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IN THE MATTER OF AN ARBITRATION  
BETWEEN

LANCE ARMSTRONG AND TAILWIND SPORTS CORP.	)
vs.	) BEFORE THE HONORABLE RICHARD FAULKNER, RICHARD CHERNICK AND TED LYON, ARBITRATORS
SCA PROMOTIONS, INC., AND HAMMAN INSURANCE SERVICES, INC.	)

VIDEOTAPED DEPOSITION OF MARK GORSKI,  
produced, sworn, and examined on August 26, 2005,  
between the hours of eight o'clock in the forenoon  
and six o'clock in the afternoon of that day, at the  
office of Schupp Company, 401 Pine Street, St. Louis,  
Missouri, before Stephanie D. Darr, a Certified Court  
Reporter and Notary Public within and for Missouri,  
in the matter of Lance Armstrong and Tailwind Sports  
Corp. vs. SCA Promotions, Inc., and Hamman Insurance  
Services, Inc., on behalf of the Respondent.

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APPEARANCES

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For the Respondent:

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Mr. Jeffrey M. Tillotson  
LYNN, TILLOTSON & PINKER, L. L. P.  
750 N. St. Paul Street, Suite 1400  
Dallas, Texas 75201  
(214) 981-3800  
jmt@lynnllp.com

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For the Claimant:

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Mr. Timothy J. Herman  
HERMAN, HOWRY & BREEN, L. L. P.  
1900 Pearl Street  
Austin, Texas 78705  
(512) 474-7300  
therman@hermanhowry.com

Also Present:

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Reported By:

Stephanie D. Darr, CCR No. 827  
MIDWEST LITIGATION SERVICES  
711 North Eleventh Street  
St. Louis, Missouri 63101  
(314) 644-2191

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IT IS HEREBY STIPULATED AND AGREED by and between counsel for the Plaintiff and counsel for the Defendants that this deposition may be taken in shorthand by Stephanie D. Darr, CCR and notary public, and afterwards transcribed into printing, and signature by the witness expressly reserved.

\* \* \* \* \*

THE VIDEOGRAPHER: We're on the record. Today's date is August 26, 2005, and the time is 11:15 a.m. This is the videotaped deposition of Mark Gorski in the matter of Lance Armstrong and Tailwind Sports Corporation versus SCA Promotions, Inc., and Hamman Insurance Services, Inc. My name is John Niehaus. Would counsel please identify themselves for the jury?

MR. HERMAN: I'm Tim Herman appearing on behalf of the Claimant and for the purposes of

gorski  
18 this deposition representing Mr. Gorski.  
19 MR. TILLOTSON: I'm Jeff Tillotson  
20 together with Chris Compton. We're here on behalf of  
21 the Respondent.

22 THE VIDEOGRAPHER: If you could swear  
23 the witness, please.

24 MARK GORSKI,  
25 of lawful age, produced, sworn, and examined on

¶00005

1 behalf of Respondent, deposes and says:

2 EXAMINATION

3 QUESTIONS BY MR. TILLOTSON:

4 Q. If you'll state your full name for  
5 us, sir?

6 A. It's Mark Brian Gorski.

7 Q. Mr. Gorski, my name is Jeff  
8 Tillotson. I'm the lawyer for SCA Promotions. Do  
9 you understand that?

10 A. Yes.

11 Q. I'm here in connection with your  
12 deposition that's being taken in a legal proceeding  
13 involving Tailwind Sports, Lance Armstrong, SCA  
14 Promotions and some other entities. Are you  
15 generally aware of that legal proceeding?

16 A. Generally.

17 Q. Now, you're here today represented by  
18 counsel, Mr. Herman; is that correct?

19 A. Yes.

20 Q. Have you ever been deposed before?

21 A. One time prior.

22 Q. Was it a few years ago --

23 A. Uh-huh.

24 Q. -- or recently? Let me go over a  
25 couple of ground rules for you to help the process go

¶00006

1 faster. First, you understand that the purpose of  
2 this is to ask you questions regarding certain events  
3 and your understanding of facts?

4 A. Yes.

5 Q. You also understand that you've taken  
6 an oath as if you're in a courtroom to give true  
7 testimony?

8 A. Yes, I do.

9 Q. And you understand that if you give  
10 untrue testimony you may be subject to the penalties  
11 of perjury?

12 A. Yes.

13 Q. Now, as we go through this process  
14 and I ask you questions from time to time, your  
15 counsel may object to those questions. Do you  
16 understand that?

17 A. Yes.

18 Q. Unless he instructs you otherwise, I  
19 will expect you, however, to answer those questions,  
20 agree?

21 A. Okay.

22 Q. Also, I'm going to try and move  
23 rapidly through the materials given the time  
24 constraints that we --

25 A. Uh-huh.

¶00007

1 Q. -- find ourselves here with. If I  
2 speak too fast or I confuse you, please alert me.

3 Agreeable?

4 A. Sure.

5 Q. Finally, we are here today with a  
6 court reporter and a videographer. You see that,  
7 right?

8 A. Uh-huh.

9 Q. The court reporter is taking down  
10 everything we say, which is important that you answer  
11 out loud yes or no. Not an uh-huh or a shake of the  
12 head. Got that?

13 A. Yes.

14 Q. And you'll have an opportunity to  
15 review your transcript prepared here, make any  
16 changes as you see fit, and we have the opportunity  
17 to comment on those changes to the tribunal who may  
18 decide this matter. Do you understand that?

19 A. Yes.

20 Q. And last, you understand, don't you,  
21 that the transcript prepared today and the videotape  
22 being made of this proceeding can and will be shown  
23 to the arbitration panel who is going to decide this  
24 particular matter?

25 A. Yes.

¶00008

1 Q. Okay. I want to begin just first by  
2 making sure I understand who you are and your  
3 background.

4 A. Sure.

5 Q. And perhaps we could move backwards  
6 in time. First, tell us whom you work for and what  
7 your job duties or titles are?

8 A. I am -- my name is Mark Gorski. I'm  
9 executive vice-president at the Schupp Company, which  
10 is an advertising agency here in St. Louis. I manage  
11 all of our business development activities.

12 Q. And how long have you had that job or  
13 this job?

14 A. Since August of 2003.

15 Q. Prior to August 2003, how were you  
16 employed?

17 A. I was employed as the CEO of Tailwind  
18 Sports Corporation.

19 Q. How long were you the CEO of Tailwind  
20 Sports?

21 A. About two years.

22 Q. So from mid 2001 to August of 2003?

23 A. Correct.

24 Q. Okay. And where were you located as  
25 CEO of Tailwind Sports?

¶00009

1 A. San Francisco.

2 Q. And as CEO, did you oversee Tailwind  
3 Sports operations?

4 A. Yes.

5 Q. What is Tailwind Sports, and by that  
6 I mean what kind of business does Tailwind Sports  
7 engage in?

8 A. The management of a professional  
9 cycling team, as well as the ownership of cycling  
10 events.

11 Q. While you were there at Tailwind  
12 Sports, you say the job was or business was the  
13 management of a professional cycling team. Was that

14 the U. S. Postal Team?

15 A. Yes, it was.

16 Q. Was there any other team Tailwind

17 owned --

18 A. No.

19 Q. -- or managed?

20 A. No.

21 Q. All right. Two years at Tailwind as

22 CEO. Prior to Tailwind, what was your job?

23 A. I was a partner with Disson Furst and

24 Partners from '99 until Disson Furst and Partners

25 merged into -- ultimately became Tailwind Sports

¶00010

1 Corporation. Prior to that I was --

2 Q. Hang on. Let me just ask you while

3 we're on Disson Furst. For the court reporter,

4 that's D-i-s-s-o-n new word F-u-r-s-t?

5 A. Correct.

6 Q. And that was a partnership as opposed

7 to a corporation?

8 A. Correct.

9 Q. And you were a partner with Disson

10 Furst?

11 A. Yes.

12 Q. Did you have any title beyond that,

13 managing partner, senior partner, director?

14 A. I believe it was just partner.

15 Partner and managing director I believe.

16 Q. And your job responsibilities for

17 Disson Furst were what?

18 A. Managing the cycling division.

19 Q. How many businesses was Disson Furst

20 in?

21 A. We had six.

22 Q. Can you just briefly list them for

23 me?

24 A. Motor sports, figure skating,  
25 cycling, corporate consulting and -- what else? That

¶00011

1 may have been it. I'm sorry. We had action sports  
2 and music.

3 Q. And you were in the cycling division  
4 or group I take it?

5 A. I ran the cycling division.

6 Q. And what was the business of the  
7 cycling division?

8 A. Ownership and management of the U. S.  
9 Postal Service Team.

10 Q. Anything else?

11 A. No.

12 Q. Okay. Two years at Disson Furst,  
13 from '99 to '01, where you were in the cycling  
14 division and were the -- owned and managed the U. S.  
15 Postal Team. Prior to Disson Furst what did you do?

16 A. I was the general manager of  
17 Montgomery Sports.

18 Q. Okay. What kind of business was  
19 that?

20 A. Ownership and management of the U. S.  
21 Postal Service Pro Cycling Team.

22 Q. Okay. And how long were you at  
23 Montgomery Sports?

24 A. 19 -- May 15th of 1995 until the

gorski

25 merger with Disson Furst and Partners, or the  
¶00012  
1 creation of Disson Furst and Partners.  
2 Q. Okay. And were you general manager  
3 the entire time from '95 'til '99, approximately?  
4 A. Yes.  
5 Q. Did you have an ownership interest in  
6 Montgomery Sports, or just a salaried employee?  
7 A. Salaried employee.  
8 Q. How about Disson Furst. As a  
9 partner, did you have some ownership in Disson?  
10 A. Yes.  
11 Q. And Tailwind Sports, for the two  
12 years you were there did you have an ownership  
13 interest?  
14 A. Yes.  
15 Q. Okay. I want to focus on these three  
16 entities for the time being.  
17 A. Uh-huh.  
18 Q. I'll clean up the rest of your -- I  
19 say clean up. I don't want to diminish it. But I'll  
20 ask you about the rest of your background in a  
21 second. Did Montgomery Sports merge into Disson  
22 Furst?  
23 A. Yes.  
24 Q. Or acquired is a better word, or was  
25 it a merger?

¶00013  
1 A. It was a merger.  
2 Q. And then Disson Furst merged into  
3 Tailwind Sports?  
4 A. Yes. I, I believe that was the  
5 transaction.  
6 Q. So, so Disson Furst no longer existed  
7 as a separate entity?  
8 A. Correct.  
9 Q. In mid '01?  
10 A. That's right.  
11 Q. Okay. Did the, the other divisions  
12 of Disson Furst get wrapped into Tailwind Sports?  
13 A. No.  
14 Q. Those just cease to exist?  
15 A. They were spun out as Tailwind Sports  
16 took over -- Tailwind Sports Corp. took over the  
17 cycling division essentially, and the other divisions  
18 of Disson Furst and Partners, the other businesses,  
19 were spun out to the other partners.  
20 Q. Okay. What was the reason for the  
21 merger with Disson Furst and Tailwind Sports?  
22 A. We were trying to diversify the  
23 businesses that we were in in the area of sports  
24 marketing.  
25 Q. What did Tailwind Sports do other

¶00014  
1 than run a pro cycling team though?  
2 A. We owned -- we had an ownership stake  
3 in the San Francisco Grand Prix Cycling Event.  
4 Q. Okay.  
5 A. We also provided consulting services  
6 to the USA Cycling Development Foundation.  
7 Q. For Disson Furst for your division,  
8 and I call it division. But for your group, I take  
9 it that the U.S. Postal Team provided all of the

10 revenue for Disson Furst?

11 A. Yes.

12 Q. And no other source of revenue other  
13 than might be driven off the U.S. Postal Team?

14 A. That's right. Yes.

15 Q. For Tailwind Sports, there was  
16 continued revenue from the ownership of the U.S.  
17 Postal Team?

18 A. Yes.

19 Q. Was that the majority of revenue for  
20 Tailwind while you were there?

21 A. Yes.

22 Q. Can you give me estimate of  
23 percentages, 50, 70, 100?

24 A. 80 percent.

25 Q. Can you tell me how you make money

¶00015

1 off the U.S. Pro Cycling Team? What kinds of things  
2 you do that generate revenue while at Tailwind?

3 A. 99 percent of the revenue was  
4 corporate sponsorship.

5 Q. So --

6 A. We would go out and seek sponsorship  
7 relationships with Corporate America.

8 Q. And be paid a fee for that?

9 A. Correct.

10 Q. Other than the sponsorship with the  
11 U.S. Postal Service, what other sponsorships did the  
12 team have during your time period at Tailwind?

13 A. Visa, Yahoo, Nike, Volkswagon, then  
14 Subaru, Coca-Cola Company, Dell Sports, Shimano, and  
15 others.

16 Q. These are companies I've never heard  
17 of. No. I'm kidding. Do you have contracts with  
18 each one of these sponsorships --

19 A. Yes.

20 Q. -- At Tailwind?

21 A. Yes.

22 Q. Okay. And then does the main sponsor  
23 have to approve the sponsorship arrangements? For  
24 example, does the U.S. Postal service have to approve  
25 of the sponsorship arrangement with Visa?

¶00016

1 A. Only to the extent of the location of  
2 their logos on the various team jerseys, team cars  
3 and so on. But they did not have approval rights on,  
4 on which sponsors. But some of the marketing rights,  
5 yes.

6 Q. And did -- for Disson Furst -- we'll  
7 talk about Tailwind. Was Disson Furst's income off  
8 the U.S. Postal Team derived in the same way, that is  
9 through sponsorships?

10 A. Yes.

11 Q. Like if the U.S. Postal Team wins a  
12 race or one of its team members wins a race and earns  
13 prize money, does Disson Furst or Tailwind get any of  
14 that?

15 A. No.

16 Q. So unless --

17 A. The prize, the prize money was the  
18 property of the riders.

19 Q. And then explain for us that don't  
20 have a background in cycling. Disson Furst contracts

gorski

21 with a sponsor, and you have the ownership of the  
22 team. How is it you have an agreement with the team  
23 members? Is that by a separate contract?

24 A. Yes.

25 Q. Do you contract with each individual

¶00017

1 team member?

2 A. Yes.

3 Q. And that contract you agree to pay  
4 them a salary or bonuses as the case may be?

5 A. Yes.

6 Q. And to have money to pay for that,  
7 you enter into sponsorship arrangements for revenue?

8 A. Yes.

9 Q. Did Disson Furst make money the two  
10 years you were there off the Postal Team?

11 A. No.

12 Q. Okay. What was the reason for not  
13 making money?

14 A. Because the expenses exceeded the  
15 revenues.

16 Q. Was there just not enough sponsorship  
17 income, or were salaries too high, or both?

18 A. It depends on how you look at it.

19 Both.

20 Q. How did you look at it as the man --  
21 as a partner?

22 A. We were -- I would characterize it as  
23 the, you know, we were trying to make a profit or  
24 break even. In a better case scenario, better case  
25 than losing money, you know, we always were seeking

¶00018

1 more sponsorship revenue. But we were, you know,  
2 seeking to build the team, build our -- build equity  
3 in our entity. Build a powerful organization, a  
4 great sports franchise. And so we continued to try  
5 to invest in the team and motivate our riders, and  
6 revenues didn't always keep up with what we were  
7 trying to do from a business perspective.

8 Q. Did you draw a salary or  
9 distributions as a partner of Disson Furst?

10 A. Yes.

11 Q. And was that included in the overall  
12 expenses when you compared them against revenues?

13 A. Yes.

14 Q. When you say lost money?

15 A. Yes.

16 Q. All right. Now, when you moved and  
17 merged into Tailwind, did Tailwind make profit off --  
18 did Tailwind make any profit?

19 A. No.

20 Q. Okay. Did it lose money all the  
21 years you were there?

22 A. Yes.

23 Q. Substantial? Are we talking small  
24 amounts?

25 A. It probably ranged from \$200,000 to a  
¶00019  
1 million.

2 MR. HERMAN: Excuse me. I don't --  
3 you asked him -- you asked him first about DFP and  
4 then about Tailwind. I'm curious about what your  
5 last answer referred to, that it referred to the



gorski

6 entire time you were there or to the -- just  
7 Tailwind.

8 MR. TILLOTSON: That's a fair  
9 clarification.

10 THE WITNESS: Jogging my memory here,  
11 it was probably in that range for the entire period  
12 from '99 to '03 when I left.

13 MR. HERMAN: Okay.

14 MR. TILLOTSON: Okay.

15 THE WITNESS: I believe it was less  
16 or more than that in any of the years.

17 Q. (By Mr. Tillotson) Got it. And so  
18 one of the things that was your job responsibilities  
19 at Disson Furst and then later Tailwind was to go out  
20 and find sponsors to produce income?

21 A. Correct. Yes.

22 Q. And would a successful team, that is  
23 the Postal Team winning races, increase the chance of  
24 obtaining sponsors in your mind?

25 A. Yes.

¶00020

1 Q. That is the more you won, the higher  
2 visibility, the more sponsors you could get, correct?

3 A. Yes.

4 Q. And it's also true, isn't it, that  
5 the more you won, the more visibility, the higher you  
6 could get from a particular sponsor, right? More  
7 money you could get from a sponsor?

8 A. Yes. Theoretically. It wasn't  
9 always the case.

10 Q. Okay. But the idea is that you  
11 convince a sponsor that a lot of eyeballs are seeing  
12 their logos?

13 A. Yes. That's right.

14 Q. So if they win and get on the podium  
15 and there is a billion people watching on T.V., that  
16 can translate into ad dollars that you can charge  
17 people?

18 A. Correct. The formula, the benefits  
19 that we would outline for potential sponsors,  
20 obviously greater results, better results, translated  
21 into more visibility. Usually it was one of the  
22 things they were seeking obviously.

23 Q. And would you agree with me that the  
24 highest visibility cycling event in the world is the  
25 Tour de France?

¶00021

1 A. Yes.

2 Q. And so a Disson Furst U.S. Post  
3 Cycling Team member winning the Tour de France would  
4 be a very beneficial thing for Disson Furst in terms  
5 of its business?

6 A. Yes.

7 Q. And so is it true or it is true, is  
8 it, not, Mr. Gorski that you as partner of Disson  
9 Furst wanted very much Mr. Armstrong to win the Tour  
10 de France in '99, 2000, 2001?

11 A. Yes.

12 Q. And you at Disson Furst undertook  
13 efforts to help him win, managing the team, giving  
14 him support?

15 A. Yes.

16 Q. And also true at Tailwind Sports?

gorski

17 A. Yes.  
18 Q. And you always viewed at Disson Furst  
19 and at Tailwind that winning the Tour de France --  
20 let me rephrase that. You believed at Disson Furst  
21 and at Tailwind Sports that Mr. Armstrong winning the  
22 Tour de France was a very beneficial thing for your  
23 business?

24 A. Yes.  
25 Q. Now, in addition to your jobs at

¶00022

1 Tailwind and Disson Furst, were you also the director  
2 of the U.S. Postal Team?

3 A. I was general manager.  
4 Q. Okay. General manager. For all the  
5 years you were there?

6 A. Yes.  
7 Q. So you would have been the general  
8 manager of the team in connection with the Tour de  
9 Frances in 1990, 2000, '01, '02 and '03?

10 A. Yes.  
11 Q. But you were not for the '04 tour?  
12 A. Correct. Yes.

13 MR. HERMAN: I believe you misspoke,  
14 Jeff. You said '90, 2000. I'm sure you meant '99?

15 MR. TILLOTSON: Yes.  
16 MR. HERMAN: Okay.  
17 Q. (By Mr. Tillotson) Let me rephrase  
18 it. You were the managing director for the U.S.  
19 Postal Team for the Tour de Frances from 1999 through  
20 2003?

21 A. The general manager.  
22 Q. General manager. Okay.  
23 A. That's correct.  
24 Q. As general manager of the team, what  
25 are your responsibilities at an event such as the

¶00023

1 Tour de France?  
2 A. Primary responsibility was managing  
3 the corporate sponsors that were in attendance.

4 Q. Does that --  
5 A. Including, you know, our corporate  
6 sponsors, any of our investors in Tailwind Sports.  
7 So that was my primary responsibility there.  
8 Q. Okay. Handling the individuals that  
9 might come from the U.S. Postal Service to see the  
10 event?

11 A. And the other sponsors.  
12 Q. Got it. Okay. Did you have  
13 responsibilities for the team itself, and by that I  
14 mean arranging accommodations, handling training,  
15 dealing with people who are involved, staff people,  
16 mechanics, doctors, those kinds of things?

17 A. No.  
18 Q. Who had that responsibility for the  
19 team?

20 A. Johan Bruyneel as the Director  
21 Sportif was primarily responsible. If there were  
22 major decisions to be made with, you know, major  
23 financial implications, he would come to me.

24 Q. Okay. But he dealt with what I would  
25 call the nuts and bolts aspect of it?

¶00024

1 A. Yes.

gorski

2 Q. Were you the public face of the team,  
3 and by that I mean would you be the person that would  
4 issue press releases or public pronouncements about  
5 the team?

6 A. I would oversee that, yes.

7 Q. Okay. I have --

8 A. I was often quoted.

9 Q. Okay. I was going to ask you. I've  
10 seen reference to statements you issued or made in  
11 connection with various Tour de France.

12 A. Uh-huh.

13 Q. Is that something you commonly did?

14 A. Yes.

15 Q. And would you check with team members  
16 before issuing those statements?

17 A. If it was in reference to a team  
18 member.

19 Q. Okay. I'm going to come back and  
20 talk some more about this. But I just want to follow  
21 up on the rest of your background. Prior to 1995, if  
22 you'll sort of take me, take me through your job  
23 history so I know.

24 A. 1993 to 1995 I was Director of  
25 Corporate Development at USA Cycling. 1989 to 1993 I

¶00025

1 was Vice-President with Wells Fargo Bank in the trust  
2 and investment division.

3 Q. Okay.

4 A. 1984 to 1989 I was the president of  
5 Gorski, Inc. I was competing as a cyclist and had --  
6 Gorski, Inc., was the personal corporation I had  
7 which I had endorsement contracts with numerous  
8 companies.

9 Q. Okay. And then prior to, prior to  
10 1984?

11 A. I went to the University of Michigan  
12 from '78 to '82, and I was an Olympic athlete. I  
13 actually rode for 711 Cycling Team for -- from 80 --  
14 I guess '82 to '84.

15 Q. And you were a member of the United  
16 States Olympic Team in 1984; is that right?

17 A. Yes.

18 Q. And participated and won a gold medal  
19 in what event?

20 A. The 1,000 meter match sprint.

21 Q. Okay. And so you, you were a  
22 professional cyclist until early or late 1989; is  
23 that right?

24 A. It was not a professional. I was an  
25 amateur.

¶00026

1 Q. Amateur cyclist. Okay. From '84 to  
2 '89 were an amateur cyclist?

3 A. Yes.

4 Q. But earned income from endorsements?

5 A. Yes.

6 Q. Okay. Who was the coach of the 1984  
7 U.S. Olympic Team?

8 A. Eddy Borysewicz.

9 B-o-r-y-s-e-w-i-c-z.

10 Q. Was he later the coach of any of the  
11 U.S. Postal Teams?

12 A. He was in the first year 1997 one of

gorski

13 the assistant coaches.

14 Q. Did he leave -- was that all he ever  
15 was for the U.S. Postal Teams?

16 A. Yes.

17 Q. At what point did Mr. Lance Armstrong  
18 join the U.S. Postal Team?

19 A. We signed an agreement with Lance in  
20 -- well, yeah. October of 1998. I'm sorry. October  
21 of 1997.

22 Q. And who for Disson Furst supervised  
23 or oversaw saying let's go get Lance Armstrong and  
24 sign him? Was that you?

25 A. Myself -- first of all, at that time

¶00027

1 it was Montgomery Sports.

2 Q. Okay. I apologize.

3 A. It was myself and Thom Weisel, who  
4 was the chairman of Montgomery Sports.

5 Q. Did you know Mr. Armstrong before  
6 that time period?

7 A. Yes.

8 Q. How do you know him, from cycling?

9 A. Yes. I, I was the color commentator  
10 for NBC at the Olympics in 1992. Lance was on the  
11 1992 Olympic team. You know, we interacted there,  
12 interviewed him there. I saw him, and we interacted  
13 at some of the major events in the United States in  
14 '93, '94. So I saw him occasionally and would talk,  
15 and we weren't close friends. But we certainly knew  
16 of each other.

17 Q. Okay. And who did you deal with in  
18 connection with obtaining Mr. Armstrong for the  
19 contractual relationship?

20 A. Bill Stapleton.

21 Q. What's Mr. Stapleton's relationship  
22 to Mr. Armstrong, if you know? Agent, business  
23 manager, lawyer, or all of the above?

24 A. Right now?

25 Q. Let's start first with '97, and then

¶00028

1 I'll ask you.

2 A. Yeah. In 1997 he was his business  
3 manager and lawyer.

4 Q. Did that change over time that you  
5 dealt with Mr. Stapleton?

6 A. Only to the extent that cap -- he  
7 developed a company called Capital Sports  
8 Entertainment that it became a larger entity. But in  
9 effect, he was still Lance's business manager and  
10 agent. I think his entity grew, and Lance was one of  
11 a number of clients of his.

12 Q. And did you have good relations with  
13 Mr. Stapleton?

14 A. Define good.

15 Q. Well, was it a pleasant business  
16 experience, or was it a difficult one?

17 A. It was at times that we had difficult  
18 negotiations, as in negotiation. But I always -- I  
19 have a lot of respect for Bill. I think, you know,  
20 we battled through a lot of negotiations and a lot of  
21 issues. But, you know, in the end I would say we  
22 have, we have a good relationship and a healthy  
23 respect for each other. But we went through a lot of

gorski

24 difficult negotiations.

25 Q. And did you find him not to be

¶00029

1 trustworthy on certain occasions?

2 A. No.

3 Q. Was he forthcoming with information  
4 when you asked him?

5 A. Yes.

6 Q. Were these negotiations surrounding  
7 Mr. Armstrong's contracts with --

8 A. Yes.

9 Q. -- Disson Furst?

10 A. Yes.

11 Q. Okay.

12 A. Yes.

13 Q. Did Mr. Stapleton ever acquire or  
14 have an ownership interest in Tailwind Sports?

15 A. No.

16 Q. Did Mr. Armstrong, to your knowledge,  
17 ever have an ownership interest in Tailwind Sports?

18 A. I know that it was discussed before I  
19 left Tailwind Sports. But I don't know what has  
20 occurred since I left in August of '03. But at the  
21 point that I left there was not any ownership  
22 interest on the part of Bill or Lance in Tailwind  
23 Sports Corp.

24 Q. Okay. Did Mr. Stapleton ever have a  
25 position with Tailwind Sports?

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1 A. No.

2 Q. So you've got Tailwind Sports for  
3 which you're the CEO. Mr. Armstrong, who has a  
4 contract with Tailwind Sports, right?

5 A. Correct.

6 Q. And then Mr. Stapleton, who is acting  
7 as the agent, lawyer, business manager for Mr.  
8 Armstrong?

9 A. Yes.

10 Q. And then he's got a venture called  
11 Capital Sports?

12 A. Capital Sports Entertainment, CSE.

13 Q. Did that have any contractual  
14 relation with TSI, Tailwind?

15 A. No. It was simply the entity that  
16 Bill as president of the company was the -- they were  
17 the entity which managed Lance.

18 Q. Okay.

19 A. So they served as a negotiating agent  
20 with me on behalf of Tailwind Sports Corp. for  
21 Lance's services to the team.

22 Q. Did Capital Sports have any ownership  
23 interest in Tailwind or Disson Furst?

24 A. No.

25 Q. But did any entity that Mr. Armstrong

¶00031

1 controlled or had ownership of have any ownership in  
2 Tailwind?

3 A. No.

4 Q. Okay. I've pre-marked some exhibits,  
5 and I did it in a, in a -- I wouldn't say a random  
6 fashion.

7 A. Uh-huh.

8 Q. But I just sort of marked them. So I

gorski

9 may not go in order, but I'll use all the numbers.  
10 Let me show you what we've marked as Respondent's  
11 Exhibit 2, and I'll ask you to take a look at that if  
12 you will. My question is if you look at Respondent's  
13 Exhibit 2, do you recognize this document?

14 A. Yes.

15 Q. Can you tell the panel what it is  
16 we're looking at here?

17 A. This was the agreement between at the  
18 time Disson Furst and Partners, the ownership entity  
19 of the team, and Lance for his services to the team  
20 from the period '01 through '04.

21 Q. Now, there was a prior agreement or  
22 agreement with Mr. Armstrong and Disson Furst; is  
23 that right?

24 A. Yes.

25 Q. Okay. So this is in effect

♀00032

1 negotiating a new one for the going forward --

2 A. An extension.

3 Q. And at this particular point in time,  
4 Mr. Armstrong has, has won the 1999 and the 2000 Tour  
5 de Frances?

6 A. Correct. That's right. Yes.

7 Q. Which certainly must have helped with  
8 visibility for your business and the team?

9 A. Yes. Although despite the victories  
10 we never made money.

11 Q. I understand.

12 A. But theoretically it would help. But  
13 we weren't in the position to earn -- the company was  
14 not in the position to earn bonuses for victories,  
15 thereby increasing profits in the current year.  
16 Theoretically, it increased the profile of the team,  
17 and in future years could potentially help the  
18 business of Tailwind Sports.

19 Q. Okay. You weren't trying to enter  
20 into a contract here with Mr. Armstrong that would  
21 guarantee you losing money, right?

22 A. No.

23 Q. You were trying to make money off of  
24 this arrangement; is that the goal here?

25 A. Yes.

♀00033

1 Q. Okay. So you got to pay Mr.  
2 Armstrong, and that's going to be tough. But you're  
3 hoping that him and your team will earn you enough  
4 money to pay him and make you a profit; fair enough?

5 A. Yes.

6 Q. Okay. And one of the things that's  
7 going on while you're negotiating with Mr. Armstrong  
8 for this agreement is you're also either negotiating  
9 or working with the U.S. Postal Service about a new  
10 sponsorship agreement; is that right?

11 A. Yes.

12 Q. And this agreement, if you'll, if  
13 you'll turn to Page 4. If you'll, if you'll --

14 A. Uh-huh.

15 Q. -- You see there at the top. It's  
16 addressed to you. It comes from Capital Sports  
17 Ventures and Mr. Stapleton. Do you see that on Page  
18 4? Is that there very truly yours, William  
19 Stapleton?

20 A. Yes.  
21 Q. Is it my understanding he's sending  
22 you this letter on behalf of Mr. Armstrong as his  
23 agent?

24 A. Yes.  
25 Q. Because you're not actually

¶00034

1 contracting with Capital Sports Ventures, are you?

2 A. No. That's correct.  
3 Q. Okay. And then if you'll turn to the  
4 next page, that's your signature and Mr. Armstrong's  
5 signature; is that right?

6 A. Yes. Uh-huh.  
7 Q. Okay. Now, if you'll focus again on  
8 Page 4. I just want to ask you a question there.  
9 The very last sentence before Mr. Stapleton signs  
10 says, "After we have this binding Letter Agreement  
11 executed, we may begin working on a more detailed  
12 team agreement that incorporates the terms of this  
13 letter agreement." Do you see that?

14 A. Uh-huh.  
15 Q. Did that ever come to pass?  
16 A. I don't think so. I don't, I don't  
17 remember. But I don't believe we did.  
18 Q. Was, was it intended that this would  
19 just sort of be a general agreement and there would  
20 be a more specific agreement later?

21 A. Yes.  
22 Q. Okay. But it's not -- it's your  
23 recollection that no such more specific agreement  
24 ever came about?

25 A. Yes.

¶00035

1 Q. Okay.  
2 A. I mean we have an addendum to this  
3 agreement. But in terms of a whole new agreement,  
4 there was no --  
5 Q. Nothing else?  
6 A. Right. Yes.  
7 Q. Okay. I'm going to run through this  
8 agreement. If you'll turn to Page 1. The first  
9 paragraph says, "In accordance with our discussions  
10 Lance Armstrong would like to continue his  
11 relationship as a member of the U.S. Postal Service  
12 Professional Cycling Team, (the "Team")." Do you see  
13 that?

14 A. Uh-huh. Yes.  
15 Q. What occasioned this agreement, and  
16 by that I mean my understanding is you had Mr.  
17 Armstrong under contract for at least another year.  
18 Why this new agreement?

19 A. We wanted to -- we wanted to extend  
20 our relationship with the U.S. Postal Service and  
21 other sponsors, and part of that was -- part of the  
22 attraction for the U.S. Postal Service to continue  
23 would be to have Lance Armstrong continue to ride for  
24 the team, hopefully win future Tour de Frances.

25 Q. Okay. In fact, if you'll look down

¶00036

1 to the third sentence in that same paragraph. The  
2 agreement says, "This letter agreement will become  
3 fully binding upon the execution of the new  
4 sponsorship agreement between DF&P and the United

gorski

5 States Postal Service." Do you see that?

6 A. Yes.

7 Q. And so was the intent that you'll  
8 give this deal to Mr. Armstrong and it will become  
9 binding when you have your new contract with the --

10 A. Yes.

11 Q. -- USP?

12 A. Yes.

13 Q. And then did you -- once this is  
14 signed, this agreement being here, Respondent's  
15 Exhibit 2, did you then turn around and show the U. S.  
16 Postal Service we have Mr. Armstrong under contract  
17 for some more years?

18 A. Yes.

19 Q. So it was a bargaining --

20 A. Yes.

21 Q. -- chip if you may?

22 A. Yes.

23 Q. Okay. Do you believe that that  
24 helped generate a higher sponsorship fee from the  
25 USPS and the new agreement with them, that you had

¶00037

1 Mr. Armstrong under contract for several more years?

2 A. Yes.

3 Q. Okay. Now, the way I understand this  
4 agreement worked was he would get a base salary?

5 A. Yes.

6 Q. Quite substantial I take it?

7 \$3,000,000 --

8 A. Yes.

9 Q. \$3,000,000 going up a half a million  
10 each year?

11 A. Yes.

12 Q. And then certain bonus amounts based  
13 on winning certain events?

14 A. Yes.

15 Q. And those are specified there  
16 beginning on Page 2 and carrying over to Page 3; is  
17 that right?

18 A. Yes.

19 Q. Were the bonus amounts subject to  
20 negotiati on?

21 A. Yes.

22 Q. Now, if you'll look at the Tour de  
23 France, the very first categories. You've got Tour  
24 de France GC Wins and Tour de France GC. Can you  
25 tell me what that means?

¶00038

1 A. That is the overall -- winning the  
2 yellow jersey, the overall category at the Tour, The  
3 Tour de France.

4 Q. And GC stands for what?

5 A. General classi fication.

6 Q. Okay.

7 A. Which is the general classi fication  
8 is the yellow jersey. That's the overall as opposed  
9 to the sprint, the points competi tion or the mountain  
10 competi tion.

11 Q. And then if he came in second or  
12 third he would receive the bonuses there listed?

13 A. Yes.

14 Q. And then if he won each of those  
15 years, the third, the fourth, the fifth, the sixth,



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16 it would be the bonuses specified there; is that  
17 right?

18 A. Yes.

19 Q. Now, I notice you don't use years.

20 You just use third tour, fourth tour. Was there any  
21 reason for that?

22 A. No, there wasn't. I don't know why  
23 we did it that way. But there wasn't, wasn't a  
24 reason for it. It probably should have been spelled  
25 out in years, but it was not.

¶00039

1 Q. Okay. Now, you also have minimum in  
2 brackets there next to some of the numbers. What did  
3 that reflect?

4 A. Well, we were -- at the same time we  
5 were -- I had engaged in discussion with Terry  
6 Michelitch at ESIX, you know, in this agreement, this  
7 negotiation like the prior negotiations, an important  
8 component to adding interest and motivation for Lance  
9 to perform at the highest level, to -- you know, he  
10 had already won two tours at this point. We wanted  
11 to find ways to continue to motivate him to win and  
12 to continue to race for a number of years into the  
13 future. So we contemplated a minimum level, bonus  
14 level that we were sure we could get insurance for.  
15 But we were engaged in discussion with ESIX to try to  
16 negotiate for insurance amounts that were more than  
17 that.

18 Q. Did the riders like Mr. Armstrong  
19 share in any of the sponsorship money that Disson  
20 Furst got?

21 A. No.

22 Q. Conversely all of us, of course, have  
23 seen Mr. Armstrong on various commercials for  
24 example. Did Disson Furst get a percentage of any of  
25 the endorsement income that Mr. Armstrong garnered?

¶00040

1 A. No.

2 Q. Was that handled by separate contract  
3 between Mr. Armstrong and others?

4 A. Yes.

5 Q. Now, the other bonus amounts that are  
6 listed in here for the various events, were you ever  
7 able to obtain any contractual coverage of any sort  
8 for those?

9 A. No, we did not.

10 Q. And none was contemplated for these  
11 other events, was it?

12 A. I can't remember if we, if we had had  
13 discussions about trying to underwrite these or not.  
14 We may have discussed it. But I think ultimately we  
15 decided to self insure. That's my recollection.

16 Q. So it was at least understood for  
17 Disson Furst that it could be responsible to make  
18 some of the other payments listed here and could not  
19 turn to anyone else for coverage or to underwrite  
20 those?

21 A. Yes.

22 Q. Okay. Now, you mentioned getting  
23 insurance, and I'm going to talk about that in a  
24 second. You understand, and maybe you do, maybe you  
25 don't, that there was a dispute between the parties

¶00041

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1 regarding whether or not SCA Promotions provided  
2 insurance to Disson Furst or Tailwind?

3 A. Yes.

4 Q. Do you understand that's a despite?  
5 So from time to time I might quarrel with you about  
6 your language. I'm not trying to get you to commit  
7 to my position. I'm just trying to say it the way I  
8 understand it.

9 A. Uh-huh.

10 Q. And I'll respect the way you  
11 understand it. Fair enough?

12 A. Yes.

13 Q. Okay. The contract as I understand  
14 it says that Armstrong will invoice DF&P whenever he  
15 thinks he's entitled to a bonus --

16 A. Yes.

17 Q. -- there on Page 3. Did that  
18 actually physically happen?

19 A. Yes.

20 Q. Okay. Did he win bonuses under other  
21 portions of this contract separate and apart from  
22 Tour de France as you recall?

23 A. Yes.

24 Q. And were bonuses paid for that?

25 A. Yes.

¶00042

1 Q. Now, Paragraph 4 of the contract  
2 provides that a certain amount of money was going to  
3 be placed in reserve. Do you see that?

4 A. Yes.

5 Q. And it gives reasons, and one of the  
6 reasons is for payment of insurance premiums. Was  
7 that what in fact happened?

8 A. Yes.

9 Q. So this is money that was supposed to  
10 be paid to Mr. Armstrong in the form of salary was  
11 withheld?

12 A. We, we, we -- Bill and I discussed a  
13 negotiated placing money in reserve to ensure that  
14 the company had the ability to meet its obligations  
15 for insurance premiums.

16 Q. Okay. Is this something Mr.  
17 Stapleton -- is this available cash that DFP is being  
18 required to set aside, or is this being taken from  
19 what you would normally pay Mr. Armstrong and being  
20 set aside?

21 A. It was not -- it was essentially a  
22 separate budget line item.

23 Q. Was it ever charged back against Mr.  
24 Armstrong? In other words, did you ever reduce what  
25 you had to pay him for the amounts placed in reserve?

¶00043

1 A. No. I don't believe so.

2 Q. Was the money actually placed in  
3 reserve?

4 A. Yes. I mean it wasn't a separate  
5 escrow account necessarily. It was a separate budget  
6 line item in our budget for the company.

7 Q. Okay. On Paragraph 6 there is  
8 required -- both 5 and 6 requires certain personal  
9 endorsements and other appearances by Mr. Armstrong.  
10 I just wanted to focus on Page 4, the last sentence,  
11 Paragraph 6 on Page 4, which provides that one of the

gorski

12 personal appearances Mr. Armstrong will attend and  
13 compete in is the San Francisco Cycling event that  
14 DFP owned?

15 A. Uh-huh.

16 Q. Did he in fact attend that, or was  
17 that cancelled due to 9/11?

18 A. No. He attended that.

19 Q. Do you know -- I mean do you consider  
20 Mr. Armstrong to have been a friend during this time  
21 period as well as a business partner?

22 A. Yes.

23 Q. Did you have a personal relationship  
24 with him is what I'm asking I suppose?

25 A. Yes.

¶00044

1 Q. Have you spoken to him about your  
2 deposition here today?

3 A. No.

4 Q. When is the last time you spoke to  
5 Mr. Armstrong?

6 A. Live and in person, last December.

7 Q. By phone call or e-mail or otherwise?

8 A. He was here in St. Louis.

9 Q. Okay. And since that appearance in  
10 December of St. Louis, have you spoken to Mr.

11 Armstrong?

12 A. Not live.

13 Q. By phone?

14 A. No.

15 Q. Okay. You say not live.

16 A. By e-mail. We've had a couple --

17 we've had a couple of e-mails go back and forth.

18 Q. Okay. What was occasion for him

19 being here in St. Louis in December?

20 A. Sheryl Crowe was performing at the  
21 Anheuser-Busch Christmas party, and Lance was coming  
22 with her. Lance called and said would you like to --  
23 would you and your wife like to get together? So we  
24 did for an hour or so.

25 Q. Was there any discussion of this case

¶00045

1 or this dispute?

2 A. No.

3 Q. Have you had any discussion with him  
4 live or by e-mail regarding this dispute?

5 A. No.

6 Q. And you have not had any discussions  
7 with him regarding your deposition or testimony here  
8 today?

9 A. No.

10 Q. Okay. I want to focus now further on  
11 the addendum, which you'll find attached to the  
12 contract. If you'll turn to page -- I just want to  
13 make sure you can identify this. Is this an addendum  
14 to your letter agreement signed by you?

15 A. Yes.

16 Q. And who signs for Mr. Armstrong? Is  
17 that Bill Stapleton?

18 A. Yes.

19 Q. And he is signing that as attorney in  
20 fact for Mr. Armstrong; is that right?

21 A. Yes.

22 Q. What was the reason why this addendum

23 came into being?

24 A. Well, we contemplated in that -- in  
25 this agreement we contemplated minimum amounts for

¶00046

1 the bonuses, and obviously Bill, Lance and we wanted  
2 to formalize the amounts that we had agreed upon for  
3 bonuses, which were not formalized or at least they  
4 were compromised that they'd been left at a minimum  
5 level. So we locked him in with this addendum.

6 Q. Okay. Underneath there is the 1, 2  
7 and 3, which is the amounts of the bonuses. There is  
8 a paragraph that says, "This also confirms that  
9 policies insuring the payment of such bonuses from  
10 SCA Promotions, Lloyd's of London and Chubb Insurance  
11 Group are being purchased, or have been purchased."

12 A. Uh-huh.

13 Q. Do you see that? Were you the person  
14 at Disson Furst overseeing entering into those  
15 contracts?

16 A. Yes.

17 Q. Okay. We're going to talk about that  
18 in a second. But what I want to ask you about is the  
19 reserve. You've got the premium for those policies  
20 as \$570,000, and that will be applied against the  
21 reserve. Was that premium amount, that \$570,000, was  
22 that ever subtracted from anything Disson Furst owed  
23 Mr. Armstrong?

24 A. No.

25 Q. Or used as a credit in any way?

¶00047

1 A. No.

2 Q. Okay. Now, I notice in the very last  
3 paragraph on that first page, the last sentence says,  
4 "In the event such insurance is not collectible, the  
5 parties agree to discuss in good faith modifications  
6 to their respective rights and obligations to one  
7 another under the Letter Agreement, as supplemented  
8 herein, in order to fairly reflect that  
9 understanding." What caused that particular sentence  
10 to be put in this agreement?

11 A. Well, I think we were -- it was  
12 obvious that the amounts of money that we had agreed  
13 to for bonuses Tailwind Sports didn't have the  
14 ability to pay. That's why we went out to secure the  
15 insurance. And for whatever reason the insurance  
16 company would not be able to pay, if it became  
17 insolvent, you know, any kind of circumstance that  
18 you might, we might come upon, it was clear that  
19 Tailwind Sports could not meet its obligation, this  
20 contractual obligation. So I think Bill on Lance's  
21 behalf, you know, this was the solution. This  
22 compromise was the solution.

23 Q. Do you still maintain an ownership  
24 interest in Tailwind Sports?

25 A. Yes.

¶00048

1 Q. And who is running Tailwind Sports  
2 now?

3 A. Bill Stapleton.

4 Q. What's his title?

5 A. CEO.

6 Q. Okay. But does he have any ownership  
7 interest in Tailwind today?

gorski

8 A. I don't know. I'm assuming he must.  
9 I don't know, I don't know the specifics of it.

10 Q. When did he take over Tailwind  
11 Sports?

12 A. I don't know. It was at some, at  
13 some point after I left. It was sometime after  
14 August of 2003.

15 Q. So you left in August of 2003. You  
16 don't have to give me a lot of details. I think I  
17 know. But can you explain for me the reasons why you  
18 left Tailwind Sports?

19 A. The reason I left was primarily  
20 lifestyle reasons for myself. I moved here to St.  
21 Louis. I spent nine years at the Tailwind, DFP,  
22 Montgomery traveling incessantly, you know, ten times  
23 a year back and forth to Europe. Sponsor meetings  
24 Washington, D.C. every month. Interacting with the  
25 postal service and other sponsors. I went through

¶00049

1 years of a lot of challenges and negotiations I've  
2 referred to earlier, and I have five children. I  
3 just, it was really a personal decision on my part.  
4 I have experienced a lot of success in my own right  
5 and enjoyed the years with Tailwind, and I frankly  
6 put a lot of energy and intensity into the building  
7 of the team and was just ready to scale my -- dial my  
8 life back a little bit and spend more time at home  
9 with my kids and so on.

10 Q. What's your -- what percentage of  
11 ownership interest did you have in Tailwind at the  
12 time you quit?

13 A. I don't know the specific. But it's,  
14 it's a minimal. It's a -- I might --

15 Q. Five, ten percent?

16 A. I might estimate it at one percent.

17 Q. One percent. Okay. Who was the  
18 majority owner of Tailwind at the time you left in  
19 August of 2003?

20 A. Thom Weisel.

21 Q. Okay. Are there other owners besides  
22 Mr. Weisel at that time?

23 A. Yes. There is numerous.

24 Q. More than five, more --

25 A. More --

¶00050

1 Q. -- than ten?

2 A. More than ten.

3 Q. Individuals and companies?

4 A. All individuals.

5 Q. Okay. Then as an owner, did you know  
6 all of the owners, know who they were?

7 A. Yes.

8 Q. And were there regular ownership  
9 meetings --

10 A. Yes.

11 Q. -- or shareholder meetings? Okay.  
12 And people all come to attend either in person or by  
13 phone?

14 A. Yes.

15 Q. And then you departed from the  
16 company in August of 2003, but you maintained your  
17 ownership interest?

18 A. Yes.

gorski

19 Q. Do you still attend owner meetings  
20 now?

21 A. No.

22 Q. Do you know if they're still having  
23 them?

24 A. I don't know.

25 Q. Have you received any distributions

¶00051

1 or --

2 A. I have not.

3 Q. -- or dividends from Tailwind?

4 A. No.

5 Q. Okay. Have you been taxed for any  
6 costs or capital contributions from Tailwind?

7 A. No.

8 Q. You just know you still have an  
9 ownership interest but you're no longer active or  
10 involved in the management or ownership of the  
11 company in any way?

12 A. Yes.

13 Q. And all you know is that sometime  
14 after you left Mr. Stapleton got involved; is that  
15 right?

16 A. Yeah. And I believe it was -- there  
17 was a transition period.

18 Q. Well, who replaced you as the CEO?

19 A. Dan Osipow, who was vice-president  
20 who worked for me through most of these years. I  
21 should say all of these years. And he became the  
22 interim CEO of Tailwind for some period of time, and  
23 I don't, I don't recall how long that was. A couple  
24 of months to four or five months. I don't -- there  
25 was a transition that occurred over the next six to

¶00052

1 eight months. Something like that. I don't know  
2 specifically when.

3 Q. Okay. And then at some point Mr.  
4 Stapleton takes over, and I say take over. Becomes  
5 the CEO or president; is that right?

6 A. Yes.

7 Q. And although you still maintain some  
8 ownership interest, you're not familiar with the  
9 business of Tailwind today?

10 A. Not -- no.

11 Q. You don't know what their finances  
12 are or their contractual arrangements?

13 A. I have no idea. I mean I know what  
14 I've read --

15 Q. Okay.

16 A. -- or what I can, you know, what I  
17 can read in cycling publications and so on.

18 Q. So you don't get regular reports from  
19 Tailwind?

20 A. I do not, no.

21 Q. All right. In connection with the  
22 agreement that we've looked at here with Mr.  
23 Armstrong that was negotiated and signed in October  
24 of 2000, I've looked through it. I don't see

25 anything that, that would terminate this agreement or

¶00053

1 allow Mr. Armstrong to be penalized if he failed a  
2 drug test. Are you aware of such a provision?

3 A. I'm, I'm pausing because I'm reading

4 through here.

5 Q. Okay. Take your time. I want to  
6 make sure I'm not, I'm not getting something wrong  
7 here.

8 A. Right. Honestly, I thought it was in  
9 this agreement because we've had it in prior  
10 agreements with Lance. I thought it was in here.  
11 I --

12 Q. Well, was it your understanding in  
13 connection with this agreement with Mr. Armstrong  
14 that if he failed a drug test you could terminate  
15 your relationship?

16 A. Absolutely.

17 Q. If he failed a drug test or was  
18 proven to have violated UCI rules in connection with  
19 one of these events but still won, would you -- did  
20 you feel you had the option not to have to pay him  
21 the bonus?

22 A. Could you repeat that?

23 Q. Sure. Let me be more specific so you  
24 understand my question. If it was determined that  
25 Mr. Armstrong had used performance enhancing drugs in

¶00054

1 connection with a Tour de France event, it was  
2 determined only after he had won the race, did you  
3 believe you had some ability to not pay him the bonus  
4 for winning the race under this contract.

5 MR. HERMAN: Objection. Form.

6 MR. TILLOTSON: You may answer if  
7 you're able, even though he's objected.

8 A. Well, if, if he had a positive drug  
9 test with a reprimand from the UCI and the, and the  
10 event organizer, if he had a confirmed positive drug  
11 test at the competition that the UCI recognized, and  
12 his result was thereby disqualified, we would, we  
13 would have the ability to, to withhold bonus payment.  
14 Absolutely.

15 Q. (By Mr. Tillotson) What if there  
16 were, if there were allegations of drug use by Mr.  
17 Armstrong, did you understand whether you could, you  
18 could terminate your contract for, for that?

19 MR. HERMAN: Objection. Form.

20 A. I don't think that -- no.  
21 Allegations, no, because there were -- no. The  
22 answer is no.

23 Q. (By Mr. Tillotson) Okay. And the  
24 reason I ask I'm not trying to trick you. If you  
25 don't understand my question, tell me.

¶00055

1 A. Right. Yeah. I appreciate that.

2 Q. I'm not trying to trick you.

3 MR. HERMAN: Don't believe that  
4 either.

5 MR. HERMAN: Well, I'll raise my hand  
6 before I do it. How about that? All right. Okay.  
7 Here I go. You ready?

8 MR. HERMAN: The first tee, I haven't  
9 played in, you know, six months. Go ahead.

10 Q. (By Mr. Tillotson) In the, in the  
11 sponsorship agreement that you, Disson Furst, entered  
12 into with Postal Service, and I'm going show it to  
13 you in a second.

14 A. Yes.

gorski

15 Q. I'm -- I notice what will be commonly  
16 considered a morals clause?

17 A. Yes.

18 Q. And in that particular provision, it  
19 could be an event of default if there was negative  
20 publicity associated with an individual?

21 A. Yes.

22 Q. And that could include negative  
23 publicity about, for example, drug use?

24 A. Yes.

25 Q. Did you believe you had that same

¶00056

1 right in your contract with Mr. Armstrong?

2 A. No.

3 MR. WILKE: Objection. Form.

4 THE WITNESS: No.

5 Q. (By Mr. Tillotson) Okay. So simple  
6 negative publicity did not allow you to escape your  
7 contractual obligations?

8 A. That's right. Yes.

9 Q. Okay. What is it you believe you had  
10 a positive valid drug test?

11 A. We believed, and this was our stance  
12 with all of the team members throughout the course of  
13 the history of the team, was if there was a verified  
14 positive drug test by the UCI that we could terminate  
15 a rider's contract. It applied to Lance. It applied  
16 to any rider on the team.

17 Q. Did you --

18 A. But allegations and hearsay and what  
19 the lady down the street said about Lance or any  
20 other team member would not be cause for termination  
21 of the contract.

22 Q. Okay. And part of that is because  
23 you'll agree with me having been in the sport  
24 yourself, there is a tremendous amount of  
25 unsubstantiated rumors and just trash talk floating

¶00057

1 around; is that fair to say?

2 A. Yes.

3 Q. And so in your mind you believe it to  
4 be unfair and not right to base termination simply on  
5 something that might appear on a web site or a  
6 newspaper or what not; is that fair?

7 A. I deem that unfair and illegal and --  
8 not only in sports but in any form of business.

9 Q. Okay. Fair enough. Let me show you  
10 what we've marked as Respondent's Exhibit 3, and it  
11 is -- I apologize. It's put together it's both U.S.  
12 Postal Service contracts, the prior one and then the  
13 one for 2001. I've tabbed 2001 because that's the  
14 one I'm going ask you some questions about.

15 A. Uh-huh.

16 Q. But I'll ask you to identify both.  
17 Tim, I didn't tab yours.

18 MR. HERMAN: That's fine.

19 Q. (By Mr. Tillotson) While you look at  
20 that, if you can first identify for us, is the part  
21 of Respondent's Exhibit 3 the initial sponsorship or  
22 a sponsorship agreement with Montgomery Sports  
23 beginning in 1995?

24 A. Yes.

25 Q. Okay. And that agreement, did that



¶00058

1 agreement run all the way up until 2001, or was there  
2 another one in between?

3 A. There were -- there was '96, '97,  
4 '98. There were -- prior to this one, which  
5 commenced January 1, there were -- there was this one  
6 I believe and one other one.

7 Q. Okay. And were those separate  
8 agreements, or did you just add amendments and other  
9 pages?

10 A. They were -- I believe the second one  
11 we did, which would have been '99 and 2000 was an --  
12 I believe that was an amendment.

13 Q. Okay.

14 A. I'd have to check that, but I believe  
15 that was the case.

16 Q. Now, these have been provided to me  
17 by the U.S. Postal Service pursuant to a, to a  
18 request from them. They have blacked out the  
19 amounts.

20 A. Uh-huh.

21 Q. So as you go through here the dollar  
22 amounts have been redacted. If you'll turn to the  
23 2001 agreement --

24 A. Uh-huh.

25 Q. -- that I've tabbed there for you.

¶00059

1 A. Yes.

2 Q. Are we looking at here now the copy  
3 of the 2001 Sponsorship Agreement between Disson  
4 Furst, later Tailwind, and the United States Postal  
5 Service?

6 A. Yes.

7 MR. HERMAN: Let me, let me make an  
8 inquiry here, Jeff, if you don't mind.

9 MR. TILLOTSON: Sure.

10 MR. HERMAN: We've got up to Exhibit  
11 D, if you'll look at Exhibit D to the first  
12 agreement. It's about I guess 10 or 15 pages down  
13 into the document.

14 MR. TILLOTSON: Okay.

15 MR. HERMAN: It's blank. But then  
16 the next page appears to be documents that were  
17 faxed. I'm just trying to figure out that this seems  
18 to be a compilation of documents received from, you  
19 know, at different times and, I don't know, from  
20 different sources. I doubt that. But can you just  
21 kind of tell me --

22 MR. TILLOTSON: I got it from you.

23 So whatever it is you gave me.

24 THE WITNESS: What are you referring  
25 to?

¶00060

1 MR. HERMAN: It says --

2 MR. TILLOTSON: Hang on. Hang on a  
3 second.

4 MR. HERMAN: See, the first --

5 MR. TILLOTSON: What I'd like to do  
6 is -- let me stop you.

7 MR. HERMAN: Why don't we just go off  
8 the record.

9 MR. TILLOTSON: Yeah. Why don't we  
10 go off the record for one second.

gorski

11 THE VIDEOGRAPHER: We're going off  
12 the record at 12:17 p.m. Off the record.

13 (WHEREIN, discussion was held off the record.)

14 (WHEREIN, Respondent's Exhibit 3A was marked.)

15 THE VIDEOGRAPHER: We're back on the  
16 record on tape 2 at 12:26 p.m.

17 Q. (By Mr. Tillotson) Mr. Gorski, we've  
18 put in front of you what we've marked as Respondent's  
19 Exhibit 3A. Is this a copy of the 2001 Sponsorship  
20 Agreement between Disson Furst and the United States  
21 Postal Service?

22 A. Yes.

23 Q. This is the agreement you helped  
24 negotiate and enter into on behalf of Disson Furst?

25 A. Yes.

¶00061

1 Q. And one of the things that made this  
2 agreement and the amounts paid under this agreement  
3 to Disson Furst possible was Disson Furst's contract  
4 with Mr. Armstrong?

5 A. Yes.

6 Q. Now, if you'll turn and look at what  
7 is marked as paragraph -- what is Paragraph 8 on the  
8 second page. It's called Default. Do you see that?

9 A. Uh-huh. Yes.

10 Q. And it specifies a series of events  
11 of default, correct?

12 A. Yes.

13 Q. And one of them, Item V or 5 is,  
14 "There is negative publicity associated with an  
15 individual rider or team support personnel, either  
16 permanent or temporary, due to misconduct such as but  
17 not limited to, failed drug or medical tests, banned  
18 alleged possession, use or sale of banned substances,  
19 or conviction of a crime."

20 A. Yes.

21 Q. So did you understand that if there  
22 was negative publicity regarding one of your riders  
23 regarding the alleged possession, use or sale of  
24 banned substances, this contract could be terminated?

25 A. Yes, I did.

¶00062

1 Q. And in your experience in marketing,  
2 I know you've had a long history of marketing. Is  
3 that generally a concern for any sponsor, that is  
4 negative publicity about the person or athlete  
5 they're sponsoring?

6 A. Yes.

7 Q. And in the 2001 time period and 2000,  
8 was there in your mind a lot of publicity regarding  
9 alleged drug use of various professional cyclists?

10 A. In the 2000, 2001 period?

11 Q. Yes.

12 A. There was -- you know, there were  
13 instances of alleged drug use, and I'm sure there  
14 were positive tests during that time period. And I  
15 would say it was fairly widely known, yes.

16 Q. Okay. Now, if you'll look at and  
17 continuing on with this paragraph. Paragraph D of  
18 this same provision talks about changed circumstances  
19 that do not constitute an event of default but which  
20 reduce the benefits of the contract. Do you see  
21 that?

gorski

22 A. Uh-huh. Yes.  
23 Q. And one of those was if Mr. Armstrong  
24 didn't ride during any of the years?  
25 A. Yes.

¶00063

1 Q. So is it fair to say that he was a  
2 critical or essential component of your sponsorship  
3 arrangement with the U.S. Postal Service?  
4 A. Yes.  
5 Q. Now, if you'll turn the page, I want  
6 to focus on the third paragraph beginning on the next  
7 page.

8 A. Uh-huh. Yes.  
9 Q. Which begins with each of the team  
10 riders. Do you see that?

11 A. Yes.  
12 Q. That provision says, "With each of  
13 the Team riders, the company shall enter into  
14 agreements/contracts which grant Sponsor the right to  
15 use the Team riders collectively or individually in  
16 advertising." Do you see that?

17 A. Yes.  
18 Q. And was your contract with Mr.  
19 Armstrong that we've seen, was that the sort of  
20 contract that's referred to in this provision?

21 A. Yes.  
22 Q. So as I understand this, the U.S.  
23 Postal Service wants to make sure that they can use  
24 Mr. Armstrong's likeness in certain ways?

25 A. Yes.

¶00064

1 Q. Or other riders on your team?

2 A. Yes.  
3 Q. Now, if you'll continue on in this  
4 paragraph. Well, actually, let me ask you this: Was  
5 Mr. Armstrong required to make a personal appearance  
6 at the Tour de France for USPS?

7 A. Was he --  
8 Q. Or for you I guess I should say?  
9 A. Was he required? He, he was -- well,  
10 I go back to our contract. I'm trying to -- I'm  
11 looking to see if there was a clause that said he had  
12 to ride the Tour de France.

13 Q. Let me, let me rephrase and ask it  
14 this way: Was it your recollection that Mr.  
15 Armstrong was required to make an appearance with  
16 USPS people at the Tour de France? I don't mean  
17 actually ride the Tour, but make a personal  
18 appearance at some point during the Tour de France  
19 with the sponsor?

20 A. I don't think we contemplate -- no.  
21 I don't think we contemplated one of Lance's  
22 appearances to be during the Tour because it would  
23 have been practically difficult to do that because he  
24 was racing.

25 Q. Okay.

¶00065

1 A. Most of, most of his appearances took  
2 place at events away from the major events.

3 Q. Okay. Now, finally on the same page  
4 we're looking at. If you'll look down it's the third  
5 paragraph from the bottom. It says, "The Company  
6 represents that each rider on the Team has a moral's

gorski

7 turpitude and drug clause that allows the Company to  
8 spend or terminate the rider for cause." Do you see  
9 that?

10 A. Uh-huh. Yes.

11 Q. And, and lists those various  
12 provisions, correct?

13 A. Yes.

14 Q. Now, you told me earlier this morning  
15 that you thought you could terminate the contract for  
16 a failed verified drug test. But in fact, you were  
17 required to have a contract with Mr. Armstrong that  
18 was broader than that, true?

19 A. Yes.

20 Q. In fact, you were required to  
21 contractually be able to suspend or terminate him for  
22 Item 4, inappropriate drug conduct prejudicial to the  
23 Team or the Postal Service, correct?

24 A. That's what it states in this  
25 contract.

¶00066

1 Q. Okay. And did you have those rights  
2 with respect to Mr. Armstrong?

3 A. We had the right to terminate his  
4 contract if there was a verified positive drug test.  
5 We, we had that -- in prior agreements I -- I thought  
6 it was in this agreement. I -- I'm surprised that it  
7 wasn't. It was well understood by Lance and Bill  
8 that if there were a positive verified drug test that  
9 his contract would be terminated. We -- you know,  
10 they understood -- Lance understood well and Bill  
11 understood well that we had this relationship and  
12 this contractual obligation to the U.S. Postal  
13 Service.

14 Q. Okay. But it's more than just  
15 failing to pass a drug test. That's Item 3 in this  
16 contract, correct?

17 A. Right.

18 Q. It's also inappropriate drug conduct  
19 prejudicial to the team, correct?

20 A. Correct. That's right.

21 Q. And it's also that, that the sponsor  
22 can terminate its relationship for bad publicity in  
23 effect, right?

24 A. Yes.

¶00067

25 Q. And so it was critical for the team,  
1 the Postal Service Team, to not have bad publicity  
2 about alleged drug use during the Tour de France,  
3 correct?

4 A. Yes.

5 Q. I mean published stories or news  
6 reports that casted out on the team members drug use,  
7 that they're using performance enhancing drugs, would  
8 a bad thing for the contractual relationship with --

9 A. Yes.

10 Q. -- the sponsor? Now, in fact, during  
11 one of the Tour de Frances where you were the, and I  
12 apologize. I --

13 A. General manager.

14 Q. General manager. General manager,  
15 there was some publicity regarding a particular drug  
16 test involving Mr. Armstrong; is that not true?

17 A. Yes.

gorski

18 Q. Do you remember which tour it was?

19 A. Well, there was the -- in the '99  
20 tour there was the issue of the cortisone cream he  
21 was using for his saddle sore. I mean there was --  
22 at that time there was in 2000 when it became known  
23 that Lance had some -- a training relationship with  
24 Ferrari. That became public during the tour. I had  
25 to address and comment on that. And there may have

¶00068

1 been other, other times. I mean the -- you know, the  
2 team was under investigation by a French judge for a  
3 period of months, which ultimately the case was  
4 closed and I had to comment on that at times. So,  
5 yes, I had to comment on, on issues, these kinds of  
6 issues at various times.

7 Q. Okay. And one of the purposes of  
8 your comments was to dispel the allegations that  
9 there might be illegal use of performance enhancing  
10 drugs by the team?

11 A. Yes. My, my role was to communicate  
12 on behalf of the team, tell the truth, and where  
13 there were untruths being disseminated to the media  
14 to, to address that.

15 Q. Well, let me ask you about those  
16 events since you brought them up. I mean in  
17 connection with the events you've described for me,  
18 you never issued a statement saying we are  
19 investigating this matter, correct?

20 A. No. I have --

21 Q. You -- I'm sorry. I didn't mean to  
22 interrupt you. Go ahead.

23 A. I've definitely at some point issued  
24 a statement saying, you know, we are, we are  
25 investigating this issue. These athletes, these

¶00069

1 riders internally -- no. I mean I have said -- I  
2 have -- if that's the question that's, that's, that's  
3 not correct.

4 Q. Okay. Let me rephrase it. It is  
5 true, is it not, in connection with the '99 episode  
6 you've described for me, the corti steroid cream,  
7 that you issued an unqualified denial that Mr.  
8 Armstrong was not using illegal performance enhancing  
9 drugs?

10 A. Yes. I did make that statement.

11 Q. Okay. In connection with the  
12 investigation by the French judge, you also issued an  
13 unqualified statement that the team did not use  
14 performance enhancing drugs?

15 A. Yes.

16 Q. So at no time in connection with  
17 either of those two events did you issue a statement  
18 on behalf of the team we have unresolved issues about  
19 this, we're going investigate as to whether or not  
20 there is illegal drug use, and we will inform people  
21 later, fair?

22 A. No. It's not fair. I would -- I  
23 issued a number of statements not in '99 but in the  
24 2000. And, you know, I think if we went back and  
25 looked at the various statements that I made, we'll

¶00070

1 definitely find one that said, or many, that  
2 indicated that we were investigating the matter

3 internally.

4 Q. Did Disson Furst investigate the  
5 corti steroid cream matter?

6 A. To the extent that we could within  
7 the short period of time we had to deal with it, you  
8 know, on the road as it was happening.

9 Q. Okay. So for the benefit of the  
10 panel, it was during the 1999 tour; is that right?

11 A. Right.

12 Q. And if you'll tell the panel. I  
13 won't characterize it for them. I'll let you  
14 describe it in your own words. What was the issue  
15 that happened?

16 A. Lance was using a cortisone based  
17 cream for a saddle sore, and my recollection is that  
18 the use of -- well, cortisone in large amounts, you  
19 know, can trigger a positive dope test, drug test.  
20 Lance had a prescription for this, which I believe  
21 was, you know, presented either by Lance or by the  
22 team doctor. And -- but the presence of or the use  
23 of that raised an issue with UCI. You know, everyone  
24 hears the word cortisone. You know, everyone starts,  
25 you know, saying what is it because it's a corticoid

¶00071

1 steroid. It's something that, you know, lots of  
2 people use in hand creams and so on. So anyway, it  
3 triggered, it triggered a fear over at the tour, and  
4 I think we -- it took I think a matter of hours until  
5 we, you know, Lance had to produce the doctor's  
6 prescription, which is a common procedure for an  
7 athlete who has, has approved use of a prescription  
8 drug or a banned drug.

9 Q. Who was responsible for the team in  
10 ensuring that Mr. Armstrong had a prescription and  
11 that the tour four been notified of that  
12 prescription?

13 A. Probably the team doctor.

14 Q. It wasn't you?

15 A. No.

16 Q. And so prior to the event happening,  
17 were you even aware that Mr. Armstrong had the  
18 prescription?

19 A. No, I was not.

20 Q. So you learn about it when there is  
21 press reports about it?

22 A. Yes.

23 Q. And obviously as a member of Disson  
24 Furst, you're very concerned because a positive test  
25 for Mr. Armstrong is bad?

¶00072

1 A. Yes.

2 Q. And I take it you make yourself aware  
3 of what's going on?

4 A. Yes.

5 Q. And was -- did anyone tell you or did  
6 you learn in any way that there was concern over  
7 whether or not there was a prescription?

8 A. No.

9 Q. Who was in charge of helping to find  
10 the prescription?

11 A. You know, probably Lance first and  
12 foremost. The team doctor because, you know, he's  
13 I'm assuming the one who wrote the prescription.

gorski

14 Q. Do you even know --

15 A. Johan.

16 Q. Do you even know if the doctor  
17 actually wrote the prescription? You're saying I'm  
18 assuming he's the one that wrote it. Do you know if  
19 that's in fact true?

20 A. I can't say that I -- I think it was  
21 our team doctor that wrote the prescription. I, I  
22 can't be held to that. But I assume it was. I think  
23 it was.

24 Q. You're aware that there are  
25 allegations that the prescription was either doctored

¶00073

1 or created after the fact, are you not?

2 A. I was aware through a conversation  
3 with Chris, who brought it up as something that was  
4 written about in the book, which I haven't read.

5 Q. Okay.

6 MR. HERMAN: For the record, you're  
7 referring to Chris Compton, the lawyer for SCA?

8 THE WITNESS: Chris Compton, SCA's  
9 legal counsel.

10 Q. (By Mr. Tillotson) Is that the first  
11 time you had ever heard that allegation?

12 A. Yes.

13 Q. Okay. So at the time when you're  
14 there, you weren't aware that there were allegations  
15 that the prescription had been created after the  
16 fact?

17 A. No.

18 Q. And you're not aware of the  
19 allegations in Mr. Walsh's book regarding this  
20 particular matter?

21 A. Only to the extent that Chris Compton  
22 described them to me.

23 Q. Okay. Did you ever actually see the  
24 prescription, physically see it?

25 A. Yes. I think I did.

¶00074

1 Q. In connection with what?

2 A. The fact that I wanted to see it and  
3 the -- you know, given that I was going to be making  
4 a statement about it I wanted to make sure I was  
5 aware of the circumstances at least, at least as much  
6 as I needed to be. Anyway.

7 Q. Was one of the purposes of your  
8 statement that you made in '99 to in effect dispel to  
9 the public that Mr. Armstrong was using performance  
10 enhancing drugs in connection with the '99 tour?

11 A. I think it was to -- my primary  
12 objective was to clarify any misunderstanding among  
13 the teams, riders, general public, our sponsors about  
14 what the truth was.

15 Q. When you made the statement, you knew  
16 that people that had business relationships with your  
17 company and/or Mr. Armstrong would be looking to  
18 those statements to see whether or not there was any  
19 truth to what was being said, correct?

20 A. Yes.

21 Q. And you were comfortable with people  
22 seeing your statement and drawing from that there is  
23 nothing wrong here. Mr. Armstrong has done nothing  
24 wrong?

gorski

25 A. Yeah. I was very comfortable with  
¶00075 1 that.

2 Q. Okay. Now, you say that it became  
3 known that Mr. Armstrong had a relationship with  
4 Michele Ferrari; is that correct?

5 A. Uh-huh.

6 Q. How did you learn that?

7 A. I met Dr. Ferrari one time, and I'm  
8 trying to remember exactly what the date was. But it  
9 was at some point and I would say a period of some  
10 months prior to the date when it became public and  
11 Lance disclosed the information. I became aware of  
12 the fact that Dr. Ferrari had a relationship with  
13 Lance. That was -- I don't, I don't recall the  
14 specific date.

15 Q. Okay. Had you met Michele Ferrari  
16 prior to learning that Mr. Armstrong had a  
17 relationship with him?

18 A. Yes.

19 Q. And do you remember what you met him  
20 in connection with?

21 A. He was at a training camp that the  
22 team had in Austin, Texas, in December, and I'm  
23 trying to remember the year now. It was probably  
24 2000 or 2001.

25 Q. So Mr. Ferrari came to Austin at a  
¶00076 1 training camp for the U.S. Postal Team?

2 A. Yes.

3 Q. At which Mr. Armstrong was there?

4 A. Yes. He was there -- he was not  
5 there in any official capacity. He was there as a,  
6 as a trainer, a trainer for Lance. There were, there  
7 were personnel at times, Chris Carmichael is a good  
8 example, who had, you know, extensive contact with  
9 Lance that was not an official member of the team.  
10 And so I wasn't -- frankly, I wasn't surprised that  
11 there might be someone there that's not associated  
12 with the team that might be seeing Lance specifically  
13 for something.

14 Q. Okay.

15 A. So, yes, that's --

16 Q. So the team has -- you've described  
17 for us, you know, a team doctor and a nuts and bolts  
18 person and a manager. But in addition, the riders  
19 often have relationships with other individuals with  
20 respect to their training; is that fair?

21 A. Yeah. I don't think it's -- I don't  
22 think a lot of riders have it. But Lance and, you  
23 know, a number of riders have a relationship with  
24 someone that they believe in in terms of training,  
25 the specifics of training, and sometimes it's outside

¶00077 1 of the purview of the official team doctor, or even  
2 the Director Sportif in Johan's case.

3 Q. So it didn't surprise you that Mr.  
4 Armstrong might have other people involved in his  
5 training?

6 A. Correct.

7 Q. But you didn't know about it until  
8 they show up?

9 A. Yes.



gorski

10 Q. He doesn't disclose to you I'm  
11 working with Ferrari, I'm working with Carmichael?  
12 A. Yes.  
13 Q. That kind of thing.  
14 A. No. Carmichael I was generally aware  
15 of.  
16 Q. Okay.  
17 A. Ferrari I was not.  
18 Q. And there is no contractual  
19 obligation for him to tell you any of this, is there?  
20 A. No.  
21 Q. All right. Were you aware of who  
22 Ferrari was when you met him?  
23 A. Yes.  
24 Q. And what was your impression of his  
25 reputation at the time you met him?

¶00078

1 A. I was not -- in light of the  
2 allegations that had been going on for -- and I don't  
3 remember the specifics on any of it. But he had been  
4 under investigation in Italy. I was uncomfortable  
5 that Lance -- I was uncomfortable in meeting him  
6 first of all. I was uncomfortable in his presence  
7 there, and I communicated that to Lance. And I said  
8 my feeling was because of his reputation solely,  
9 whether any of it is true or not, which I don't know.  
10 I haven't even followed the case. I couldn't even  
11 tell you, you know, what the outcome was. But simply  
12 his presence there and given his reputation, I was  
13 uncomfortable with his presence there. But, you  
14 know, Lance said, look, he's someone who contributes  
15 to my training techniques and strategy and power  
16 outputs. I said, you know, I'm not going to ask you  
17 to sever a relationship with him. But we -- I'm  
18 certainly not going have any formal relationship with  
19 him to the team.  
20 Q. Okay. And was this an in person  
21 discussion you had with Mr. Armstrong?  
22 A. Uh-huh.  
23 Q. In Austin?  
24 A. Yeah.  
25 Q. So you --

¶00079

1 A. Yes.  
2 Q. -- meet him and you told Mr.  
3 Armstrong I'm not comfortable with -- if it was up to  
4 me I wouldn't have any relationship with this man?  
5 A. Yes.  
6 Q. And Mr. Armstrong tells you that he's  
7 -- it's in effect no big deal. He's helping him?  
8 A. Right. Yes.  
9 Q. Now, I need to ask. I mean you're  
10 not aware if Mr. Ferrari helped Mr. Armstrong through  
11 the use of any performance enhancing drugs, are you?  
12 A. I'm not.  
13 Q. And you're not even aware -- you  
14 couldn't testify truthfully one way or another  
15 whether Mr. Ferrari has ever done that ever to anyone  
16 I take it?  
17 A. No. I mean I would, I would only  
18 know as much as you might know in reading Cycling  
19 News or any other publication.  
20 Q. But nevertheless you were, you were

gorski

21 concerned -- given your limited base and knowledge  
22 you were concerned that the mere association between  
23 Mr. Armstrong and Mr. Ferrari --

24 A. Yes.  
25 Q. -- would be bad?

¶00080

1 A. Yes.  
2 Q. Did you tell anyone that Mr.  
3 Armstrong was associating with Michele Ferrari and  
4 that was an item of concern for you?  
5 A. You know, I'm sure I talked with  
6 Johan about it. You know, I don't remember, I don't  
7 remember who all, you know, if anyone I spoke to  
8 about it. But certainly I talked to Johan about it  
9 about my concern.

10 Q. But you didn't tell any of the  
11 sponsors this I take it for example?

12 A. No.  
13 Q. And you wouldn't have told the  
14 insurance brokers, like Ms. Price or Mr. Miklovich  
15 there are these various things --

16 A. No.  
17 Q. -- If this comes out? Okay. Now, I  
18 think it's your testimony, if I heard you correctly,  
19 that at some point the existence of that relationship  
20 did become public; is that right?

21 A. Yes.  
22 Q. Do you remember how it became public?

23 A. It was during the, someone help me,  
24 the 2000 or 2001 tour. I believe it was the 2001  
25 tour.

¶00081

1 Q. Okay. Unfortunately, you have to  
2 give the answers and we can't give you help. We'd  
3 both like too, but.

4 A. It was, it was during a Tour de  
5 France --

6 Q. Okay.  
7 A. -- that Lance -- the year I'm  
8 forgetting. I think it was 2001. I was at seven or  
9 eight of them, so forgive my memory lapse. Where he  
10 -- there was an article that was going to be coming  
11 out written by David Walsh I guess in the Sunday  
12 Times in London or wherever. That he was -- that  
13 David Walsh was going to disclose this relationship  
14 with Dr. Ferrari. And Lance decided that it was  
15 prudent to communicate to the cycling press that and  
16 explain to him what the relationship was.

17 Q. Preempt the story in effect?

18 A. Yes.

19 Q. Were you part of the decision to  
20 preempt the story, the media strategy?

21 A. No.

22 Q. And did you issue statements  
23 regarding the matter to the public?

24 A. Yes. I think I did.

25 Q. And was the basis of those statements

¶00082

1 that there is nothing wrong here in this  
2 relationship?

3 A. Well, I believe what I said was that  
4 Dr. Ferrari does not have any official relationship  
5 with the team. That Lance utilizes Dr. Ferrari for

gorski

6 trading guidance, training advice, as he does, you  
7 know, with Chris Carmichael, Johan Bruyneel. His  
8 team of advisors. And that, you know, and I  
9 acknowledge. I know in that statement because I can  
10 remember, I can remember back to where it was. I  
11 just can't remember the year. Saying that, you know,  
12 I was concerned with the, with the reputation of Dr.  
13 Ferrari as well, or just the mere presence. But I'm  
14 sure I also said that I was completely confident that  
15 the relationship between Dr. Ferrari and Lance had  
16 nothing to do with banned substances, and I was --

17 Q. What was the basis for that statement  
18 to the public?

19 A. My belief in Lance and my level of  
20 confidence that he has the capability to do what he  
21 did without the assistance of banned substances.

22 Q. Other than that personal belief --  
23 I'm not trying to minimize it. But other than that  
24 personal belief, was there any investigation or  
25 testing performed by Disson Furst to satisfy itself

¶00083

1 as to the truth of the statement that you made to the  
2 public?

3 A. No. But we -- I think we relied on  
4 the fact that -- we heavily relied on the fact that  
5 Lance was tested dozens and dozens of times  
6 throughout the year at major events. He was required  
7 to submit hematocrit level testing, which would,  
8 which would give -- at high levels would give rise to  
9 concern if someone were using EPL that typically  
10 elevates the hematocrit level. But we didn't, we  
11 didn't feel it necessary to conduct our own tests,  
12 our own independent tests when you have a governing  
13 body that's administering, or at the Tour de France  
14 he's taking daily tests nearly depending on if he's  
15 in the yellow jersey or not, et cetera. I didn't  
16 feel it necessary on behalf of the company to go out  
17 and do independent testing. So that's the answer.

18 Q. Is it true that prior to 2001 there  
19 was no known test to determine the presence of  
20 artificial EPO in the athlete's body?

21 A. Yes.

22 Q. So if a rider was using EPO in the  
23 1999 Tour de France or 2000 Tour de France, there was  
24 no known test to detect it in his body?

25 A. Yes.

¶00084

1 Q. Okay. Now, did you ever have any  
2 other follow-up conversations with Mr. Armstrong  
3 about Michele Ferrari?

4 A. I don't recall. But I may have had  
5 -- I may have had a subsequent conversation in which  
6 I just said, Lance, you know, you know how I feel.  
7 I'm not, I'm not supportive purely from an appearance  
8 perspective of the relationship. But if he's, you  
9 know, providing you the necessary guidance and, you  
10 know, I'm not going to tell you to sever it. You know,  
11 that's your own, that's your own decision.

12 Q. Is it fair to say that you trusted  
13 Mr. Armstrong to properly police that relationship?

14 A. Yes.

15 Q. And so although you were aware of  
16 Michele Ferrari's reputation, your trust was not --

gorski

17 Mr. Armstrong would not abuse that relationship in  
18 some way?

19 A. Yes.

20 Q. And you were comfortable doing that  
21 based upon your relationship with Mr. Armstrong?

22 A. Yes. I would say yes and the fact  
23 that knowing that Lance would go through testing  
24 regularly at major competitions. I mean it certainly  
25 wasn't just, geez, Lance I believe you. Lance had

¶00085

1 out of competition testing. He had hematocrit  
2 testing on a regular basis. So whether it was, you  
3 know, EPO or any other kind of banned substance, I --  
4 there was that, you know, empirical evidence to go  
5 along with, you know, a trust factor in Lance and a  
6 belief that, you know, if he -- if he was doing  
7 things that I in my heart felt that he could not do  
8 without banned substances, I think I would have gone  
9 further with him and with Bill. But I never felt  
10 that.

11 Q. So -- I don't know if I'm angering  
12 the Gods by questioning you or if I've just got bad  
13 luck here. Is it fair to say that you put trust or  
14 had faith in the UCI and the other governing bodies  
15 that if Mr. Armstrong was doping they would catch  
16 him?

17 A. Yes.

18 Q. As a professional cyclist and a  
19 person with a high degree of knowledge, don't you  
20 know there are professional cyclists out there who  
21 during that time period cheated and did not get  
22 caught through the testing?

23 A. I'm sure there were.

24 Q. In fact, the testing is imperfect, is  
25 it not?

¶00086

1 A. Yes.

2 Q. And for many of the banned substances  
3 used in '98, '99, 2000, there weren't tests that  
4 could even catch them, correct?

5 A. Well, I mean EPO is. We've already  
6 discussed that.

7 Q. And you're aware of many of the  
8 things professional cyclists did to pass the test  
9 even though they were using banned substances,  
10 correct?

11 MR. HERMAN: Objection. Form.

12 A. I'm not -- I'm not aware of the  
13 specific techniques. I think I've read about crazy  
14 things like, you know, people bringing in -- you  
15 know, back in the '70s people bring in, you know, a  
16 fake bag of somebody else's urine. You know, I'm  
17 aware of there is people who have tried crazy stunts  
18 to fool the drug tests. But I'm not aware of, you  
19 know, I'm not aware of techniques to fool the drug  
20 tests.

21 Q. Let's talk about that for a second so  
22 I can explore your level of knowledge. One of the  
23 things you mentioned was hematocrit --

24 A. Hematocrit.

25 Q. Hematocrit levels.

¶00087

1 A. Right.

gorski

2 Q. And that's basically the percentage  
3 of red blood cells in your blood; is that right?

4 A. Yes.

5 Q. Okay. And without going into a lot  
6 of medical technology, one of the ideas behind EPO is  
7 to artificially increase the percentage of red blood  
8 cells in your body so you get more oxygen; is that  
9 right?

10 A. Yes.

11 Q. Got more endurance, more strength  
12 without tiring?

13 A. Yes.

14 Q. Now, one of the ways to do that, and  
15 I know you're not a scientist. But if I get beyond  
16 your understanding, tell me.

17 A. Right.

18 Q. One of the ways to do that is  
19 injecting what's called EPO, which has your body  
20 produce more red blood cells?

21 A. From what I understand, yes.

22 Q. Okay. And I think you've told me  
23 during a certain period of time they couldn't test to  
24 see if you had that artificial EPO in your body so  
25 they didn't know if you were using EPO from testing

¶00088

1 for it.

2 A. Yes.

3 Q. Fair enough?

4 A. Yes.

5 Q. But at a certain point of time they  
6 could test the percentage of red blood cells in your  
7 body?

8 A. Yes.

9 Q. And if you got above a certain level  
10 they were going to ban you?

11 A. Right.

12 Q. Or disqualify you?

13 A. Right.

14 Q. Fair enough? Were you aware of  
15 techniques used by riders or heard of techniques used  
16 by riders that prior to testing quickly lower the  
17 percentage of red blood cells in their body so they  
18 would pass the test?

19 A. No.

20 Q. You had mentioned earlier Chris  
21 Carmichael. Was he involved with the '84 U.S.  
22 Olympic team?

23 A. Chris was an alternate I believe in  
24 the '84 Olympic team.

25 Q. Had there been allegations about Mr.

¶00089

1 Carmichael and doping?

2 A. Not that I'm aware of.

3 Q. Are you aware of anything he did in  
4 connection with Mr. Armstrong regarding the use of or  
5 the promotion of illegal or banned substances?

6 A. No.

7 Q. Well, let me ask it broader. Were  
8 there allegations regarding the 1984 U.S. Olympic  
9 team doping?

10 A. Yes, there were.

11 Q. Were those -- what were those  
12 allegations, if you'll tell us?

gorski

13 A. Eddy B., the head coach, had a number  
14 of riders on the 1984 Olympic team, not including  
15 myself, engage in blood doping for the 1984 games.  
16 In fact, Eddy approached me about doing that about a  
17 month, six weeks before the Olympics. I said -- I  
18 immediately rebuffed him for, you know, 10 different  
19 reasons. So I was actually aware that that was going  
20 on. I didn't know who. I didn't know why. I didn't  
21 -- I just knew I said, hey, Eddy, you know what, no.  
22 I said -- so I was aware of it, and I was aware of it  
23 -- obviously I was aware of it after the story broke.  
24 And there were quite a number of the members on the  
25 1984 Olympic team that engaged in it. And, yes, I

¶00090

1 was aware of it. I don't, I don't know of any  
2 relation -- Chris wasn't even on the '84 team. If he  
3 was he was the alternate. But he was not on, he was  
4 not on the road team. Anyway, yes, I'm aware of it  
5 and, no, I was not involved. I went to great lengths  
6 at the time to make sure -- well, I shouldn't say go  
7 to great lengths. I, I made sure that my name and my  
8 likeness was not incorporated in any stories that  
9 occurred at that time.

10 Q. Is this -- Eddy B. reappears, does he  
11 not, in connection with your teams though?

12 A. He was pre U.S. Postal. There was a  
13 -- Montgomery Sports had sort of an amateur team.

14 Q. Was that with Subaru?

15 A. Yes. That Eddy was involved in.

16 Q. Okay.

17 A. And in essence, after I came on  
18 board, Eddy had one more year with the team, and we  
19 were kind of moving him out basically. We were, you  
20 know, he, he wasn't regarded as for a variety of  
21 reasons the guy who could help, you know. I won't go  
22 into all of the details. But --

23 Q. Okay.

24 A. -- one of the reasons was he wasn't  
25 the guy who could help the program in the way we

¶00091

1 needed to.

2 Q. Was he ever around when Mr. Armstrong  
3 was part of the team?

4 A. No.

5 Q. Now, you mentioned you knew prior to  
6 the '84 games that there were players engaged in  
7 doping, but you didn't say anything publicly at the  
8 time I take it; is that right?

9 A. About the blood doping?

10 Q. Correct. Yes, sir.

11 A. Yes.

12 Q. Is there pressure in the cycling  
13 world for professionals, in the world that Mr.  
14 Armstrong operates in, to not expose other players?

15 MR. HERMAN: Objection. Form.

16 A. I don't know. I mean I don't know  
17 the answer to that.

18 Q. (By Mr. Tillotson) Okay. Fair  
19 enough. Has anything come to your attention in the  
20 way of anything you have seen or heard or been  
21 exposed to that has led you to believe that Dr.  
22 Ferrari has helped facilitate the use of illegal  
23 substances with Mr. Armstrong?

24 A. No.  
25 Q. Has Mr. Armstrong ever explained the

¶00092

1 specific things that Mr. Ferrari does for him that  
2 related to his training?

3 A. Yes. He's talked about, you know,  
4 Lance has brought -- Lance has brought a lot of new  
5 elements to training. A focus on power output and  
6 wattage. Lance has, you know, he's -- he has  
7 elevated the science of training and the specificity  
8 of training dramatically. You know, Dr. Ferrari  
9 brought very scientific analysis of climbing  
10 techniques, the rate of climbing, the rate of riders  
11 claiming, their power output, had Lance train on the  
12 mountain just outside of Neece, you know, with  
13 specific repetitions and how much power output over  
14 time. It was a very, it was a very specific level of  
15 training that Johan as the Director of Sportif, kind  
16 of the team coach, never really got into. And it  
17 wouldn't really be dissimilar to Tony LaRussa as the  
18 manager of the Cardinals and Dave Duncan as the  
19 pitching coach. Tony doesn't get involved with the  
20 mechanics of throwing for Chris Carpenter,  
21 But the pitching coach does. And so I think Dr.  
22 Ferrari, this was based -- I'm -- this is based on  
23 Lance's explanation to me.

24 Q. Okay.

25 A. And, you know, and some of what I've  
¶00093

1 read and so on. And it was explained by Lance and to  
2 some extent Johan. But there was a very scientific  
3 and a very technical element that Dr. Ferrari did  
4 bring. I think it's been very helpful to Lance.

5 Q. Was Tyler Hamilton ever a member of  
6 the USPS team?

7 A. Yes.

8 Q. What years, do you remember?

9 A. He was there from the very beginning.  
10 1996 through 2000 was his -- 2000 was his last year.  
11 Or 2001.

12 Q. Now, you're aware of the matters  
13 involving Mr. Hamilton and regarding blood doping?

14 A. Yes.

15 Q. And do you know if he ever trained  
16 with Mr. Ferrari while at the USPS team?

17 A. I don't know. I, I never was aware  
18 of a relationship, but there could have been one. I  
19 don't know. I wasn't aware of it.

20 Q. Were you aware if Mr. Hamilton was  
21 doping or using performance enhancing drugs or  
22 substances while at the USPS team?

23 A. No.

24 Q. Was there any suspicion that he was?

25 A. No.

¶00094

1 Q. Okay. In connection with looking at  
2 the documents and the matters in this case, I came  
3 across a statement that was alleged -- well, not  
4 alleged. Was quoted by you in the International  
5 Herald Tribune newspaper about Emma O'Riley where you  
6 said that she was the heart and soul of the team.  
7 Did you make a quote or words to that effect publicly  
8 about Ms. O'Riley?

gorski

9 A. Yes.  
10 Q. You were also quoted as seeing she's  
11 so professional and has a wonderful influence on the  
12 other staff members. Did you make words or make a  
13 comment or quote about her to that effect?  
14 A. Yes.  
15 Q. And were those true?  
16 A. She was the only woman on the team.  
17 The only woman on the team or on the staff. And she  
18 brought a level of sensitivity to the team. She  
19 brought -- she brought things to the team that other  
20 male staff members did not. The team spent a lot of  
21 time together on the road. She -- I don't know. She  
22 was -- at times she was very valuable. So I think,  
23 you know, there are definitely parts of that  
24 statement that I would enthusiastically agree with.  
25 But there were -- we had a lot of issues with Emma as

♀00095

1 well.  
2 Q. You're aware that Ms. O'Riley has  
3 made statements and allegations in connection with  
4 Mr. Walsh's book?  
5 A. Yes.  
6 Q. I want to ask you about a couple of  
7 those. I understand you haven't read the book. But  
8 let me ask you about a couple of them. One of the  
9 things Ms. O'Reilly has reported to have said was  
10 that Mr. Armstrong asked her to dispose of syringes  
11 after the 1998 Tour to Holland -- (knock at door.)  
12 THE WITNESS: Hello? Oh, our lunch.  
13 MR. TILLOTSON: Why don't we stop and  
14 I'll come back --  
15 THE WITNESS: Yeah.  
16 MR. TILLOTSON: -- with that subject  
17 for a few seconds, if that's all right? Let's go off  
18 the record.  
19 THE VIDEOGRAPHER: We're going off  
20 the record at 1:10 p.m.  
21 (WHEREIN, a recess was taken at this time.)  
22 THE VIDEOGRAPHER: We're back on the  
23 record at 1:37 p.m.  
24 Q. (By Mr. Tillotson) Mr. Gorski, we're  
25 back in your deposition. We were talking about -- I

♀00096

1 was asking you questions about Emma O'Riley. I'm  
2 going to table that subject for now and come back to  
3 it in a minute. I'm going to move on to a couple of  
4 other things. I'm going to show you what we've  
5 marked as Respondent's Exhibit No. 1 and ask you if  
6 you can identify that for us?  
7 A. This was the agreement for insurance  
8 between -- that I signed to underwrite the  
9 performance bonus for Lance from the tour of '02,  
10 '03, '04.  
11 MR. HERMAN: Excuse me. Is this  
12 Exhibit 1?  
13 MR. TILLOTSON: Yes, it is.  
14 Respondent's 1.  
15 MR. HERMAN: Okay.  
16 Q. (By Mr. Tillotson) Okay. First some  
17 background. The contract we're looking at now is so  
18 that Disson Furst can underwrite performance bonuses  
19 it may owe under Respondent's Exhibit 2?



gorski

20 A. Yes.  
21 Q. Your contract with Mr. Armstrong. It  
22 is not the only such agreement you ever entered into  
23 it, correct?

24 A. Yes.  
25 Q. Prior to entering into a contractual

¶00097

1 relationship with SCA Promotions, you entered into  
2 other contracts; is that right?

3 A. Yes.  
4 Q. Was that with Global Specialty Risks?

5 A. Yes. That was one.  
6 Q. Okay. So you had some prior  
7 experience with underwriting performance bonuses  
8 before you got to SCA?

9 A. Yes.  
10 Q. And to find companies that will get  
11 into this kind of business, did you go through an  
12 insurance broker?

13 A. Yes.  
14 Q. And was that ESIX?  
15 A. Yes.  
16 Q. E-S-I-X; is that right?

17 A. Yes.  
18 Q. And you dealt with a Kelly Price and  
19 a Terry Michelitich?

20 A. Yes.  
21 Q. Now, my understanding is you may have  
22 dealt more with Mr. Michelitich than Kelly Price; is  
23 that fair?

24 A. Very true.  
25 Q. Now, did you understand that Ms.

¶00098

1 Price and Mr. Michelitich were representing you in the  
2 arrangement?

3 A. Yes. I understood that they acted as  
4 the broker between the underwriter and us as the  
5 client.

6 Q. Go out, find the insurance, find the  
7 arrangement, negotiate, bring it back to you?

8 A. Yes.  
9 Q. And in fact, it required a bit of  
10 selling on their behalf, didn't it?

11 A. I don't know.  
12 Q. Okay.  
13 A. I wasn't involved in the discussions.  
14 Q. Well, there were discussions that you

15 were made aware of through your brokers that they  
16 were going to have to work with various companies to  
17 get --

18 A. Yes.  
19 Q. -- as much underwriting as you want?

20 A. Right.  
21 Q. Make them comfortable with --

22 A. Yes.  
23 Q. -- this kind of arrangement?

24 A. Yes.  
25 Q. Now, you never actually spoke to SCA

¶00099

1 Promotions, anyone at SCA Promotions?

2 A. No.  
3 Q. You didn't negotiate this with them?  
4 A. No.

gorski

5 Q. You did it through your broker?

6 A. Yes.

7 Q. And in addition to SCA Promotions,  
8 there was also contracts involving Chubb and Lloyd's;  
9 is that right?

10 A. Yes.

11 Q. Same arrangement. You went through  
12 your brokers and never talked to them?

13 A. Yes.

14 Q. And you didn't really investigate or  
15 try and figure out what it is SCA Promotions does as  
16 a business, did you?

17 A. No.

18 Q. Relied on the brokers?

19 A. Entirely.

20 Q. Whatever you knew about SCA or its  
21 business came from what your brokers told you, if  
22 anything?

23 A. Yes.

24 Q. Now, did you think you were buying  
25 insurance when you entered into this contractual

¶00100

1 relationship here in Respondent's Exhibit 1?

2 A. Absolutely. I mean we wanted to  
3 motivate Lance through the offering of performance  
4 incentives. They needed to be substantial amounts of  
5 money. We didn't, we didn't have that money as  
6 revenues. It clearly exceeded that. And we needed  
7 to, you know, limit our financial liability, and  
8 insurance was the way to do that. We, we had been  
9 doing that since '99. That's, you know, we -- so,  
10 yes, I knew I was buying insurance, and I knew that's  
11 what made these, you know, made the performance  
12 bonuses possible for us to pay and attract Lance and  
13 engage in a relationship with him.

14 Q. Now, when you say you knew you were  
15 buying insurance, you didn't know you were buying  
16 insurance because someone at SCA told you this is an  
17 insurance policy, correct?

18 A. That's correct. Yes.

19 Q. And it didn't matter to you whether  
20 it was insurance or a contract of indemnification or  
21 a surety so long as if Mr. Armstrong won and was owed  
22 the bonus and the company paid?

23 A. And we were --

24 Q. You didn't care?

25 A. -- indemnified of that liability,

¶00101

1 right.

2 Q. Okay. So so long as the third party  
3 paid, call it what you want. You were happy. Fair  
4 enough?

5 A. Yes.

6 Q. Now, did you look at the actual  
7 contract, Respondent's Exhibit 1, in connection with  
8 reviewing it to decide if it was acceptable?

9 A. Yes. But I'd say that we, again, we  
10 relied heavily on the expertise of ESIX, you know,  
11 Terry and Kelly in terms of the language. You know,  
12 they were our brokers, and so I didn't -- I know I  
13 read it. I don't believe we modified it in any way.  
14 But, yes, I did read it.

15 Q. Okay. And that is your signature

16 there on the front page?

17 A. Yes.

18 Q. Okay. And if you'll turn to what's  
19 Exhibit A to the contract, that is your signature  
20 there as well?

21 A. Yes.

22 Q. Okay. Did you understand that if Mr.  
23 Armstrong tested positive for a drug test in  
24 connection with a Tour de France that he was not  
25 eligible -- that SCA would not have to pay a bonus?

¶00102

1 MR. HERMAN: Objection. Form.

2 A. I understood that if Lance tested  
3 positive, a verified UCI positive drug test in a  
4 competition, that we could terminate the agreement  
5 and thereby terminate all of our liabilities to Lance  
6 and all of our obligations to Lance.

7 Q. (By Mr. Tillotson) Now, if you'll,  
8 if you'll look in this potential agreement, which is  
9 called a Contingent Prize Contract. Do you see that?

10 A. Yes.

11 Q. And did you focus on or were you  
12 aware of the fact that this particular document did  
13 not call itself insurance, an insurance policy or a  
14 contract for insurance?

15 A. I, I don't think I took notice of  
16 that. I had seen -- you know, it looked similar to  
17 the other insurance policies we had over the prior  
18 two or three or four years. I don't think I had  
19 noted that at the time.

20 Q. So that was not something of  
21 significance to you; fair to say?

22 A. No.

23 Q. Okay. And if you'll look on Page 1  
24 or Page 2, there is nothing called a certificate of  
25 insurance for example, correct?

¶00103

1 A. Correct.

2 Q. And there is nothing that actually  
3 says in this agreement that there is a certain amount  
4 of insurance in place, correct?

5 A. Yes. That's correct.

6 Q. Okay. And in fact, if you'll turn to  
7 Exhibit A under the Terms and Conditions, Paragraph  
8 2B says, "SCA indemnifies Sponsor in respect of  
9 Sponsor's liability to award such Performance Awards  
10 to the Designated Cyclist Professional to the extent  
11 --

12 A. I'm sorry. Which one are you reading  
13 here?

14 Q. Provision 2B.

15 A. 2B. Okay.

16 Q. "SCA indemnifies Sponsor -- Sponsor  
17 is your company, right?

18 A. Yes.

19 Q. "Indemnifies Sponsor in respect of  
20 Sponsor's liability to award such Performance Awards  
21 to the Designated Cyclist Professional to the extent  
22 provided for in this Contract." Do you see that?

23 A. Yes.

24 Q. Okay. So whether it was  
25 indemnification or insurance or suretyship, so long

¶00104

gorski

1 as it was paid that's what you thought you were  
2 getting?  
3 A. That's right.  
4 Q. Now, you said you had seen a bunch of  
5 these. I want to show you what we'll mark as  
6 Respondent's Exhibit 8 and Respondent's Exhibit 7.  
7 MR. HERMAN: Which is which?  
8 MR. TILLOTSON: Hang on. I'll write  
9 them for you right now.  
10 (WHEREIN, Respondent's Exhibits 7 and 8 were marked.)  
11 Q. (By Mr. Tillotson) My question is  
12 are Respondent's Exhibits 7 and 8 the Chubb and  
13 Lloyd's policies?  
14 A. Yes.  
15 Q. Okay. Now, you'll agree with me that  
16 those documents look different from the SCA contract,  
17 do they not?  
18 A. Yes.  
19 Q. For starters, in one of them there is  
20 -- the front page is something called a Certificate  
21 of Insurance?  
22 A. Yep.  
23 Q. Which --  
24 A. Yes.  
25 Q. -- you don't have in your SCA?

¶00105

1 And if you'll turn you'll also see endorsement pages  
2 and terms and conditions, correct?  
3 A. Yes.  
4 Q. And you don't have an endorsement or  
5 a sort of standard insurance terms and conditions in  
6 your SCA contract, correct?  
7 A. Yes.  
8 Q. And in the Exhibits 7 and 8, the  
9 Chubb and Lloyd's things, they say things like  
10 amounts of insurance or identify an insured, correct?  
11 A. Yes.  
12 Q. And you don't have that in your SCA  
13 contract?  
14 A. Yes.  
15 Q. And I take it that these differences  
16 were things you really weren't focusing on or aware  
17 of at the time?  
18 A. Not at all. I was really relying on  
19 ESIX, which, you know, we had for years and Terry and  
20 Kelly and their expertise. This is -- you know, they  
21 were insurance specialists, and I was relying on  
22 their expertise to guide us on this. So I -- you  
23 know, and we had a -- you know, we had a track record  
24 of business with them, submitting claims, claims  
25 being paid, you know, premiums. There was no reason

¶00106

1 for me to go deeper than that. So that's --  
2 Q. Or to care really frankly?  
3 A. Right.  
4 Q. I mean aside from the fact we're in a  
5 dispute today, at the time you could have cared less  
6 whether it was insurance or an indemnification  
7 contract or whatever?  
8 A. Yes.  
9 Q. Okay. Now -- and you said you really  
10 relied on the expertise of ESIX. Did anyone at ESIX  
11 ever point to you and say, you know, one difference

gorski

12 about SCA is they're not an insurance --

13 A. No.

14 Q. This is not an insurance company?

15 Okay. Did they ever tell you that SCA told ESIX  
16 brokers, by the way, we're not insurance?

17 A. I was not aware of that.

18 Q. Did --

19 A. No.

20 Q. Did anyone at ESIX ever tell you that  
21 SCA had told them that the very contract that brings  
22 us here today, Respondent's Exhibit 1, was not an  
23 insurance contract?

24 A. I wasn't aware of that.

25 (WHEREIN, Respondent's Exhibit 10 was marked.)

¶00107

1 Q. (By Mr. Tillotson) Let me show you  
2 what we've marked as Exhibit 10, Respondent's Exhibit  
3 10, and I'll ask you to take a look at that.

4 A. Okay.

5 Q. Okay. First, let me, let me provide  
6 some context. Do you recall this is a, this is a  
7 series of e-mails in August of 2002. So Mr.  
8 Armstrong would have won at this point in time the  
9 2002 Tour de France, correct?

10 A. Yes.

11 Q. And under your contract with him in  
12 2002, which would have been his --

13 A. Fourth.

14 Q. -- Fourth Tour de France.

15 A. 1.5.

16 Q. He was owed a bonus of 1.5. And you  
17 had gotten coverage for that through SCA?

18 A. Correct. Yes.

19 Q. And now payment is due, correct?

20 A. Yes.

21 Q. Do you recall that during this time  
22 period there was some discussion about just writing  
23 the check directly to Mr. Armstrong?

24 A. I don't remember that.

25 Q. Okay. The original e-mail is from

¶00108

1 Kelly Price, and you know who she is, correct?

2 A. Yes.

3 Q. She's at ESIX Corp and was one of the  
4 brokers you were relying on. Do you know who Todd  
5 Overton is --

6 A. No.

7 Q. -- At SCA Promotions? Okay. If  
8 you'll see Ms. Price says, "Could you please explain  
9 to me again why you can't pay Lance the bonus he has  
10 earned? Since when is it the obligation of the  
11 insurance company to assess taxes on bonuses earned  
12 by players on a foreign event? What is the  
13 relationship between SCA and Lance Armstrong? He is  
14 not an independent contractor nor an employee but an  
15 insured person." She goes on to talk about taxes at  
16 the end. If it would help, the cheque can be made  
17 payable to Lance Armstrong in care of Tailwind Sports  
18 for bonuses earned during the 2002 Tour de France.  
19 Do you see that?

20 A. Yes.

21 Q. And there is a response from a person  
22 named Todd that's forward to Ms. Price, and I'll

gorski

23 represent to you that this has been produced from the  
24 files of ESIX or Brown, and Brown that owns them?

25 A. Yes.

¶00109

1 Q. And the e-mail forwarded to Ms. Price  
2 said, "Todd, I think Kelly misunderstands. The  
3 payment is not insurance and he is not an insured.  
4 He is an individual who has earned an incentive  
5 bonus. This is a paycheck fully taxable and fully  
6 reportable." It goes on. Do you see that?

7 A. Yes.

8 Q. In connection with the payments in  
9 2002, did the brokers ever communicate to you that  
10 SCA had told them that the payment was not an  
11 insurance payment?

12 A. No.

13 Q. Now, to be fair to you so long as the  
14 payment was made, whether SCA is calling it insurance  
15 or not, was not an issue of concern for you?

16 A. Yes.

17 Q. Okay. Is this something Ms. Price  
18 should have brought to your attention?

19 MR. HERMAN: Objection. Form.

20 A. I don't know.

21 Q. (By Mr. Tillotson) Okay. Fair  
22 enough. Now, how did it work with the bonuses? Were  
23 the bonuses paid in fact to Disson Furst and Tailwind  
24 and then the money repaid to Mr. Armstrong, or did it  
25 just go straight through to Mr. Armstrong?

¶00110

1 A. I think we may have even had a couple  
2 of different scenarios. I do remember in '99, maybe  
3 even 2000, getting the check at DFP and, you know,  
4 prior Tailwind Sports, and then forwarding it on and,  
5 you know, essentially cutting a new check to Lance.  
6 But I've -- I also remembered I'm sure there was a  
7 year or two when the check went directly to Lance.  
8 So I think we've actually done it both ways.

9 Q. Whether it went to you and forwarded  
10 on or directly to Lance, the point was that this  
11 money was earmarked straight for Mr. Armstrong? No  
12 cut or percentage was taken by Disson Furst?

13 A. Correct. Yes.

14 Q. Okay. Now, I want to return from on  
15 the back to Exhibit 1.

16 A. Uh-huh.

17 Q. Which is the agreement with SCA. You  
18 can put the other exhibits to the side. Okay. I  
19 want to focus for a second on Paragraph 6. It says,  
20 "If the actual conditions of the Promotion differ in  
21 any way from those represented by Sponsor to SCA,  
22 this contract is null and void unless such changes  
23 have been approved in writing by SCA prior to the  
24 commencement of the promotion." Do you see that?

25 A. Yes.

¶00111

1 Q. Now, I think you've already told me  
2 that. But you'll agree with me that there is nothing  
3 that you said as sponsor to SCA about the Tour de  
4 France or your contract or your relationship with Mr.  
5 Armstrong currently?

6 A. There was never any communication, so  
7 we wouldn't have ever done that?

gorski

8 Q. Okay. The -- however, the broker was  
9 empowered to speak on your behalf to SCA, were they  
10 not?

11 A. Yes.

12 Q. And so if they made some  
13 representations about the Tour de France, that would  
14 have -- or if representations were made about Tour de  
15 France, they would have had to have come from the  
16 broker, if at all?

17 A. Yes.

18 Q. Are you aware of any representations  
19 made by the brokers to SCA about the Tour de France,  
20 your contract or the conditions?

21 A. No.

22 Q. When you enter into contractual  
23 relationships, Mr. Gorski, whether they be with  
24 sponsors or companies such as SCA or Chubb, do you  
25 believe that they're entitled to rely on public

¶00112

1 statements you've made about your team and Mr.  
2 Armstrong?

3 MR. HERMAN: Objection. Form.

4 A. They're entitled to, yes.

5 Q. (By Mr. Tillotson) I mean it  
6 wouldn't surprise you and you wouldn't be offended if  
7 employees at SCA in connection with entering into a  
8 contract with you were aware of or knew of public  
9 statements made by you and relied on those?

10 A. I wouldn't --

11 MR. HERMAN: Objection. Form. You  
12 may answer. But let me -- I'm just objecting form.

13 A. Yes. I wouldn't have a problem with  
14 that.

15 Q. (By Mr. Tillotson) You're  
16 comfortable with that?

17 A. Yes.

18 Q. Okay. Now, do you have any specific  
19 recollection of any of the provisions in this  
20 agreement at the time you entered into it? I guess  
21 really I don't want to have to go through each  
22 provision and ask you if you remember anything about  
23 it. So I'm asking a broader question. If you  
24 remember anything other than entering into the  
25 contract?

¶00113

1 A. Let me just quickly review.

2 Q. Of course. Take your time.

3 A. No.

4 Q. Okay. When you're out and you enter  
5 into these kinds of relationships, you understand  
6 that a company like SCA is essentially making a --  
7 undertaking a risk as to whether or not Mr.  
8 Armstrong is going to win the Tour de France?

9 A. Yes.

10 Q. I mean you understood that, right?

11 A. Yes.

12 Q. And if he does then some money could  
13 be owed, and if he doesn't then they might make a  
14 profit off their premium? You understand that's how  
15 it works?

16 A. Yes.

17 Q. And you -- in connection with that,  
18 you would expect SCA to believe that the Tour de

gorski

19 France is an event with integrity?

20 MR. HERMAN: Objection. Form.

21 A. Yes.

22 Q. (By Mr. Tillotson) I mean you

23 believe that, don't you?

24 A. Yes, I do. Absolutely.

25 Q. And it wouldn't surprise you if

¶00114

1 people that were entered into a relationship with  
2 your company regarding the Tour de France made that  
3 same assumption?

4 A. Absolutely. Yes.

5 Q. And also making assumptions about or  
6 beliefs about the integrity of Mr. Armstrong,  
7 correct?

8 A. Yes.

9 MR. HERMAN: Objection. Form.

10 Q. (By Mr. Tillotson) That he would  
11 follow the rules?

12 A. Yes.

13 Q. And that he would not use performance  
14 enhancing substances or cheat in any way?

15 A. Yes.

16 Q. And you understand that part of the  
17 reason that people such as SCA and the public believe  
18 that and make those assumptions was statements made  
19 by you?

20 A. Yes.

21 Q. By Mr. Armstrong?

22 A. Yes.

23 Q. Okay. Now, in 2001 I think you told  
24 me there was a merger between Tailwind and Disson  
25 Furst. Have I got that right, or was it '03?

¶00115

1 A. It was '01.

2 Q. '01. I apologize. '01. Okay. And  
3 at that point in time the contracts you had that were  
4 between Disson Furst and people --

5 A. Let me just stop you for a second.  
6 It's Dis/son.

7 Q. I'm sorry. I apologize.

8 A. Just so we don't have to go on for  
9 incorrect pronunciation for a long time.

10 Q. When were you going to officially  
11 stop me as I continued --

12 A. Near the end.

13 Q. -- to pronounce it wrong? That was  
14 supposed to be your main job. I notice that Mr.  
15 Herman carefully avoids that by just calling them  
16 DFP.

17 A. DFP. Yeah. We can all -- Yeah.  
18 DFP.

19 Q. When I refer to DFP, I'm talking  
20 about Disson Furst and Partners. Let me start again.  
21 In 2001 there was a merger between DFP and Tailwind  
22 Sport, correct?

23 A. Yes.

24 Q. And because of that merger, all  
25 contractual relationships between DFP and others had

¶00116

1 to be amended to reflect now Tailwind?

2 A. Yes.

3 Q. And part of that process included



gorski

4 going around to the very contract we're looking at,  
5 Respondent's Exhibit 1, and getting an addendum --  
6 A. Yeah.  
7 Q. -- to say it's now Tailwind; is that  
8 right?  
9 A. Yes.  
10 Q. Before I show you the addendum, just  
11 if you'll confirm on Exhibit A. I think I asked you  
12 this. But that is your signature?  
13 A. Yes.  
14 Q. Got it. While I'm looking for the  
15 addendum, do you have any idea what documents or  
16 paperwork the brokers sent to the various companies,  
17 SCA, Chubb, Lloyd's, about this matter?  
18 A. No.  
19 Q. I mean in an effort to entice them or  
20 convince them or negotiate with them, you were not  
21 given prior approval of what e-mails or letters they  
22 were sending?  
23 A. None, none whatsoever.  
24 (WHEREIN, Respondent's Exhibit 9 was marked.)  
25 Q. (By Mr. Tillotson) Okay. Let me

¶00117

1 show you what we've marked as Respondent's Exhibit 9.  
2 Is that a copy of an addendum to the contract which  
3 is Respondent's Exhibit 1?  
4 A. Yes.  
5 Q. Who is signing on behalf of Tailwind?  
6 A. Dan Osipow.  
7 Q. Okay.  
8 A. Who probably -- the official change  
9 of general manager status probably was July 1st. We  
10 made that change around August 1st.  
11 Q. So this is actually signed on July of  
12 2003; is that right?  
13 A. Yes.  
14 Q. Okay. Which was either right after  
15 or right around the time you were departing?  
16 A. Yes.  
17 Q. Okay. So it was actually done  
18 sometime after the merger?  
19 A. Oh, yes. It was --  
20 Q. Okay.  
21 A. Yeah.  
22 Q. Did you have anything to do with what  
23 we're looking at here?  
24 A. I remember that we -- we were -- we  
25 secured assignments for the various, you know, for

¶00118

1 the SCA, Chubb and Lloyd's policies. So, yeah, I  
2 knew, I knew, I knew we were in the process of  
3 securing those assignments.  
4 Q. Okay. But you didn't sign this one.  
5 So do you know if you saw this particular addendum at  
6 the time it was prepared and executed?  
7 A. I'm -- I don't -- I don't know.  
8 Q. Do you have any recollection sitting  
9 here today as to whether you would have seen this?  
10 A. I may have seen -- I mean I remember  
11 we went through the process of securing the  
12 addendums. I don't know if I -- I probably did see  
13 this at some point.  
14 Q. Okay. But you don't have a specific

gorski

15 recollection of it I guess is what I'm asking?

16 A. Right. Yes.

17 Q. Now, the purpose of this, of securing  
18 the addendums, was simply to memorialize the new  
19 entity?

20 A. Yes.

21 Q. There wasn't a re-issuance of a new  
22 contract or additional coverage or anything like  
23 that?

24 A. No.

25 Q. This is just reflecting the name  
¶00119 change?

1 A. Yes.

2 Q. If you'll see on the left-hand side,  
3 the signature block, it says SCA Insurance  
4 Specialists, Inc. Do you see that?

5 A. Uh-huh. Yes.

6 Q. Okay. Do you know if you had any  
7 dealings with that entity versus SCA Promotions,  
8 Inc.?

9 A. No.

10 Q. All right. Let me show what we've  
11 marked as Respondent's Exhibit 4, and this is another  
12 e-mail. And I recognize you're not listed on this  
13 e-mail. Although, you know who Terry Micheliitch is,  
14 correct?

15 A. Yes.

16 Q. And I'm probably pronouncing his name  
17 wrong.

18 A. No. You got that one right.

19 Q. Okay.

20 A. Terry Micheliitch.

21 Q. And were you friends with him,  
22 personal friends with Terry?

23 A. Yeah. I would characterize him as  
24 friends. Terry is a great guy. Yes.

¶00120 1 Q. Have you maintained that friendship  
2 today or --

3 A. Yeah.

4 Q. Okay.

5 A. We, we talk every few months. We've  
6 stayed in contact since he left and since I left.

7 Q. And this one is sent to Allen Furst?

8 A. Allen is the F of DFP.

9 Q. Got it. What's his role in all of  
10 this?

11 A. He was, he was -- at this time he was  
12 the CFO. I was the -- well, this was -- what was  
13 this, July of '01? Yeah. Tailwind Sports, he was --  
14 I was CEO. He was CFO. When we merged back from DFP  
15 to Tailwind Sports, I became CEO and Allen remained  
16 and stayed at the CFO.

17 Q. Got it. I'm going to direct your  
18 attention to the part that's underlined, and I'll  
19 just tell you that the underline is not in the  
20 original. I think it was -- I think Mr. Herman  
21 fessed up to actually doing that.

22 MR. HERMAN: That's the last time  
23 we're going to confuse those two.

24 Q. (By Mr. Tillotson) As the day goes  
25 on Lord knows what I'll say next. Which it says, "We

¶00121

1 are also discussing a partial refund if the TOUR is  
2 cancelled. Giving the doping situation, we believe  
3 it is prudent to implement this clause in the event,  
4 for example, the riders vote to boycott the TOUR  
5 claiming they are being treated unfairly." Now, do  
6 you recall discussions or negotiations regarding that  
7 particular sentiment?

8 A. I don't know whether -- because at  
9 this point there was some -- Allen picked up some of  
10 the discussion with Terry and Kelly. But, you know,  
11 I may have been involved in this discussion because,  
12 you know, Terry and I put together a lot of this.  
13 Because of -- I think what we -- I mean obviously I  
14 know what we were contemplating was the potential for  
15 the tour to be interrupted by an incident similar to  
16 1998 where the Festina scandal occurred. The French  
17 police came in. They were taking teams off and  
18 putting them under searches and detaining riders. It  
19 was an ugly scene. It was an embarrassing scene and  
20 one that, you know, the riders thought about  
21 boycotting the race. It was a mess. It was a big  
22 story at the time. You know, I think Terry probably  
23 doing his job as the insurance broker and us trying  
24 to be prudent, you know, if in the instance that the  
25 tour were for whatever reason was cancelled, and I

¶00122

1 think this is the only reason we could foresee it.  
2 But I mean who knows. War, you know, there is 9/11  
3 type incidents. You never know. What was going to  
4 happen to the premium that was paid?

5 Q. Okay. Was there, was there any other  
6 discussion of doping in how it might relate to the  
7 brokers who were providing you with coverage beyond  
8 this particular issue?

9 A. No. I mean there was not -- Terry  
10 and I -- I mean Terry never directly said to me ask  
11 questions about doping on the team or Lance. He  
12 never -- we never got -- I mean there was never  
13 discussion on that front. What he did confirm --  
14 what he did want to confirm was is there, you know, I  
15 need to know, I want to know. The team has a policy  
16 with their rider. And I've told him. I mean we've  
17 talked about this, that the team has a rider policy,  
18 a zero tolerance policy. If the rider tests positive  
19 they're off the term. The contract is terminated.  
20 We had -- we were, we were strict about that.  
21 Everybody knew it. And, you know, it applied to  
22 Lance and every member of the team equally. And  
23 Terry, you know, Terry -- that was the one point  
24 Terry wanted to make sure we had in place.

25 Q. Okay. Did he mention that anyone was

¶00123

1 asking about that, or was he just asking as you  
2 understood it for his own benefit?

3 A. Yeah. I think he was -- just to make  
4 sure that he was making rep -- I'm assuming because  
5 he was making representations to SCA as such and to  
6 the other carriers.

7 Q. Well, okay. Now, in connection with  
8 the '02 and I guess -- well, I'm sorry. Let me  
9 strike that and start again. In connection with the  
10 '01 and the '02 tours and the payments of any bonus

gorski

11 money thereunder, did you have any discussions with  
12 anyone at SCA Promotions about that matter?

13 A. No.

14 Q. And I take it you weren't the person  
15 at Tailwind or DFP trying to get the various  
16 companies to make payment? That was handled by other  
17 people in there?

18 A. Right. We submitted our invoice to  
19 ESIX.

20 Q. Okay. Do you recall whether you had  
21 to submit a proof of loss to SCA, or whether they  
22 didn't even require a proof of loss?

23 A. Don't, don't recall. But -- No.

24 Specifically I don't recall.

25 Q. Okay. All right. And then prior to

¶00124

1 your departure in '03, did you have any discussions  
2 with SCA --

3 A. No.

4 Q. -- regarding the contract?

5 A. No.

6 Q. Now, you mentioned at one point that  
7 you had had a conversation with Mr. Compton here, is  
8 that right, from SCA?

9 A. Yes.

10 Q. Did he identify himself as being with  
11 SCA Promotions?

12 A. Yes.

13 Q. And a lawyer?

14 A. Yes.

15 Q. And did you agree to speak to him?

16 A. Yes.

17 Q. Okay. And did he ask you any what  
18 you thought were unfair, misleading questions?

19 A. No.

20 Q. And did everything you told him, was  
21 that accurate to the best of your knowledge?

22 A. Yes.

23 Q. And consistent with the testimony  
24 you've given here today?

25 A. Yes.

¶00125

1 Q. And I believe did you meet with Mr.  
2 Herman yesterday in connection with your deposition?

3 A. Yes.

4 Q. To prepare?

5 A. Yes.

6 Q. Did you look at documents?

7 A. Yes.

8 Q. Some of the documents we've looked at  
9 here today?

10 A. Uh-huh.

11 Q. Okay.

12 A. Yes.

13 Q. And how long did you meet with him to  
14 prepare?

15 A. About two hours.

16 Q. I want to return now to -- well, let  
17 me ask you before we return there. Do you know was  
18 -- did you have the impression that it was difficult  
19 for the brokers to get the coverage you wanted in  
20 connection with the 2000 agreement?

21 A. The two -- the -- in other words,

22 this policy?

23 Q. Yeah. Let me rephrase that. In  
24 October of 2000 you entered into a new contract with  
25 Mr. Armstrong requiring payment of some bonuses?

¶00126

1 A. Yes.

2 Q. You didn't have to turn around and  
3 get coverage for those bonuses, right?

4 A. Yes.

5 Q. And in fact, you want as much  
6 coverage as you can get to cover Mr. Armstrong?

7 A. Yes.

8 Q. My question is do you recall if it  
9 was difficult for the brokers to secure the kind of  
10 coverage you wanted?

11 A. No.

12 Q. Isn't it true you wanted more  
13 coverage but was unable to find it?

14 A. Yes.

15 Q. Okay. So --

16 A. But I realized we were, we were  
17 asking for substantial amounts of money. So I mean I  
18 wasn't terribly surprised by that.

19 Q. All right. Now, before we had broken  
20 for lunch I had asked you about Ms. O'Riley, and I  
21 want to return to that subject for a moment if you  
22 can. Have you had any contact with Ms. O'Riley since  
23 your departure from DFP?

24 A. No.

25 Q. Have you had any contact with her

¶00127

1 since her departure from the U.S. Postal Team?

2 A. I had one conversation with Emma  
3 probably six months after she left, which would have  
4 been sometime at the end of 2000 maybe.

5 Q. Okay.

6 A. Again, this has been five years.

7 Q. I understand.

8 A. She wanted some assistance from the  
9 team/myself in assisting her husband at the time,  
10 Simon I believe. She was planning to move back to  
11 the bay area and wanted some assistance in helping  
12 him find a job. Could I have some contacts in the  
13 bay area and so on and so forth. I put together a  
14 list of contacts and got it back to her. I got the  
15 impression that there was some level of bitterness,  
16 you know, some level of -- you know, I just, I didn't  
17 get a warm and fuzzy feeling from Emma about, about  
18 things, and I kind of noted it in my mind. And I  
19 never told -- I don't think I ever told anybody about  
20 it. I just kind of thought to myself, and then  
21 obviously reading the book, I thought to myself,  
22 okay, now at least I connected those two things and  
23 sort of understand.

24 Q. Well, you haven't actually read the  
25 book, have you?

¶00128

1 A. No.

2 Q. I mean have you seen portions of it  
3 on the Internet?

4 A. Yeah. Yeah. Right.

5 Q. Okay.

6 A. I've heard what has been alleged in

gorski

7 the book I mean just through reading cycling  
8 publications or whatever.  
9 MR. TILLOTSON: Okay. We're going to  
10 take a short break. You don't need to go anywhere.  
11 He's just going to change the tape so that we can  
12 keep going.

13 THE VIDEOGRAPHER: We're going off  
14 the record at 2:14 p.m.

15 (A brief recess was taken at this time.)

16 THE VIDEOGRAPHER: We're back on the  
17 record at 2:15 p.m.

18 Q. (By Mr. Tillotson) Mr. Gorski, one  
19 of the things that Ms. O'Riley has been reported to  
20 have said in the book by Mr. Walsh was that Lance  
21 Armstrong asked her to dispose of syringes after the  
22 1998 Tour de Holland. First, were you at the 1998  
23 Tour de Holland?

24 A. No.

25 Q. Do you have any knowledge regarding

¶00129 1 the truth or falsity of that particular statement?

2 A. No.

3 Q. Are you aware of anyone disposing any  
4 syringes in connection with the USPS Team?

5 A. That was the focal point of the  
6 French Judicial investigation about the team.

7 Q. Okay. I'm going to ask you --

8 A. That --

9 Q. -- about that in a second. But I  
10 guess let me -- I asked a bad question. Do you have  
11 personal knowledge of anyone disposing of any  
12 syringes in connection with the team that you  
13 managed?

14 A. I'm con -- I'm not sure of the  
15 question.

16 Q. Let me rephrase and ask something  
17 else.

18 A. Are you asking specifically about the  
19 1998 Tour de Holland or --

20 Q. Let me rephrase it.

21 A. Okay.

22 Q. First of all, do you have any  
23 knowledge about what happened in the 1998 Tour de  
24 Holland --

25 A. I do not.

¶00130 1 Q. -- regarding Ms. O'Riley --

2 A. No.

3 Q. -- and Mr. Armstrong? Okay. She  
4 also alleges that during a training session in 1999  
5 she was asked to drive to Spain to collect drugs,  
6 bring them back to France, which she did, and gave  
7 them to Mr. Armstrong in a parking lot. Are you  
8 familiar with that allegation?

9 A. I'm familiar with the allegation.

10 Q. Is that the allegation that formed  
11 the basis for an investigation, or is there a  
12 different allegation?

13 A. It was a different allegation.

14 Q. Okay. Let's stick with this  
15 allegation first. Do you have any information  
16 regarding the truth or falsity of the allegation I've  
17 just given you?

gorski

18 A. No, I do not.  
19 Q. Did you ever talk to Mr. Armstrong  
20 about that allegation?  
21 A. No.  
22 Q. Did you ever issue a public statement  
23 regarding that allegation?  
24 A. No.  
25 Q. Now, the other allegation you're

¶00131

1 referring to is what?  
2 A. Was the -- during the 2000 tour a  
3 French television network filmed the doctor or one of  
4 the doctor's assistants disposing of a bag of  
5 syringes and various medical products. Not any  
6 banned substances, but various medical supplies. And  
7 that was the basis for the investigation by the  
8 French Judiciary, which was launched I think in  
9 November of 2000.

10 Q. In connection with that  
11 investigation, it's true, is it not, that you issued  
12 a statement that said words to the effect of I am  
13 absolutely convinced that our team does not do drugs?

14 A. Yes.

15 Q. And was that true?

16 A. Yes.

17 Q. Did you feel pressure that you had to  
18 say that kind of thing to give comfort to sponsors?

19 A. I felt that people needed to know the  
20 truth and that, you know, there was a reason. There  
21 was a good reason to discard and throw out the  
22 garbage. That's something that, you know, we use  
23 those kind of products and supplies, and I felt the  
24 need to clarify the issue and let the public become  
25 aware of it. I mean these are athletes that are well

¶00132

1 known. I didn't feel pressure to say that, no. I  
2 felt pressure to clarify the issue.

3 Q. Did you investigate that allegation?

4 A. Yes.

5 Q. What is it you did to investigate?

6 A. Talked to Johan Bruyneel. Talked to  
7 our team doctor. You know, asked them why. That  
8 that wasn't the standard procedure for the discard of  
9 medical supplies, and I said, you know, we just can't  
10 -- you know, for whatever reason, and there was --  
11 there were reasons why they did that, because people  
12 were going and investigating -- going through the  
13 garbage of our athletes and the team at the various  
14 hotels. I said there is -- you can't do that. I did  
15 an investigation. I, I --

16 Q. What was your explanation for why  
17 they went so far away to dispose of the things?

18 A. Uhm --

19 Q. What you had made or acknowledged is  
20 not standard procedure?

21 A. Yeah. I don't --

22 Q. Why did they, why did they do that?

23 A. They were on their way to the next  
24 stage is where -- I mean that's what happens in the  
25 morning during the Tour de France is you're driving

¶00133

1 from one place -- every staff member is driving from  
2 one hotel to the next hotel, and they weren't driving

gorski

3 100 miles in the wrong way to drop these supplies.  
4 They were on their way to the next stage. The camera  
5 crew happened to follow them.

6 Q. What were the supplies, did they say?

7 A. There were syringes and boxes of, you  
8 know, various B vitamins and other kinds of prescrip  
9 -- not actually banned substances but prescription  
10 drugs where we had approval for.

11 Q. And syringes were used for injections  
12 of?

13 A. Of vitamins. Have been and will be  
14 and takes place in numerous sports. It's the most  
15 efficient I believe to bring vitamins into the system  
16 and then encourage recovery for an athlete.

17 Q. Now, this, this takes place in  
18 November of 2000, is that right, approximately?

19 A. Yes.

20 Q. You learn about it during that time  
21 period, November of 2000?

22 A. Uh-huh.

23 Q. Okay. And in January of 2001 my  
24 clients entered into a contractual relationship with  
25 you, correct?

¶00134

1 A. Yes.

2 Q. Okay. Now, you would understand --  
3 well, let me ask it a better way. Do you understand  
4 that my clients would not enter into a contractual  
5 relationship with you if there was -- if Mr.  
6 Armstrong was in fact using illegal substances?

7 MR. HERMAN: Objection. Form.

8 A. Just repeat it just so I understand  
9 clearly the question.

10 Q. (By Mr. Tillotson) Sure. You  
11 understand, don't you, that my clients just like any  
12 other sponsor --

13 A. Right.

14 Q. -- or contracting party would not be  
15 interested in entering into a relationship where they  
16 would have to pay money to you and Mr. Armstrong if  
17 they thought Mr. Armstrong was using illegal  
18 substances?

19 A. Of course, yes.

20 MR. HERMAN: Objection. Form.

21 Q. (By Mr. Tillotson) You don't reject  
22 that as an unreasonable business position, do you?

23 A. No.

24 Q. Okay.

25 A. Not when you say using drugs means

¶00135

1 positive drug tests.

2 Q. Okay. Okay. You know that sponsors  
3 don't necessarily want to be in arrangements even  
4 though there is not a positive drug test but  
5 substantial or credible allegations of drug use,  
6 correct?

7 MR. HERMAN: Objection. Form.

8 A. I think that's -- I think you're  
9 asking me to confirm something that is not --

10 Q. (By Mr. Tillotson) Well, let me --

11 A. Every, every situation would be  
12 different. That's a -- I don't know quite how to  
13 articulate that. But what I'm saying is that give me



gorski

14 an example and I would make -- I would give you a  
15 response. But open-ended that -- I wouldn't  
16 immediately say yes to that. It would be depending  
17 upon the circumstances. Maybe that's my answer.

18 Q. Fair enough. In my questioning here  
19 with respect to these questions, I'm not asking you  
20 to adopt, admit or accept of illegal drug use by any  
21 athlete whatsoever, okay?

22 A. Okay.

23 Q. I understand that, and I'll ask you  
24 those questions straight up, okay? I'm not trying to  
25 get your --

¶00136

1 A. Okay.

2 Q. What I'm asking is a slightly  
3 different issue about substantial allegations  
4 regarding an athlete using performance enhancing  
5 substances. Now, let me rephrase so I have a clear  
6 question. Previously you told me, for example, that  
7 you were uncomfortable with Michele Ferrari because  
8 of allegations. Do you remember that testimony?

9 A. Uh-huh.

10 Q. And giving your level of discomfort  
11 with someone who has allegations around him like  
12 Michele Ferrari, you also recognized sponsors and  
13 other contracting parties could be equally  
14 uncomfortable regarding someone else with similar  
15 allegations?

16 A. Yes, I do.

17 Q. Okay. And one of the things you do  
18 in those kinds of situations when an allegations  
19 arises about someone near and dear to you on your  
20 team is to give the public information so that they  
21 don't get "the wrong idea", correct?

22 A. Right.

23 Q. Is that fair enough?

24 A. Yes.

25 Q. And so when you talked about the

¶00137

1 November 2000 investigation and made unequivocal  
2 statements that the team didn't use drugs, that was  
3 one of the things you were trying to do?

4 A. Yes.

5 Q. Okay. Now, are you aware of  
6 allegations regarding Mr. Carmichael and injecting  
7 doping into junior athletes?

8 A. No.

9 Q. Are you aware of allegations -- do  
10 you know who Greg Stock is?

11 A. Yes.

12 Q. Okay. Cyclist? Tell us who he is I  
13 guess I should ask.

14 A. I think he was a former national team  
15 cyclist, probably a junior national team cyclist who  
16 made allegations that he was somehow influenced to  
17 use banned substances.

18 Q. Do you know if that was connected to  
19 Mr. Carmichael?

20 A. I don't know. No.

21 Q. You worked at I think it's called --  
22 well, you worked for one of the U.S. organizations  
23 for cycling?

24 A. Yes.

25 Q. Is it USAC?  
 ¶00138 1 A. USA Cycling.  
 2 Q. USA Cycling. And they do what?  
 3 A. They're the governing body for the  
 4 sport. They license -- there is 50,000 licensed bike  
 5 racers in America. They do the licensing. They  
 6 provide insurance. They organize training camps.  
 7 They prepare teams for the National World Olympic  
 8 games, et cetera.  
 9 Q. So that organization is charged with  
 10 insuring or helping our American athletes be ready  
 11 for the games?  
 12 A. Yes.  
 13 Q. So did you -- were you there when  
 14 they helped athletes get ready for the '92 games?  
 15 A. No.  
 16 Q. You had left before then?  
 17 A. I was there from February of '93  
 18 through March of '95.  
 19 Q. Came after. I had it backwards. You  
 20 came after. Do you know who Dr. Wade Exum is?  
 21 A. I know he was the head of the  
 22 anti-doping commission at the USOC for a number of  
 23 years. I think probably, yes, I do.  
 24 Q. Was he there when you were there?  
 25 A. I think so.

¶00139 1 Q. Do you remember him personally, what  
 2 he looks like?  
 3 A. Yes. Yes.  
 4 Q. Are you aware of allegation he's made  
 5 regarding doping and USAC?  
 6 A. Doping and USAC?  
 7 Q. Yes.  
 8 A. No.  
 9 Q. Are you aware of allegations he's  
 10 made regarding doping?  
 11 A. In general, yes.  
 12 Q. What is your awareness of those  
 13 allegations?  
 14 A. I'm, I'm aware that he's made claims  
 15 that there were positive tests that were covered up.  
 16 That there was somehow a cover up at the USOC level  
 17 not specifically related to USA Cycling, but really  
 18 at the USOC level. But, you know, it could  
 19 potentially be one of many sports, cycling, swimming,  
 20 track and field, et cetera.  
 21 Q. What's the relationship between USAC  
 22 -- Is that USAC?  
 23 A. Yes.  
 24 Q. And USOC, U-S-O-C?  
 25 A. It's a -- it's one of the 30 odd

¶00140 1 member organizations of the USOC.  
 2 Q. Okay.  
 3 A. USA Cycling, USA Gymnastics, USA  
 4 Track and Field, on and on and on, are all members of  
 5 the U.S. Olympic Committee. U.S. Olympic Committee  
 6 is a member of the International Committee.  
 7 Q. While at USAC, did you supervise --  
 8 Well, that's a bad question. While at USAC, did USAC  
 9 oversee testing of athletes, cyclists?

gorski

10 A. Yes.  
11 Q. Was that done by USAC itself, or was  
12 there another organization that did that?

13 A. Well, it was done by the USOC  
14 primarily. I don't think there were ever any other  
15 independent bodies that did the testing.

16 Q. Did you have access to the results?

17 A. I personally?

18 Q. Yes, sir.

19 A. I saw them published publicly as any  
20 other person did. I never -- I never -- that -- I  
21 ran corporate sponsorship for the organization. I  
22 didn't have nor did I have access to those results.  
23 I became aware of them just along with the rest of  
24 the cycling world.

25 Q. Okay. I'm asking for personal

¶00141

1 knowledge. I mean if it's something you read in the  
2 newspaper like --

3 A. Right.

4 Q. -- someone else, I'm not asking for  
5 that. I think the answer to my question is while at  
6 USAC you had no personal access to testing results?

7 A. No.

8 Q. Other than what you would have seen  
9 publicly?

10 A. No.

11 Q. Okay. So do you have any personal  
12 knowledge as to any athletes who tested positive from  
13 the cycling team other than what you have been aware  
14 of in the papers?

15 A. No.

16 Q. Are you aware if there is a list  
17 indicating who has tested positive?

18 A. No.

19 Q. You don't know one way or another, or  
20 you're certain there is no list?

21 A. I don't know. I don't know one way  
22 or the other.

23 Q. Are you aware of any allegations as  
24 to whether Mr. Armstrong tested positive in  
25 connection with any training done for an Olympic

¶00142

1 team?

2 A. No. If I had he wouldn't be on the  
3 team.

4 Q. Fair enough.

5 A. Have been on the team.

6 Q. Well, let me, let me ask you about  
7 that. You said in several ways, and I'm not sure I  
8 ever asked you directly. Do you have any evidence of  
9 any sort as to whether or not Mr. Armstrong has ever  
10 used performance enhancing substances?

11 A. I have no evidence of any usage by  
12 Lance ever.

13 Q. Do you feel pressured in any way to  
14 make those kinds of statements?

15 A. No.

16 Q. Do you believe if you were to say  
17 something negative about Mr. Armstrong in this  
18 deposition that it could adversely affect your  
19 business?

20 A. No.

gorski

21 Q. So you're testifying truthfully and  
22 freely regardless of any adverse consequences that  
23 may become about him?

24 A. Yes.

25 MR. TILLOTSON: All right. Here is  
¶00143

1 what I would request, Mr. Gorski. If you would give  
2 me a couple of minutes to go over my notes I'll  
3 determine if I have any other questions. Then the  
4 process is I turn it over to Mr. Herman for any  
5 questions he may have.

6 THE WITNESS: Okay.

7 MR. TILLOTSON: So if we can go off  
8 the record for a couple of minutes.

9 THE VIDEOGRAPHER: We're going off  
10 the record at 2:31 p.m.

11 (WHEREIN, a brief recess was taken at this time.)

12 THE VIDEOGRAPHER: We're back on the  
13 record at 2:36 p.m.

14 Q. (By Mr. Tillotson) Just a few other  
15 questions, Mr. Gorski. First, obviously in the paper  
16 over the last couple of days and on the T.V.  
17 stations there have been new allegations regarding  
18 Mr. Armstrong and drug use that have been published  
19 in a French newspaper. I'm going to ask a couple of  
20 questions about that.

21 A. Uh-huh.

22 Q. First, are you generally aware of  
23 what those allegations are?

24 A. Generally.

25 Q. Have you read the newspaper article  
¶00144

1 that was published regarding those allegations?

2 A. Only the English translations of it.

3 Q. Do you have any personal knowledge  
4 regarding the allegations, other than what you've  
5 read?

6 A. No.

7 Q. Now, these events which is the  
8 testing, the samples, took place at a Tour de France  
9 for which you were present and were the director --

10 A. Yes.

11 Q. -- for the team; is that right?

12 A. Yes. That's right.

13 Q. It was the '99 tour?

14 A. Uh-huh. Yes.

15 Q. But you don't have any knowledge  
16 regarding the truth or falsity of those allegations?

17 A. No.

18 Q. Have you had a chance to look at any  
19 of the documentation regarding the allegations?

20 A. I haven't.

21 Q. As of just by way of background so  
22 that I understand, when a sample is given by an  
23 athlete at Tour de France, do they fill out a form?

24 A. Yes.

25 Q. Sign that form?  
¶00145

1 A. (Indicating.)

2 Q. And that form contains a control  
3 number that relates to the sample?

4 A. Yes.

5 Q. The samples are then sent to a lab?

gorski

6 A. Yes.  
7 Q. Where they are tested; is that right?

8 A. Yes.  
9 Q. Okay. And then the lab doesn't know

10 who it is?

11 A. Yes.

12 Q. But there is a master key or a key  
13 that will allow you to say this is that person's  
14 sample; is that right?

15 A. Yes.

16 Q. And in the news we've seen all of  
17 these things about, about -- heard Mr. Armstrong talk  
18 about an A and a B sample. I take it that that's  
19 when a sample is given they are split into an A and a  
20 B?

21 A. And they generally take two samples.  
22 So they have an A and a B. And it sounds like in  
23 this testing they only tested the A sample. They  
24 didn't go further and test -- they didn't test the B  
25 sample, which is, you know, a backup or a

¶00146

1 confirmation of the result of the A sample.

2 Q. Okay. And then the B sample in this  
3 apparent case was kept for some period of time; is  
4 that right?

5 A. It's the A sample.

6 MR. HERMAN: The A sample.

7 MR. TILLOTSON: It's the A sample

8 that's kept. I apologize.

9 MR. HERMAN: Objection. Form.

10 Q. (By Mr. Tillotson) So they -- in  
11 1999 when they tested it they tested the B sample?

12 A. Right.

13 Q. Kept the A sample?

14 A. Yes.

15 Q. And that's what this lab has tested  
16 recently?

17 A. Yes.

18 Q. Do whatever tests they've done. Now,  
19 in 1999, and I think we've covered this but now we  
20 can put it in an actual time frame. In 1999 when  
21 they tested the B sample in realtime we'll call it,  
22 there was no test for EPO --

23 A. Yes.

24 Q. -- to see if it was in the urine; is  
25 that right?

¶00147

1 A. That's right, yes.

2 Q. So it was possible for an athlete to  
3 be using EPO in 1999 but still test negative?

4 A. Yes.

5 Q. Okay. But EPO was an illegal  
6 substance in 1999, wasn't it?

7 A. Yes.

8 Q. All right. Do you know who Lisa  
9 Shields is?

10 A. The name sounds familiar. No.

11 Q. Okay. And do you know where she is  
12 today? I guess if you don't really know who she is

13 --

14 A. No.

15 Q. -- you probably wouldn't know where  
16 she is. Okay. You had mentioned that Mr. Weisel was

gorski

17 -- did I pronounce that right?

18 A. Wi ze/el .

19 Q. Wi ze/el . Good Lord. When was the  
20 last time you spoke with him?

21 A. About a year ago at the San Francisco  
22 event.

23 Q. Have you discussed this dispute or  
24 the facts of this dispute with him at all?

25 A. No.

¶00148

1 Q. We talked about this early --

2 A. She -- was she related to Mr. Weisel?

3 Q. No.

4 A. Okay.

5 Q. No. No.

6 A. I may be thinking of a different  
7 person.

8 Q. Now, regarding the 1999 cortisone  
9 test, or episode I'll call it.

10 A. Right.

11 Q. Are you aware of or were you present  
12 at any discussions concerning coming up with a  
13 cover-up story --

14 A. No.

15 Q. -- or an explanation for the positive  
16 test?

17 A. No.

18 Q. Do you have any factual knowledge or  
19 personal awareness of any efforts by Mr. Armstrong to  
20 fix the outcome of any professional cycling race?

21 A. No.

22 Q. Are you aware of any allegations that  
23 he did?

24 A. To fix the outcome?

25 Q. And by that I mean to ensure that a

¶00149

1 certain person, primarily himself, would win? Paying  
2 off another rider or any other compensation to lead  
3 to a fixed result?

4 A. No.

5 Q. When you sort of said to fix the  
6 outcome and looked at me, is there something out  
7 there that I'm missing?

8 A. Well, I was -- for some reason my, my  
9 memory was going to him chasing down the Simeoni.

10 That's what I, that's what I was thinking of. But

11 no. I'm not, I'm not -- I wasn't -- that's what I

12 was thinking about. If that's --

13 Q. Okay. I'm talking about allegations  
14 regarding the 1993 Pro Championship Series. Are you  
15 aware of that?

16 A. No.

17 Q. Were you in that race?

18 A. No.

19 Q. Okay. Do you know who Rene Wenzel  
20 is?

21 A. Yes.

22 Q. Who is that person?

23 A. He is a former junior national coach  
24 at USA Cycling. He has been associated with some  
25 other professional cycling teams.

¶00150

1 Q. Have there been allegations regarding

2 that individual doping?

3 A. Yes, there have.

4 Q. Are they true?

5 A. I have -- I don't know. No idea.

6 Q. Are you aware of any of the --

7 whether there is any aspect of truth to allegations

8 that that individual has been involved in doping?

9 A. I was --

10 MR. HERMAN: Objection. Objection.

11 Form. I don't know exactly what you mean by any

12 aspect of truth. I don't understand what that means.

13 A. Uhm, I know he was disciplined

14 because of the allegations. I have no idea whether

15 the allegations are true. But I know USA Cycling

16 took action because of the allegations, and I don't

17 know the details of the action by the organization.

18 Q. Okay.

19 A. In fact, I believe when I joined USA

20 Cycling in February of '93, I think he had been fired

21 or disciplined in the prior two or three, four

22 months. So it was kind of he was -- he had been

23 disciplined and fired just shortly before I joined.

24 Q. Okay.

25 A. And I knew who he was, and I knew

¶00151

1 there were allegations. But I have -- I don't know

2 whether they were true. I don't even really remember

3 the details.

4 Q. When did you last speak to Terry

5 Michelitch, if you recall?

6 A. A couple of weeks ago.

7 Q. Have you spoken about this case or

8 your deposition?

9 A. Not specifically.

10 Q. Generally?

11 A. Generally.

12 Q. What is it you talked about?

13 A. The -- you know, I think we kind of

14 just rehashed in a way kind of said, geez, it's

15 crazy. We're -- you know, here we were working on

16 this stuff years ago and now we're involved in this

17 crazy suit. Didn't get into the details, but I think

18 we were both kind of saying isn't it funny? Isn't it

19 ironic? Isn't it strange? Isn't it -- there was no,

20 there was no specific discussion about the details of

21 the case so to speak.

22 Q. Did you go over any aspect of what

23 you might talk about in your deposition or what the

24 facts might be?

25 A. Not really.

¶00152

1 Q. Did he refresh your recollection

2 about anything that you didn't remember?

3 A. No.

4 Q. Had he been deposed at this time

5 period?

6 A. Had he been deposed? I think it was

7 maybe just prior to his deposition.

8 Q. Did he discuss with you any aspects

9 of the case, strategy, what would be helpful, what

10 wouldn't be helpful or anything like that?

11 A. No. I think we just were kind of

12 conversing and generally talking about it.

gorski

13 Q. Okay. Earlier we talked about some  
14 allegations regarding -- well, strike that. Some of  
15 the allegations regarding doping involve a substance  
16 called, and I'll probably mispronounce it giving my  
17 record today. But Actovegin?

18 A. Actovegin.

19 Q. Actovegin. What's the cycling use of  
20 Actovegin?

21 A. I don't know. I wish, you know -- I  
22 know there is -- that was a part of the judicial  
23 investigation. I do know that that is a product  
24 that's used by diabetics. We had a staff member that  
25 has diabetes, Julian Devrese, who was at the time

¶00153

1 probably 61, 62 years old. And had Actovegin with --  
2 or our doctor had Actovegin. It was in the -- it was  
3 in the garbage that it was disposed of. So it  
4 became, you know, the subject of a lot of  
5 speculation. So I don't, I don't know what the  
6 extent of it is in its use in cycling -- enhancing  
7 cycling performance, if any.

8 Q. Do you know what kind of substance it  
9 is or what it does?

10 A. I don't even know. No.

11 Q. Okay. Do you, do you get a report,  
12 like a written report of some sort on any of these  
13 allegations as the, as the general director of the  
14 team? I mean is there -- are there documents that  
15 could be looked at on these matters?

16 A. Report, not really. And on that  
17 matter I mean I think that -- I think I probably  
18 called Julian after these came out and I said, you  
19 know, I wanted to verify that he was using this  
20 product. I did probably an informal investigation to  
21 make sure that what our doctor had told us was  
22 correct about his use and his need and the  
23 prescription he had for this substance. So I did, I  
24 did do that kind of investigation. I don't think --  
25 I mean I didn't have a formal reporting structure

¶00154

1 with Johan or the doctor. But -- so I don't know  
2 whether there is documents out there that would kind  
3 of summarize or outline what, what went on.

4 Q. With respect to that investigation,  
5 was there any formal documentation issued in it?

6 A. The only formal documentation would  
7 have come from the French judiciary to us, and it was  
8 -- you know, I don't know whether -- Tailwind Sports  
9 probably has some files on the whole judicial matter  
10 because it was obviously a thick file that was  
11 developed over that. I don't have that. But the  
12 formal exchange would have occurred between the  
13 French Judicial investigation and Tailwind.

14 Q. Okay. And do you have any Tailwind  
15 documents in your possession now? Did you take  
16 anything with you?

17 A. I know I've got some documents. I  
18 didn't -- And I'm not sure what I got. But I'm sure  
19 I have some.

20 Q. Have you searched your files for any  
21 correspondence or documents that would relate to SCA  
22 Promotions or the matter at hand here?

23 A. Have I done any search on it?



24 Q. Yes. Yes.  
25 A. No.

¶00155

1 Q. All right. Did you and Mr.  
2 Michelitch discuss the aspect of whether or not  
3 Tailwind purchased insurance from SCA?

4 A. No.

5 Q. Did that issue ever come up?

6 A. (Indicating.)

7 Q. Okay. And do you know Jennifer  
8 Burton?

9 A. No, I do not.

10 MR. TILLOTSON: Okay. Mr. Gorski,  
11 those are all the questions I have. I have the right  
12 to ask additional questions after Mr. Herman asks  
13 them. But at this time I pass the witness and I  
14 appreciate your cooperation and especially for  
15 hosting us here today.

16 THE WITNESS: Thank you.

17 MR. HERMAN: We'll reserve our  
18 questions.

19 MR. TILLOTSON: That means your  
20 deposition is concluded for now.

21 THE WITNESS: Thank you very much.

22 THE VIDEOGRAPHER: We're going off  
23 the record at 2:50 p.m.

24 MR. HERMAN: The witness can sign  
25 before any notary. However, the parties can use an

¶00156

1 unsigned deposition or portions thereof at any  
2 hearing or trial. So you can submit the original to  
3 Mr. Gorski and then he'll, you know, fill out an  
4 errata sheet and sign it before any notary. That  
5 suits you okay, don't it?

6 MR. TILLOTSON: Mr. Gorski, you get  
7 the transcript. You can review it. You make any  
8 changes and sign it.

9 THE WITNESS: That occurs over what  
10 period of time?

11 MR. TILLOTSON: If you do it prior to  
12 the hearing. You usually do it 30 days after  
13 receiving it.

14 MR. HERMAN: You'll have an  
15 opportunity to review it. There will be an errata  
16 sheet with it so that if you've misspoken or  
17 misspelled or whatever.

18 THE WITNESS: Sure.

19 MR. HERMAN: You'll have an  
20 opportunity to make the changes that you need to.

21 THE WITNESS: Okay.

22 MR. HERMAN: And then submit it.

23 MR. TILLOTSON: So long as I get it a  
24 couple of days before the hearing. If you don't make  
25 changes and don't sign it then we can use it as is

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1 deemed acceptable.

2 THE WITNESS: Yeah.

3 MR. TILLOTSON: Okay. Thank you.

4 SIGNATURE NOT WAIVED

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NOTARIAL CERTIFICATE

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I, Stephanie D. Darr, and Certified Court Reporter for the State of Missouri and a duly commissioned Notary Public within and for the State of Missouri and do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

\_\_\_\_\_  
Stephanie D. Darr, CCR

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STATE OF \_\_\_\_\_ )

2

CITY OF \_\_\_\_\_ )

3

4 I, MARK GORSKI, do hereby certify:  
5 That I have read the foregoing deposition;  
6 That I have made such changes in form and/or  
7 substance to the within deposition as might be  
8 necessary to render the same true and correct;  
9 That having made such changes thereon, I  
10 hereby subscribe my name to the deposition.  
11 I declare under penalty of perjury that the  
12 foregoing is true and correct.  
13  
14 Executed this \_\_\_\_\_ day of \_\_\_\_\_,  
15 20\_\_\_\_, at \_\_\_\_\_.

16  
17  
18 \_\_\_\_\_  
MARK GORSKI

19  
20  
21 My Commission Expires: \_\_\_\_\_  
22 Notary Public: \_\_\_\_\_  
23  
24  
25

¶00160

1 MARK GORSKI  
2 DEPOSITION CORRECTION SHEET  
3 In re: LANCE ARMSTRONG AND TAILWIND SPORTS, INC.,  
4 vs. SCA PROMOTIONS, INC., AND HAMMAN INSURANCE  
5 SERVICES, INC.  
6 Reported by: SDD  
7 Upon reading the deposition and before subscribing  
8 thereto, the deponent indicated the following changes  
9 should be made:  
10 Page Line Should Read:  
Reason assigned for change:  
11  
12 Page Line Should Read:  
Reason assigned for change:  
13  
14 Page Line Should Read:  
Reason assigned for change:  
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16 Page Line Should Read:  
Reason assigned for change:  
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18 Page Line Should Read:  
Reason assigned for change:  
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20 Page Line Should Read:  
Reason assigned for change:  
21  
22 Page Line Should Read:  
Reason assigned for change:  
23  
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25 \_\_\_\_\_  
SIGNATURE OF DEPONENT

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1

Midwest Litigation Services  
711 North Eleventh Street  
Page 67

2 gorski  
St. Louis, Missouri 63101  
3 Phone 314/644-2191

4 August 29, 2005

5 Mark Gorski  
6 THE SCHUPP COMPANY  
7 401 Pine Street  
8 St. Louis, Missouri 63102

9 In Re: LANCE ARMSTRONG AND TAILWIND SPORTS, INC.,  
vs. SCA PROMOTIONS, INC., AND HAMMAN INSURANCE  
10 SERVICES, INC.

11 Dear Mr. Gorski:

12 This letter is to notify you that your videotaped  
deposition taken on August 26, 2005, in the  
13 above-referenced case is now completed. You will  
need to contact our office at the above mentioned  
14 address and set up a time for you to read your  
deposition.

15 Please read your copy of the transcript, indicate any  
16 changes and/or corrections desired on the errata  
sheets, and sign the signature page before a notary  
17 public.

18 Sincerely,

19 Stephanie D. Darr, CCR

20 Enclosures

21 cc: Jeffrey M. Tillotson  
22 Tim Herman  
23 File

24  
25

♀