

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

KENNETH EADE,

Plaintiff,

V.

NO. CV11-01315
JAK (CWx)

INVESTORSHUB.COM, INC., a
Florida corp., DOE 1, aka NO
DUMMY, DOE 2, aka JANICE
SHELL, DOE 3, aka FASTER183,
DOE 4, aka STOCK MAVIN, DOE 5,
aka RENEE, DOE 6, aka VIRTUAL
DREW, DOE 7, aka BOB 41,
DOE 8, aka OVERACHIEVER,
DOE 9, aka DOBERMAN, and
DOE 10,

Defendants.

VOLUME I

Judgment Debtor's Examination of KENNETH
EADE, taken on behalf of Defendant
Investorshub.com, at 12400 Wilshire
Boulevard, Suite 400, Los Angeles,
California 90025, commencing at 10:07 a.m.,
Thursday, June 21, 2012, before Shana K.
Clifford, RPR, Certified Shorthand Reporter
No. 10154.

1 APPEARANCES OF COUNSEL:

2 For Plaintiff:

3 KENNETH G. EADE, ESQ.
4 6399 Wilshire Boulevard
Suite 507
5 Los Angeles, California 90048
323-782-8802
6 keneade@gmail.com

7 For Defendant Investorshub.com:

8 CHRISTOPHER B. GOOD, ESQ.
9 FOWLER & GOOD LLP
15303 Ventura Boulevard
10 9th Floor
Sherman Oaks, California 91403
81-302-3480
11 cgood@fowlergood.com

1 LOS ANGELES, CALIFORNIA; THURSDAY, JUNE 21, 2012

2 10:07 A.M.

3
4 (Pursuant to Federal Rule 30(b)(5), the
5 court reporter made the following
6 statement:)

7
8 COURT REPORTER: My name is Shana Clifford
9 with Barkley Court Reporters, located at 1875 Century
10 Park East, Suite 1300, Los Angeles, California.

11 Today is June 21, 2012, and it is now
12 10:07 a.m. We are taking this deposition at
13 12400 Wilshire Boulevard, Suite 400, Los Angeles,
14 California.

15 The examinee in this matter is Kenneth Eade.
16 Also present is Christopher Good.

17
18 (KENNETH EADE, examinee, was sworn,
19 examined, and testified as follows:)

20
21 COURT REPORTER: Raise your right hand. Do
22 you solemnly state that the testimony you are about to
23 give in this matter shall be the truth, the whole truth,
24 and nothing but the truth, so help you God?

25 MR. EADE: Yes.

EXAMINATION

Q BY MR. GOOD: Good morning, Mr. Eade.

A Good morning.

Q You're here today -- you understand that you are here today pursuant to the March 28th, 2012, court order requiring your examination?

A Yes.

Q Okay. You also received a copy of a notice of examination; is that correct?

A Yes.

Q Okay. Would you please review that for a minute and make sure it's a copy of what was sent to you.

I'm going to lodge this as Exhibit 1.

(Exhibit 1 was marked for identification and is bound separately.)

THE THE EXAMINEE: It looks like it, yes.

Q BY MR. GOOD: Okay. And you understand, in this notice of examination and request for production of documents, that there were certain documents that you were requested to produce?

A Yes.

Q And have you produced any of those documents today?

A Yes.

1 presently owe him?

2 A About \$15,000.

3 Q How do you know this information?

4 A Just from the chief executive officer, what he
5 says that he owes Cutler.

6 Q Okay. When was the last time you received any
7 stock from IFDC?

8 A In 2007 or '8.

9 Q Do you presently hold any stock in IFDC?

10 A Yes.

11 Q How much stock do you have of IFDC?

12 A I've got 600,000 shares, roughly. And my wife
13 has about 10 million shares, something like that.

14 Q For clarification, your present wife has
15 10 million shares?

16 A Yes.

17 Q How did your wife acquire 10 million shares of
18 IFDC?

19 A That's private.

20 Q When did your wife acquire 10 million shares
21 of IFDC?

22 A Several months ago.

23 Q How many shares have you had of IFDC?

24 A Total of a little north of 13 million.

25 Q Did your wife receive those 10 million shares

1 from you?

2 A Yes.

3 Q And she received those 10 million shares just
4 a few months ago?

5 A Yes.

6 Q Did your wife render services on behalf of
7 IFDC?

8 A No. Well, yes, but not for the 10 million
9 shares.

10 Q What services has your wife rendered for IFDC?

11 A PowerPoint presentations.

12 Q Were those services she rendered in helping
13 you prepare PowerPoint presentations?

14 A No. She worked for the company and prepared
15 PowerPoint presentations.

16 Q And who -- do you know whom she was hired by
17 at IFDC to prepare those presentations?

18 A At the time, it was me. But I'm no longer
19 with IFDC.

20 Q When did you terminate your relationship with
21 IFDC?

22 A In January of 2012.

23 Q So prior to January of 2012, your wife
24 prepared some PowerPoint presentations for IFDC?

25 A Yes.

1 Q Did she perform any other services for IFDC?

2 A No.

3 Q Was she compensated by IFDC for those
4 services?

5 A No.

6 Q And the 10 million shares has nothing to do
7 with compensating her for her services rendered to IFDC?

8 A No, it's completely private.

9 Q Well, I -- we're going to have to broach this.
10 You transferred over 10 million shares within the last
11 couple months when you're indicating that you're
12 incapable of paying a \$49,000 debt. Is there -- I'm
13 entitled to know whether there's some legitimate reason
14 for the transfer of those shares.

15 A That's argumentative. The shares aren't worth
16 anything anyway.

17 Q There's no value to the shares?

18 A No, not that I know.

19 Q And you have no means of selling those shares?

20 A Nope.

21 Q Did your wife pay you to transfer the
22 10 million shares to her?

23 A No.

24 Q Did any money and/or any shares change hand
25 between you and your wife in exchange for her getting

1 the 10 million shares?

2 A No.

3 Q Is there any business reason -- strike that.

4 Was the transfer of the 10 million shares part
5 of any business transaction?

6 A No.

7 Q And can you be more specific as to when these
8 shares were transferred?

9 A Approximately three months ago.

10 Q Was it before or after the court order of
11 March --

12 A I don't know.

13 If your client wants to take shares for
14 payment and the ones I have are not enough, I'm sure
15 that I can get my wife to sign over whatever you need.
16 I don't think your client would be interested in shares
17 they can't sell, but it's up to them.

18 Q What are the restrictions on the shares that
19 don't allow you to sell them?

20 A Affiliate restrictions.

21 Q And is there any time within which the
22 restrictions will lapse?

23 A If the stock becomes diluted to the point
24 where the holdings are under 10 percent, yes.

25 Q Do you know what percentage ownership you have

1 you ranges of times.

2 Q We'll try to be agreeable to your schedule.
3 We'll work -- try to work a mutually agreeable day for
4 the parties.

5 A Okay.

6 Q So you understand that the examination is not
7 concluded; is that correct?

8 A Yes.

9 Q Okay. And that you are still under -- or
10 bound by the order of the court to go under your
11 examination.

12 Is that understood?

13 A Yes.

14 Q If the parties are not able to find a date to
15 continue the examination, it is understood that -- and
16 agreed that we may proceed ex parte to order the court
17 to set a date for the continuing examination?

18 A Yes.

19 Q And you agree to that?

20 A Yes.

21 Q And we will provide you ex parte notice per
22 the code.

23 A Okay.

24 Q Or do you -- I mean, we'll most likely be
25 telling you beforehand.

1 And that concludes the examination for the
2 day.

3 A Okay.

4 MR. GOOD: Thank you very much.

5 (Examination session concluded at
6 5:52 p.m.)

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DEPOSITION OFFICER'S CERTIFICATE

STATE OF CALIFORNIA }
 } ss.
COUNTY OF LOS ANGELES }

I, Shana K. Clifford, hereby certify:

I am a duly qualified Certified Shorthand Reporter in the State of California, holder of Certificate Number CSR 10154 issued by the Court Reporters Board of California and which is in full force and effect. (Fed. R. Civ. P. 28(a)).

I am authorized to administer oaths or affirmations pursuant to California Code of Civil Procedure, Section 2093(b) and prior to being examined, the witness was first duly sworn by me. (Fed. R. Civ. P. 28(a), 30(f)(1)).

I am not a relative or employee or attorney or counsel of any of the parties, nor am I a relative or employee of such attorney or counsel, nor am I financially interested in this action. (Fed. R. Civ. P. 28).

I am the deposition officer that stenographically recorded the testimony in the foregoing deposition and the foregoing transcript is a true record

/ / /

1 of the testimony given by the witness. (Fed. R. Civ. P.
2 30(f)(1)).

3 Before completion of the deposition, review of
4 the transcript [] was [xx] was not requested. If
5 requested, any changes made by the deponent (and
6 provided to the reporter) during the period allowed, are
7 appended hereto. (Fed. R. Civ. P. 30(e)).

8

9 Dated: July 2, 2012,

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Shirley K. Cully

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