 it to Cheryl, so I mean she was very aware of,
9 we were spending a lot of money on a daily basis
10 then, so it was pretty clear.

11 MR. WAYNE: Okay, so the answer is no?

12 MS. SCOTT: No.

13 MR. WAYNE: You don't think you gave her
14 dates and amounts, you provided her with dates
15 and amounts of--

16 MS. SCOTT: [interposing] Only what I
17 provided to Horseracing.

18 MR. WAYNE: Right, but when you received
19 money from Bridge Capital you did not provide
20 the dates and amounts to Cheryl Timberlake.

21 MS. SCOTT: I, no, no.

22 MR. WAYNE: Not--

23 MS. SCOTT: [interposing] Now, I do know
24 though, she has my bank statements and I, I
25 can't say off the top of my head which ones but

1
2 it shows, it shows when the money was hitting my
3 account.

4 MR. WAYNE: Right, didn't you have a meeting
5 with Cheryl and Tetiana Glebkivska.

6 MS. SCOTT: There you go.

7 MR. WAYNE: Thank you.

8 MS. SCOTT: Yes.

9 MR. WAYNE: About the, the transactions in
10 January through March?

11 MS. SCOTT: Yeah, we had a few meetings.

12 MR. WAYNE: You had a few meetings?

13 MS. SCOTT: Yes.

14 MR. WAYNE: Okay. And during those meetings
15 did you discuss how contributions to HRJF ought
16 to be reported? Do you want me to--

17 MS. SCOTT: [interposing] You know,
18 honestly, during these meetings we were trying
19 to go through the team leaders' receipts,
20 that's, that was what we were doing when I was
21 there, trying to go there, Stavros' receipts.

22 MR. WAYNE: The spending side of the
23 Horseracing Jobs and Fairness?

24 MS. SCOTT: Yes, yes.

25 MR. WAYNE: Do you recall discussing the,

1
2 the money in at all in those meetings?

3 MS. SCOTT: Yeah.

4 MR. WAYNE: Okay, do you think that during
5 those meetings you had with Cheryl Timberlake
6 and her accountant you told her that you had
7 received money from Bridge Capital?

8 MS. SCOTT: I don't think so.

9 MR. WAYNE: Okay, I'm sorry, I realize that
10 might have been repetitive, so I'll try to avoid
11 that. I, did you think it was unimportant to
12 share that information?

13 MS. SCOTT: I, I just always said my
14 brother, I didn't, yeah, I didn't go into, into
15 entities or anything like that. I don't think I
16 did, it wouldn't be something naturally for me
17 to say, I would say my brother.

18 MR. WAYNE: And this might be implied from
19 your earlier responses but did you ever email to
20 Cheryl Timberlake dates and amounts of specific
21 payments you received from Bridge Capital?

22 MS. SCOTT: Again, we're talking over a
23 couple years, but not that I recall.

24 MR. WAYNE: Okay. So,, I'm just trying to
25 understand this, she's the treasurer of

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1 Horseracing Jobs Fairness ballot question
2
3 committee, you're the principal officer of the
4 committee, you're relying on her for the
5 financial reporting, so, why didn't you tell her
6 that you had received lots of payments from
7 Bridge Capital?

8 MS. SCOTT: Well I, what I did tell her is
9 that I'd received funds from my brother, and she
10 said we only had to report my account because
11 that's what was funding Horseracing. So, when I
12 borrowed money from my brother, she's, that
13 wasn't relevant, it was only because it was
14 coming from my account directly to Horseracing,
15 and that's how it was explained to me. So,
16 that's why.

17 MR. WAYNE: You've heard discussions and
18 testimony today about the large volume of emails
19 that there have been among the parties and you.

20 MS. SCOTT: Yes.

21 MR. WAYNE: And you heard Cheryl's testimony
22 that she seemed, she feels that she was excluded
23 from this information.

24 MS. SCOTT: I heard that.

25 MR. WAYNE: Why aren't there any emails from

1
2 you to her stating that you received money from
3 Bridge Capital?

4 MS. SCOTT: I think my last answer answered
5 that. She knew I was receiving funds that were
6 provided by Shawn.

7 MR. WAYNE: Did you ever mention in emails
8 that you received money from Shawn, did, any
9 emails to Cheryl, that you were receiving money
10 from Shawn?

11 MS. SCOTT: Not that I recall.

12 MR. WAYNE: It just, it's a little bogging,
13 why would your treasurer not ever receive an
14 email referring to your receipt of money from
15 your brother? Do you have an explanation for
16 this Commission as to why that never happened?

17 MS. SCOTT: I do. I do. She told me the
18 only relevant information I had to give her was,
19 I told her the funds were coming from me and I
20 gave her copies of all of, every time I did a
21 wire or transferred funds or moved my money in
22 any way I sent her that document immediately. I
23 thought I was complying.

24 [Staff conversation with counsel]

25 MR. WAYNE: Did you have an understanding

1 with Cheryl Timberlake that she was not supposed
2 to ask you about the sources of the money?
3

4 MS. SCOTT: No.

5 MR. WAYNE: Did you not tell her--

6 MS. SCOTT: [interposing] Can I?

7 MR. WAYNE: --yeah, please--

8 MS. SCOTT: --Can, can I?--

9 MR. WAYNE: --Absolutely.

10 MS. SCOTT: Even when Laurence Hamilton came
11 here to Maine the first time and we had lunch at
12 Boone's in downtown Portland, she knew that Toko
13 was looking at investing, and I asked Cheryl
14 basically, you know, to meet with Laurence and
15 to answer any questions for this, for this
16 purpose.

17 MR. WAYNE: I'm just going to hold off on
18 Toko for a minute if you don't mind.

19 MS. SCOTT: Sure.

20 MR. WAYNE: So, did you discuss with Cheryl
21 Timberlake whether Bridge Capitals payments to
22 you needed to be disclosed?

23 MS. SCOTT: Not Bridge Capital, I said my
24 brother.

25 MR. WAYNE: Or your brother?

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MS. SCOTT: Yes.

MR. WAYNE: Yes, can you give us a sense of when those conversations might have taken place?

MS. SCOTT: At Slate's, in Hallowell.

MR. WAYNE: So, that early you had a discussion on whether money that--

MS. SCOTT: [interposing] Yes, I was.

MR. WAYNE: --that your brother would receive would have to be reported?

MS. SCOTT: I was excited, my brother was going to lend me the money, we were coming back to Maine, this was, this was exciting, absolutely, from day one.

MR. WAYNE: And, I just really want to be clear on this, this was, this is in October of 2015, you had not even received any money at that point from your brother, right?

MS. SCOTT: It, it, I told you it may have been November, I could not say it was October.

MR. WAYNE: Okay, [unintelligible] that's fine, but at that point you had not received any money from your brother to pay for petitioning, is that correct?

MS. SCOTT: No, but we had made the family

1 decision that we were doing this.

2 MR. WAYNE: And you were already discussing
3 how to do financial reports at that meeting in
4 Slate's?
5

6 MS. SCOTT: I went, I went straight to
7 Cheryl, yes.

8 MR. WAYNE: Okay, and what did she say to
9 you about whether or not prospectively, payments
10 from your bother would have to be reported?

11 MS. SCOTT: That since the money was coming
12 from my bank account, into Horseracing, that
13 that's all we had to report.

14 MR. WAYNE: Did she offer you any reasoning
15 for that?

16 MS. SCOTT: She may have had to research it
17 and get back to me, I can't, I can't recall
18 exactly, but I, I mean, I trusted Cheryl and so,
19 if that's what she said, that was good with me,
20 I trusted her a hundred percent.

21 MR. WAYNE: And this is your very first
22 meeting with Cheryl about this campaign, right?
23 This one in Hallowell?

24 MS. SCOTT: I, I believe it was right within
25 the first, one of the first, there were a few

1
2 there but it was within, before we ever started
3 collecting signatures.

4 MR. WAYNE: Okay, and I understand you are
5 saying that was the advice with respect to
6 Horseracing, what Horseracing Jobs Fairness
7 would have to report. But what about that the
8 money came from you, but what about the money
9 that you got, you anticipated receiving from
10 your brother? Was that specifically discussed
11 with Cheryl Timberlake?

12 MS. SCOTT: I'm sorry, you lost me, can you
13 try that again?

14 MR. WAYNE: Okay, can you, in that meeting
15 at Slate's, did you specifically discuss with
16 Cheryl Timberlake whether the money you would
17 receive from your brother would need to be
18 disclosed in campaign finance reports?

19 MS. SCOTT: I know she knew that he was
20 providing the money, 'cause I was very excited
21 about that. And again, we're going back to
22 2015, so...

23 MR. WAYNE: Why don't I just withdraw that
24 qu--

25 MS. SCOTT: [interposing] I'm just trying to

1
2 remember and I'm sorry, I just don't recall--

3 MR. WAYNE: I know, that's understandable--

4 MS. SCOTT: I'm trying to remember exactly.

5 MR. WAYNE: [interposing] Let's talk
6 generally in the time period of the first few
7 months of the campaign, did you have any other,
8 any other conversations with Cheryl about a duty
9 to report money you were receiving from your
10 brother?

11 MS. SCOTT: You have to understand, it was
12 complete chaos, trying to do this all in a
13 matter of six weeks. We, we, I mean, Cheryl
14 pretty much laid down the law and we did
15 whatever she said. She took control of all the
16 vendors and she had a lot of conference calls
17 with them, I wasn't even on most of those calls.
18 I did whatever, we definitely followed her
19 advice on this, I, and like I said before, I
20 don't even think, that Cheryl intentionally did
21 anything, you know, wrong either, I really don't
22 believe that. I think she read the statute, she
23 told me, we followed her advice on everything.

24 MR. WAYNE: Okay, this is, this is a really
25 important issue, and I'm just trying to get it

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to be as specific as possible here.

MS. SCOTT: I understand.

MR. WAYNE: So, did she say to you, you don't have to report the money that you're going, that you're getting from your brother?

MS. SCOTT: Yes, at one point we had a conversation, yes absolutely.

MR. WAYNE: Can you tell us where that conversation happened?

MS. SCOTT: I believe it was at Slate's, now, maybe we were, we went there a lot, but I believe it was at Slate's, so..

MR. WAYNE: Okay, can you, do you remember anything else about the context of the conversation?

MS. SCOTT: No, we were just talking about the whole, you know, the whole campaign and moving forward and just, just, you are good, this is great, we were just excited about the whole, the whole project.

MR. WAYNE: Okay. I, I guess I'm going to move away from the advice from Cheryl on this unless the Commissioners have any other questions, kind of a key point and I, but I feel

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like I've exhausted it.

MS. MATHESON: Mm-hmm.

MR. NASS: Go ahead, spit it out.

MS. MATHESON: I'm stymied. No, no, I'm going to wait a little longer and see.

MR. WAYNE: Okay.

MR. NASS: I have a question.

MS. MATHESON: Commissioner?

MR. NASS: I'm just fascinated by, you're an experienced developer and when we talked about this investor and loans and an investor, I'm just fascinated by it seems how in your mind they are somehow together. Doesn't an investor, in your mind, earn, before you get his or her money, earned the piece of the pie, so to speak, or a contract? He becomes an investor by, by your agreement as the developer to give away some of the equity.

MS. SCOTT: You're referring to Toko?

MR. NASS: Yes, well I particularly want to get to that--

MS. SCOTT: [interposing] There is absolutely--

MR. NASS: --but you explained to us the

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1
2 difference between the loan and an investor and
3 it looked to me like they, in your mind it was
4 the, it was the same thing, that there was no
5 commitment to invest in this.

6 MS. SCOTT: I, I believe we miscategorized
7 on, on Schedule C with Regent Able. I do
8 believe that. Not with [unintelligible]

9 MR. NASS: So, clearly in your mind
10 investors get an equity position, basically, in
11 general terms.

12 MS. SCOTT: Of course, of course.

13 MR. NASS: Okay.

14 MS. SCOTT: And I do believe that we should
15 not have put Toko down on Schedule C.

16 MR. NASS: Okay.

17 MS. SCOTT: That was absolutely a mistake.
18 Capital Seven I, I viewed that and that was a
19 family loan.

20 MR. NASS: Thank you.

21 MS. MATHESON: I guess I do have a question.
22 How, how, who determined when funds were being
23 provided, where those funds were provided to, to
24 your personal bank account, MDC LLC or IDC LLC,
25 and did any go to the limited liability that has

1 the same name as your BQC?

2 MS. SCOTT: Okay, let me, let's break this
3 down, right?

4 MS. MATHESON: Yeah.

5 MS. SCOTT: Funds, if I was, if I was in
6 Hawaii, the funds would go to First Hawaiian
7 Bank, which is IDC. And the reason--

8 MS. MATHESON: [interposing] So, it, it, it
9 was solely where you were?

10 MS. SCOTT: Yes.

11 MS. MATHESON: On the planet?

12 MS. SCOTT: Yes.

13 MR. NASS: That's because IDC's bank account
14 was in Hawaii?

15 MS. SCOTT: Yeah.

16 MR. NASS: Okay.

17 MS. SCOTT: My, my mom lives in Hawaii.

18 MR. WAYNE: Yeah, yeah.

19 MS. SCOTT: And I had a First Hawaiian Bank
20 out there 'cause there was no Bank of America in
21 Hawaii.

22 MR. NASS: That bank account was IDC.

23 MS. MATHESON: Right.

24 MS. SCOTT: Right.

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1
2 MR. NASS: Essentially that's where all your
3 assets or all IDC's assets were in that bank in
4 that account?

5 MS. SCOTT: Yes, so when I'm visiting my
6 mom, 'cause when I go, I mean we go for two or
7 three weeks.

8 MR. NASS: Yeah.

9 MS. SCOTT: During the holidays and there
10 is, there is simply not a Bank of America in all
11 of Hawaii.

12 MR. NASS: Okay.

13 MS. SCOTT: So, I have my First Hawaiian
14 Bank account there. I had a personal bank
15 account here, well, actually, since 1996 with
16 Bank of America.

17 MR. NASS: Okay.

18 MS. SCOTT: When, I believe it was April
19 when I formed MDC I formed a bank account along
20 an MDC bank account with Bank of America.

21 MS. LOWRY: April of what year?

22 MS. SCOTT: 2016. So, simply--

23 MR. NASS: [interposing] And then in your
24 mind MDC is a Bank of America account, that's,
25 that's where all the assets from MDC are, in

1
2 there?

3 MS. SCOTT: Yes, yes.

4 MR. NASS: Okay.

5 MS. MATHESON: And why did you establish
6 that corporation?

7 MS. SCOTT: That was--

8 MS. MATHESON: [interposing] I mean, limited
9 lia, well you know what I'm saying.

10 MS. SCOTT: That, that was, so, to bring
11 Toko on, to bring Toko in as an investor. But
12 not just for Maine, other, other
13 [unintelligible]

14 MR. NASS: SO, his investment, his dollars
15 went to MDC?

16 MS. SCOTT: That is correct.

17 MR. NASS: Okay.

18 MS. SCOTT: That is correct.

19 MR. WAYNE: I just have one more question
20 about Cheryl's advice to you?

21 MS. SCOTT: Yes.

22 MR. WAYNE: So, you mentioned the
23 conversation at Slate's.

24 MS. SCOTT: Uh-huh.

25 MR. WAYNE: And you mentioned the

1
2 conversation after the Massachusetts non-
3 compliance was discovered, which I'm positing
4 was around December 2016 or January 2017.

5 MS. SCOTT: You know, it was, it was a
6 matter of probably three weeks before the
7 election.

8 MR. WAYNE: Three weeks before the November,
9 okay.

10 MS. SCOTT: In Massachusetts.

11 MR. WAYNE: Okay, thank you, thank you,
12 that's helpful. But, I mean, there were a number
13 of campaign finance reporting deadlines, there
14 was one in April, there was one in July, one in
15 September. Did she offer you that advice that
16 you didn't have to report your brother's,
17 convinced you, or, or any, did the subject ever
18 come up between that Slate's conversation and
19 the Massachusetts conversation?

20 MS. SCOTT: Well, she, again, we, we, were,
21 there was, she would get very frustrated and for
22 good reason, because we would get behind on her
23 invoices. And she knew that I would have to
24 work on my brother to get the draws to pay the
25 bills. There was no secret about that, I mean,

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1
2 you have to understand, Cheryl and Charlie would
3 come down and stay in my apartment in
4 Massachusetts with me, they know my mom, they
5 know my brother, we sit around the house and
6 have dinner or barbeques together. They, she was
7 one, she was one of my closet friends, I'm
8 telling you, there's-

9 MR. MERRILL: [interposing] You need to tell
10 them who Charlie is.

11 MS. SCOTT: Oh, I'm sorry, her husband
12 Charlie, not Charlie Soltan.

13 MR. WAYNE: Thank you.

14 MS. SCOTT: I mean, with my mom, with my
15 brother, I mean, it, it was no secret that I
16 didn't have an extra \$4 million just sitting in
17 my bank account, I had to borrow the funds to,
18 to do this.

19 MR. WAYNE: Okay, thank you. Do you have a
20 general sense of how much the total amount that
21 Bridge Capital transferred to you and to IDC,
22 just in the first couple of months of the
23 campaign? Just a ballpark figure?

24 MS. SCOTT: Well, I was going to say in
25 total roughly, I am guessing \$2.93 million,

1
2 somewhere in there.

3 MR. WAYNE: Okay.

4 MS. SCOTT: I am guessing. But again, we
5 were, we were working around the clock and going
6 through a lot of money daily.

7 MR. WAYNE: Okay.

8 MS. SCOTT: Try--, trying to get the, get
9 their signatures on phase one.

10 MR. WAYNE: Is there a reason that Bridge
11 Capital paid you this \$2.9 million dollars
12 directly?

13 MS. SCOTT: I mean, I don't know how else
14 they would have, would have done it.

15 MR. WAYNE: Well, let me rephrase the
16 question.

17 MS. SCOTT: Okay.

18 MR. WAYNE: Why didn't Bridge Capital just
19 give the money directly to Horseracing Jobs
20 Fairness Committee?

21 MS. SCOTT: Well, well, first of all, I, I
22 was responsible for the money, okay, number one.
23 Horseracing Jobs and Fairness, there was never
24 a lot of money in that account ever at once.
25 Well, whatever money would go in to Horseracing,

1 was spent within eight hours of receiving it.
2
3 And I wanted it, I mean, in an account that I'm
4 the signatory on, and only I'm the signatory on.
5 So the money would go to me, to my bank account
6 under my control and then I would disperse it to
7 Horseracing where Cheryl and I both were
8 signatories on the account.

9 MR. WAYNE: But you control Horseracing Jobs
10 Fairness' bank account, didn't you?

11 MS. SCOTT: Some, but Cheryl, I mean, Cheryl
12 had the checks, she was a signatory on the
13 account, she had an ATM number to the account,
14 she had as much control of that bank account as
15 I did.

16 MR. WAYNE: I mean, you talked about how
17 the funds were needed so quickly, and money was
18 always tight, so I'm just trying to understand
19 what, why the inefficiency of funding \$2.9
20 million through your personal, well, 2.7 million
21 through your personal bank account, rather than
22 just give it to the campaign committee, I just
23 don't understand.

24 MS. SCOTT: Well, again, I was, I'm
25 responsible for those funds. So, this should be

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an account that I'm the signatory on.

MS. MATHESON: Can you explain what you mean by responsible for the funds?

MS. SCOTT: The, those funds that, that my brother is sending is my responsibility to, to, it's my loan, it's my responsibility, it's my money. So, for me to put those into another bank account with multiple people that can just go take the money out, I would think would be irresponsible, and don't get me wrong, nothing against Cheryl, I think the world of her, but I don't think that it would be a good idea for any people to put hundreds of thousands of dollars into an account and somebody has access to besides only you, I'm the one responsible for the money. Does that make sense? Am I answering your question?

MR. NASS: Yeah, it makes sense to me, it sounds like a family issue, I mean, your brother is giving you the money and he wants you, his sister, to be on the hook, is that basically what it is? 'Cause later on there's a bunch of emails where not only are you begging him to send the money but--

1
2 MS. SCOTT: [interposing] There's no secret
3 about that. [laughter]

4 MR. NASS: -- you had the guy whose name is
5 Toko basically casting doubt, this is in phase
6 two, casting doubt on what happened.

7 MS. SCOTT: Yes, and that's, it, it--

8 MR. NASS: [interposing] Okay.

9 MS. SCOTT: --and that is true, that is
10 true.

11 MR. NASS: So, you're his guarantee, you're
12 his sister--

13 MS. SCOTT: [interposing] Yeah, I mean, I
14 mean, again, I also, I wanted to do this
15 project, I mean, when we did this in '03, I
16 mean, it's nothing but good memories. I wanted
17 to be out here and do this.

18 MR. WAYNE: I, oh, I'm sorry, I didn't mean
19 to preempt--

20 MR. NASS: [interposing] Nope.

21 MR. WAYNE: --I, the Commissioners have
22 wanted to know this ever since June 9th, and they
23 posed the same question to your lawyer, and
24 that's why I'm stuck on this.

25 MS. SCOTT: Okay.

1
2 MR. WAYNE: Why did you serve as the
3 intermediary here, that's what we still don't
4 get. So--

5 MS. SCOTT: [interposing] Okay, so that's,
6 my brother, ten years ago, he worked 80 hours a
7 week, he doesn't do that anymore. He, he's got
8 businesses all over the world. He is not going
9 to come out here, and this may sound terrible
10 but he's not going to deal with these
11 petitioners and all the stress of it and going
12 through what we went through and it's eleven
13 below zero and you got people you're running
14 from this grocery store to that grocery store, I
15 mean, there's a pecking order. He's not going
16 to come out here and do that. He's just not
17 going to.

18 MR. WAYNE: Okay, I don't know if that
19 answers the question, so let me try it one more
20 time. The money eventually ended up in the bank
21 account of Horseracing Jobs Fairness anyway,
22 correct?

23 MS. SCOTT: Not all funds, no, some went
24 towards environmental studies.

25 MR. WAYNE: Right.

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MS. SCOTT: Again--

MR. WAYNE: [interposing] But a, a good chunk of the money that Bridge Capital paid--

MS. SCOTT: --true.

MR. WAYNE: --to you--

MS. SCOTT: [interposing] True.

MR. WAYNE: --ended up in the bank account of Horseracing Jobs Fairness BQC, correct?

MS. SCOTT: True.

MR. WAYNE: And the same, and certain people had access to those funds ultimately--

MS. SCOTT: True.

MR. WAYNE: --'cause it was in that account. So why take the step of having it go through your bank account before it went to Horseracing Jobs Fairness? That's what I'm not getting.

MS. SCOTT: I think because I was responsible for it.

MR. WAYNE: I don't think I have any other questions on that.

MR. LEE: May I?

MR. WAYNE: Yeah.

MS. MATHESON: Yeah, yes, Commissioner.

MR. LEE: Ms. Scott, are you saying you, you

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didn't trust Cheryl Timberlake?

MS. SCOTT: I, I trust Cheryl a hundred percent. It still doesn't mean, I mean--

MR. LEE: [interposing] But you trust--

MS. SCOTT: --I trust my housekeeper, but I wouldn't leave my diamond rings sitting on the counter just to see what happens. I mean, of course I trust Cheryl, I think the world of Cheryl, but I was respon--

MR. LEE: [interposing] But if you trust somebody a hundred percent then why wouldn't you have the money in an account where she had access to it, particularly since, of course, you have worked out a relationship with her where she is the treasurer in charge of all the ins and outs of the financing aspect of things?

MS. SCOTT: We would only keep enough money in Horseracing to cover the bills. That's it, we, we never put--

MR. LEE: [interposing] Well the, well, but my question is you've said, I trusted her a hundred percent, not ninety-eight percent, a hundred percent. If you trust somebody a hundred percent why feel that you've got to keep

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1 the money close to the vest and only parse it
2 out as it's needed.

3
4 MS. SCOTT: Well, for one, funds didn't only
5 go to Maine. This was not my only project.

6 MR. LEE: Well, then why not all the funds
7 that were allocated to Maine, why not have them
8 deposited into the HJR...F, HRJF?

9 MS. SCOTT: Horseracing?

10 MR. LEE: Yes.

11 MS. SCOTT: Horseracing. Again, funds,
12 funds would go into my account and then be
13 allocated where to go, and that's just how they
14 did it.

15 MR. PATTERSHALL: Can I, can I, maybe I'll
16 ask a more loaded question.

17 MS. SCOTT: Okay.

18 MR. PATTERSHALL: Was there any discussion
19 that you might not want to disclose the where
20 the source of the funds actually came from? Is
21 that why it went to you first?

22 MS. SCOTT: No, no, it was never a secret
23 that Shawn was involved, never a secret in this.

24 MR. PATTERSHALL: I wanted to ask all of the
25 obvious questions that might be on people's

1
2 minds.

3 MS. SCOTT: There was no secret, there was
4 no secret at all. There, there is definitely a
5 pecking order, there is no question, I guess, to
6 the emails, I know Cheryl had to deal with
7 people that I didn't want to deal with. I know
8 Shawn would deal with me but not everybody out
9 here on the ground, there's definitely, a, you
10 know, pecking order.

11 MR. PATTERSHALL: It pays, pays to be the
12 boss.

13 MS. SCOTT: Yeah. Unfortunately, yes.
14 [laughter]

15 MR. PATTERSHALL: Thank you.

16 MR. LEE: Go ahead, first.

17 MS. MATHESON: Yes, go ahead, Commissioner
18 Nass.

19 MR. NASS: I keep asking this, but do you
20 know who wrote the question?

21 MS. SCOTT: I do not, I was not involved at
22 that point.

23 MR. NASS: Okay.

24 MS. SCOTT: Or at least as far as that part.

25 MR. NASS: Is that right?

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1
2 MS. SCOTT: I was hearing that we were going
3 to do Maine but I was not involved in the
4 question.

5 MR. NASS: Does that guy next to you know
6 who wrote it? Bruce, do you know who wrote this
7 question?

8 MR. PATTERSHALL: He's not under oath.

9 MS. MATHESON: He's not under oath.

10 MR. NASS: I know.

11 MR. MERRILL: I'm not a witness.

12 MR. NASS: Okay. I'm just asking you, do
13 you know if he knows?

14 MS. SCOTT: I don't know.

15 MR. MERRILL: I can tell you I worked on it,
16 I mean...

17 MR. NASS: Okay.

18 MS. LOWRY: With whom?

19 MR. MERRILL: What's that?

20 MS. LOWRY: With whom?

21 MR. MERRILL: With whom?

22 MS. LOWRY: Yeah.

23 MR. MERRILL: With a number of people.

24 MR. NASS: Okay.

25 MS. LOWRY: Including?

1
2 MR. MERRILL: Well, that's attorney client
3 privilege.

4 MS. LOWRY: Okay, thank you.

5 MR. LEE: Ms. Scott, there, during the
6 period of time when this campaign has been going
7 on, late December of 2015 up into early 2017,
8 there have been many inquiries from the press
9 wondering about where the money came from.

10 MS. SCOTT: Mm-hmm, yes.

11 MR. LEE: Have you ever made a statement to
12 anyone that, outside of people close to the
13 campaign, that the source of funds was from your
14 brother?

15 MS. SCOTT: No, I, I tried not to engage
16 them, the press at all, they had never been
17 friendly with me, and until we get on the ballot
18 I was not going to try to engage them in any
19 way, shape or form.

20 MR. LEE: And the, but the signatures for
21 the ballot were certified, what date, on January
22 23rd of 2017, is that correct?

23 MS. SCOTT: Approximately.

24 MR. LEE: Did you make any statement to the
25 press after that about the source of the funds

1 when inquiries were made?

2 MS. SCOTT: We did one press release, I
3 believe, and there was, there was nothing about
4 the source of funds that I can recall.
5

6 MR. LEE: And, but during the, but during
7 calendar year 2016 and there were these
8 inquiries made by the press.

9 MS. SCOTT: Yes, there were.

10 MR. LEE: But they were never told, or the
11 question was never answered to the effect of the
12 funding came from my brother?

13 MS. SCOTT: But, if you would see some of
14 the emails that we would receive from the press-
15 -

16 MR. LEE: I have seen some, I don't know
17 that I have seen all.

18 MS. SCOTT: I, I did not even, I, I don't
19 believe they deserved any response, if you saw
20 some of the emails that were sent to me.

21 MR. LEE: Well, I've seen a couple that had
22 questions and weren't laced with hostility that,
23 wondering about the source of the funds, and,
24 and so why not answer those questions so that
25 people would know?

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MS. SCOTT: But—

MR. LEE: [interposing] If there's no attempt to hide it why not, why not tell them? That's my question.

MS. SCOTT: --because the press has never been friendly on a gaming initiative. So, that would just, they have never been friendly to gaming initiatives at all. So, why engage them at this point, until, until we even get, get on the ballot and see if we're going to have a campaign, why start engaging the press, 'cause they're just going to attack me, that's what they do. And that's my feeling.

MR. LEE: I see, now that the source of funding is known you understand the impression that a lot of people have as a result?

MS. SCOTT: I, I think the press would be negative regardless to what I do.

MR. LEE: Well I, I--

MS. SCOTT: [interposing] I think they've proven that time and time again.

MR. LEE: --I'm, I'm referring to the public.

MS. SCOTT: We have the public reports, they

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1
2 were all filed with your committee. I now
3 realize that, that my lawyers, Cheryl and this
4 Commission are at odds as to the interpretation.
5 I know my lawyer is. But I don't think that
6 required me to, to work with a press that's not
7 friendly with me at all. I mean, it would only
8 hurt me.

9 MR. LEE: I mean, the, the first round of
10 funding came from your brother?

11 MS. SCOTT: Yes, he lent me the money, so it
12 came from me.

13 MR. LEE: It looked to be more accurate, to
14 be more accurate, it came through, from Bridge
15 Capital? And each one of the principles of it.

16 MS. SCOTT: True, true, and he had an equity
17 line and he loaned me the money.

18 MR. LEE: Actually, didn't, it hasn't been
19 represented that the money was loaned to Capital
20 Seven, that that's what the loan was and rather
21 than going, the money being paid to Capital
22 Seven and then went directly to you or one of
23 your two LLCs, and I guess in this case IDC?

24 MS. SCOTT: The, the, all I know is between
25 Capital Seven, which is my brother, and Bridge

1
2 Capital, which is my brother, there was an
3 equity line. As far as it, I, I don't get
4 involved in that great of detail and I know that
5 he, Capital Seven, lent me the money to do this,
6 to give me this opportunity.

7 MR. LEE: In the, in the phase two where,
8 where money came from Toko Kobayashi.

9 MS. SCOTT: Toko, yes.

10 MR. LEE: Just call him Toko?

11 MS. SCOTT: Much easier.

12 MR. LEE: That that money was not by your
13 testimony was not alone. That was an
14 investment.

15 MS. SCOTT: Correct.

16 MR. LEE: And then why wasn't that money
17 being reported on the financial papers filed
18 with the State reflecting that it was money
19 coming from Regent Able, his company?

20 MS. SCOTT: All I can, all I can say is
21 there had to have been a miscommunication
22 between Cheryl and I.

23 MR. LEE: And I, it was supposed to be only
24 a temporary interruption of Jonathan Wayne's
25 discussion.

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MR. WAYNE: That's fine, no, please.

MR. LEE: But I'm going to stop right here, and we'll let you come back. Just one thing led to another.

MR. MERRILL: Before we go back to Jonathan, Commissioner Lowry, I wasn't trying to be flippant in my answer. I can acknowledge I had a hand in it but a lot of people had a hand in drafting the initiatives, there were many incantations of it. And I'm just not at liberty to indicate who the other players were.

MS. LOWRY: I am married to a New Englander and so I get to say things like with whom? To him too.

MR. MERRILL: I just didn't want you to think my response was being flippant.

MS. LOWRY: I appreciate it, thank you.

MR. MERRILL: Thank you.

MS. MATHESON: Thank you. Mr. Wayne?

MR. WAYNE: Thanks. You mentioned that you, you received a loan from your brother?

MS. SCOTT: Yes.

MR. WAYNE: Were you under an obligation to repay the loan?

1
2 MS. SCOTT: Only if it was successful. And
3 with that being said, there is, there would be a
4 lot of profits to be shared. It, if this is
5 successful.

6 MS. MATHESON: What is successful?

7 MR. SCOTT: Question one.

8 MS. MATHESON: That the question passes?

9 MS. SCOTT: Yes

10 MS. MATHESON: And nothing further?

11 MS. SCOTT: Well, I'm not, we hadn't gotten
12 that far, but, I mean, if it, if it passes
13 there's, there's great success in that, and
14 there's, and there's money in that. So, the
15 first thing that would be done is this loan
16 would be repaid and then we would go from there.

17 MS. MATHESON: So, what if it failed?

18 MS. SCOTT: If it failed they would be
19 forgiven.

20 MR. NASS: Just takes your breath away
21 doesn't it?

22 MS. SCOTT: Well, he's had to do that for me
23 in the past.

24 MR. NASS: Okay.

25 MS. SCOTT: So, it wouldn't be the first

1
2 time.

3 MR. WAYNE: And should, I feel like there's
4 a-

5 MR. PATTERSHALL: [interposing] I wish my
6 brother was so kind. [laughter]

7 MR. WAYNE: Just what money-

8 MR. LEE: [aside] --I'm not sure.

9 MR. WAYNE: If the voters approved the
10 ballot question.

11 MS. SCOTT: Yes.

12 MR. WAYNE: What money would you be using to
13 repay the loan?

14 MS. SCOTT: Well, that would be the next
15 step as far as profits, if we developed it, but
16 there had not been a decision as to that yet.
17 There is no decision as to that yet. But, but
18 obviously if you look at Hollywood Casino in
19 Bangor, that's a prime example, there's a lot of
20 money being made there. So, there's definitely
21 profits somewhere. Somewhere in this equation
22 there is going to be profits if this passes.

23 MR. WAYNE: Well, I understand Capital Seven
24 would make profits or maybe others would make
25 profits, but what money would you use, did you

1 anticipate that you were going to have a share
2 of the profits?

3
4 MS. SCOTT: Absolutely, yes, yes, that's my,
5 that's my whole pay off in this, is that I would
6 have a percentage, I don't, but if this passes I
7 will be given a percentage of Capital Seven.

8 MR. WAYNE: Of the ownership of Capital
9 Seven?

10 MS. SCOTT: Yes, yes.

11 MR. WAYNE: And was there a specific amount
12 of ownership that you were anticipating
13 receiving?

14 MS. SCOTT: That's changed a few times, but
15 yes, we'd go back and forth, my brother and I,
16 but yes, there was.

17 MS. MATHESON: And this is all just oral?

18 MS. SCOTT: Yes, yeah.

19 MR. NASS: See, that's the whole family
20 thing.

21 MS. SCOTT: Bruce might advise me
22 differently. But no, this is oral, this is just
23 a family.

24 MR. NASS: Yeah, we're having trouble
25 understanding this family relationship, but this

1
2 is all what it is, is a tight family
3 relationship?

4 MS. SCOTT: Yeah, I have to explain
5 something, though. Shawn, regardless of what
6 you read, my brother and I, we're five years
7 apart. He was like my second dad growing up, I
8 mean, as kids five years felt like 20 years. I
9 would go to Shawn for everything, it didn't
10 matter if it was business, if it was personal,
11 if it was studying for an algebra test, we're
12 just, we're very close. So, let me just, you
13 know, explain that.

14 MR. WAYNE: Just want to understand the
15 terms of the loan. So...

16 MS. SCOTT: Mm-hmm.

17 MR. WAYNE: I think your testimony was, in
18 the first few months of the campaign, you and
19 IDC received about \$2.9 million from Bridge
20 Capital?

21 MS. SCOTT: Yes.

22 MR. WAYNE: So, is your testimony that if
23 the ballot question succeeded you would receive
24 a percentage of Capital Seven?

25 MS. SCOTT: Exactly.

1
2 MR. WAYNE: And that would translate into
3 funding for you to repay the, you and IDC to
4 repay the \$2.9 million dollars, is that it?

5 MS. SCOTT: Well, that, that would be paid
6 back and then profits would be divided at that
7 point.

8 MR. WAYNE: Okay.

9 MS. SCOTT: Does that make sense or?

10 MR. WAYNE: It, I don't know if it really,
11 we need to go into the details more, I just,
12 there have been questions about this ever since
13 June so I felt obliged to get into it a little
14 bit. If that is satisfactory I just want to
15 move on. Okay, when did, you've mentioned Toko
16 Kobayashi, when did he sign on to be an investor
17 in the project?

18 MS. SCOTT: I can't give an exact date but
19 it would be late April of 2016. Well, sometime
20 in April of 2016.

21 MR. WAYNE: And did you understand that he
22 was going to be using Regent Able specifically
23 to invest the money?

24 MS. SCOTT: Yes.

25 MR. WAYNE: Okay.

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MS. SCOTT: Yes.

MR. WAYNE: I want to ask you about one specific email communication and it's in your notebook there, it's number 59.

MS. SCOTT: Oh.

MR. WAYNE: 59, 59. So, we've, we've heard testimony about this earlier so let me just to be efficient explain this is an email from Cheryl Timberlake to Laurence Hamilton and the date is March 7. And it's conveying a corporate document that's on the next couple of pages. Did you ask Cheryl Timberlake to send this to Laurence Hamilton?

MS. SCOTT: Yeah, I'm sure I did, yes.

MR. WAYNE: Do you remember what you said to Cheryl Timberlake at that time about Mr. Hamilton?

MS. SCOTT: I could have asked Corinna or Cheryl, to be honest.

MR. WAYNE: Okay.

MS. SCOTT: But just based on me and my, I travel a lot, and so, I if needed a document, rather than trying to look for it, it would have been much easier for me just to call Cheryl, I'm

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sure that's what I did.

MR. WAYNE: Okay, do you remember anything you in particular that you told Cheryl as you, do you even recall talking to Cheryl about this at the time?

MS. SCOTT: At this time I can't say, she knew I was hoping that Toko would be investing. I can't say it's this exact date, it could have been, it could have been March, it could have been April, but right in that period she knew, and like I said, we had lunch at Boone's with Laurence.

MR. WAYNE: At where, sorry?

MS. SCOTT: At Boone's in Portland, with Laurence and Laurence was out here helping to make the decision for Toko whether or not he was going to invest.

MR. WAYNE: So, was the subject of Toko's potential investment discussed at that meeting with Laurence?

MS. SCOTT: You know, I, I mean, I had a conversation with Cheryl prior, I know, saying, you know, help me answer the questions Laurence has, I'm hoping we can, you know, bring Toko

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2 into the project, but Cheryl is the perfect
3 person, she has the information, she explained
4 it well to Laurence, I mean...

5 MR. WAYNE: Do you think you mentioned Toko
6 by name in that earlier conversation?

7 MS. SCOTT: I can't even pronounce his last
8 name and I've known him 15 years, so, yes. I
9 always refer to him as Toko.

10 MR. WAYNE: Oh you think you used, you
11 referred to him by his first name?

12 MS. SCOTT: Yes, always.

13 MR. WAYNE: Is there any chance you just
14 referred to him as an investor?

15 MS. SCOTT: No, Toko, Toko.

16 MR. WAYNE: So, you're pretty certain you
17 mentioned him by his first name in that--

18 MS. SCOTT: [interposing] Always, always
19 Toko.

20 MR. WAYNE: --to Cheryl specifically, you
21 mentioned her, him by name, to Cheryl?

22 MS. SCOTT: --yeah, it was, as a matter of
23 fact, Laurence had an apartment right in the
24 same building with me in, in Massachusetts, so,
25 I mean, what, it, it almost, I mean, everyone is

1 together working day and night so, again, it
2 was, it was Laurence, it was me, it was my
3 mother, she even flew out, my brother, Cheryl,
4 her husband, I mean, again, my mom was doing the
5 cooking we all sat around and would talk about
6 work. This is just what we do, so absolutely,
7 and Laurence always talked about his boss Toko.

8
9 MR. WAYNE: How long was Laurence Hamilton
10 in Maine?

11 MS. SCOTT: Well, he was primarily in
12 Massachusetts, because I have to tell you, when
13 we, Toko came on, again, roughly in April of
14 2016. Okay, so, we were all primarily focused
15 in Massachusetts. When we hired JEF for the
16 signature gathering it was pretty effortless,
17 they didn't need to be micromanaged near like
18 phase one. So, we would, you know, Laurence
19 came in and sat on the first meeting when we met
20 with JEF, and Cheryl was there, Edie, Charlie
21 her husband was there, I mean, but it didn't
22 take a lot, that second phase, they were a great
23 company, they didn't need us to micromanage
24 them. So, most of our efforts were spent in
25 Massachusetts.

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1
2 MR. WAYNE: So, how would you describe
3 Laurence Hamilton's role in, in connection with
4 the Maine campaign?

5 MS. SCOTT: He was here to keep an eye on
6 Toko's investment.

7 MR. WAYNE: Okay.

8 MS. SCOTT: No question.

9 MR. WAYNE: And did you hear Cheryl
10 Timberlake's testimony earlier that she didn't
11 really understand his role.

12 MS. SCOTT: He drove us all nuts, but he was
13 here, he was here to keep track of, you know,
14 Toko's investment, that's what he was here for.

15 MR. WAYNE: Okay. Do you find it plausible
16 that Cheryl Timberlake wouldn't have known he
17 was a Toko employee?

18 MS. SCOTT: There was no secret who, who
19 Laurence was.

20 MR. WAYNE: You're saying--

21 MS. SCOTT: [interposing] And she absolutely
22 knew.

23 MR. WAYNE: --are you saying it was clear
24 that--

25 MS. SCOTT: [interposing] Yes.

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1
2 MR. WAYNE: --Laurence was here as an em--,
3 let me finish with that--

4 MS. SCOTT: I'm sorry.

5 MR. WAYNE: --that's okay, are you saying it
6 was clear that, that Laurence was here as an
7 employee of Toko Kobayashi?

8 MS. SCOTT: Yes, yes.

9 MR. WAYNE: [aside] Strike that.

10 MR. WAYNE: What was the purpose of forming
11 Miami Development Concepts LLC?

12 MS. SCOTT: I would have to look at the
13 timing but I would, I would think it was, I
14 entered into an agreement with Toko and I
15 believe that was the purpose.

16 MR. WAYNE: Okay. Why don't we talk about
17 that agreement, I think that, a version of that
18 is in the book at exhibit 67. I just want to
19 give everyone a second to get there.

20 MS. MATHESON: This is the one that we don't
21 actually have an executed agreement and I don't
22 know why.

23 MR. WAYNE: I'll ask about it.

24 MS. MATHESON: You'll ask? Good, thanks.

25 MR. WAYNE: Thanks, so, I'll ask about the

1
2 agreement in a second, but help us understand,
3 what did this have to do with the formation of
4 Miami Development Concepts LLC?

5 MS. SCOTT: It, I mean, again, I don't
6 recall precisely the timing but I believe I
7 formed MDC when I, when Toko was considering
8 investing, so, so I formed that company. So,
9 which worked out to my benefit versus using my
10 personal account as you know, and money being
11 blended in there, then I'm having to turn my
12 bank records over to all of you. This time we,
13 we had a different entity, the money only went
14 in to that entity's bank account, it was just
15 easier for me.

16 MR. WAYNE: And the money you are referring
17 to is from Regent Able?

18 MS. SCOTT: Correct, yes, yes.

19 MR. WAYNE: So...

20 MS. SCOTT: But it wasn't just for Maine, it
21 wasn't just this project.

22 MR. WAYNE: Okay, I just want to understand
23 your earlier response, are you saying that the
24 company was formed to facilitate Toko
25 Kobayashi's investment in the Maine and the

1
2 Massachusetts initiatives, is that, I just want
3 to get it, I'm not trying to--

4 MS. SCOTT: [interposing] And I think that's
5 what prompted me to form that, that entirety.

6 MR. WAYNE: Okay. And are you the sole
7 owner of--

8 MS. SCOTT: [interposing] I am.

9 MR. WAYNE: --Miami Development Concepts?

10 MS. SCOTT: I am.

11 MR. WAYNE: Okay, turning to Exhibit 67, did
12 Miami Development Concepts enter into an
13 agreement with Regent Able to provide services?

14 MS. SCOTT: We did.

15 MR. WAYNE: And do you recall whether you
16 signed the agreement?

17 MS. SCOTT: I did, I don't recall seeing a
18 fully executed agreement from Toko but I know I
19 I signed it.

20 MR. WAYNE: So, you signed it, you're not
21 sure if Toko signed it?

22 MS. SCOTT: I'm sure he must have, I can't
23 imagine we would have gone down, I'm sure he
24 must have.

25 MR. WAYNE: Okay. Thank you.

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3 MR. MERRILL: The terms were different,
4 though, than this one?

5 MR. WAYNE: Yeah, why don't we--

6 MS. SCOTT: [interposing] It wasn't, it
7 wasn't this one.

8 MR. WAYNE: I, I heard a statement from your
9 lawyer about your fee.

10 MS. SCOTT: Yes.

11 MR. WAYNE: And could you explain the fee
12 that you received?

13 MS. SCOTT: Well, this one, this one says
14 15,000 and the actual, we negotiated back and
15 forth, this, this was one of many versions of
16 the contract, but my fee was 10,000.

17 MR. WAYNE: Okay. But, okay. And what was,
18 Miami Development Concepts agreeing with the,
19 what were you agreeing to do for Regent Able?

20 MS. SCOTT: I was going to be overseeing
21 Maine, definitely, and I was also primarily in
22 Massachusetts most of that time.

23 MR. WAYNE: And did you provide services in
24 connection with the Massachusetts project at
25 all?

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MS. SCOTT: I did, yes, I did.

MR. WAYNE: What kind of services did you?

MS. SCOTT: Consulting.

MR. WAYNE: On what, what aspects of the campaign dimensions?

MS. SCOTT: Just consulting, working with the strategist, overseeing, just overseeing what the strategist's work was. Getting ideas of what to do during the local election, getting Cheryl Timberlake on, just day to day operations.

MR. WAYNE: Okay, and did, in 2016, did Mi, did you use Miami Development Concepts to conduct any of your business other than the Maine campaign and the Massachusetts project?

MS. SCOTT: I don't, I don't believe I did.

MR. WAYNE: So, how would you describe the money that Regent Able gave to Miami Development Concepts?

MS. SCOTT: He was an investor.

MR. WAYNE: He was an investor, so he provided an investment?

MS. SCOTT: Absolutely.

MR. WAYNE: Okay. Thank you. And it was

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not a loan?

MS. SCOTT: Not a loan, and we did report his money but we clearly checked the wrong box.

MR. WAYNE: And did Toko Kobayashi pledge that certain amounts of the money provided was going to be used in the Maine campaign?

MS. SCOTT: Not, not right away. So, it, there would be, put money here, put money there, it would, he would allocate where he wanted certain funds spent. And towards real estate, so, and towards real estate actually, as well in Massachusetts. So, some of the funds went towards that.

MR. WAYNE: Okay. Can we glance at one more exhibit, it's number 72, in the book? So, what's, could you help us understand that, what is that document that is Exhibit 72?

MS. SCOTT: It's a wire transfer for 1.3.

MR. WAYNE: I, I'm looking--

MS. SCOTT: [interposing] Or that he's saying that he's had, see the wire instruction then you'll see.

MR. MERRILL: I'm sorry, you had the tab wrong, it's 71.

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MR. WAYNE: Oh, I apologize, yeah.

MR. MERRILL: Just a mistake.

MR. WAYNE: Bad help, sorry. Sorry. Sorry that was our fault.

MS. SCOTT: So what does this go up to, okay, so August 2016.

MR. WAYNE: So, is that an email from you to your brother?

MS. SCOTT: Yes, it is.

MR. WAYNE: And, and what's the date of that?

MS. SCOTT: That would be August, 2016.

MR. WAYNE: And could you summarize, what are you conveying to your brother in that email?

MS. SCOTT: Toko has allocated one million to Maine, and has contributed 300,000 so far. Laurence said that we will need to do a written request for the balance.

MR. WAYNE: So, at some point Toko did start designating certain funds to be used in Maine, is that, was that your testimony earlier?

MS. SCOTT: I'm sorry, did he start?

MR. WAYNE: Did he start allocating money to be used in Maine?

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MS. SCOTT: Yes, yes.

MR. WAYNE: Okay. Thank you.

MS. SCOTT: I would have to look, I believe that's when we started interviewing JEF, but I can't say for certain but it would be about that time.

MR. LEE: May I ask a question?

MS. MATHESON: Certainly.

MR. LEE: What will Regent Able receive for its investment?

MS. SCOTT: That is a good question and I, I could speculate but I don't know for certain. I mean, the, they will be an investor so they will have a percentage of the profit but I have not seen their contract.

MR. LEE: And that contract would be between Regent Able and whom?

MS. SCOTT: Cap Seven, Capital Seven.

MR. LEE: So, there is some contract showing what would be--

MS. SCOTT: [interposing] This is, this is my assumption, I've never seen it but I would certainly think before anyone would send this kind of money they would have an agreement with

1
2 Capital Seven, or with, with Shawn. Again,
3 though, I have not, I've never seen the
4 contract.

5 MR. LEE: Okay, thank you

6 MR. WAYNE: I just want to go back to
7 Exhibit 67, the consultant agreement between MDC
8 and Regent Able. Did that agreement relate both
9 to Maine and to Massachusetts?

10 MS. SCOTT: Mm, well, I see this one says
11 Boston but--

12 MR. WAYNE: [interposing] I know what the
13 words say--

14 MS. SCOTT: --but yeah, yes.

15 MR. WAYNE: --I'm really more going to what
16 did you understand were the services you were
17 going to provide.

18 MS. SCOTT: For Maine and Massachusetts.

19 MR. WAYNE: Okay. Great.

20 MS. SCOTT: And in his defense, I mean,
21 English is his second language and he's, he's
22 just calling it Boston. So, it was
23 Massachusetts and Maine.

24 MR. WAYNE: And Maine?

25 MS. SCOTT: Yes.

1
2 MR. WAYNE: Your services were related to
3 both campaigns?

4 MS. SCOTT: Yes, yes, most, most of my
5 effort was in Massachusetts at this time.

6 MR. WAYNE: Okay, great, thank you. And in
7 the fall of 2016 was Cheryl Timberlake aware
8 that Regent Able was paying the money for the
9 petitioning?

10 MS. SCOTT: That's, that's why we got to do
11 a second phase, yes.

12 MR. WAYNE: She knew that?

13 MS. SCOTT: Yes.

14 MR. WAYNE: Did she know specifically that
15 Regent Able was providing the money?

16 MS. SCOTT: Yes, I mean, we, we, I needed
17 Toko to, to get involved to do a second phase,
18 and that's why Laurence was out here, yes.

19 MR. WAYNE: I, I'm trying to say, did you
20 tell Cheryl that the money came from Regent
21 Able?

22 MS. SCOTT: She knew, yes, yes.

23 MR. WAYNE: Do you remember telling her
24 that?

25 MS. SCOTT: Well, we all knew that we had to

1
2 put up with Laurence to do Maine and we
3 complained about it often, so there was, yes,
4 she knew, she knew the money came from Toko,
5 yes.

6 MR. WAYNE: Okay. And did you have any
7 discussions with Cheryl about whether Regent
8 Able would need to be reported in the financial
9 reports?

10 MS. SCOTT: No, no, we never did, no. We
11 had talked about it those times that I had told
12 you before.

13 MR. WAYNE: Right.

14 MS. SCOTT: So I, I mean, if, if we did I
15 can't say time, date and a place, I'm assuming
16 we followed the rules that we followed with,
17 with my brother is what I'm assuming.

18 MR. WAYNE: Okay, so, you mentioned a
19 conversation after the State of Massachusetts
20 was finding noncompliance with that campaign.

21 MS. SCOTT: Right.

22 MR. WAYNE: Tell us about that conversation.
23 What did Cheryl advise you in that conversation?

24 MS. SCOTT: Are, are we, you know, I asked
25 if we had the same law, if Maine had the same

1
2 law? And she said, no, the language was
3 different. We're good, very calming, we're,
4 we're good.

5 MR. WAYNE: Okay.

6 MS. SCOTT: Okay.

7 MR. WAYNE: And that was a few weeks before
8 the election, the November 2016 election?

9 MS. SCOTT: I'm guessing about three weeks,
10 I think it was.

11 MR. WAYNE: Okay, I mean, I--

12 MS. SCOTT: [interposing] It may have been
13 two weeks, I mean, we, it was very, it was right
14 before the election.

15 MR. WAYNE: Do you recall whether this was a
16 face to face conversation?

17 MS. SCOTT: I was trying to remember, I
18 think we were in my apartment but I can't say
19 for certain.

20 MR. WAYNE: Your apartment, was that in
21 Boston?

22 MS. SCOTT: Yeah, Massachusetts, I can't say
23 for certain though.

24 MR. WAYNE: And did she specifically say
25 Regent Able doesn't need to be disclosed?

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2 MS. SCOTT: No, you're good, I know Cheryl,
3 that's what--

4
5 [Conversation with counsel]MR. WAYNE: I can
6 get him the text if you want to get.

7 MR. MERRILL: All I wanted her to explain
8 the context to answer your question.

9 MR. WAYNE: Oh, okay.

10 MR. MERRILL: That wasn't the first time it
11 came up.

12 MR. WAYNE: Do you remember--

13 MS. SCOTT: [interposing] No, it was, like I
14 said, we discussed it at Slate's, we discussed
15 it when her invoices weren't being paid, she
16 knew what I was going through, I was venting
17 about it to her. We discussed it when the issue
18 in Mass. came up, it, the, you know, just, I
19 don't know what else to say.

20
21 [Conversation with counsel]

22 MS. SCOTT: I did, and I can't remember
23 exactly why 'cause I asked her to send
24 everything, send the statute.

25 MR. WAYNE: And was the, let's go back to

1
2 that earlier conversation, the one that predated
3 the, the election related conversation, the
4 earlier one.

5 MS. SCOTT: The July one?

6 MR. WAYNE: I, whenever, I don't know when
7 it happened, your--

8 MS. SCOTT: [interposing] The text message,
9 you mean?

10 MR. WAYNE: If you want to talk about that
11 we can. At the, any conversation where you
12 discussed whether Regent Able needed to be
13 disclosed. We really would like to know as much
14 specific information as you can tell us about
15 those conversations.

16 MS. SCOTT: I --can, I--

17 MR. WAYNE: [interposing] And if you don't,
18 if you don't remember them--

19 MS. SCOTT: --I mean, I know that she knew
20 that we brought Toko on and he was an investor.
21 She, there was no secret to that, I remember the
22 conversations about my brother, sitting into
23 that I can't specifically give you an exact
24 example when we discussed Regent Able.

25 MR. WAYNE: Okay, why don't we refer to that

1
2 exhibit, that text that your, your attorney has
3 there.

4 MS. SCOTT: Okay.

5 MR. WAYNE: This is in the cross examine
6 exhibits 17.

7 MR. MERRILL: TC 17.

8 MR. WAYNE: TC 17.

9 [Conversation with counsel]

10 MR. WAYNE: So, looking at that text--

11 [Conversation with counsel]

12 MR. WAYNE: I'd really like to ask--

13 MS. SCOTT: I honestly can't, I mean, I can
14 see this and I don't, I'm sorry, I don't recall
15 why, what, what sparked this.

16 MR. WAYNE: Okay.

17 MS. SCOTT: I do not remember.

18 MR. WAYNE: Okay. We m--, if we can just
19 move to the next exhibit, TC 18, the lower part
20 there, which is an email from Cheryl to you and
21 to Ms. Dice Perez, and your attorney has brought
22 attention to this, so I'm assuming even Ms. Dice
23 Perez was involved in this, Bruce, tell me if
24 I'm wrong, you're waiving the privilege this,
25 this relates to discussions with, I'm just

1
2 trying to be respectful here, this relates to
3 discussion with, with Ms. Dice Perez, and I just
4 want to make sure I can ask about this whole
5 episode here on July 11th and what, what was
6 discussed.

7 MR. MERRILL: About this document?

8 MR. WAYNE: Yeah.

9 MR. MERRILL: Yeah.

10 MR. WAYNE: Okay, all right, thanks. I'm
11 just trying to understand that there might be a
12 conversation that is potentially privileged and
13 I want to ask about it.

14 MR. MERRILL: No, I think I asked Cheryl of
15 her understanding of who Deborah represented at
16 that time.

17 MR. WAYNE: No, I think you did too, I'm
18 just trying to clarify. Okay. Cheryl makes
19 reference to, "as per our discussion." This is
20 Cheryl writing to you and to Deborah. Do you
21 remember that discussion at all?

22 MS. SCOTT: Vaguely, I do. I remember,
23 'cause I wouldn't just naturally give out
24 Deborah's contact information. So, I, I
25 remember that part of it but I can't recall what

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sparked me to ask her to do this.

MR. WAYNE: Do you remember whether there was a specific compliance issue at stake in that?

MS. SCOTT: I, I, just, I mean, I honestly don't re--, I just don't know, I'm sorry.

MR. WAYNE: No, that's very helpful, not, if you don't remember, that's the best answer you can give.

MS. SCOTT: Yeah.

MR. WAYNE: That's helpful. So, then turning back to the previous exhibit, TC-17, your text says, "will you send Deborah the only the statute that says we only have to report me as funding HRJF?" Do, do you remember any kind of conclu-- you know, is that, is that a reference to advice from Cheryl or do you remember, I mean, what did, "we only have to report me as funding HRJF."

MS. SCOTT: Sure.

MR. WAYNE: It would be helpful for us to know if, if you can remember at all--

MS. SCOTT: [interposing] That we, that we, I wanted to make certain that we were doing

1
2 everything in compliance.

3 MR. WAYNE: Yeah.

4 MS. SCOTT: And, and from day one. And
5 again, I still, I still believe that that was
6 Cheryl's intention as well.

7 MR. WAYNE: Right.

8 MS. SCOTT: I really do.

9 MR. WAYNE: Do you have any recol--, does
10 this make reference to some advice you got from
11 Cheryl, do you think? Or are you, are you
12 unsure?

13 MS. SCOTT: This, with the correlating
14 email, I don't remember what caused, what, why I
15 did this, I don't remember going back that far.

16 MR. WAYNE: Okay. Thank you. I don't think
17 I have any other questions.

18 MS. MATHESON: Commissioner Lowry.

19 MS. LOWRY: Thank you. Lisa, it's good to
20 have you here, it's good to be here.

21 MS. SCOTT: Thank you.

22 MS. LOWRY: Can you tell us where you live?

23 MS. SCOTT: I live in Saint Kitts.

24 MS. LOWRY: And your address in Saint Kitts?

25 MS. SCOTT: It's Sunrise, it's Sunrise

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Phone: 212-346-6666 * Fax: 888-412-3655

1 Villas, they don't have, they don't have, like,
2 a normal address like you would here. I have a
3 project that I'm seeing, overseeing in Saint
4 Kitts right now. I spend a lot of my time
5 between Saint Kitts as well as Saipan, between
6 the two.
7

8 MS. LOWRY: And so, the reason that I ask--

9 MS. SCOTT: [interposing] Mm-hmm.

10 MS. LOWRY: --is that the finance campaign
11 laws that we are discussing today are all about
12 disclosure.

13 MS. SCOTT: Yes.

14 MS. LOWRY: But it's my understanding that
15 we have been unable to serve you with process
16 subpoena because we were never given an address.

17 MS. SCOTT: The best address I could give
18 you is Delta, I am not exaggerating. I live in
19 an airplane.

20 MS. LOWRY: Mm-hmm.

21 MS. SCOTT: And I, I spend a lot of time in
22 Saipan, I spend a lot of time in Saint Kitts as
23 well, and I believe you know that I had
24 requested an extension, I was spending some time
25 with my mother over the summer as well.

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MS. LOWRY: Mm-hmm.

MS. SCOTT: Where we weren't even in the United States.

MS. LOWRY: Mm-hmm, mm-hmm. And so, if my understanding is correct, you are here even though I, I could phrase it either as we've been unable to successfully serve or that, that you and your several attorneys have successfully resisted service of the subpoena, and so, that leads me to ask you, why did you come?

MS. SCOTT: Why did I come? Well, first, Bruce is my only attorney, okay?

MS. LOWRY: Thank you.

MS. SCOTT: He is my only lawyer. And why am I here? I'm here, I'm here to tell my side of the story. I, I, I don't think that we really, I don't, I don't think that I did anything wrong and I, I'm here to tell my side of the story, that's why I'm here.

MS. LOWRY: Thank you.

MR. PATTERSHALL: Question.

MS. MATHESON: Yes.

MR. PATTERSHALL: You, you understood that Cheryl was a lobbyist, correct?

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MS. SCOTT: Yes.

MR. PATTERSHALL: Not a lawyer? You understood she was not a lawyer, correct?

MS. SCOTT: I, I did but it, it was my impression she had gone to law school but not taken the bar.

MR. PATTERSHALL: How did you get that impression?

MS. SCOTT: I got, I thought she had told me that once.

MR. PATTERSHALL: Okay. So, you accepted, did you ask your lawyer, any lawyer, about the campaign finance laws in addition to relying on what Cheryl said?

MS. SCOTT: That's a good, that's a good question. I know that Cheryl worked with Soltan Bass on this and even, even there, there was a period of time when I was in Soltan Bass's office with Cheryl, they share one office. I know they advised her and there were times when my brother, I mean, Charlie Soltan worked for us back in '04. He knows my whole family, and Shawn would call in and we would all sit there and have conversations about this initiative

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2 with Cheryl, James Bass I don't really know, but
3 he was there, Charlie Soltan, yeah, there, there
4 were no secrets of this--

5 MR. PATTERSHALL: [interposing] Was it your
6 impression that Soltan Bass had advised Cheryl
7 on what the compliance laws were and that?

8 MS. SCOTT: I, I know that I paid some
9 invoices for them to, to yes, to advise her,
10 yes.

11 MR. PATTERSHALL: So, you thought the
12 ultimate source of what she was telling you
13 might have been your retained attorneys?

14 MS. SCOTT: Truthfully, I relied on Cheryl,
15 however she, I trusted fully trusted Cheryl.
16 However she got that information I trusted her
17 to do it. And again, I just, I still believe
18 that she, her intentions were, were in the right
19 place, I still believe that she thought she was
20 doing everything right.

21 MR. LEE: A couple questions real quick?

22 MS. MATHESON: Commissioner.

23 MR. LEE: Sure, can, Ms. Scott, can you tell
24 us where you were during June, July, and August
25 this year in 2017?

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MS. SCOTT: I can tell you on July 1st--

MR. LEE: [interposing] Can you back up into June, or before--

MS. SCOTT: [interposing] Give me a minute, I can't remember June, but I can tell you I met my mom, I will, let me retrace my steps. July it may have been actually June, June 28th or 29th I met my mom in New York City.

MR. LEE: Mm-hmm.

MS. SCOTT: It was her 75th birthday on 7/11. And we were on a cruise and we, we traveled all through Europe. We spent the whole summer together. We were, we were all over, all over. We were in Cuba even, from Italy to Cuba, and we, we celebrated her, her birthday. And it was a big birthday that year.

MR. LEE: And when you say you took a cruise, on a ship?

MS. SCOTT: Out of Barcelona, yes.

MR. LEE: So, you flew from New York to Barcelona?

MS. SCOTT: Portugal, to Barcelona and we did a cruise. After that, do I need to go into all of my, we went back to Barcelona, we went to

1
2 Porto Fino, we were in Venice, I'm missing a
3 few, I, she planned the trip, I tagged along.
4 It was her 75th birthday and I was doing whatever
5 she wanted to do for her birthday. So...

6 MR. LEE: Were you in contact with Mr.
7 Merrill during this time?

8 MS. SCOTT: Were we a little over Skype?

9 MR. MERRILL: Infrequently.

10 MS. SCOTT: When the ship would come in,
11 yeah, a little bit.

12 MR. MERRILL: When I could find her.

13 MR. LEE: How often were you able to
14 communicate with somebody from the United States
15 if you wanted to?

16 MS. SCOTT: I, quite honestly, I tried not
17 to. I was trying to enjoy my mother's birthday
18 and every time he would call he would interrupt
19 it but I would take his call if it came through
20 you know? So...

21 MR. LEE: Could you be reached on the open
22 sea?

23 MS. SCOTT: Not always, no.

24 MR. LEE: But sometimes?

25 MS. SCOTT: When we came in to port, it was

1 primarily when we came in to port. I think, I
2 think I tried using the phone and to be honest
3 with you, it must have been four or five dollars
4 a minute when you're out at sea, so it was, I, I
5 kept it on airplane mode most of the time.
6

7 MR. LEE: And where were you from, oh, early
8 June to June 28th?

9 MS. SCOTT: I would have to go back and look
10 at my itineraries. Do you have any
11 recollection? I'm trying, Saint Kitts, Saint
12 Kitts, I mean, I've got a, I've got a large
13 project in Saint Kitts. That's my priority.
14 But I would have to go back and look through my
15 calendar.

16 MR. LEE: Okay, when did you first receive a
17 copy of the subpoena for records that the
18 Commission wanted?

19 MS. SCOTT: When did I receive a copy? I
20 believe I started going, whenever I got back I
21 started going through all of my emails and
22 searching for everything that the subpoena had
23 asked for. And I believe I was doing that at
24 the direction of you, you were telling me what
25 to get. I, I don't recall, I, I was doing it at

1
2 the direction of Bruce when he said, you're
3 going to sit down and go through this for the
4 next two weeks and do this.

5 MR. LEE: Well, I believe the subpoena was
6 given to your attorney on June 13th, that may
7 help refresh your recollection.

8 MS. SCOTT: I do not remember where I was on
9 June 13th, so-

10 MR. MERRILL: [interposing] I don't believe
11 I accepted it that day, but I think that's what
12 Commissioner Lowry is referring to, I was not
13 authorized to accept it that day. Jonathan
14 tried to give it to me but I refused it.

15 MR. LEE: [interposing] Well you may not
16 have been authorized to accept service, but I, I
17 believe you took a copy with you, didn't you?

18 MR. MERRILL: No, I wasn't given a copy, I,
19 when Jonathan said--

20 MR. LEE: [interposing] Okay, 'cause you
21 could, you could have a copy and still say I'm
22 not accepting this.

23 MR. MERRILL: I didn't get a copy that day.

24 MR. LEE: I needed that clarified, thank
25 you.

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MR. MERRILL: Sure.

MR. LEE: I don't have any further questions now. Thank you.

MR. WAYNE: I, I don't have any other questions, maybe Counsel has questions, if the Commissioners don't.

MS. MATHESON: I, I still, I had another question on the loan which I had written down and I forgot to ask, I mean, you've said that we understand what happens if, if there was a, if, if the initiative were to pass, or if it didn't pass, but what were the conditions placed on the money that was, that you have indicated was a loan to you? What were the conditions, this was from your brother and/or Cap Seven--

MS. SCOTT: [interposing] Yeah, it was from my brother.

MS. MATHESON: Through the Bridge, what were, what were the limitations or expectations for the use of that funds?

MS. SCOTT: To, to get on the ballot, to get on the ballot.

MS. MATHESON: In Maine?

MS. SCOTT: Yes.

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1
2 MS. MATHESON: Ex--, exclusively? And if
3 not, what else?

4 MS. SCOTT: That, that was the, that was the
5 goal, to, to get on the ballot.

6 MS. MATHESON: Okay.

7 MS. SCOTT: Some funds, again, were spent
8 towards trying to work out, you know, and
9 negotiate a deal with Scarborough Downs, which
10 was not successful. And so, I'm sure, I mean, I
11 know I paid for environmental and some funds
12 went towards working with Sharon, or Sharon's
13 daughter actually.

14 MS. MATHESON: Anybody else? So, yeah? Did
15 you have something?

16 MR. LEE: Is this Mr. Day now?

17 MS. MATHESON: Yes, Mr. Day. If you would
18 care to. [aside conversation] yes, it's on my
19 next thing. Do we have a place that Mr. Day can
20 sit and--

21 MR. MINA: He can sit up here.

22 MS. MATHESON: Or we could, on the end of
23 the--

24 MR. MINA: I'll move, no, I'll, I'll just
25 move--

1 MS. MATHESON: Do you need five minutes?

2 Okay. We're going to take five minutes anyway.

3 [Pause in proceedings]

4 MS. MATHESON: Are we on? Oh, oh, alright,
5 Mr. Day.

6 MR. DAY: Thank you. Hi Lisa, I'm Avery
7 Day.

8 MS. SCOTT: Nice to meet you.

9 MR. DAY: Good to meet you. We saw each
10 other at Bay Wrap.

11 MS. SCOTT: Yes, we did.

12 MR. DAY: I don't think I have too many
13 questions that weren't covered by Jonathan. But
14 I do want to get into your reliance on Cheryl
15 for legal advice. So, you are involved in a
16 number of developments and, and projects, not
17 just in Maine or Massachusetts but also in Saint
18 Kitts and, and various places, correct?

19 MS. SCOTT: Yes, that's correct.

20 MR. DAY: And so, you, presumably work with
21 attorneys for those various projects?

22 MS. SCOTT: Yeah, I'm, I'm more involved in
23 real estate transactions and we, we primarily
24 use escrow officers and title officers, we don't
25

1 have to use lawyers as much as you would think.

2 MR. DAY: Okay, so you, you regularly rely
3 on non-attorneys in projects that you are
4 working on?
5

6 MS. SCOTT: Well, in re--, I'm, I'm licensed
7 in Nevada and Hawaii and I do developments, and
8 we generally don't have to reach out to
9 attorneys to, to sell a house or build a house
10 or, and no, we generally don't.

11 MR. DAY: And that includes, or does that
12 include situations where you're interpreting of
13 statutes, complying with the law?

14 MS. SCOTT: I'm sorry, I don't understand.

15 MR. DAY: In a situation where you're, where
16 it's required to interpret a statute or comply
17 with a law, even then you wouldn't rely on an
18 attorney for, for legal advice?

19 MS. SCOTT: I have not had to interpret a
20 statute in the process of selling a home to
21 somebody. I mean-

22 MR. DAY: [interposing] Understood, but,
23 but, sorry, I [unintelligible] but the, the
24 situation where it does require compliance with
25 campaign finance law or other laws, it, it's

1
2 typical for you to rely on non-attorneys for
3 advice about how to comply with those laws?

4 MS. SCOTT: This, this project here, the one
5 in '03, my mother primarily ran that and I
6 worked for her. This project I, I was doing the
7 day to day operations so I don't, I can't say
8 what I did in the past, 'cause I, this, this is
9 a first for me, being a, doing this, and I was
10 relying on Cheryl, a lot, as well. And I, I
11 mean, I would have thought twice about even
12 doing this project I didn't have her help.

13 MS. MATHESON: Can I jump in, licensed?

14 MS. SCOTT: Real estate agent.

15 MS. MATHESON: Thank you.

16 MR. DAY: And you, you said earlier in your
17 testimony that if, you formed HRJF and that was
18 at the advice of, Cheryl advised you to create
19 the, the LLC?

20 MS. SCOTT: Yeah, yes.

21 MR. DAY: Now, you're involved in projects
22 in other states that also have affiliated LLCs,
23 with them?

24 MS. SCOTT: I, I have two other entities as
25 you know, and I, I mean, I've had clients that

1
2 if they are going to buy an expensive piece of
3 property they will form an entity just for that
4 one property, I have seen clients do that. Is
5 that what you're asking?

6 MR. DAY: I guess when you look at other
7 projects that you are involved with it seems
8 like they have an LLC that is affiliated with
9 them, for example, with the Massachusetts
10 project, MDC was created.

11 MS. SCOTT: MDC was created for Maine and
12 Massachusetts for work with Regent Able.

13 MR. DAY: Okay, and it's your practice to
14 form an LLC, this isn't, sort of, unique to
15 advice that you got from Cheryl, you had done
16 one in the past?

17 MS. SCOTT: I, I formed some LLCs in the
18 past, yes.

19 MR. DAY: In your testimony you said that
20 Cheryl was aware, sort of knew when you were
21 having trouble getting wires or getting payment.

22 MS. SCOTT: Draws--

23 MR. DAY: Draws. And that that even related
24 to paying Cheryl's invoices.

25 MS. SCOTT: Cheryl was very patient with the

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process, yes.

MR. DAY: And so, Cheryl never, when, when she was having trouble getting paid, she never went to somebody else in the organization, other than you, to, to have her invoices paid?

MS. SCOTT: No, she, she always came to me.

MR. DAY: She never went directly to Shawn or?

MS. SCOTT: There was a pecking order, yeah. I don't think she would even, I doubt that she would even have Shawn's phone number, [unintelligible] him.

MR. DAY: During your testimony you said that Cheryl had access to your bank statements, is that correct?

MS. SCOTT: Yes.

MR. DAY: Now, when you said that, were those your account statements or the account activity reports?

MS. SCOTT: What's the difference, I'm sorry?

MR. DAY: That's a great question, and I didn't appreciate the difference-

MS. SCOTT: [interposing] Okay-

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MR. DAY: --until this investigation, but--

MS. SCOTT: [interposing] I only receive them online and I think some for Horseracing may have gone directly to Cheryl, but I can't say for sure.

MR. DAY: Okay, so you're not certain if they were account activity reports so versus account statements?

MS. SCOTT: It, it was whatever I had access to online.

MR. DAY: Okay.

MS. SCOTT: So... So, what is the difference, I'm just, I don't know.

[Laughter]

MR. DAY: I guess I'll, since I'm not under oath I'll keep asking right now.

MS. SCOTT: Oh, I mean, I couldn't answer it without knowing the difference, so...

MR. DAY: No, I appreciate it, I think it's just the level of detail that's provided in the--

MS. SCOTT: [interposing] Well then I really, I, I can tell you that I would download statements, off the website and then print them out, so I honestly don't know which one I gave

1 her.

2 MR. DAY: Okay.

3 MS. SCOTT: But I went back and downloaded
4 months of statements, and as she described it,
5 highlighted stuff through those statements.
6

7 MR. DAY: Correct, and, and when you
8 downloaded those months worth of statements, do
9 you remember when that was?

10 MS. SCOTT: No, but she, she has copies and
11 I know we've given the Commission those
12 statements.

13 MR. DAY: Do you think that those were all
14 provided to Cheryl once the Commission had
15 requested them through this process?

16 MS. SCOTT: No, no, no, this was for the
17 Macpage, Tetiana.

18 MR. DAY: Okay.

19 MS. SCOTT: So, actually, I believe, 'cause
20 everyone was asking, I was sitting over here and
21 everyday was asking about the highlighted bank
22 statements.

23 MR. DAY: Yeah.

24 MS. SCOTT: They ended in 4312, that was my
25 personal bank account. I just know off of my

1 head, that was my bank account.

2 MR. DAY: And do you know when that was
3 provided?
4

5 MS. SCOTT: It was for Tetiana at some
6 point, so, it would have been, we would have had
7 time to do it while we were collecting
8 signatures but soon after phase one.

9 MR. DAY: Okay. When you were talking about
10 your concern about placing all of this money in
11 HRJF, because people had access to it, and maybe
12 you said this and I just wasn't pay--, who
13 exactly had access to HRJF and could spend money
14 or obligate those?

15 MS. SCOTT: Cheryl and I both had authority
16 to access Horseracing Jobs and Fairness.

17 MR. DAY: Okay. So, there was, there was
18 nobody else who?

19 MS. SCOTT: No, and no disrespect to Cheryl
20 in any way, shape or form, if I borrowed the
21 money I would want to keep control of it.

22 MR. DAY: [background noise] So, when the
23 disclosure reports were made to the Commission
24 at various points throughout this time were you
25 provided draft copies of the reports before they

1
2 were made and asked if, if you approved of them
3 being filed?

4 MS. SCOTT: Jonathan had asked me that
5 earlier, and I don't recall ever looking at
6 them. I'm not saying Cheryl did not email them
7 to me, I'm not saying she did or she didn't,
8 when I was going through emails for the subpoena
9 I don't recall seeing any. But I know I didn't
10 look at them, but I don't recall if she sent
11 them to me or not.

12 MR. DAY: Okay, and when Cheryl was trying
13 to capture all of this data as everything's
14 unfolding rather quickly.

15 MS. SCOTT: Very quickly.

16 MR. DAY: Did she regularly ask you, is this
17 it, is this all of the information?

18 MS. SCOTT: Yes, yes, yes.

19 MR. DAY: Okay. So, you, you testified that
20 very early on in this process, you had a meeting
21 with Cheryl at Slate's, I think it was maybe
22 October or November.

23 MS. SCOTT: Probably November.

24 MR. DAY: And at that point in time you made
25 it clear to Cheryl that your brother was

1
2 providing, he, he loaned you money in order to
3 help?

4 MS. SCOTT: Yes, yes.

5 MR. DAY: Can I ask you to look at Exhibit
6 TC 3, it's in this floppy, sorry, Bruce, it's in
7 this, it's in this...

8 [Commissioners' conversing]

9 MR. DAY: And my question is, is just about
10 your response, which is at the very top of that
11 exhibit, you respond, "Hi Cheryl, I'm seeing
12 your email for the first time, I apologize I
13 missed, I'm not sure how I missed it, let me
14 talk with everyone and get back to you. In the
15 meantime can you give me ideas as to pay, more
16 info, the better," et cetera. You, you see that
17 the email is addressed to Cheryl Timberlake, and
18 Shawn Scott, your brother is BCC'd?

19 MS. SCOTT: Yes.

20 MR. DAY: So, if, if it is, sort of, all out
21 in the open that, that Shawn was involved, why,
22 why was there a BCC on, on this?

23 MS. SCOTT: Again, there was always a
24 pecking order and rather than having to do two
25 emails or forward an email it was easier just to

1
2 blind copy him on them.

3 MR. DAY: Okay.

4 MS. SCOTT: That way I was, I was, I'm a
5 huge advocate for Cheryl, so, this was my way to
6 start planting the seed to, to bring Cheryl on.
7 And it was just the easiest way to do it.

8 MR. DAY: I think it was Cheryl probably who
9 said that, well, I'll ask you, so, you
10 interacted at some point in time with Soltan
11 Bass and also Tetiana the accountant from
12 Macpage.

13 MS. SCOTT: Well, I interacted with Soltan
14 Bass when we completed phase one and not made
15 the ballot.

16 MR. DAY: Okay.

17 MS. SCOTT: And we don't know that it had
18 been determined yet that we had not made the
19 ballot. They had asked for additional
20 documentation for our signatures, affidavits and
21 so forth. So, we were all working out of
22 Cheryl's office with Charlie and James, James
23 Bass, at times.

24 MR. DAY: And you either emailed or, or
25 talked on the phone with Tetiana, the

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1
2 accountant?

3 MS. SCOTT: Yeah, yeah, some, I was getting
4 my bank statements over to her, is what I was
5 doing.

6 MR. DAY: And did you tell or have a
7 conversation with Soltan Bass or Tetiana at any
8 point to say, this, these funds are being loaned
9 to me by my brother?

10 MS. SCOTT: No, no, not that I recall.
11 Again, Shawn would call in to Soltan Bass and be
12 on the speaker and we would have extended phone
13 calls with the attorneys and Cheryl and myself,
14 and Tetiana I don't really know so I wouldn't, I
15 wouldn't say that, definitely not.

16 MR. DAY: Okay. Now, can I ask you to take
17 a look at Exhibit CCT 5? That's in that other
18 one CCT

19 [Commissioners conversing]

20 MR. LEE: Mr. Day, what was that number
21 again?

22 MR. DAY: CCT 5.

23 [Conversation among parties]

24 MS. SCOTT: Okay.

25 MR. DAY: So, I think counsel has probably

1
2 already directed you to the response that I'm
3 interested in, at the bottom of the page there's
4 a brief response from you to this group at
5 large.

6 MS. SCOTT: Yes.

7 MR. DAY: And it states all funds are from
8 me. So, what, what did you tend--, intend to
9 convey with that response?

10 MS. SCOTT: Well, the, the funds were mine.

11 MR. DAY: So, when Stavros says, she can
12 verify the source?

13 MS. SCOTT: Yeah, I, I did not tell Stavros
14 any of my personal banking. And I borrowed the
15 funds and the funds are from me.

16 MR. DAY: Okay. In terms of Toko's
17 involvement or investment, you stated that it
18 was not, that everybody understood, including
19 Cheryl, how Toko was, was involved. And I, you,
20 you weren't able to recall a specific
21 conversation where you spoke with Cheryl about
22 Toko?

23 MS. SCOTT: I, I do remember a specific
24 conversation with Cheryl asking her to meet us
25 for lunch, that Laurence represented Toko, and

1
2 to help me answer any questions that Laurence
3 may have. She knew that I was wanting Toko to
4 invest so we could do a phase two. So, in real
5 estate, she helped me close the deal, she helped
6 me meet with Laurence and she helped me close
7 the deal.

8 MR. DAY: And so, you, you were specifically
9 using the name Toko and in that conversation?

10 MS. SCOTT: I've always used the name Toko.
11 I literally cannot pro--, again, Toko, so...

12 MR. DAY: I bet. I think that's all of the
13 questions that I have.

14 MS. SCOTT: Okay.

15 MR. MINA: Bridge Capital has no--

16 MS. MATHESON: I'd like at this point, oops,
17 sorry, go ahead.

18 MR. MINA: No, we waive cross examination.

19 MS. MATHESON: Thank you, Mr. Mina. Mr.
20 Ketterer?

21 MR. KETTERER: Capital Seven will waive
22 examination of the witness.

23 MS. MATHESON: Thank you. I have a quick
24 question of, to follow up, if I can remember it
25 now. Oh, you just spoke, you just said the word

1 invest--, investor, investor again.

2 MS. SCOTT: Mm-hmm.

3 MS. MATHESON: What was your understanding
4 of his investments?
5

6 MS. SCOTT: I would have to review the
7 contract but it was, it was, it was, at least, I
8 am thinking it was at least a million, at least
9 a million dollars, a little more.

10 MS. MATHESON: So you, but invest in what?

11 MS. SCOTT: He was investing in the
12 initiative here in Maine as well as in
13 Massachusetts.

14 MS. MATHESON: So, in the gathering of
15 signatures?

16 MS. SCOTT: Yes, but I have never seen, and
17 I should probably let you answer the question-

18 MS. MATHESON: [interposing] No, you answer
19 the question. [laughter]

20 MS. SCOTT: --sorry, ask the question.

21 Sorry. I, I have never seen the contract that
22 Toko and my brother have between the two of
23 them.

24 MS. MATHESON: So you're, you don't know
25 what the--

1
2 MS. SCOTT: [interposing] Well, I mean, I
3 can certainly say that I know Toko would not
4 invest that kind of money unless there was a
5 return on his investment. So, there has to be a
6 return. I don't know what, what it is. What
7 his, what he and Shawn agreed to.

8 MS. MATHESON: Anyone else?

9 MR. PATTERSHALL: Did you have legal counsel
10 review your agreement with Regent Able, with
11 MDC's agreement with Regent Able?

12 MS. SCOTT: That's a good question, what
13 about, can I ask, can I ask Bruce a quick
14 question?

15 MR. PATTERSHALL: Sure.

16 [Conversation with counsel]

17 MS. SCOTT: Okay, we do have a, a staff
18 member by the name of Jody Jordel [phonetic] and
19 he did help me with that and he's a lawyer.

20 MR. PATTERSHALL: Okay, who is we?

21 MS. LOWRY: Whose staff is he on?

22 MS. SCOTT: I, he's on, he's on Bridge
23 Capital's staff, and he helped with it. So, he
24 works for my brother. So... I was asking, I
25 didn't know if you could--

1
2 MR. PATTERSHALL: [interposing] But you had
3 a lawyer review it?

4 MS. SCOTT: Yes, yes.

5 MR. PATTERSHALL: To make sure you
6 understood it.

7 MS. SCOTT: Yeah, yeah, but it's not like I,
8 I didn't hire him, that's why I wasn't sure,
9 so...

10 MR. PATTERSHALL: I understand.

11 MS. MATHESON: Pardon? Oh, yes.

12 MS. PHYLLIS GARDINER: I just have one
13 question, if I could, Ms. Scott, you just, you
14 said just a few moments ago and I think you said
15 earlier that you do not know what the agreement
16 was that Toko had with your brother, as far as
17 what Toko would receive in exchange for his
18 investment?

19 MS. SCOTT: Correct.

20 MS. GARDINER: I'm just a little confused
21 'cause you've been describing this as your
22 project throughout the day today, that the
23 Massachusetts, that the Maine initiative to
24 develop a casino in York County was your
25 project.

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MS. SCOTT: Yes.

MS. GARDINER: Your brother was loaning you money to do this project and you were in charge of it.

MS. SCOTT: Yes.

MS. GARDINER: So, now you are describing, saying you don't know what the agreement was between not you and Toko but your brother and Toko, can you-

MS. SCOTT: [interposing] Capital Seven, Capital Seven and Toko.

MS. GARDINER: Okay, but Capital Seven is separate from you, you're not currently a member or an investor in Capital Seven?

MS. SCOTT: No, not as, not as of yet, but I know, I know I, it, say question one were to pass, I know that I get a percentage of Capital Seven for being here, doing this work, I, I will be given a percentage of Capital Seven. So, I am, I will, I think it's fair to guess that Toko must have some sort of an arrangement similar but I don't know what his arrangement is.

MS. GARDINER: Okay, so, so even though, if I'm understanding correctly, even though you

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view this as your project--

MS. SCOTT: Yes.

MS. GARDINER: It was your brother's decision as, as the member of Capital Seven how much of a, of an equity share you might ultimately get--

MS. SCOTT: [interposing] Unfortunately.

MS. GARDINER: --and how much of an equity share Regent Able or Toko might get? Is that right?

MS. SCOTT: [interposing] Again, I really don't know what their agreement is, though, I just, yeah.

MS. GARDINER: No, I wasn't asking you what the agreement was, I was saying, so your understanding is that it would be Shawn Scott's decision how much of a share Toko would get in exchange for investment just as it would be his decision on what share you would receive for your labors on this?

MS. SCOTT: Yes.

MS. GARDINER: Thank you for clarifying.

MS. MATHESON: So, was it in some way tied to the agreement that we do not have a good copy of?

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MS. SCOTT: No.

MS. MATHESON: Which was between you and, it was not Toko here, it's Takishi [phonetic] [unintelligible]?

MS. SCOTT: And that's, can I go back to that. Because when you ask about Toko and what his agreement is, he's also, I mean, he invested in Massachusetts as well as Maine.

MS. MATHESON: Mm-hmm.

MS. SCOTT: So, I'm just making an assumption, I know I have an agreement to get a percentage of Capital Seven. I truly don't know what Toko's benefit, and there has to be a benefit, we all know that. I just don't know what it is because you also have Massachusetts and you have Maine that he's been involved in. And Bridge Capital is not connected to Massachusetts, so, I don't, I truly don't know what his, what his arrangement is or what, what they agreed on. So...

MS. MATHESON: [interposing] So, he-- go ahead.

MR. LEE: Why didn't you ask him?

MS. SCOTT: Hon--, honestly, we, I mean,

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1 we're all so spread out and all over the world,
2 I just, that's my brother's per--, I just didn't
3 ask, he does, I couldn't possibly keep up with
4 my brother's projects. It's so overwhelming I
5 wouldn't even--

6
7 MR. LEE: [interposing] But this has been a
8 big project for you?

9 MS. SCOTT: True. True. This is a huge--

10 MR. LEE: [interposing] And if I were in--,
11 if this thing were to pass and I were in a
12 position where I would have an equity interest
13 in it, I'd certainly want to know how the pie
14 was being divided up.

15 MS. SCOTT: I was just happy to be a part of
16 it.

17 MS. MATHESON: This--

18 MR. LEE: [interposing] But why didn't you
19 at least say, hey, you have a very close
20 relationship with your brother. Why didn't you
21 say, what is Toko getting for this eq--, this
22 investment that he's making in this project that
23 I have been working so hard on?

24 MS. SCOTT: That's, that's a good question.
25 I did not ask.

1
2 MS. MATHESON: Because from, what we have
3 before us here it looks like what he's, what
4 he's getting is, is your company, MDC, managing
5 the initiative for millions.

6 MS. SCOTT: Right, that's a consulting
7 agreement.

8 MS. MATHESON: Oh, okay.

9 MS. SCOTT: That's just a consulting
10 agreement.

11 MS. MATHESON: Yeah, but, but, it's going to
12 provide with working capital, this one, again,
13 we don't have an executed copy.

14 MS. SCOTT: Well, it's very, I can tell you
15 it's very close to what you have, but I just,
16 that dollar amount I know is, I know I didn't
17 get 15,000-

18 MR. LEE: [interposing] 10,000, not 15.

19 MS. SCOTT: I got 10.

20 MS. MATHESON: Well, it's, the company shall
21 provide MDC with aggregate working capital
22 budget of \$1,300,000 dollars.

23 MS. SCOTT: And again, Toko is a good friend
24 of the family, so, I mean, I, I, I probably
25 should have asked, I didn't ask.

1 MR. PATTERSHALL: Do you have an
2 understanding of what Cobalt Capital Policy is?

3 MS. SCOTT: No, I do not.

4 MR. PATTERSHALL: Ever heard of it?

5 MS. SCOTT: I have heard of it but I don't
6 know what it...

7 MS. MATHESON: Are there any other questions
8 of M.s Scott? Alright.

9 MR. MERRILL: I just have a couple. It, is
10 it fair to say that your focus was getting the
11 initiative passed?

12 MS. SCOTT: Yes.

13 MR. MERRILL: And you hired people to take
14 care of the rest?

15 MS. SCOTT: Yes, my, my priority was to get
16 this on the ballot, period.

17 MR. MERRILL: And, and when you were focused
18 on that, were you focused on the financial
19 reporting statutes or were you satisfied that
20 you were giving the information to Cheryl and
21 she was reporting it appropriately?

22 MS. SCOTT: I, I had to wash my hands, yes,
23 I could, I could, I could focus on getting the
24 signatures, Cheryl could focus on the details
25

1 and doing the, all of the reporting. I
2 absolutely did not try to micromanage in any
3 way. Half of the time Cheryl would tell me
4 where I, where I needed to be and what I needed
5 to do. I mean, it was a group effort.
6

7 MR. MERRILL: And you knew that Cheryl had
8 retained the services that you were paying for
9 with Soltan Bass, correct?

10 MS. SCOTT: Yes, absolutely.

11 MR. MERRILL: And you say the exhibit that I
12 showed or asked Cheryl about, TC 16? And this
13 is a bill for January to February 2016 and
14 Horseracing Jobs Fairness paid for these legal
15 services, correct?

16 MS. SCOTT: Yes.

17 MR. MERRILL: Nothing else, thank you. MS.

18 MATHESON: All right.

19 MR. PATTERSHALL: May I ask something?

20 MS. MATHESON: Of course. Of course.

21 MR. PATTERSHALL: Are you a member of Bridge
22 Capital LLC, you personally?

23 MS. SCOTT: Yeah, no, I am not.

24 MR. PATTERSHALL: Okay, but when you say we?
25 You say we have a lawyer.

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MS. SCOTT: Our family.

MR. PATTERSHALL: Okay.

MS. SCOTT: It's me, my mom, my brother.

MR. PATTERDSHALL: Now you-- okay.

MS. SCOTT: And we do, we have a habit, we have a habit of always just referring to ourselves as we.

MR. PATTERSHALL: Okay.

MS. MATHESON: Okay, so, I have a, I have sort of a procedural question. I have a couple-- oh, you have?--

MS. GARDINER: [interposing] Yeah, there was--

MS. MATHESON: Oh are we--

MS. GARDINER: There was a question raised earlier about whether it would be, if anybody wanted, had a request to ask Ms. Timberlake any questions after Ms. Scott had testified.

MS. LOWRY: Oh that, right.

MS. MATHESON: That's right. MS. LOWRY: Thanks for reminding us.

MR. DAY: I do have a couple of questions.

MS. MATHESON: For Ms. Timberlake?

MR. DAY: Yeah, for, Ms. Timberlake.

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MS. MATHESON: All right, anybody else?

MR. MINA: For? I'm sorry.

MS. LOWRY: For, for Cheryl.

MR. MINA: Oh.

MS. LOWRY: For Ms. Timberlake. There was a thought that after...

MR. MINA: Well, put me in reserved--

MR. LEE: [interposing] As long as it's material that has not already been covered--

MS. MATHESON: --been covered

MR. LEE: --exactly.

MS. LOWRY: So, so, just in this moment, as we're getting ready to hear from Ms. Timberlake again, Ms. Scott, can I ask you just this question?

MS. SCOTT: Yes.

MS. LOWRY: Are, are you planning to be in Maine between now and November 7th, Election Day?

MS. SCOTT: I'll definitely be here as long as you need me to be here.

MS. LOWRY: Oh, I appreciate that, thank you.

MS. SCOTT: Obviously, oh, I didn't mean to sound--

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MS. LOWRY: [interposing] No, no, I-

MS. SCOTT: --okay.

MS. LOWRY: --that, honestly, I was just curious where this is an exciting time and--

MS. SCOTT: [interposing] My mom, my mom just flew out, she's here with me.

MS. MATHESON: Uh-huh, uh-huh--

MS. SCOTT: So, I'll be here as long as necessary.

[Conversations among parties]

MS. MATHESON: All right, are we recording?

MR. LAVIN: Oh, yes, we are.

MS. MATHESON: Okay.

MR. LAVIN: We're recording everything.

[laughter]

MS. TIMBERLAKE: I think even the sidebar conversations. [laughter]

MR. DAY: Okay, so--

MS. MATHESON: [interposing] I'd like to remind you, Cheryl, Ms. Timberlake, you are still under oath.

MS. TIMBERLAKE: Absolutely.

MR. DAY: And I think this will be quick, Cheryl, do you have a financial benefit that

1 will accrue to you if question one passes?

2 MS. TIMBERLAKE: Absolutely not.

3 MR. DAY: Do you recall being told that, at
4 Slate's that Shawn Scott was providing money for
5 this ballot question?
6

7 MS. TIMBERLAKE: Absolutely not. My first
8 email reaching out to both of them enquiring
9 about the project was scheduled, it was sent to
10 both Lisa and Shawn. And the follow up was only
11 from Lisa. If we had known, my team, it would
12 have been reported. I don't understand the need
13 for why we're here today, quite candidly.

14 MR. DAY: Then my final question, do you
15 recall being asked if we have a compliance
16 problem in Maine similar to Massachusetts?

17 MS. TIMBERLAKE: No, absolutely not. I
18 think, yeah-- so, just so that it's clear, if
19 there are no secrets then why wasn't my team
20 informed of Shawn's role? He was successful in
21 Bangor and he could have easily been here.

22 MS. MATHESON: Anything else?

23 MR. DAY: That's all I have, thank you.

24 MS. MATHESON: Anybody else? All right,
25 thank you. So, now I have another procedural

1 question, or the same procedural question. We
2 want to confirm what's been entered into the
3 record.
4

5 MS. GARDINER: Yes, we have some exhibit
6 issues to resolve, I think.

7 MS. MATHESON: Yeah. And we want to do that
8 before we close the hearing? Do we also want to
9 hear arguments before we close?

10 MS. LOWRY: I would like to hear arguments
11 before we close the hearing.

12 MS. GARDINER: Sure, I am just trying to
13 get, make sure that we have clear as to what
14 your evidence is, you're free to hear argument,
15 you know, that's going to be part of what you
16 consider but, just trying to get an evidentiary
17 record.

18 MS. MATHESON: Okay, so, let's go to four...

19 [Conversation among Commissioners]

20 MS. MATHESON: So, here is what I'm, I'm
21 going to, I'm going to suggest that we sort of
22 to try to articulate, do you have a good list or
23 do you want me to try to see what we've got and
24 see if that's close.

25 MS. GARDINER: On the summary of the

1
2 suggested order of questioning, just wrote down
3 at the bottom, actually, there needs to be some
4 changes.

5 MS. MATHESON: Ah.

6 GARDINER: That was before we received TC
7 exhibits, so, we have staff exhibits 2 through
8 149 and then there are what I call Timberlake
9 exhibits, CCT numbers 1 through 53 but there's a
10 question that is unresolved as to the privilege
11 log and whether it's even being offered let
12 alone whether it gets admitted.

13 MS. MATHESON: Yes.

14 MS. GARDINER: You can scratch Scott
15 exhibits A, B, and C off of there, but this when
16 I, I was referring to the exhibits that Bruce
17 Merrill had attached to Lisa Scott's response of
18 October 26, but I believe those were included in
19 their cross examination exhibits, which are
20 labeled TC 1 through 30, is that correct?
21 Bruce, I think that the three exhibits you
22 attached-

23 MR. MERRILL: [interposing] I think that's
24 correct, I just want to double check.

25 MS. GARDINER: --sure, please, please do

1
2 'cause I don't want to overlook something. So,
3 they rule on each one of these categories by
4 itself.

5 MR. LEE: And you said CCT 1 through 53 but
6 then deleting A, B, C? That's it?

7 MS. GARDINER: No, I, I, on the, on the, I
8 had just given the counsel and--

9 MS. MATHESON: [interposing] Chair.

10 MS. GARDINER: --and the Chairman a list
11 today of the order of questioning that we agreed
12 upon and below that I just wrote exhibits, the
13 numbers of exhibits that we had to check. You
14 don't have this document in front of you, the
15 Chair does. And I had written Scott exhibits A,
16 B, and C intending to the reference the three
17 exhibits that Mr. Merrill attached since the
18 October 26 response, and all I meant was, I
19 think we can eliminate those because I believe,
20 and Bruce is double checking, that those are
21 subsumed in--

22 MR. LEE: TC.

23 MS. GARDINER: TC 1 through 30.

24 MR. LEE: Okay.

25 MR. MERRILL: LD 1510 is exhibit, C and that

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is not in the--

MS. GARDINER: [interposing] Okay, and that's not evidence anyway, I would suggest that's an attachment to your response, and it's fine as an attachment to your response. So...

MR. MERRILL: No, I'm just saying, that wasn't part of the--

MS. GARDINER: [interposing] Yes.

MR. MERRILL: --CT exhibits.

MS. GARDINER: Okay.

MR. ALFRED FRAWLEY: And Phyllis, I just want to make sure that when you say staff exhibits 2 through 149 that you're excluding 54, 'cause that was--

MS. GARDINER: Yes, 54 is, correct. Excluding 54, that's right, with, that was withdrawn so it's not even here, it's not even in any notebooks for the Commissioners to review.

MS. MATHESON: Yep. And, and this list is the, the decisions that we, that we made yesterday and articulated today on confidentiality are within, are already understood to be attached to these exhibits,

1 correct? I don't want any question.

2 MS. GARDINER: Well, I'd like to, I'd like
3 begin with to make sure that we're clear on
4 confidentiality separately.
5

6 MS. MATHESON: Okay.

7 MS. GARDINER: I'm just suggesting that we
8 need to be clear about what is in the record.

9 MS. MATHESON: All right.

10 MS. GARDINER: And I think the only exhibit
11 that's in question out of all of the ones that
12 we just talked about is the privilege log, which
13 is--

14 MS. LOWRY: [interposing] Yes.

15 MS. GARDINER: --and the summary of the
16 privilege log, which are labeled as CCT 35 and
17 CCT 36. And I am not, told there was not
18 agreement yesterday in the procedural discussion
19 as to whether that would be, should be admitted,
20 whether it should be relied on as evidence and
21 the Commission reserved any ruling on that until
22 today's hearing and I'm not totally clear
23 whether Cheryl Timberlake is officially offering
24 that as an exhibit or maybe want to just hear if
25 there's any, any argument one way or the other

1
2 on that.

3 MR. MERRILL: Before we get this privilege
4 right I just have a question.

5 MS. MATHESON: Yeah.

6 MS. GARDINER: Okay.

7 MR. MERRILL: We sent you some additional
8 requests for deletions in some of these
9 exhibits, was, was that discussed yesterday-

10 MS. LOWRY: [interposing] Certain
11 redactions.

12 MR. MERRILL: --redactions?

13 MS. MATHESON: Yes.

14 MS. GARDINER: Redactions of private emails
15 and so forth that you sent were-

16 MR. MERRILL: [interposing] Thank you.

17 MS. LOWRY: Redactions, redactions of
18 exhibits that are included.

19 MS. GARDINER: Right.

20 MS. LOWRY: Within the exhibit.

21 MS. GARDINER: Yes. That just goes to
22 what's the public version of the exhibit versus-

23 MS. LOWRY: [interposing] Yes.

24 MS. GARDINER: --confidential, yeah.

25 MR. NASS: And none of these in the

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1
2 privilege log are in the documents?

3 MS. MATHESON: Right.

4 MR. NASS: That's why they're, that's the
5 privilege log.

6 MS. MATHESON: That's the privilege log.

7 MR. NASS: None of these are in this?

8 MS. GARDINER: Right, no, no, the, it's just
9 the log itself, there are no privileged
10 documents that are part of any of this.

11 MR. NASS: Okay.

12 MS. GARDINER: Those were withheld by
13 agreement with the Commission.

14 MR. LEE: I'll share a thought.

15 I don't know that we really need to use it.
16 Mr. Day, in questioning brought out the point he
17 was trying to make with the number of emails.
18 There's a dispute over the source of Cheryl
19 being copied on them, there was no agreement as
20 to the amount, but, but, but the issue, which
21 was trying to establish that they were, there
22 were emails sent that where, Cheryl Timberlake
23 was not copied, they brought out in testimony.
24 It seems that if they were trying to, if Mr. Day
25 is trying to use those records, the privilege

1
2 log, it was for that purpose and we've had an
3 alternate means of testimony relating to it and
4 if we say we're not going to consider them
5 because there's no other reason to be looking at
6 them, then we exclude it as an exhibit. Now,
7 maybe others here have a different view on the
8 probative value of the privilege log, but that's
9 the way it tentatively looks to me.

10 MS. MATHESON: Well, I'm wondering if we
11 pose the question to Mr. Day, whether or not he
12 is proposing to include it or withdraw these two
13 exhibits.

14 MS. GARDINER: That's where you can start.

15 MS. MATHESON: Right? Isn't that right?

16 MR. DAY: Yeah, sure--

17 MS. GARDINER: Yes.

18 MR. DAY: And during the testimony we
19 didn't, we may have referred to it, it was
20 certainly discussed but we didn't quote from it
21 or read from it.

22 MS. LOWRY: Oh yes.

23 MR. DAY: Because I thought that the points
24 could be made, as you said Commissioner Lee,
25 through other means, I'm not adverse to it being

1
2 withdrawn.

3 MS. MATHESON: So, you are withdrawing that?

4 MR. DAY: I, I will withdraw that, it would
5 be 35 and 36 as the summary.

6 MS. MATHESON: Right, that's fine.

7 MR. LEE: That makes it easier.

8 MS. LOWRY: May I ask a question?

9 MS. MATHESON: Yes.

10 MS. LOWRY: I'm, I'm just having a brain
11 cramp and I want to remember.

12 MR. LEE: Yeah, it's only been nine, nine
13 hours.

14 MS. LOWRY: I, I just want to be reminded,
15 you know, it is Cheryl was asked in different
16 ways and at different times if she would concede
17 that, that her name was on some 900 plus emails
18 of a total of 2,000 or so. And were those all
19 part of the privilege log?

20 MR. MERRILL: Yes.

21 MS. LOWRY: And so I just want to make the
22 point that Mr. Day has graciously removed his
23 request that the privilege log be part of the
24 testimony, partly in the face of your insistence
25 that it not be included in the testimony, and

1 yet, I notice that you refer to it yourself in a
2 way that was contentious.
3

4 MR. MINA: Okay, I'd like to respond to
5 that. The record will reflect that we asked
6 this Commission not to allow it yesterday, to be
7 allowed for comment in these proceedings, we
8 were clear about that. And that was not decided
9 in our favor. The very first words out of Ms.
10 Timberlake's mouth this morning were about a
11 veil, corporate veil, and she referred
12 specifically, 'cause I wrote it down, to the
13 fact that there were all these emails that she
14 had not been privy to, okay? So, the barn door
15 was opened by Ms. Timberlake, which not only
16 invited but necessitated our response. Because
17 it was just not accurate. It's unfortunate,
18 privilege logs don't customarily become
19 evidence. There are rare circumstances, ladies
20 and gentleman, where they are. And they have to
21 be highly scrutinized by courts, and the public
22 doesn't understand that always, the media
23 doesn't always care, and the reality is, it is
24 one of the most important principles that we
25 deal with as lawyers.

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2 MS. LOWRY: Thank you for that
3 clarification. I appreciate it-

4 MR. MINA: [interposing] Yeah I know you do.

5 MS. LOWRY: --it adds to the context and to
6 the substance of what we're considering, but I
7 also just want to further clarify that when you
8 say the decision went against you yesterday, we
9 held it open, we decided to wait until today.

10 MS. MATHESON: Yes.

11 MR. MINA: Correct, you're absolutely right.

12 MS. LOWRY: Which is what we've done.

13 MR. LEE: 'Cause they're going to be a
14 submissions from counsel.

15 MS. LOWRY: Yes.

16 [Unintelligible]

17 MR. LEE: No, there were going to be because
18 of Mr. Day and either Bruce or you-

19 MR. MINA: [interposing] Mr. Frawley, well--

20 MR. LEE: [interposing] Then he said
21 something about we had written something on the
22 subject and we said please circulate it, just
23 adding an argument to the fact, we did not
24 decide the issue yesterday.

25 MR. MINA: I don't mean to suggest that you

1 allowed it to be open and invited a response.
2 The fact remains is, it was allowed to be open
3 and there was a, there was a response. And it
4 wasn't by us.
5

6 MS. LOWRY: But we've resolved it at this
7 time.

8 MR. MINA: Yeah.

9 MS. LOWRY: And so, thank you.

10 MS. GARDINER: Yeah, I, I think if the
11 exhibit is withdrawn we wouldn't be relying on
12 any re--, any testimony about the numbers of
13 emails that are in the exhibit or not in the
14 exhibit.

15 MS. MATHESON: Right.

16 MS. GARDINER: Or what they, who they were
17 to or from. That would all be excluded, or you
18 would be disregarding that.

19 MS. LOWRY: Thank you.

20 MS. MATHESON: Yes.

21 MS. LOWRY: Thank you. And everybody is
22 good with that, I'm seeing nods. Okay, thank
23 you.

24 MR. LEE: So is there an agreement put that
25 on the record.

1 MR. PATTERSHALL: What about exhibit seven?
2
3 There was a dispute yesterday about--

4 MS. GARDINER: You resolved at the end there
5 was a question mark--

6 MR. PATTERSHALL: [interposing] Oh, did we?

7 MR. LEE: We did.

8 MS. GARDINER: --at the beginning of exhibit
9 seven. Can we now shift to confidentiality or--

10 MS. MATHESON: [interposing] Well, we, we
11 haven't done these.

12 MS. GARDINER: No, we haven't actually, we
13 haven't actually confirmed that any of this is
14 in the record. Right. So, before we get to
15 confidentially for these, does anybody, are
16 there any objections to any other exhibits that
17 have been referenced today?

18 MR. FRAWLEY: I think, Phyllis, we need to
19 make sure that there's a redacted copy of
20 exhibit TC 30--

21 MS. MATHESON: [interposing] Right.

22 MS. GARDINER: Okay.

23 MR. FRAWLEY: --because that's got some
24 wires [unintelligible]

25 MS. GARDINER: Again... yeah.

1
2 MR. FRAWLEY: But other than that I, this
3 side of the room is good. The TC exhibits have
4 been redacted pursuant to previous agreement, so
5 there's nothing in there that needs to be dealt
6 with further. So, I think all that's left is TC
7 30.

8 MS. GARDINER: So, you've given the
9 Commission a copy of your cross examination
10 exhibits that has redaction of any confidential
11 material in it?

12 MR. FRAWLEY: Right, so, it redacts all of
13 the personal identifiers and then there was one
14 email that we had all agreed were campaign
15 strategy which has been redacted, and there were
16 portions of Mr. Day's letter referencing the
17 staff report that has been redacted as well.
18 So, there's nothing, no new redactions and none
19 that we have to add in there.

20 MS. MATHESON: And who's got that? Do you
21 have it?

22 MR. WAYNE: Wasn't that something we all-

23 MS. MATHESON: Somebody's got the redacted--

24 MS. GARDINER: No--

25 MR. FRAWLEY: No--

1
2 MS. GARDINER: I don't see any redactions
3 in here, so...

4 MR. WAYNE: Oh--

5 MR. FRAWLEY: It should, there should be a
6 sticky on it that says original--

7 MR. WAYNE: Yeah, I know. I'm good with
8 that, thank you.

9 MS. GARDINER: Okay.

10 MS. MATHESON: Okay. So that, thank you.

11 MS. GARDINER: Okay, so that--

12 MS. MATHESON: Thank you.

13 MS. GARDINER: That's the public version of
14 the details.

15 MS. MATHESON: Right.

16 MS. GARDINER: Okay, thank you, that was a
17 question I wanted to ask about.

18 MR. MERRILL: And there, there's two other
19 exhibits 22 and 23, which were bank records.

20 MS. GARDINER: Everything that, yes, the
21 exhibits that the, were exhibits ruled on
22 yesterday by the Commission as to what would
23 remain confidential, and that included, let's
24 get my list here, included--

25 MS. MATHESON: [interposing] I've got the

1 list if you want.

2 MS. GARDINER: --you do? Okay. Good.

3 I have it too in here somewhere. Exhibits,
4 ten, staff exhibits, 10, 11, 22, and I think the
5 Com--, I think the, Madam Chairman listed these
6 all at the outset of today's hearing as to the--

7 MR. MERRILL: [interposing] I, I'm sorry
8 Phyllis, I just wanted to run by the fact that
9 you said it was 2 through 149 with the exception
10 of 54.

11 MS. GARDINER: Yes.

12 MS. MATHESON: Yes.

13 MR. MERRILL: But I think there was some--

14 MS. GARDINER: There are redactions among
15 those but that wasn't admissibility I was
16 dealing with. The redactions are in the
17 exhibits that the Chair referenced at the outset
18 of the meeting today, staff exhibits 10, 11, 22,
19 23, 37 through 42, 51, attachments B and C to
20 exhibit 52, and exhibits 81 through 83. So, the
21 public version of those exhibits will have
22 redactions as--

23 MS. LOWRY: [interposing] Requested--

24 MS. GARDINER: --determined by the

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Commission yesterday. Does that answer--

MR. MERRILL: [interposing] I, I, I, I guess my question, is I had given some examples of what were clearly personal items on 23 but I haven't actually seen the redacted version to make sure that it will all come out.

MS. GARDINER: Okay.

[Conversation among parties]

MS. GARDINER: 22 and 23 are confidential in their entirety.

MR. MERRILL: Okay, all right.

MS. GARDINER: Everyone I just listed to you is confidential in its entirety.

MR. MERRILL: Okay.

MS. GARDINER: So--

MS. MATHESON: 51 and 52 as well? I mean...

MS. GARDINER: --right, all of the ones I just listed or the Chair listed.

MS. MATHESON: So, they're not redacted, these are all, well, they're redacted in it's--

MS. GARDINER: [interposing] Well, you can call it redacted or, you're right, under seal.

MS. MATHESON: Right.

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2 MS. GARDINER: They are not available for
3 public viewing.

4 MS. MATHESON: There we go.

5 MR. MERRILL: That's correct.

6 MS. LOWRY: So, can I just also mention that
7 my TC 19 B as in boy is empty it is meant to
8 include a recording, as I understand it. And
9 mine is empty, maybe, I don't know--

10 MR. FRAWLEY: [interposing] We, we removed
11 the recording, so it hasn't been offered and is
12 not--

13 MS. LOWRY: --okay, so is not,

14 MS. GARDINER: There is no 19 B.

15 MS. LOWRY: Thank you, and there's no 19 A
16 either?

17 MS. GARDINER: Yes, there is.

18 MS. MATHESON: Yes, there is.

19 MS. LOWRY: All right, thank you, team.

20 MR. MINA: Redacted TC 30, are you the
21 custodian?

22 MS. GARDINER: And we have TC 30. Oh, we
23 need the redacted version, thank you.

24 MR. WAYNE: Okay, great.

25 MS. MATHESON: Okay.

1
2 MS. GARDINER: So, that, so, does the
3 agreement that all of those exhibits are in the
4 record and with those confidential notations as
5 indicated?

6 MR. LEE: Want to ask Mr. Day?

7 MS. MATHESON: Mr. Day? Yes, Mr. Day says
8 yes?

9 MR. MERRILL: Yes.

10 MS. MATHESON: Yes? Mr. Mina? No?

11 MS. GARDINER: And I guess—

12 MR. MINA: Yes.

13 MR. FRAWLEY: Yes.

14 MR. KETTERER: Yes.

15 MS. MATHESON: Mr. Ke--? Thank you. You
16 knew I was coming next to you!

17 MR. KETTERER: I'm ahead of you.

18 MS. GARDINER: And just, right, if I could
19 just offer one other--

20 MS. MATHESON: [interposing] Yes.

21 MS. GARDINER: --clarification, in terms of
22 so everyone has the same understanding, that,
23 that sort of completes the hearing record in
24 terms of testimony and exhibits.

25 MS. MATHESON: Yes.

1
2 MS. GARDINER: There are, there have been
3 several meetings of this Commission and
4 materials provided for purposes of different
5 decisions made during the course of the
6 investigation that everyone has been privy to.
7 That's all part of an agency record in whatever
8 decision the Commission ultimately makes, and I
9 just want to make sure everybody was, as, as is
10 staff report part of the Commission's record.

11 MR. MERRILL: I, I'm sorry Phyllis, but with
12 the noise, I can't hear you. Can you speak up,
13 please?

14 MS. GARDINER: Okay, I'm just, just to make
15 sure everybody is clear, there is an agency
16 record in this matter that's bigger than the
17 hearing record in terms of testimony and
18 exhibits. So, the Commission's had prior
19 meetings, the minutes of those meetings, the
20 materials provided, the decisions of the
21 Commission to investigate, start the
22 investigation, issue subpoenas, all of that is
23 part of the agency record. I just wanted to
24 make sure that everybody was on the same, had
25 the same understanding of that.

1
2 MR. MERRILL: Question, is the agency record
3 suffered, subject to a FOAA request?

4 MS. GARDINER: Basically anything can be
5 subject to a FOAA request, yes.

6 MR. MERRILL: No, but I think back--

7 MS. GARDINER: [interposing] I mean--

8 MR. MERRILL: --when we were talking about
9 this, I mean, we were talking about objections
10 to the subpoena, isn't there an exception of the
11 Ethics Commission under the FOAA statute?

12 MS. GARDINER: There's--

13 MR. MERRILL: [interposing] And my question
14 is, my, if I understand you correctly,
15 everything we produced is part of the agency
16 record, not just what's been distilled out here
17 for the hearing.

18 MS. GARDINER: Mm, no, I'm, mm, that's not
19 actually what I was saying. Because in terms of
20 all of the documents you produced, the only
21 documents, what you produced, the only documents
22 that these five Commission members are seeing
23 and considering are the ones that have been made
24 into exhibits.

25 MR. MERRILL: So, what happens to the rest

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1
2 of them?

3 MS. GARDINER: They are in the Commission's
4 files but not part of a record of this
5 proceeding and they are--

6 MR. MERRILL: [interposing] Can they be
7 returned?

8 MR. WAYNE: I mean, we'd probably have to
9 research that--

10 MS. GARDINER: [interposing] Can we deal
11 with this--

12 MR. WAYNE: --but once, once we receive
13 them, I mean, they're, they're public records.

14 MR. FRAWLEY: Well, unless they're
15 confidential--

16 MS. GARDINER: Well they aren't public
17 records if they're working papers are they not?

18 MR. WAYNE: I'm sorry, I don't want to say
19 they're public--

20 MS. GARDINER: No.

21 MR. WAYNE: But they are, I mean, they're in
22 our possession. I don't know--

23 MR. FRAWLEY: [interposing] My understanding
24 is that if there is a FOAA request for the
25 agency record, that record has to be turned over

1
2 except for confidential materials, obviously the
3 court would get the confidential materials--

4 MS. GARDINER: Yes, yes.

5 MR. FRAWLEY: So, it's really not a problem
6 until someone makes a request.

7 MR. MERRILL: Okay.

8 MS. GARDINER: Yeah, exactly. Okay, I'm
9 sorry, I'm done with my record questions, thank
10 you.

11 MS. MATHESON: All right. So, well, we are
12 going to, I wonder if we're ready to, to take
13 the break, and then we can come back for the
14 argument?

15 MS. GARDINER: This is probably good.

16 MR. WAYNE: Paul went out for the food.

17 MS. MATHESON: What, he what?

18 MR. WAYNE: Paul went out for the food.

19
20 [Conversation among parties about dinner
21 break]

22 MR. MERRILL: Where do we stand on the
23 report?

24 MS. GARDINER: No decision. We were going
25 to, yeah, go ahead.

1
2 MR. WAYNE: Do you mind if I just alert the
3 Chair and the entire Commission, that during the
4 course of the activities today three members of
5 the press and Representative Luchini had
6 submitted emails to me requesting the staff
7 report because they heard all about it at
8 today's meeting and so they have officially
9 requested it under FOAA, so I, that's an issue
10 that you heard at the very end of your
11 procedural meeting yesterday.

12 MS. LOWRY: Yes.

13 MR. WAYNE: And reserved judgment on. I just
14 wanted to make you aware that the requests have
15 are in, so...

16 MR. LEE: So, regarding that issue... As I
17 understand it the only records that would be
18 confidential would be under 3AA, B, C, and D,
19 which is essentially financial information not
20 normally available to the public, information
21 that if disclosed would reveal sensitive
22 political campaign information, et cetera.
23 Information of record subject to approval we can
24 discover and use as evidence and intra-agency or
25 inter-agency communications related to an audit

1
2 or investigation including a record of an
3 interview needing our examination. But then,
4 those items can be disclosed if the Commission
5 decides that the, the, in essence the staff
6 report here, is materially relevant to findings
7 that we anticipate making. So it is part of our
8 deliberative process we are going to be using
9 them, not meaning we're adopting them but we
10 might accept part of something, use part of
11 something else, that we then can vote to have
12 those items releasable, subject to the
13 confidentiality ruling that we made yesterday,
14 is that a fair statement?

15 MS. GARDINER: Yes I think what makes that a
16 little ambiguous there is you can also make that
17 determination at the point when you are actually
18 deciding on findings of fact and discussing what
19 you are going to find as facts as a Commission.
20 And then make a determination, what is, what you
21 found materially relevant to those findings and
22 then make a decision about what gets disclosed.
23 The staff report is in, in the record as all
24 counsel acknowledged, it's an issue of whether
25 it becomes public or not in that determination,

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1
2 you know, and the statute suggests that
3 determination is, is to be made by you when you
4 are determining what is materially relevant to
5 the factual findings and the conclusions you are
6 going to be making. So, that can occur during
7 your deliberational phase.

8 MS. LOWRY: Mm-hmm.

9 MS. GARDINER: When you're really adopting
10 findings.

11 MS. LOWRY: I would like to make that
12 decision after we hear argument.

13 MR. LEE: Sounds reasonable to me.

14 MS. MATHESON: Then we will, we will come
15 out of, we won't come out of hearing mode then.
16 And go in to meeting mode. Is that the wish?

17 MR. NASS: Well, it seems, it seems more
18 logical to me that that's the final decision you
19 make once you've made your findings of fact and
20 then you figure out what part of the record
21 needs to be public to support that.

22 MS. GARDINER: Well, that's the final,
23 that's the final step.

24 MS. LOWRY: So Meg, can we decide that we're
25 going to break for half an hour and come back

1
2 for final argument?

3 MS. MATHESON: Oh, yes, we're going to--

4 MS. LOWRY: And then decide whether there is
5 also energy and time for us to determine?

6 MS. MATHESON: Sure.

7 MR. LEE: Decide where we go from there.

8 MS. LOWRY: Thank you.

9 MS. MATHESON: Yeah.

10 MS. GARDINER: Yup.

11 MS. MATHESON: Yup.

12 MS. MATHESON: We're back, we'll be back at
13 the call of the Chair.

14 [Pause in proceedings]

15 MS. MATHESON: All right, let's, I'm going
16 to reconvene this hearing and I'm going to once
17 again thank everybody for their patience and
18 congeniality over the course of a long day.

19 It's important. So now, I did lose it...

20 We're, I think we're at the we're in argument
21 stage, correct?

22 MS. GARDINER: Correct.

23 MS. MATHESON: So, help me with the order
24 because I don't--

25 MS. GARDINER: [interposing] I think you

1 just indicated that counsel for all the
2 respondents would argue but I don't think we
3 specified an order.
4

5 MS. MATHESON: Do you, do you argue as well?

6 MS. GARDINER: I think Jonathan is going to
7 have some closing remarks he is going to want to
8 make, but usually you give an opportunity for
9 statements.

10 MS. MATHESON: Okay, doesn't matter, I would
11 say, let's...so what's the suggested order?

12 [Conversation amongst parties]

13 MS. MATHESON: Pardon?

14 MR. WAYNE: My comments are brief and I
15 don't care whether I go before or after counsel,
16 it doesn't matter to me, when.

17 MS. MATHESON: Why don't you break the ice
18 then?

19 MR. WAYNE: Okay, all right. We're
20 recording, we're good?

21 MR. LAVIN: Oh yeah, we're good, yup.

22 MR. WAYNE: Okay. Should I go ahead?

23 MS. MATHESON: Yes, please.

24 MR. WAYNE: In Maine, any person or
25 organization that is not a PAC and that receives

1 more than \$5,000 in contributions to influence a
2 citizen initiative must register as a ballot
3 question committee and disclose who gave them
4 the money and how that money was spent to
5 influence the initiative. And it is routine for
6 more than one PAC or ballot question committee
7 to register with the Commission in support of a
8 ballot question. And sometimes that happens
9 because there is one organization that is
10 receiving money from some other sources and that
11 organization is giving those funds to a campaign
12 committee that is paying for the petitioning or
13 for the advertising to voters. And in those
14 cases what should happen is that both the
15 intermediary organization and also that final
16 campaign committee both register with the
17 Commission as PACs or ballot question
18 committees. And then the entire flow of money
19 is disclosed to the public, going back to the
20 sources of money that provided the money, the
21 funds in the first place. That is how our
22 system of campaign finance reporting works in
23 Maine, and that, from the staff's point of view
24 is what should have happened in this case. But
25

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1 what happened here is that the two sources of
2 money that paid \$4.2 million for the petitioning
3 were not disclosed to the public and to policy
4 makers for several months or for more than a
5 year. And those two contributors were Bridge
6 Capital, which provided the money to Ms. Scott
7 on behalf of Capital Seven and Regent Able
8 Associate Co. Their funding should have been
9 reported throughout 2016 but those funds were
10 never disclosed. Those sources were only
11 reported publicly in April of 2017 once a
12 request for investigation had been filed by
13 concerned legislators, which began this
14 enforcement action. That is when the disclosure
15 took place, April 7th, 2017. The Commission
16 staff has been very careful not to claim any
17 knowledge of why this happened, we don't, we're
18 not proposing to you any rationales for why the
19 disclosure never occurred. We're not saying
20 this was the reason or that was the reason, but
21 what we can tell you, and we didn't in the staff
22 report either, but what we can tell you is that
23 the effect of this, of this financial reporting
24 was that the Maine public and the policy makers
25

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2 were in the dark as to who funded and controlled
3 this petition campaign for more than a year.
4 Now, the attorneys for Lisa Scott have argued
5 that there was no harm to the public because the
6 information was known a long time before the
7 election. They're saying the information became
8 public in April 2017, the election is not until
9 November 7th, and that is enough time for Maine
10 voters to process this information. That
11 diminishment of the public harm ignores the way
12 that informed policy making works in the context
13 of a citizen initiative. After an initiative is
14 proposed in Maine and before it is voted on by
15 the Legislature, there is an opportunity for
16 interest groups, trade associations, public
17 officials, to study the legislation and to try
18 to understand the consequences of that bill, and
19 organizations and coalitions and officials, they
20 decide whether or not they want to support this
21 bill or whether they want to oppose the
22 initiative. And one of the critical bits of
23 information during this study and analysis
24 period is who paid for the legislation, who is
25 behind it, who is proposing it? Who stands to

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1 gain by it? So, the who behind the citizen
2 initiative is important. And it's important
3 during the petition gathering phase. Before it
4 gets to the Legislature and that is in part why
5 the Legislature, when it studied the citizen
6 initiative process back in 2006 wanted to make
7 sure that the campaign finance information was
8 full and available to the public during the
9 petition gathering phase. Which it was not, in
10 this case. I want to comment on the size of the
11 penalties. You are familiar because you deal
12 with this all the time, with our late filing
13 penalty, penalty formula and statute. It's no
14 surprise to you, it may be new to the counsel
15 here, but you are used to it, you understand how
16 it works. Preliminary penalties in this case
17 are very large because more than \$4 million was
18 not disclosed on time, and because some reports
19 were late by an entire year and also, as you're
20 well aware, it's because the law was changed in
21 2015 and there was also a prior change in 2011
22 which I discussed in the staff report, to
23 increase the penalties when they are filed late.
24 Because of the 2015 citizen initiative the late
25

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1 filing penalties for any late report by anyone
2 doubled. And when more than \$50,000 in campaign
3 finance activity is reported late, the maximum
4 penalty quintupled, so, it used to be 20 percent
5 of the amount filed reported late. Now it's a
6 hundred percent reported late. That's why the
7 penalty, the preliminary penalties in this
8 matter are so large. That's why they, I'm not
9 going to go into numbers but that's why they're
10 so big. And you understand why that is and I
11 just want to be clear because comparisons were
12 made in counsel's memos and letters, these would
13 be the largest penalties ever. I just want to
14 be very clear, that's the way the formula works.
15 It's not the result of any bias by the
16 Commission staff, selective punishment, anything
17 like that, the preliminary penalties are just
18 inherently high because of the way the law
19 works. The last thing I want to say is about
20 the testimony you received today. You are
21 receiving two widely divergent accounts of why
22 the reporting was not made on time. Lisa Scott
23 is saying to you, in effect, just, I'm
24 summarizing, she relied on Cheryl Timberlake to
25

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1 provide correct compliance advice but Cheryl
2 didn't give the right advice. That's what Lisa
3 is saying. And if I mischaracterized that then
4 I'm sure counsel will correct me. Cheryl
5 Timberlake is saying that she was not given the
6 full information about who was funding the
7 campaign. One thing I would note is the
8 explanation offered by Lisa Scott today is much
9 different than what you heard back on June 9th.
10 Back on June 9th Lisa Scott's attorney said to
11 you that the reporting was made in a way that it
12 did because Cheryl Timberlake believed this was
13 all Lisa's money. Now the explanation is, of
14 course Cheryl knew this was not Lisa's money, of
15 course Cheryl knew it was her brother's money
16 and Toko's money. That's not what you heard on
17 June 9th. So, you have an explanation that has
18 changed over time as to why the reporting was
19 not correct. And from one of the parties here,
20 and then you have a completely different account
21 from the treasurer and from the principal
22 officer. And I can tell you that it's really
23 remarkable, I can't think of a precedent before
24 this Commission where two officers of the same
25

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2 committee would come forward and say, it was
3 their fault, basically, and two widely different
4 explanations. So, I think, I don't have, I'm
5 trying very hard not to offer you any
6 suggestions about the credibility of particular
7 witnesses. I respect your role as the fact
8 finders, I don't think it's appropriate for me
9 as Commission staff to say, the truth lies with
10 this, the truth lies there, the truth is in
11 there. I don't, I'm not going to try to do
12 that. That's for you to decide. But I actually
13 think you don't need to decide. You don't need
14 to choose whether you believe Lisa or Cheryl or
15 whether the truth is in the middle. One option
16 before you is simply to assess the penalties
17 against the BQCs because the burden is not on
18 you to figure out any particular state of mind.
19 You don't have to decide who is lying or who did
20 this intentionally or who did this carelessly c,
21 this is as some of the Commissioners said,
22 referred to this as a strict liability account,
23 you just need to know that the reports have not
24 been filed on time and the consequences to the
25 public were significant. The burden is on Lisa

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1
2 Scott and the ballot question committees if they
3 want to argue to you that this reporting did
4 not, that they made a good faith effort to
5 comply with the reporting requirements. They
6 are the ones that have to convince you of the
7 good faith if they want that to sway you as a
8 mitigating circumstance. It's actually not the
9 State's burden, it's not the staff's burden,
10 it's not your burden, that's Lisa Scott and the
11 BQCs' burden. And I think that that challenge
12 to establish that mitigating circumstance is
13 more difficult for them because of the widely
14 conflicting testimony that you heard today.
15 That's my personal opinion that it would be one
16 thing if you were hearing a coherent
17 corroborating explanation for why the reports
18 were not on time. But you're not, you're
19 hearing widely different point of views. So,
20 thank you very much. I, that's really all I had
21 to say. I appreciate your consideration.

22 MS. MATHESON: Thank you, Mr. Wayne. Do we
23 have a volunteer or shall I pick?

24 MR. MINA: I'll speak for Bridge Capital LLC
25 to say thank you, for the professional courtesy

1 you extended me in these proceedings. I'm
2 satisfied that the Commission has before it
3 ample record establishing of the funds that were
4 ultimately loaned by Mr. Scott to his sister as
5 seed money for the York direct initiative, were
6 derived and internally [unintelligible] from the
7 outset, as it related party credit facility for
8 Bridge Capital LLC to its shareholders' company,
9 Capital Seven LLC. When later the possibility
10 arose that others might be sought as investors
11 by Capital Seven, Bridge Capital's Chief
12 Financial Officer attested to you by affidavit
13 that he advised that the credit facility also be
14 documented by a full credit facility and that
15 was done. 21-A section 1056-B of your statute
16 exempts contributors to a BQC or PAC from the
17 BQC reporting requirement. Staff has already
18 advised you on that point. In addition, section
19 1052(3A) of the same statute otherwise exempts
20 loans from a financial institution made in
21 accordance with banking laws and in the ordinary
22 course of business from the definition of a
23 contribution. So, the evidence is clear and
24 convincing, ladies and gentlemen, that one,

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1
2 Bridge Capital is a financial institution
3 operating under the laws of the Commonwealth of
4 the Northern Mariana Islands. That is
5 uncontroverted. In addition, the affidavit of
6 its CFO, which is also uncontested, and common
7 knowledge tell us that when party loans such as
8 this are, compels the conclusion that the credit
9 facility agreement was made in accordance with
10 the customary business practices and ordinary
11 course of Bridge Capital's business. That's the
12 record in front of you, that's the only
13 evidence. Under either statute, what I have
14 cited, Bridge Capital LLC is not required by
15 Maine Law to register as a ballot question
16 committee or to file campaign finance reports
17 and I would request that your final agency
18 action when you reach that point, so find in
19 clear and unequivocal terms, that much, I think,
20 is owed to both the public and to Bridge Capital
21 LLC. Finally, I want to express my concern
22 about where this stands. In my experience, in
23 my 30 plus years of a lawyer in this State, I
24 have never seen a more developed and complex
25 record submitted to a fact finder at this hour

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1 of the day for a most important decision. I'm
2 going to restate my client's request which
3 joined the other respondents that the
4 deliberations on this record, this complex
5 lengthy record which by the way, I think we all
6 agree there's a lot of space between what you
7 heard here today as live testimony and what you
8 have been reading, there's a considerable amount
9 of space. Now, Jonathan Wayne puts it another
10 way, he says you don't have to worry about that,
11 one way or the other, it doesn't matter. I
12 disagree, it matters greatly. Because one
13 explanation you heard today stands for the
14 proposition that this was a product of a
15 misunderstanding and mistake of the statute.
16 That statute, ladies and gentlemen, is not
17 clear. It is not clear. There is an honored,
18 time honored maxim of the law that where a
19 statute is silent as to a specific provision it
20 is to be inferred, by the court, and you're the
21 court, that that statute was written by the
22 Legislature to exclude such a provision. You
23 can't read it into the statute. This same
24 Legislature that passed this statute passed a

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1 lobbying statute that I questioned, and Mr.
2 Merrill questioned Ms. Timberlake on, which
3 includes a specific provision for original
4 source reporting. The Massachusetts statute, as
5 you saw from the papers, resulted in sanctions
6 in Massachusetts because it expressly required
7 original source reporting. The testimony here
8 established, if nothing else in the record I
9 submit to you, if you looked at TC 17 and 18 the
10 exchange between Lisa Scott and Cheryl
11 Timberlake, if nothing, these people were
12 talking about whether they had to abide by
13 original source provisions. I think it's
14 important that you not rush this because there
15 is a very good chance we are going to end up in
16 the courts anyway. And there's no need to,
17 you're the finders of fact, you've done your
18 job, you've collected all the evidence, you've
19 got a good record, it's available to the public,
20 all the reporting has been done, there's nothing
21 more that can be reported. And I would urge you
22 to complete argument tonight and then reflect on
23 it, reflect on it, think about what you've heard
24 a bit. Allow us to submit very, very short

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2 additional briefs on this subject. And then
3 come back and make a considered opinion. It's
4 too important and it's, there's too much at
5 stake and almost nothing to lose by doing that.
6 So, I would leave that with you, thank you.

7 MS. MATHESON: Thank you. Mr. Ketterer?

8 MR. KETTERER: Yeah, Capital Seven, thank
9 you, Madam Chair and members of the Commission.
10 Thank you for your patience and your attention
11 to detail during the past eleven or so hours,
12 you're to be commended for that. My remarks will
13 be uncharacteristically brief, not due to the
14 lateness of the hour, because as it was pointed
15 out by Commissioner Lee, it's really not that
16 late, as he said earlier. But, based on the
17 entire record, which is fairly well developed
18 and before you, including all of the documentary
19 evidence, all the exhibits that have been
20 admitted and having in mind also the affidavit
21 that Thimi had just referred to regarding the
22 financial institution of Bridge Capital. If you
23 take all of that evidence together, including
24 all of the oral testimony that was taken on
25 direct and on cross examination which

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2 constitutes today's record, I would ask you to
3 conclude that, and make a finding that Capital
4 Seven has had no registration requirement and as
5 such, it has no requirement to report, make a
6 report regarding campaign finance. The record
7 is complete in that regard and I would ask you
8 to make that finding. Thank you.

9 MR. LEE: May I ask a question?

10 MS. MATHESON: Sure.

11 MR. LEE: Mr. Ketterer, how come Capital
12 Seven doesn't have an existing bank account?

13 MR. KETTERER: They didn't during the eight
14 month period that the subpoena covered, and it's
15 something that was in existence, as I understand
16 it, from 2001 or 2002 when it was active in
17 Maine, and then it became less active and wasn't
18 doing anything, it was primarily a Maine based
19 enterprise.

20 MR. LEE: Thank you.

21 MS. MATHESON: Mr. Merrill?

22 MR. MERRILL: Since my client has the
23 largest penalty I prefer to go last if that's
24 possible.

25 MR. DAY: Thank you, Commissioners, and I

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1 appreciate your patience with me here today.
2 Cheryl Timberlake is a Maine based person, she
3 lives in Mount Vernon, she's known in Augusta,
4 she's a lobbyist where your stock and trade is
5 your credibility. She has to look people in the
6 eye when this matter is all over and in town
7 here, she is not going to Saint Kitts or some
8 other place that I'm not really sure where it
9 is. She was hired to be the treasurer, she
10 wanted to do it right. She's a lobbyist, she's
11 always tried to do that right as well, and, and
12 has. And she asked for money, for information
13 about money, she hired accountants, she hired
14 lawyers, to help with filing, she sought
15 guidance from the Commission. She did what she
16 could do with the information she received to
17 file accurate reports and as Jonathan mentioned,
18 a lot of today was about, sort of, credibility
19 and the facts and there are certainly, with the
20 benefit of hindsight and documents that weren't
21 available to her at the time, a lot of second
22 guessing. Cheryl has been, I would argue, the
23 most cooperative person in this investigation.
24 She accepted without objection and replied to
25

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1 two subpoenas, not one. She came in for a staff
2 interview and was questioned by four lawyers for
3 three or four hours and has tried to be as
4 forthcoming as possible, she committed to, when
5 the investigation started compliant and being
6 helpful and I think she has made good on that
7 promise. And unfortunately I think that has been
8 met with skepticism. I don't think it's
9 particularly helpful to hash over the facts
10 here, so, I will talk about the, the legal
11 argument and I guess our legal argument and, and
12 the letter that was submitted, and I hope you
13 had an opportunity to review that. It doesn't
14 require, I don't think, some of the mental
15 gymnastics that other people would like to put
16 you through, and so, I will proceed with it.
17 The liability here is staggering, I don't have
18 to get into the specific numbers either. You
19 have seen them, you know that they're big, you
20 know they're big, particularly for a consultant
21 who is working on the effort, and not a funder.
22 However much money was spent on this effort it
23 wasn't, it wasn't coming out of Cheryl's pocket.
24 She had no control over the size of this. We

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1 are asking for mitigation, if you do find that
2 there are fines under 1062-A(2), based on level
3 of experience, and we are asking for mitigation
4 because there was a bona fide effort to comply
5 with the law and that's also under 1062-A. In
6 terms of the bona fide effort, Cheryl and the
7 team of folks she were working with had an
8 understanding of how this was flowing and where
9 it came from and they reported that. The
10 reports were timely, there was efforts to seek
11 guidance. I don't think anybody here is saying
12 that, that money was not accounted for, expenses
13 were accounted for, contributions were accounted
14 for, they, they were not properly allocated and
15 that's what, that's what staff is arguing. And
16 when the Commission came to Cheryl and, and all,
17 and said, we think that this is inappropriate,
18 though Cheryl did not, and was not the treasurer
19 for those three BQCs, she did work to keep
20 people on point and to try to get those in, she
21 was given, I don't know if it was a deadline but
22 a suggestion that this be filed in two weeks and
23 she took that seriously. Another issue, and
24 then this is the final point, I raised it in the

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1 written submission. And I'd ask the
2 Commissioners to think carefully about, well,
3 I'll be clear. Cheryl Timberlake is the
4 treasurer for HRJF only. The three other BQCs,
5 she is not affiliated with them. But when you
6 look at HRJF, I'd like you to be thoughtful and
7 also clear is very helpful too, in terms of who
8 exactly is being assessed this penalty, you
9 know, the statutory default is that it's the
10 BQC, it's the entity itself, my understanding in
11 talking with staff is is that's oftentimes the
12 custom of the Commission, but there is an
13 opportunity to apportion out liability not only
14 to the entity but to the, to the actors, and
15 given the wildly divergent versions of this
16 story I think you can understand it may be
17 helpful, if there is a penalty assessed, for
18 clarity amongst the parties as to who is
19 responsible for that.

20
21 MR. LEE: I have a question.

22 MS. MATHESON: Yes, Commissioner.

23 MR. LEE: Mr. Day, the, just we, we focused
24 regarding your client just on HRJF, because, as
25 you said she was not the treasurer of the other

1
2 three BQCs, the preliminary penalty using that
3 statutory calculation would be about \$1.41
4 million.

5 MR. DAY: Correct.

6 MR. LEE: Which is a staggering sum.
7 Assuming that the Commission finds a violation,
8 what do you think the penalty should be, and
9 why?

10 MR. DAY: Thank you for that question,
11 Commissioner, I'm not sure I came to the table
12 prepared to answer that question.

13 MR. LEE: This may be your last chance to
14 make a comment. And because the hearing ends up
15 being closed and it's discussion among
16 Commission members nobody else gets to say
17 anything unless we were to change our mind and
18 allow further comment.

19 MR. DAY: I, I appreciate that, and I have
20 not had the benefit of discussing with my client
21 what I, what she thinks would be appropriate and
22 I really hesitate to put a figure out there and
23 have it, have it appear that, you know, she
24 thinks that's fair.

25 MR. LEE: And Mr. Merrill is going to go

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next.

MR. DAY: I, I will--

MR. LEE: [interposing] You have the opportunity to discuss that with her and give, and give us some, some read and, and with rationale, something we can consider as we deliberate, and again, and I'm saying, just that's assuming that we found a violation.

MR. DAY: Understood, I, I'm more than happy to discuss it with Cheryl.

MR. LEE: Okay.

MR. DAY: My answer at this point would be something less.

MR. LEE: Absolutely, you're not going to propose anything higher.

MR. DAY: I'm not prepared to go in the other direction though.

MS. MATHESON: Okay.

MR. DAY: Thank you.

MS. MATHESON: Thank you.

[Conversation among parties]

MS. GARDINER: Got a technical legal question I would like to ask Mr. Day in light of his last, not his last comment but his last

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comment before your question is that--

MS. LOWRY: [interposing] This is a good moment.

MR. DAY: Sure.

MS. MATHESON: Sure.

MS. GARDINER: Yeah, I just, if I heard you correctly Avery, you said at the end of your remarks that you, you would appreciate if it the Commission, given that the statute authorizes the Commission, allows the Commission to assess the penalty against principal officers and/or t, makes them jointly and severally liable, that you thought it would be, given the size of the potential penalty that it would be best, you wanted to see the Commission actually allocate responsibility? First of all, did I hear you correctly 'cause if I did I have a question.

MR. DAY: I guess I would say, and I understand I run some risk of even introducing this whole concept, but I don't think the Commissioners aren't aware of something that I am. It, you know, my first request would be that the entity itself be responsible for the fine.

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MS. GARDINER: Right.

MR. DAY: If that's not the case I would appreciate clarity as far as who is responsible for what.

MS. GARDINER: Okay, I guess and my, sort of, technical legal question to you is, where the statute refers to joint and several liability. What, what do you feel would be the Commission's authority to actually portion that among--

MR. DAY: That's a very good question. So, 1056-B, I think it's 5.

MS. GARDINER: I think it's five, it's five, yeah.

MR. DAY: Gives that authority to the Commission, it's that permissive "may" hold jointly and severally and I would say that within that authority is encapsulated the ability to do something lesser than joint and several which would be responsible for the entirety.

MS. GARDINER: Okay, thank you.

MS. MATHESON: Mr. Merrill?

MR. MERRILL: I'd like to join with my co-

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2 counsel in thanking the Commission for the time
3 and energy that you put into this. I want to
4 start off by taking one exception to something
5 that Jonathan said. Whatever I may have said on
6 June 9th, I was not sworn in, I was not a
7 witness. I was trying to respond to the
8 Commission's questions to the best of my
9 knowledge at the time. And most of that
10 knowledge had come from my conversations with
11 Cheryl Timberlake at that point. But more
12 importantly, that's not evidence before you,
13 what I said to you back in June. And whatever,
14 if I can go back to the first time we're here,
15 which I think was in May, the first argument I
16 made, and I maintain it today, and that I think
17 you now have evidence to support it, this is a
18 lousy statute. It's lousy because of the way it
19 is written. 1056-B reads "a person not defined
20 as a political action committee that receives
21 contributions or makes expenditures comma, other
22 than by contribution to a political action
23 committee, comma, aggregating in excess of
24 \$5,000 for the purposes of initiating or
25 influencing a campaign, as defined by Section

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1 1052 shall register as a ballot question
2
3 committee." And I still maintain today that the
4 way that is written, it suggests that there is
5 an exception for people that receive
6 contributions or make expenditures, that the
7 comma is in the wrong place. Now, it's not just
8 me, apparently, because what you've seen today
9 is that Soltan Bass did research on this, you've
10 got their bills, it says research on the
11 statutes, more importantly you've got TC 17 and
12 TC 18 where Lisa is saying, "hi Cheryl, will you
13 send Deborah the statute that states we only
14 have to report me as funding Horseracing Jobs
15 Fairness?" And what does she send? She sends
16 1056-B. First of all, she sends the wrong
17 statute because it had been amended three months
18 earlier to include the ballot question
19 committee. But the fact is, Soltan Bass
20 researched this, when an attorney asked to have
21 Cheryl send it, she said, this is the statute
22 and she specifically asked, send me the statue
23 that states we only have to report me. Now,
24 having said that, I, there is no doubt in my
25 mind that Cheryl Timberlake believed that. She

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1 kept talking about her and her team that she put
2 together, we know it's at least Soltan Bass, she
3 mentioned one other attorney whose name escapes
4 me right now. But I think there is a serious
5 disagreement as to what 1056-B required at the
6 time. And I think that is central to the issue
7 here whether people were intentionally violating
8 the statute or whether they were trying the best
9 they could, even though mistakenly, to comply
10 with it. I have no doubt in my mind that Cheryl
11 wanted to do the best job that she could. Lisa
12 felt that she was trying to do the best job that
13 she could. She was just wrong, but that doesn't
14 mean she intentionally did something that, to
15 subject either one of them to this draconian
16 penalty statute that you have that's never been
17 employed before. This new maximum penalty.
18 Moreover, that penalty says you can apply it if
19 there has been any financial activity that
20 hasn't been reported. It doesn't say if you
21 don't name the contributor, it says if you don't
22 report the financial activity. And every dollar
23 was reported in a timely fashion by Horseracing
24 Jobs Fairness. I also think you could make the

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1 argument that Lisa Scott was Horseracing Jobs
2 Fairness. That she was that BQC, it was her
3 LLC, she registered as the principal officer of
4 the BQC and you could make the argument that she
5 was Horseracing Jobs Fairness. And she was
6 reporting everything that came in to her. And
7 whether you want to acknowledge Lisa's position
8 that this was a loan and she acknowledged that
9 there was a mistake as far as Regent Able, but
10 she believed the money was hers. She gave you
11 the example, if she went to a bank to get a
12 second mortgage or get a loan to build, once you
13 get that money the money is yours. You do with
14 it what you want. And she believed the money
15 was rightfully hers. But she asked Cheryl, do I
16 have to report anything and she was told, no, on
17 the person that she hired, on the person that
18 she had faith in to help her through this
19 process. She admitted she knows nothing about
20 this, her job was to get this initiative passed.
21 And they had little time to do it, they were
22 having problems with the signature gathering,
23 but Lisa was focusing on getting enough
24 signatures to get the ballot passed. She hired

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1 Lisa to take care of the paperwork, which makes
2 sense. Lisa approaches Shawn and Lisa says,
3 look, let's continue the advocacy we started
4 back in 2003. Let's bring a casino to southern
5 Maine. She approaches them. And if you read
6 through the emails, excuse me, especially one
7 that Mr. Day questioned Lisa about, saying you
8 BCC'd Shawn there, read the email. Lisa is
9 trying to sell Shawn on the idea that I want
10 Cheryl, and she says to Cheryl, give me some
11 idea of how much you want. She wanted her.
12 You've heard her say she relied upon Cheryl.
13 She wanted Cheryl to work, she said that she
14 probably wouldn't have done it and didn't want
15 to do it unless she could have Cheryl. Why?
16 'Cause she had a relationship with Cheryl. You
17 heard about the fact, the family would get
18 together, her mother, Shawn, Cheryl, her husband
19 Charlie, they would get together down in
20 Massachusetts and Vicky Scott would make dinner
21 for them. I suggest to you it defies credulity
22 for Cheryl to suggest she had no idea where this
23 money was coming from. If you'll remember, when
24 Mr. Mina was trying to get her to just admit
25

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1 that she believed that that was the right
2 statute, at the time, she wouldn't acknowledge
3 it. I don't think that Cheryl would admit it
4 that today is Halloween, if either myself or Mr.
5 Mina asked her that question. I believe she is
6 scared. I believe she is afraid and I believe
7 she has put herself in a position that she can't
8 extricate herself from, starting with the
9 interview back in August. But the documents
10 suggest a much different picture and again, I
11 don't think it makes any difference because I
12 believe it was an honest mistake. Nobody was
13 trying to deceive the Commission, nobody was
14 trying to hide anything from the public. I
15 mean, I, look, let's call a spade a spade.
16 Nobody that could read that initiative that
17 knows anything about gaming doesn't understand
18 that there is only one entity that will benefit
19 from that passing, and if they want to do any
20 research at all they'd find out that the one
21 entity is Capital Seven, the same entity that
22 brought gambling to, gaming to Bangor back in
23 2003. And as I told this Commission in the
24 beginning, nobody is going to invest \$4.2

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1 million in a campaign unless there is some
2 assurance that they are going to benefit if it
3 gets passed. Nobody is going to pass an open-
4 ended initiative saying, anybody can get this
5 license, I'm going to spend the \$4.2 million and
6 the next day have Penn National come down and
7 apply for it or have Churchill Downs apply for
8 it. Of course, it's going to be drafted in such
9 a way to protect the person that is making the
10 investment. And that was Shawn Scott, who was
11 Capital Seven. So, I don't think anybody was
12 being misled as to who would benefit from this,
13 much to the disagreement of what the press wants
14 to say, shady Shawn and his sister Lisa. I
15 think it was clear to anybody, and quite
16 frankly, I don't think anybody that signs the
17 petition really cares who is going to build it,
18 if they are signing it it's because they want to
19 see gaming in southern Maine. They either want
20 the ability to go there or they want the revenue
21 that is going to be generated from the State.
22 You can't talk to anybody in Bangor that does
23 not talk favorably as to the money that has been
24 generated in Bangor since Hollywood Slots
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1 opened. So, I don't think the people really
2 care that are signing the signatures who's
3 behind it, they just want it, they are going to
4 vote for it if they want gaming in southern
5 Maine. And I think that's important to
6 understand. I don't want to repeat all of the
7 arguments that I made in my submission to you
8 October 26th, but I do want to talk about a
9 couple of points. I think that, that Lisa's
10 reliance upon Cheryl is a cause for mitigation.
11 She hired her to be the treasurer, to prepare
12 the reports. That wasn't her focus, her focus
13 was getting the initiative passed. She hired
14 Cheryl to take care of that. And she relied
15 upon her, and you heard her say it, it was an
16 honest mistake, she's not even faulting Cheryl
17 for that. The second thing I would ask you to
18 consider is the fact that when we first met with
19 the executive, I'm sorry, with the staff, they
20 basically said, you're wrong, you're reading the
21 statute wrong, you have to register. So, rather
22 than litigate that issue right there, we said,
23 fine, we'll register, we'll register Lisa, we'll
24 register MDC, we'll register IDC, and we did

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1 that. And as soon as we did it, they go, all
2 right, now you are going to be penalized because
3 it's a late filing. But we complied with the
4 request because we thought it was the right
5 thing to do, because all anybody has wanted to
6 do, Cheryl Timberlake, Lisa Scott, was do what
7 was right. And as Lisa said in her opening
8 statement, why would there be any benefit to
9 hiding this information? It makes no sense. It
10 makes no sense at all to hide who was behind
11 this because all you had to do is read the
12 initiative and you know who is behind it. So, I
13 think there are grounds for mitigation and I
14 think you also have to take into consideration
15 that my client relied upon what Cheryl sent her,
16 which was the wrong statute. And I believe that
17 Cheryl got that from Soltan Bass, look at the
18 bill, there are charges that Horseracing Jobs
19 paid for, that they researched the statute
20 because Cheryl brought them in as part of the
21 team to provide legal guidance. They came in to
22 the Commission staff in January and said, are we
23 doing everything right? So, I think everybody
24 tried to do the right thing but they were wrong,
25

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1 and maybe they are wrong because I still agree
2 with my interpretation of the statute that is
3 poorly drafted the way it's written. And I
4 don't think that guidance provides any
5 additional information to get past how someone
6 reads that statute. Now, you're not talking
7 about lay people here. I'm a lawyer, Soltan
8 Bass is a lawyer and apparently we both read it
9 the same way, and if we're incorrect, I guess
10 the courts are going to have to tell us that.
11 But for purposes of your decision, I think
12 you've got to recognize, Cheryl is not an
13 attorney, Lisa is not an attorney, they relied
14 upon legal advice that was wrong. And you don't
15 visit the sins of the attorney on the heads of
16 the clients. And I think that goes to
17 mitigation as well. Again, the penalty
18 provision applies to amounts that are reported
19 late. There was nothing that was not reported,
20 it was all timely reported. We are arguing over
21 whether or not the right person was identified
22 as the source of that contribution, the source
23 of that money, the source of that loan, but not
24 the amount that was reported, every dollar was

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1 reported by Cheryl Timberlake in the original
2 Horseracing Jobs Fairness reports. And again, I
3 think that is significant, because nobody was
4 trying to hoodwink the Commission, nobody was
5 trying to do an end run. They were operating
6 under the premise that this is what the statute
7 is and it doesn't require to report anything
8 other than the money came from Lisa Scott. And
9 I think that is crucial to your determination
10 whether there was a willful violation of this
11 statute today. I'm not going to get into my
12 argument here about the penalties being
13 unconstitutional, how draconian they are, it's
14 in there, you can read it, but I think that more
15 importantly you have to look at what the intent
16 was of the people that were providing the
17 information, and the people that were reporting
18 the information, and I just want to bring one
19 document to your attention, and that's TC 30.
20 This is December 21st of '15. And it shows that
21 International Development Corporations made a
22 wire to Stavros Mendros for \$70,070 dollars.
23 So, it wasn't like MDC was being hidden from
24 Cheryl Timberlake, but her position was, based
25

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1 upon her understanding of the statute, that it
2 didn't make any difference because Lisa's name
3 was on it, and that meant it was coming from
4 Lisa and that was her understanding, right or
5 wrong, that was her understanding but the point
6 is, she was aware of MDC at least as early as
7 December of 2015. I just, I agree I have a
8 problem with Cheryl's testimony and you are
9 going to decide the credibility of witnesses
10 just like any fact finder does. As who is
11 telling the truth and who is not? But I submit
12 to you, I just think that Cheryl painted herself
13 into a corner from which she didn't know how to
14 get out of. Because I think the documents
15 clearly show that she had knowledge of what was
16 going on, that Shawn was involved, which makes
17 sense. He is the one that was successful the
18 last time, he is the only one that can benefit
19 from it this time, and Cheryl knew Lisa well
20 enough to know that she didn't have \$4.2 million
21 of her own money. I'm going to ask, finally,
22 I'm going to renew our request that you
23 bifurcate this hearing. You have heard a lot of
24 information, you've got a lot of documents, it's

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2 late and I would ask you, there is no need to
3 decide the penalty tonight. There is no reason
4 to do it. Give yourself the opportunity to come
5 back and review this thing and deliberate on it,
6 but it doesn't have to be done at a quarter
7 after 8:00 when we've been here since 9 o'clock
8 this morning. There is no reason to do that. I
9 am sure every reporter that was here today has
10 already made the story about what went on here
11 today. There is no reason for you to have to
12 make a decision tonight. Thank you very much
13 for listening to me.

14 MS. MATHESON: Thank you.

15 MR. LEE: I do have two questions. Mr.
16 Merrill, if Lisa Scott was not attempting to
17 hide the source of the funds for this
18 initiative, then why didn't she disclose it
19 during any of the number of times in 2016 when
20 requests to that effect were made?

21 MR. MERRILL: I'm not sure I understand your
22 question, Commissioner Lee.

23 MR. LEE: Well, I'll try it slightly
24 differently, but if Lisa Scott, you said nobody
25 was trying to hide the money here, and I'm

1 saying if there, if there was no attempt being
2 made to hide the source of the money then why
3 wasn't the source of the money disclosed during
4 any of the many times that that question was
5 asked of Ms. Scott and HRJF during 2016.

6 MR. MERRILL: Again, asked by whom?

7 MR. LEE: The testimony was there were a
8 number of requests made by the press.

9 MR. MERRILL: Well, I don't think the press
10 has any, is not entitled, and as Ms. Scott told,
11 they are not entitled to anything, okay? I
12 mean, you're a lawyer, I'm a lawyer, I have
13 people, the press call me all the time, I don't
14 necessarily return a phone call because the
15 press isn't always favorable to my clients. And
16 as Ms. Scott told you, the press has never been
17 favorable to these initiatives, never. So, why
18 are you just going to give them grist for their
19 mill? I, there, there is nothing that I am
20 aware of that says there is a requirement to
21 answer questions from the press. And a non-
22 answer doesn't mean that you are giving them a
23 false answer.
24

25 MR. LEE: Yet the decision was made not to

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1
2 disclose the source of funds but simultaneously
3 we were being told there was nothing to hide and
4 I'm trying to reconcile those two things--

5 MR. MERRILL: [interposing] And that's not
6 what I am saying, Commissioner. With all due
7 respect, I am saying that there is no obligation
8 to answer a call from the press.

9 MR. LEE: Oh, I know. Everyone in this room
10 knows that. But that doesn't answer the
11 question.

12 MR. MERRILL: Then a non-re--, not calling
13 them is not the equivalent of hiding something.

14 MR. LEE: It's, it's not making a false
15 statement but when you don't answer a question
16 you're certainly failing to disclose
17 information.

18 MR. MERRILL: Number one, Ms. Scott did not
19 believe that she needed to report it. She had
20 been advised by Cheryl we only have to report
21 you. And number two, as she testified, until
22 the initiative is passed, until they get the
23 Secretary of State to put his imprimatur on that
24 initiative, there is no reason to speak to the
25 press, no, no good reason to speak to the press,

1
2 given the history of the press and the way they
3 attack these initiatives.

4 MR. LEE: Okay, I'll let that go for now.
5 The second question I have is, assuming that the
6 Commission does find that there is a violation
7 by MDC, IDC, and Lisa Scott, the preliminary
8 penalty, using the statutory formula, given the
9 amount of money involved and the passage of time
10 before the amounts were reported properly, would
11 be in excess of \$3 million. What do you feel
12 would be the appropriate penalty for this
13 Commission to assess in that situation?

14 MR. MERRILL: I would ask for the same
15 ability to consult with my client but I, I would
16 just like to point out two exhibits to the
17 Commission, if I may, 13913 and 140--, 14308,
18 and there was discussion about these today.
19 These were handwritten-

20 MR. LEE: [interposing] 130, 139?

21 MS. MATHESON: 13.

22 MR. MERRILL: 13913 and 14308. 13913 is the
23 financial report that was filed for Lisa Scott
24 at the, as a BQC, and 143 is Miami Development
25 Concepts LLC. Even though Cheryl Timberlake

1 would not sign these as the treasurer, she and
2 Corinna prepared these reports. And you can see
3 by looking at these that the staff changed those
4 reports after having conversations with Corinna
5 Rodrigue on April 26th of 2017. And they changed
6 the numbers and I would submit to you that if
7 you add up the corrected numbers the bottom line
8 is not accurate. So, if you are going to look
9 at the, the number on 14308 I think is off by
10 \$120,000 after the Commission makes the changes.
11 And then if you look at the reports that get
12 filed, there is a certification on the bottom
13 saying that Corinna Rodrigue certifies to the
14 accuracy of these reports. Well, these were
15 changes that were made by Commission staff, and
16 their math isn't correct. So, when we add these
17 all up to figure out the penalty, I would submit
18 to you if you look at these, even what the
19 Commission staff did is not accurate. So, if I
20 am going to be pressed for a number, I am going
21 to say \$10,000, total, because that's the cap
22 other than for violations involving a late
23 payment of financial activity, and there was no
24 late reporting of financial activity.

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MR. LEE: Thank you.

MS. MATHESON: Okay, I have a question for counsel. According to our Rules, and I am looking at Chapter Two, under hearing procedures, section eight, it says that at the conclusion of the hearing, no other evidence or testimony will be allowed into the record except as specified by the presiding officer. And then there is a contemplation that that if need be the right way, we could reopen under section nine and it would be another thing. So, I guess, because I'm about to ask for a motion to bring us, do we need a motion to be, to conclude the hearing or do we just conclude it? Just conclude it.

MS. GARDINER: Right. I don't think you need a motion.

MR. WAYNE: You can declare it, you declare it.

MS. MATHESON: Okay, so I am going to decl-- , unless we have--

MR. LEE: [interposing] We have Mr. Day.

MS. MATHESON: Oh, he hasn't, he hasn't, okay, yeah, sorry.

MR. DAY: Thank you, Commissioner, for the

1 opportunity to talk about proposed penalty.

2 It's hard to come up with a number, just a
3 number, but to put some criteria behind it. In
4 speaking with Cheryl she proposed the 28,000,
5 which is the full amount of the first report of
6 HRJF which was made, and I know Jonathan may
7 cringe at this but that was made before folks
8 came in to talk with Commission staff to seek
9 some guidance in terms of what, what was
10 required. And so, all reports after that fact
11 were by the meeting with Commission staff.
12

13 MR. LEE: Okay, thank you.

14 MS. MATHESON: So, unless anybody can think
15 of any reason that we should not conclude the
16 hearing, I am prepared to call it. Anyone in
17 the room? Anyone? Commissioners?

18 MR. LEE: I'm fine.

19 MS. MATHESON: All right. Again, thank you
20 all for your participation today. And the
21 hearing portion of the meeting is now concluded.

22 [END RECORDING]

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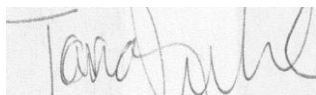
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Date November 13, 2017