

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re: Case No. 8:20-bk-03522-MGW
PROCOM AMERICA, LLC d/b/a Chapter 7
Beyond Band of Brothers d/b/a
BBOB,
Debtor.

**CHAPTER 7 TRUSTEE, DOUGLAS N. MENCHISE’S, MOTION
TO COMPEL RULE 2004 EXAMINATIONS *DUCES TECUM***

DOUGLAS N. MENCHISE (the “Trustee”), as Chapter 7 Trustee of the bankruptcy estate of PROCOM AMERICA, LLC (the “Debtor”), by counsel, hereby files his *Motion To Compel Rule 2004 Examinations Duces Tecum* pursuant to Rule 2004(c) of the Federal Rules of Bankruptcy Procedure, and states in support thereof as follows:

A. FACTUAL AND PROCEDURAL BACKGROUND

1. The Debtor was in the business of providing once-in-a-lifetime/bucket list tours of World War I, World War II, Vietnam War, Civil War, and Revolutionary War tours of battlefields in Normandy; the United Kingdom; Western, Central and Eastern Europe; Hawaii/the Pacific region; Asia; and the United States.

2. On its website, the Debtor represented to customers that the trips were guaranteed or prepayments would be refunded by stating as follows:

SECURE PAYMENTS, SECURE PASSENGERS

Our secure and guaranteed payment systems allow you to shop online with utmost confidence. All of our departures are guaranteed and we have years of consistent delivery to back up that claim. Moreover, credit card companies carry joint responsibility for service guarantees, which provides a second layer of protection if you pay with a credit card. As a tour operator in the United States, we carry a mandatory surety bond in five states. Please find below our Seller of Travel

Numbers. The Better Business Bureau has awarded us an A+ rating and collects customer reviews from our former passengers and continually monitors our performance. In short, we've got you covered.

3. At all relevant times, Peter Gaal ("**Gaal**") was the Debtor's founder, Chief Executive Officer, and sole member.

4. On May 1, 2020 (the "**Petition Date**"), three creditors filed an involuntary petition for relief under Chapter 7 of Title 11 of the United States Code ("**Bankruptcy Code**") against the Debtor.

5. On May 4, 2020, Alberto F. Gomez, Jr. of the Johnson Pope law firm ("**Debtor's Counsel**") filed a Notice of Appearance (Doc. 3) on behalf of the putative Debtor.

6. Shortly thereafter, the Debtor consented to entry of an Order for Relief on May 7, 2020 (Doc. 7) and the Order for Relief was entered on May 8, 2020 (Doc. 9).

7. On May 11, 2020, the Clerk of Court issued a Notice (Doc. 14) establishing August 13, 2020 (the "**Bar Date**") as the deadline for filing proofs of claim in the Debtor's estate. As a result, over 500 customers filed proofs of claim to recover approximately \$16,023,346.65 in prepayments for cancelled tours. *See* Claims Register.

8. On June 3, 2020, the Debtor filed its Schedules and Statement of Financial Affairs (Doc. 70). Therein, the Debtor disclosed two bank accounts with an aggregate balance of \$44,130.01 and 1,973 nonpriority unsecured claims with an aggregate amount owed of \$13,407,628.25. *Id.* at CM/ECF pp. 2, 3, and 13 through 295. At the same time, the Schedules revealed transfers from the Debtor to Peter Gaal, Procom Investments KFT, Procom Consulting KFT, Procom Consulting Utazasi IRODA KFT, and Procom Tours, LLC (together, the "**Insiders**")

totaling \$10,264,672.88 in the one-year period preceding the Petition Date.¹ *Id.* at CM/ECF pp. 322 through 324.

9. The Court has conducted hearings in this case on May 19, 2020, May 27, 2020, June 11, 2020, and December 15, 2020. The Trustee also conducted the Debtor's Meeting of Creditors on June 22, 2020. Notably, Gaal appeared in his individual capacity and participated in these proceedings through general appearances by his counsel, Lynn W. Sherman of the Trenam Kemker law firm ("**Gaal's Counsel**").² The Pro Chap Memos for these hearings and transcript of the Meeting of Creditors are attached hereto as *Composite Exhibit 1* and *Exhibit 2* respectively.

10. Gaal appeared on behalf of the Debtor at the Meeting of Creditors, along with Debtor's Counsel. Gaal's Counsel also made a general appearance on behalf of Gaal individually. *See Exhibit 2, 341 Transcript*, pp. 2 and 8. Over 100 customer-creditors of the Debtor, certain petitioning creditors and their counsel, and an insurance company also attended and attempted to question the Debtor at the meeting. In light of the number of parties in attendance and nature of this case, the parties agreed that the Debtor's 2004 examination would be conducted on a future date. In this regard, the parties stated as follows at the Meeting of Creditors:

MR. BERMAN: Okay, I don't have any further questions at this time, although we will likely schedule a Rule 2004 exam.

...

MS. DEGRAVE: No. No questions at this time, although, again, we would also reserve our right to seek a 2004 exam.

...

MR. SKINNER: All right. In the interest of time, I'm going to suspend for now but reserve the right to ask questions for a future date.

...

¹ The one-year Insider transfers include the Debtor's transfers of \$200,000.00 to Procom Consulting as "subcontractor expense[s]" in March 2020 and \$412,000.00 to Procom Investment KFT as "marketing fee[s]" in March 2020. Some of the one-year Insider transfers were for department store purchases that appear unrelated to legitimate business expenses such as Victoria's Secret, Best Buy, Nordstrom, Suit Supply, Apple Store, Dillard's, Kylie Cosmetics, Abercrombie & Fitch, and Crate & Barrel.

² Gaal arguably subjected himself to the jurisdiction of this Court through his counsel's multiple general appearances and participation in several proceedings before this Court.

MS. DEGRAVE: Well, I think that I'm going to quit the questioning at this time and I'll just reserve for approximately at a later date.

MS. SHERMAN: This is Lynn Sherman. We have an awful lot – we have more than a hundred people on this call.

MR. MENCHISE: Yeah, Heather, you said –

MS. SHERMAN: She wants names –

MR. MENCHISE: -- you were going to take a 2004. Perhaps that would be better to get into specific details.

See Exhibit 2, 341 Transcript, 39:25-40:2; 40:6-8; 45:11-13; 47:16-18; and 54:7-14.

11. Absent his ability to conduct the Debtor's 2004 examination as discussed and agreed, the Trustee would not have concluded the Meeting of Creditors on June 22, 2020.

12. On April 29, 2021, the Trustee filed an *Omnibus Notice Of Taking Rule 2004 Examinations Duces Tecum* (Doc. 260) of the Debtor and Insiders via Zoom on May 28, 2021 in accordance with Local Rule 2004-1. The Trustee also served a Subpoena on the Insiders through Gaal's counsel on April 29, 2021. A copy of the Notice and Subpoena are attached hereto as ***Composite Exhibit 3***.

13. Despite her general appearances in the case, Gaal's Counsel indicated that she was not authorized to accept service of the Subpoena on behalf of Gaal or the other Insiders. Apparently, Gaal and the other Insiders flatly refuse to appear for 2004 examinations via Zoom or another remote video communication platform unless they are served with Subpoenas in Hungary pursuant to the Hague Convention. Debtor's Counsel also advised that no witnesses would be appearing at the 2004 examinations on behalf of the Debtor.

14. Significantly, however, neither the Debtor nor the Insiders filed a Motion for Protective Order or a Motion to Quash the Subpoena prior to the 2004 examinations on May

28, 2021. Accordingly, the Trustee prepared for and was ready to proceed with the examinations as scheduled.

15. Unfortunately, no witnesses appeared for the Debtor or the Insiders at the 2004 examinations on May 28, 2021. The only parties in attendance were counsel for the Trustee, counsel for the Debtor, counsel for the United States Secret Service, counsel for the Florida Attorney General's Office, and two counsel and two corporate representatives for Electronic Merchant Systems. A copy of the *Certificate Of Nonappearance* is attached hereto as **Exhibit 4**.

16. The Trustee respectfully submits that the Debtor and Insiders should be compelled to appear for and testify at their 2004 examinations.

B. LEGAL AUTHORITY

Local Rule 2004-1(b) states that “[a] Court order is not necessary to authorize an examination pursuant to Fed. R. Bankr. P. 2004 or to require production of documents at the examination. Examinations shall be scheduled upon notice filed with the Court and served on the trustee, the debtor, the debtor’s attorney, and the party to be examined. However, “[a] subpoena is necessary to compel the attendance of, or production of documents by, a witness other than the debtor” pursuant to Local Rule 2004-1(f).

The primary purpose of a Rule 2004 examination is to give the parties a tool “to quickly ascertain the extent and location of the estate’s assets.” *In re Fearn*, 96 B.R. 135 (Bankr. S.D. Ohio 1989); *see also In re Martin*, 403 B.R. 359, 362 (Bankr. D.S.C. 2009). In addition to discovering assets, these examinations are often used to “unearth[] frauds.” *In re Table Talk, Inc.*, 51 B.R. 143, 145 (Bankr. D. Mass. 1985); *see also Martin*, 403 B.R. at 362 (“The broad general examination of debtors and others to recover assets and uncover fraudulent conduct is a traditional feature of bankruptcy jurisprudence traceable to the first bankruptcy statute enacted . .

. in 1542.”); *In re Symington*, 209 B.R. 678, 683 (Bankr. D. Md. 1997). The scope is “unfettered and broad” and courts sometimes describe Rule 2004 examinations as being legitimate “fishing expedition[s].” *Id.*; *Table Talk*, 51 B.R. at 145; *Fearn*, 96 B.R. at 135.

Typically, Rule 2004 is used to examine the debtor. However, this examination is not limited to the debtor or his agents “but may properly extend to creditors and third parties who have had dealings with the debtor.” *Fearn*, 96 B.R. at 138; *In re Platinum Partners Value Arbitrage Fund L.P.*, 583 B.R. 803, 810-11 (Bankr. S.D.N.Y.) (“[I]n the proper context the Court may authorize the examination of third parties that possess knowledge of the debtor’s acts, conduct, liabilities, or financial condition which relate to the administration of the bankruptcy estate.”) (quoting *In re Enron Corp.*, 281 B.R. 836, 840 (Bankr. S.D.N.Y. 2002)). Summed up, “an inquiry pursuant to Rule 2004 may ‘cut a broad swath through the debtor’s affairs, those associated with him, and those who might have had business dealings with him.’” *Id.* (quoting *In re Mantolesky*, 14 B.R. 973, 976 (Bankr. D. Mass. 1981) (emphasis in original)).

The Trustee needs to conduct these 2004 examinations in order to properly administer the Debtor’s estate. The Debtor’s insistence that the Trustee serve him with a Subpoena in Hungary pursuant to the Hague Convention is the functional equivalent of the grounds justifying an Order of Apprehension pursuant to Bankruptcy Rule 2005; to-wit: (i) “there is reasonable cause to believe that the debtor is about to leave or has left the debtor’s residence or principal place of business to avoid examination, or (ii) that the debtor has evaded service of a subpoena or of an order to attend for examination, or (iii) that the debtor has willfully disobeyed a subpoena or order to attend for examination, duly served”. Although the Trustee is not seeking relief under Bankruptcy Rule 2005 (at this time), the Trustee submits that an Order compelling these 2004 examinations is amply warranted.

C. CONCLUSION

WHEREFORE, the Trustee respectfully requests the Court to enter an Order (i) granting this Motion; (2) compelling the Debtor and the Insiders to attend their 2004 examinations via Zoom or another remote video communication platform; (3) compelling the Debtor and the Insiders to produce all non-privileged documents responsive to the Trustee's *duces tecum* requests prior to the 2004 examinations; and (4) for such further relief as the Court may deem just and proper including an award of the Trustee's costs in preparing for and attending the 2004 examinations on May 28, 2021.

Dated: June 1, 2021

Respectfully submitted,

FOX ROTHSCHILD LLP

Special Counsel to the Chapter 7 Trustee

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Telecopier: (305) 442-6541

By: /s/ Robert F. Elgidely

Robert F. Elgidely, Esq.

Florida Bar No. 111856

E-Mail: relgidely@foxrothschild.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on June 1, 2021, I electronically filed the foregoing *Chapter 7 Trustee, Douglas N. Menchise's, Motion To Compel Rule 2004 Examinations Duces Tecum* with the Clerk of the Court using the CM/ECF System. The electronic case filing system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this notice as service of this document by electronic means and a copy was also posted on the website <https://www.shumaker.com/beyond-band-of-brothers-bankruptcy> pursuant to the *Order Granting Trustee's Motion To Establish Certain Notice, Case Management And Administrative Procedures* entered on July 31, 2020 (Doc. 138).

By: /s/ Robert F. Elgidely
Robert F. Elgidely, Esq.



UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA

PRO MEMO

05/19/2020 10:00 AM

COURTROOM 8A

HONORABLE MICHAEL WILLIAMSON

CASE NUMBER:

FILING DATE:

8:20-bk-03522-MGW

7

05/01/2020

Chapter 7

DEBTOR: Procom America, LLC

DEBTOR ATTY: Alberto Gomez

TRUSTEE: Douglas Menchise

HEARING:

\$Preliminary Hearing on Emergency Motion to Compel Turnover Filed by Stuart J. Levine on behalf of Trustee Douglas N Menchise (Levine, Stuart) Doc #19

APPEARANCES::

Al Gomez (telephonic) for Dbtr, Douglas Menchise (telephonic) for Trustee, Stuart LeVine (telephonic)& Heather DeGrave (telephonic) for Trustee, Denise Barnett (telephonic) for USTEE, Scott Stichter (telephonic) for Electronic Merchant Systems, Lynn Welter-Sherman (telephonic) for Gaal, Kevin Riggs (telephonic), Renaissance Consulting

WITNESSES:

EVIDENCE:

RULING:

\$Preliminary Hearing on Emergency Motion to Compel Turnover Filed by Stuart J. Levine on behalf of Trustee Douglas N Menchise (Levine, Stuart) Doc #19 - Granted as to items not disputed, identify items in disagreement, parties to agree on Discovery schedule; Cont. Hrg. set for 5/27 @ 10: a.m., order by LeVine [FTR: R: 10:53]
Proposed Orders, if applicable, should be submitted within three days after the date of the hearing - Local Rule 9072-1(c). Orders not submitted by the time of closing will result in motions/objections/applications being denied as moot. This docket entry/document is not an official order of the Court.



UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA

PRO MEMO

05/27/2020 10:00 AM

COURTROOM 8A

HONORABLE MICHAEL WILLIAMSON

CASE NUMBER:

FILING DATE:

8:20-bk-03522-MGW

7

05/01/2020

Chapter 7

DEBTOR: Procom America, LLC

DEBTOR ATTY: Alberto Gomez

TRUSTEE: Douglas Menchise

HEARING:

- (1) Cont. Hearing on Emergency Motion to Compel Turnover Filed by Stuart J. Levine on behalf of Trustee Douglas N Menchise (Levine, Stuart) Doc #19
- *(2) \$Preliminary Hearing on Expedited Motion Requesting Hearing or Status Conference Prior to May 22, 2020 Concerning Costs of Service on Mailing Matrix Filed by Alberto F Gomez Jr. on behalf of Debtor Procom America, LLC (related document(s)[9]). (Gomez, Alberto) Doc #26

APPEARANCES::

Al Gomez (telephonic) for Dbtr, Stuart LeVine (telephonic)& Heather DeGrave (telephonic) for Trustee, Denise Barnett (telephonic) for USTEE, Scott Stichter (telephonic) for Electronic Merchant Systems, Lynn Welter-Sherman (telephonic) for Gaal, Kevin Riggs (telephonic), Renaissance Consulting

WITNESSES:

EVIDENCE:

RULING:

- (1) Cont. Hearing on Emergency Motion to Compel Turnover Filed by Stuart J. Levine on behalf of Trustee Douglas N Menchise (Levine, Stuart) Doc #19 - Granted in part as announced, Evid. Hrg. set for 6/11 @ 9:30 a.m., order by Levine
 - *(2) \$Preliminary Hearing on Expedited Motion Requesting Hearing or Status Conference Prior to May 22, 2020 Concerning Costs of Service on Mailing Matrix Filed by Alberto F Gomez Jr. on behalf of Debtor Procom America, LLC (related document(s)[9]). (Gomez, Alberto) Doc #26 - Granted, order by Gomez
- Proposed Orders, if applicable, should be submitted within three days after the date of the hearing - Local Rule 9072-1(c). Orders not submitted by the time of closing will result in motions/objections/applications being denied as moot. This docket entry/document is not an official order of the Court.



UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA

PRO MEMO

06/11/2020 09:30 AM

COURTROOM 8A

HONORABLE MICHAEL WILLIAMSON

CASE NUMBER:

FILING DATE:

8:20-bk-03522-MGW

7

05/01/2020

Chapter 7

DEBTOR: Procom America, LLC

DEBTOR ATTY: Alberto Gomez

TRUSTEE: Douglas Menchise

HEARING:

- (1) Evidentiary Hearing on Emergency Motion to Compel Turnover Filed by Stuart J. Levine on behalf of Trustee Douglas N Menchise (Levine, Stuart) Doc #19
- *(2) Motion for (1) Payment of Compensation and Expenses; (2) Approval of ABC Case Disbursements; and (3) Authorization to Dismiss ABC Case Filed by Edwin G Rice on behalf of Interested Party Larry S. Hyman (Attachments: # [1] Exhibit A # [2] Exhibit B # [3] Exhibit C) (Rice, Edwin) Doc #31

APPEARANCES::

Al Gomez (telephonic) for Dbtr, Heather DeGrave (telephonic) for Trustee, Denise Barnett (telephonic) for USTEE, Scott Stichter (telephonic) for Electronic Merchant Systems, Lynn Welter-Sherman (telephonic) for Gaal, Ed Rice (telephonic) for Larry Hyman, Steve Berman (telephonic) respective Special Counsel for Trustee

WITNESSES:

EVIDENCE:

RULING:

- (1) Evidentiary Hearing on Emergency Motion to Compel Turnover Filed by Stuart J. Levine on behalf of Trustee Douglas N Menchise (Levine, Stuart) Doc #19 - No further Ruling or Order
- *(2) Motion for (1) Payment of Compensation and Expenses; (2) Approval of ABC Case Disbursements; and (3) Authorization to Dismiss ABC Case Filed by Edwin G Rice on behalf of Interested Party Larry S. Hyman (Attachments: # [1] Exhibit A # [2] Exhibit B # [3] Exhibit C) (Rice, Edwin) Doc #31 - Granted, order by Rice
Proposed Orders, if applicable, should be submitted within three days after the date of the hearing - Local Rule 9072-1(c). Orders not submitted by the time of closing will result in motions/objections/applications being denied as moot. This docket entry/document is not an official order of the Court.



UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA

PRO MEMO

12/15/2020 10:00 AM

COURTROOM 8A

HONORABLE MICHAEL WILLIAMSON

CASE NUMBER:

FILING DATE:

8:20-bk-03522-MGW

7

05/01/2020

Chapter 7

DEBTOR: Procom America, LLC

DEBTOR ATTY: Alberto Gomez

TRUSTEE: Douglas Menchise

HEARING:

\$Preliminary Hearing on Motion for Turnover of Property - specifically: Bond and Associated Collateral Contains negative notice.. Filed by Steven M Berman on behalf of Trustee Douglas N Menchise (Berman, Steven) Doc #209
-Response to Trustees Motion for Turnover of Bond and Associated Collateral Filed by James S. Myers on behalf of unknown Great American Insurance Company (related document(s)[209]). (Attachments: # [1] Exhibit A # [2] Exhibit B # [3] Mailing Matrix) (Myers, James) Doc #225

APPEARANCES::

Steve Berman & Andrew Wit for Trustee, James Myers for Great American Ins. Co., Lynn Sherman for Peter Gaal, Jared Gardner for State of FL Dept. of Agriculture

WITNESSES:

EVIDENCE:

RULING:

\$Preliminary Hearing on Motion for Turnover of Property - specifically: Bond and Associated Collateral Contains negative notice.. Filed by Steven M Berman on behalf of Trustee Douglas N Menchise (Berman, Steven) Doc #209 - Denied FRSOARIOC, order by Sherman; Trustee's Ore Tenus M/to file class POC - Denied, order by Sherman

-Response to Trustees Motion for Turnover of Bond and Associated Collateral Filed by James S. Myers on behalf of unknown Great American Insurance Company (related document(s)[209]). (Attachments: # [1] Exhibit A # [2] Exhibit B # [3] Mailing Matrix) (Myers, James) Doc #225

Proposed Orders, if applicable, should be submitted within three days after the date of the hearing - Local Rule 9072-1(c). Orders not submitted by the time of closing will result in motions/objections/applications being denied as moot. This docket entry/document is not an official order of the Court.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

- - - - - x
 IN RE: :
 :
 PROCOM AMERICA, LLC, : Case No. 8:20-bk-03522-MGW
 d/b/a BEYOND BAND : Involuntary Chapter 7
 OF BROTHERS; BBOB :
 :
 Debtor :
 - - - - - x

**TELEPHONE FIRST MEETING OF CREDITORS
Pursuant to Section 341**

**PETER GAAL
(Testifying from Hungary)**

BEFORE: DOUGLAS MENCHISE, Esquire
Chapter 7 Interim Trustee

DATE: June 22, 2020

LOCATION: Office of the U.S. Trustee
501 East Polk Street
1st Floor Meeting Room
Tampa, Florida 33602

TYPIST: Kimberley S. Johnson, CVR-M
Certified Verbatim Reporter Master

**PROCEEDINGS DIGITALLY RECORDED BY OFFICE OF U.S. TRUSTEE
TRANSCRIPT PRODUCED BY TRANSCRIPTION SERVICE
APPROVED BY ADMINISTRATIVE OFFICE OF U.S. COURTS**

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(continued on next page...)

A P P E A R A N C E S (continued)
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Also present: (100 people on the call.)

C O N T E N T S

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

2 MR. MENCHISE: Good morning, everyone. This
3 is -- okay, could we have some quiet, please? Okay,
4 thank you. Thank you.

5 This is the 341 meeting of creditors in the
6 bankruptcy case of Procom America, LLC. The case
7 number is 20-bk-03522-MGW.

8 My name is Douglas Menchise. I've been
9 appointed the Chapter 7 Trustee.

10 FEMALE SPEAKER: Yes, well, I can't hear what
11 you're -- I'm not hearing the whole thing of what
12 you're saying.

13 MR. MENCHISE: Okay. Well, please be quiet
14 and I'll speak a little bit louder, okay? And
15 everybody --

16 FEMALE SPEAKER: Thank you very much.

17 MR. MENCHISE: Okay.

18 MALE SPEAKER: You have to mute everybody.

19 MR. MENCHISE: Okay. Everyone -- only one
20 person can speak at a time so, please, I will ask for
21 people to -- for their questions in a little while but
22 right now I would prefer nobody speak except myself,
23 okay?

24 As I was saying, I'm the appointed Chapter 7
25 in the case. I stated the case and the case number. I

1 am taping this meeting. I'm required to tape it by
2 law. However. I'm the only one that's authorized to
3 tape this meeting, so if anybody has a tape recorder
4 with them, please turn it off.

5 Now, before we start, there's obviously a lot
6 of people and maybe I thought we could go through some
7 of the ground rules for the meeting so that we can have
8 a meaningful meeting.

9 I'm going to put the representative of the
10 Debtor LLC, Procom, under oath, and then I'm going to
11 ask a series of questions.

12 Now, I know that there are several attorneys
13 present and I also know that there are at least a
14 hundred customers -- creditors present.

15 So, what I'm going to do is I'm going to go
16 down the list of the attorneys who I believe to be
17 here, and then I'm going to ask if there are any other
18 attorneys present; and, if so, to state their name and
19 who they are representing.

20 And then after I'm through asking my series
21 of questions, and I may have follow-up questions, I'll
22 go down and ask the list of attorneys if they have any
23 questions to ask on behalf of their clients, okay?

24 And then once the attorneys are done, then I
25 will ask if any creditor has any questions. I would

1 ask you to just please listen to the questions, the
2 creditors, and the answers and try not to repeat them,
3 since I would like to give everybody the opportunity to
4 ask any questions. But we don't want -- we don't want
5 people repeating questions and we don't want people
6 asking individual questions about their individual
7 situations, more of a general nature that would benefit
8 everybody.

9 Okay, now that being said, I'm going to go
10 down a list of the attorneys I think are present to ask
11 -- and ask them if they are present.

12 Is Denise Barnett from the U.S. Trustee's
13 Office present?

14 (No response.)

15 MR. MENCHISE: Okay. Denise is not yet
16 present.

17 How about Steven Berman?

18 MR. BERMAN: Yes, Doug. Steve Berman here,
19 and also appearing on behalf of the Trustee, is my
20 partner Tom Wood.

21 MR. MENCHISE: Okay, thank you. Is Stuart
22 Levine present?

23 MS. DeGRAVE: No. Heather DeGrave with -- on
24 behalf of Creditor EMS.

25 MR. MENCHISE: Okay. Thank you, Heather.

1 Is Al Gomez present?

2 MR. GOMEZ: Yes. Al Gomez on behalf of the
3 Debtor.

4 MR. MENCHISE: Okay, thank you. Is Scott
5 Stichter present?

6 (No response.)

7 MR. MENCHISE: Scott Stichter? I'm sorry, is
8 Scott Stichter present? Not yet? Okay, are there any
9 other attorneys present?

10 MR. SKINNER: Yes. Good morning, Doug.

11 MR. MENCHISE: Okay. Thank you, sir?

12 MR. SKINNER: Good morning, thanks. My name
13 is John Skinner. I'm in-house counsel with Berkshire
14 Hathaway Specialty Insurance Company.

15 MR. MENCHISE: Okay, Berkshire Insurance
16 Company.

17 Okay, any other attorneys?

18 MS. SHERMAN: Lynn Welter Sherman
19 representing Mr. Gaal, individually.

20 MR. MENCHISE: Okay. Lynn Sherman is
21 present.

22 Are there any other attorneys?

23 MR. JACOBS: Eric Jacobs on behalf of
24 Interested Party, Jet Travel.

25 MR. MENCHISE: Okay, Mr. Jacobs, Jet Travel.

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Any other attorneys?

(No response.)

MR. MENCHISE: No other attorneys? Okay.

Who is it that is appearing on behalf of the Debtor?

MR. GOMEZ: Mr. Menchise, it's going to be Peter Gaal appearing by phone.

MR. MENCHISE: Okay. Okay, Mr. Gaal, would you please raise your right hand to be sworn?

Do you swear or affirm that the testimony that you are about to give is the truth, the whole truth and nothing but the truth, so help you God?

MR. GAAL: I do.

Whereupon,

PETER GAAL

was called to testify and, having been duly sworn to tell the truth by Douglas Menchise, Chapter 7 Trustee, testified as follows:

E X A M I N A T I O N

BY MR. MENCHISE:

Q Okay, would you please state your name and your address, as well as the relationship you held with this Debtor LLC?

A My name is Peter Gaal. I'm a citizen and a resident of Hungary, but my home address is Fot, and if I spell the street, it would be better.

1 Q Okay. Okay, I'm sorry. Can you give me the
2 address?

3 A Excuse me?

4 Q Could you repeat your address?

5 A Yes. It's Gyorfisyispzan Street. I can spell it,
6 if you'd --

7 Q Please. Please spell it.

8 A G-y-o-r-f-s-y-i-s-p-z-a-n Street is the name of
9 the street, #1.

10 Q Number 1, okay. And what city is that in, sir?

11 A Oh, it's F-o-t.

12 FEMALE SPEAKER: What country, please?

13 MR. GAAL: Hungary.

14 BY MR. MENCHISE:

15 Q Okay. Was the city F-o-t?

16 A Yes.

17 Q Okay. Okay, and --

18 FEMALE SPEAKER: F-o-z, like in Foz?

19 MR. GAAL: F-o-t. T, like tender.

20 MR. MENCHISE: Okay, ma'am, ma'am, ma'am,
21 please; okay? Let me ask the questions, please.

22 FEMALE SPEAKER: I'm not understanding.

23 BY MR. MENCHISE:

24 Q Okay. What relationship did you hold with -- or
25 do you hold with this LLC?

1 A So, I am a hundred percent owner of Procom
2 America, LLC.

3 Q Okay. And what is the principal place of business
4 of the LLC?

5 A It's Tampa. Tampa, Florida.

6 Q Okay. And do you have the address?

7 A Yes. It's 400 North Ashley Drive, Suite 1010.

8 Q Okay. Are there any other -- okay, thank you,
9 I've got that. 400 North Ashley Drive, Suite 1010, Tampa,
10 Florida. Are there any other offices or business locations
11 of the LLC?

12 A No. No other offices.

13 Q Okay. For what period of time did the LLC occupy
14 the North Ashley Drive office.

15 A It was June 3rd last year. June 3rd of 2019.

16 Q Okay. And what is the nature of this business?

17 A This is a tour operator -- was a tour operator,
18 operating military historical tours, mostly World War II
19 tours, World War I tours, and American Civil War tours.

20 Q Okay. And when was the LLC formed?

21 A In 2010.

22 Q Did you purchase the business or did you start the
23 business?

24 A I started the business. I founded it.

25 Q And what was your initial investment that you made

1 to start the business?

2 A Initial investment to start the business? It was
3 like -- it was like \$200,000.

4 MR. MENCHISE: Okay. And also I would like
5 to -- maybe this would help with people hearing and
6 understanding the testimony. If anybody's on their
7 phone, if they're not speaking, if they could mute the
8 phone, that might help everyone else hear what the
9 testimony is. Great. So thank you very much.

10 BY MR. MENCHISE:

11 Q Okay, so you said the initial investment was
12 approximately \$200,000?

13 A Yes. But the operation started to work earlier,
14 so three years earlier, because the American company was
15 established in 2010, but before that we started to run the
16 business from Europe, and the European operations started in
17 2008, two years earlier.

18 Q Okay, and what were the names and --

19 MALE SPEAKER: Please mute your phones.

20 MR. MENCHISE: Yeah, everybody please mute
21 your phone.

22 BY MR. MENCHISE:

23 Q What are the names and type of accounts for all
24 of the financial bank accounts of the business that have
25 existed for the past 12 months prior to the filing of this

1 bankruptcy, which would then be about a year ago, or maybe
2 13 months ago, from today?

3 A So we had a bank account at Bank of America and we
4 had another bank account in PNC Bank.

5 MALE SPEAKER: TNT --

6 MR. GAAL: Oh, and we have a third one at the
7 First Hawaiian Bank.

8 BY MR. MENCHISE:

9 Q Was that the First Hawaiian Bank?

10 A Yes, that was our third bank.

11 Q Okay. And do you have any bank accounts -- does
12 this company have any bank accounts in Hungary?

13 A Well, at the Bank of America, we had the four bank
14 accounts, if I remember well. We had four bank accounts
15 with Bank of America, we had three bank accounts with PNC,
16 and I think we had one bank account with the First Hawaiian
17 Bank.

18 Q How many in First Hawaiian?

19 A One.

20 Q One? Okay. So did you have any bank accounts in
21 Hungary, the country of Hungary?

22 A Well, Bank of America -- Bank of America didn't
23 have any bank accounts in Hungary, no.

24 Q So you --

25 A But other companies in the group, yes.

1 Q What bank did you use in Hungary while you were
2 transacting business in Hungary, if any?

3 A Raiffeisen. It's an Austrian -- it's a bank in
4 Austria. The name is Raiffeisen Bank.

5 Q Could you spell that, please?

6 A Yes. It's R-a-i-f-f-e-i-s-e-n, Raiffeisen.

7 Q Okay, thank you. And, approximately, what was the
8 balance in these accounts at the time you filed bankruptcy?

9 A Well, in -- when we filed bankruptcy, it was on
10 April 15. So the American bank account was approximately
11 \$100,000, and the Hungarian bank account was approximately
12 the same.

13 Q Okay. And is there any money presently in the
14 Hungarian bank account?

15 A No.

16 Q And as far as you know, is there any balance in
17 the U.S. bank accounts?

18 A Yeah -- well, as I've seen the Schedules, I see
19 that there are about \$50,000 right now in the American bank
20 account.

21 Q Okay. Is that -- do you know if that's the
22 \$50,000 that was turned over to Mr. Hyman who then turned it
23 over to me, or is that an additional 50,000?

24 A Yes, yes, yes. Yes, that's what I'm referring to.

25 Q Okay. Okay, now are there any security deposits

1 with any public utility companies or any telephone companies
2 or landlords that are owed to Procom America?

3 A Not that I know of.

4 Q Did Procom, LLC -- Procom America, LLC have any
5 insurance policies in effect as of the time of the filing of
6 either the Assignment for Benefit of Creditors or the
7 involuntary bankruptcy?

8 A Do you mean insurance for the company or insurance
9 for the customers?

10 Q For the company.

11 A No, there isn't.

12 Q Okay. Well, how about insurance for the
13 customers? Were there any insurance policies in effect for
14 the benefit of the customers?

15 A Procom America was selling insurance for customers
16 because those were Travelez Insurance.

17 Q And I'm sorry, who was selling that for the
18 benefit of the customers?

19 A Procom America.

20 Q Bank of America?

21 A Procom America.

22 Q Okay. Procom America. Okay, that's the LLC?

23 A Yes. Procom America.

24 Q So those would be individual policies, am I
25 correct? For individual customers?

1 A Well, yes, and group policies as well.

2 FEMALE SPEAKER: Travelex.

3 MR. GAAL: Travelex, yes.

4 BY MR. MENCHISE:

5 Q Did Procom America, LLC pay the premiums for the
6 group policy?

7 A Uhh, pay? I'm sorry, I'm not sure I understand
8 the question.

9 Q Did Procom, LLC purchase these policies? In other
10 words, did Procom, LLC pay the premiums to purchase the
11 policy for the benefit of the customers, or was that the
12 responsibility of the customer?

13 A No. That was the -- that was the customer's
14 responsibility to buy (indiscernible) --

15 Q Do you know if there was any --

16 FEMALE SPEAKER: No, it wasn't,

17 MR. MENCHISE: Okay.

18 FEMALE SPEAKER: No, it wasn't.

19 MR. MENCHISE: Whoever -- please be quiet,
20 please. Let me ask the questions. Anybody else,
21 please, you'll get your turn to ask questions later.

22 BY MR. MENCHISE:

23 Q Do you know whether or not there was a Directors &
24 Officers liability policy, what we refer to as D&O?

25 A I don't know.

1 Q Okay. Are there any accounts receivables that are
2 owed to Procom America, LLC?

3 A Are there any accounts receivable? Yes.

4 Q And approximately how much is owed to the company
5 and by how many people?

6 A Well, it's two or three companies owe the company
7 and it's about \$100,000 to \$200,000.

8 Q And who are the companies that owe this money to
9 Procom America, LLC and how much is the individual
10 obligation per company?

11 A Uhh, well, I -- that's what I have to look up. I
12 mean I don't remember that.

13 Q Okay. Now do you have a promissory note where you
14 personally owe the company some money?

15 A Yes. I have a loan from the company.

16 Q Okay. And what is the balance that you owe the
17 company and what are the payment terms, if any?

18 A What I owe the company is \$350,000. And, well,
19 what the company would say is that I have to pay back on
20 demand.

21 Q I'm sorry, you have to pay back -- how do you have
22 to pay this back, or when do you have to pay it back?

23 A There's no -- there's no deadline in the -- in the
24 document. There's an agreement about the loan. I think
25 it's attached to the document, what we already provided, and

1 so you can read it and -- but it says that, you know,
2 there's no deadline for paying back the money. It says that
3 I have to back on demand (audio breaking up).

4 Q Was that every month, did you say?

5 A Pardon me?

6 MALE SPEAKER: On demand.

7 MR. MENCHISE: On demand. Okay, now who said
8 that? Al?

9 MR. GOMEZ: No. This is -- we have somebody
10 commenting -- making comments on every -- almost every
11 question. Very distracting. I think someone's on a
12 cell phone and does not have a mute button on.

13 MR. MENCHISE: Yeah.

14 MR. GOMEZ: We can hear every comment.

15 MR. MENCHISE: Yeah. Please. Whoever is --

16 MALE SPEAKER: You do not have any way to
17 mute people, manually override them and mute them?

18 MR. MENCHISE: No, I don't. I'm sorry, I
19 don't.

20 MALE SPEAKER: Okay.

21 BY MR. MENCHISE:

22 Q But anyway, Mr. Gaal, did you say that it's
23 supposed to be paid monthly or on demand?

24 A On demand.

25 Q Okay, thank you. And your attorney has copies of

1 that -- this agreement; correct?

2 A Yes.

3 Q Okay, thank you. When was the last time the LLC
4 filed a tax return?

5 A I think this year -- at the beginning of this
6 year.

7 Q Okay. So, in other words, 2019?

8 A I mean -- no. This is 2020, I think. 2020.
9 Beginning of 2020, we filed a tax return for last year, yes,
10 for the 2019 business year.

11 Q Okay. I have a copy of that. It was sent to me.
12 Do you know whether or not this is a true and correct copy
13 of the one that you sent to the IRS, the one that your
14 attorney sent to me?

15 A If my attorney sent it to you, then it's got to
16 be, yes.

17 Q Okay. And I also have the 2018 tax return that
18 was sent to me. That also would be a true and correct copy
19 of the one sent to the IRS; correct?

20 A Yes.

21 Q Okay. Now, I may not have all of the documents to
22 the tax return. I have a Schedule -- what they refer to as
23 a Schedule C. Do you know whether or not the complete copy
24 of the tax return is with your attorney's office?

25 A Yes.

1 Q Okay.

2 A It's there.

3 Q Okay, thank you. The company's not owed any type
4 of refunds, are they, from the IRS or any taxing authorities
5 that you're aware of?

6 A I'm not aware of.

7 Q Okay. Did Procom America, LLC own any trucks or
8 trailers or any type of vehicles that you're --

9 A No, it doesn't.

10 Q What office equipment, machinery or supplies were
11 used in the business, and what was the disposition of those
12 items?

13 A Well, there are furniture, computers, and general
14 office equipment and those must be there in the office.

15 Q In Tampa?

16 A In the North Ashley --

17 Q Okay.

18 A In Tampa, in the North Ashley Drive, yes.

19 Q Okay. Are any of those items, any of the office
20 equipment, machinery or supplies, anyplace other than -- as
21 far as you know, anyplace other than the Tampa office
22 location?

23 A No.

24 Q Now have you loaned Procom America, LLC yourself,
25 personally, any money?

1 A No.

2 Q How were you compensated, or how were you paid by
3 Procom America, LLC?

4 A So, I was planning to (audio cut out) --

5 Q I'm sorry, Mr. Gaal? Mr. Gaal, have we lost
6 you?

7 MR. MENCHISE: Al, are you there?

8 MR. GOMEZ: Yes, I am. Just give him a few
9 minutes to call back in. I'm sending him an email
10 now.

11 MR. MENCHISE: Okay, thank you. We'll wait
12 and, please, everybody, let's just wait in silence
13 while Mr. Gaal gets back on the phone.

14 MALE SPEAKER: Take this opportunity to mute
15 your phone.

16 ANOTHER MALE SPEAKER: Yes, please. Whoever
17 has not figured out how to mute your phone, please mute
18 your phone.

19 ANOTHER MALE SPEAKER: You can mute your
20 phone, if you do not have a mute button, by hitting
21 Star 6.

22 (Dog barking.)

23 MR. GOMEZ: Really?

24 MALE SPEAKER: You've got to be kidding me.
25 I don't know who set the call up originally, but

1 whatever system is used on the next call, hopefully it
2 has like a mute override for people --

3 MR. MENCHISE: Noted.

4 MALE SPEAKER: -- Webex or something like
5 that.

6 MR. MENCHISE: Noted.

7 MALE SPEAKER: Thanks. It's ridiculous.

8 MR. MENCHISE: Is Mr. Gaal back? Mr. Gaal?

9 MR. GOMEZ: Peter, are you there?

10 MS. SHERMAN: Doug, this is Lynn Sherman. nd
11 I have texted Mr. Gaal, so he knows that we can't hear
12 him and that he may need to dial back in.

13 MR. MENCHISE: Great. Thank you, Lynn.
14 We'll wait.

15 MS. SHERMAN: Okay. He has texted me back
16 and said he can't join the meeting because there are
17 too many people on the call. I don't -- I guess the
18 system only allows a certain number of participants. I
19 think there were 45 when I called in, and we must have
20 maxxed out, and he says the system won't let him in.

21 MR. MENCHISE: Oh. Well, that's the first
22 time that that's ever happened.

23 MS. SHERMAN: I'm going to ask him to try
24 again.

25 MR. BERMAN: And, Lynn, this is Steve Berman.

1 If not anything else, why don't you just conference him
2 in.

3 MR. FRY: This is John Fry, one of the
4 customers. I'm going to bow out of the call so that
5 Peter can take my space, because he's more important.

6 MR. MENCHISE: Okay, thank you.

7 MR. FRY: No problem.

8 MS. SHERMAN: He's trying again.

9 MR. GAAL: Hello, I'm here. I'm back.

10 MR. MENCHISE: Okay, Mr. Gaal. Thank you
11 very much.

12 BY MR. MENCHISE:

13 Q Okay, let me repeat the question to you, Mr. Gaal,
14 that I asked you before you cut out.

15 A Yes.

16 Q How were you paid by Procom America, LLC?

17 A So I got salary this year. This year I got salary
18 and last year I got dividends.

19 Q Okay. What was your salary this year and what was
20 your dividends last year?

21 A So I can tell you that in January, my salary was
22 \$9,687, February was \$15,507. In March, it was \$11,553.
23 In April, it was \$3,759.

24 Q Okay. Was there any additional remuneration paid
25 to you other than your salary this year for 2019 [sic]?

1 A You mean in 2020?

2 Q Excuse me. Excuse me. 2020.

3 A Yes. No, I didn't have anything else.

4 Q Nothing else? No other dividends or any bonuses
5 or benefits?

6 A No.

7 Q No? Okay. And if you know, what were your
8 dividends paid to you in 2019 or, say, -- yeah, for 2019?

9 A In December, it was \$10,000. In November, it was
10 \$5,000. In October it was \$33,000. In September, it was
11 \$200,000. In October, it was --

12 Q I'm sorry. Did you say 200,000 in September?

13 A Yes.

14 Q Okay. And how about August?

15 A In August, it was \$40,000. In July, it was
16 \$50,000. June was \$20,000. That was the last one year.

17 Q Okay. Anything in -- from January of '19 to May
18 of '19?

19 A Yes. Just a second. In January, I got \$90,000.
20 In February, I got \$200,000. In March, I didn't get
21 anything. In April, it was \$80,000, and that's it.

22 Q Okay. And when did you borrow the \$350,000 from
23 Procom America?

24 A This year, in February.

25 Q And what did you use the \$350,000 money for?

1 A Well, we -- in February, we still saw that the
2 business was growing very fast. So last year, the revenue
3 of the company was \$16 million, and in the previous year it
4 was \$10 million. So, the 2018 revenue was 10 million. The
5 2019 revenue was \$16 million.

6 And in February -- in January and February, we
7 sold more sears than in the previous year, so the business
8 was growing fast, and incredibly so. And we were wanting to
9 build a hotel in France, in Normandy, to provide services to
10 our tours. So, that was our plan, that we could build our
11 own hotel.

12 And this is why there were investments it -- for
13 example, we bought an option for the land with a green field
14 where we wanted to place the hotel, and we also had an
15 architect who designed the conceptual plan for the hotel.
16 And there were legal fees and financial consultancy fees
17 because we were in negotiations with the local French banks
18 over there and we were ready to finance the investment over
19 there. And that was the purpose of the loan.

20 Q Okay. Which creditors -- or let me ask you: Were
21 any creditors paid within 90 days of filing bankruptcy, any
22 aggregate amount in excess of \$6,500?

23 A Well, so we have -- well, I don't know exactly the
24 timing but, of course, we talked to the bank
25 (indiscernible). The nature of the business was that every

1 year approximately 6, 7 percent of the customers, or
2 potential customers, cancelled their tours. And when they
3 cancelled, we paid refunds.

4 So it happens every month. So in January,
5 February and March, there were customers, I know, who
6 cancelled their tours and we paid a refund to them. And
7 then at a certain point, I think in March, the middle of
8 March or something like that, that's where we stopped
9 paying refunds to the customers because we wanted to --
10 because we saw that things are going very bad. And then
11 March 13, I think, the COVID-19 was reported that it's a
12 world pandemic.

13 And then we decided to stop paying refunds to the
14 customers automatically because we thought we could
15 communicate with the customers and we wanted to collect all
16 the claims for the coming year. Because from a certain
17 point in March, there was no more bookings, only claims for
18 refunds. And we wanted to manage the whole thing in an
19 organized way.

20 I wasn't there in the United States, so what I
21 have to tell you here is that I'm not a U.S. resident and I
22 have never been a U.S. resident. So in the United States
23 office, there was a staff. And as a leader of the office or
24 general manager of the office was Debra Watkins, and Debra
25 Watkins was responsible for the operation in the U.S.

1 Office.

2 So I visited the office, let's say, five or six
3 times a year. And the last time I visited the office, it
4 was January. I left Tampa on January 25th. So since
5 January 25th, I haven't been there in the office, and this
6 is what -- and it was very difficult to manage the ongoing
7 business operations from here, and Debra Watkins was in
8 charge.

9 So this is why I don't have detailed information
10 of what was going on there in the office, but this is what I
11 can -- this is what I can tell, that in the middle of
12 February, approximately the middle of February, we stopped
13 paying refunds. But until then, we paid refunds almost
14 every day or every-other day.

15 Q Now, were these refunds paid directly from the
16 America Procom, LLC account, or were these through a third
17 party?

18 A No. These refunds were paid from Procom America
19 at the bank account -- from the Bank of America bank
20 account. We paid refunds via checks. So we paid checks to
21 the customers.

22 Q Okay. In the bankruptcy Schedules, there lists --
23 there are several lists of payments made within 90 days of
24 bankruptcy, but I don't see any customers listed. I see
25 Electronic Merchant Services listed, and I see American

1 Express listed, but I don't see any customers. Is there a
2 list of customers where you made refund payments to within
3 the 90 days of bankruptcy?

4 A Yes. There is a list of customers who cancelled
5 and got refunds.

6 Q Okay.

7 A And it's already provided.

8 Q Okay. Were there any lawsuits that the Procom
9 America, LLC was involved in?

10 A No.

11 Q Okay. Were any lawsuits that the Procom America,
12 LLC was involved in?

13 A No.

14 Q As far as charitable gifts or charitable
15 contributions and gifts, did Procom America, LLC make any
16 donations --

17 A Yes.

18 Q -- or charitable gifts within 12 months of the
19 filing of the bankruptcy?

20 A Yeah. Well, we have been in a long cooperation
21 with a Veterans Foundation. The name of it -- they are in
22 Tennessee and their name is Forever Senior Wish, a Veterans
23 Foundation. They are supporting World War II Veterans and
24 Vietnam Veterans and Korean War Veterans.

25 And we were collecting donations for them. And

1 every month we sent the money to them. What we collected
2 every month, we sent it to them.

3 In addition, there were donations, what we take to
4 them. And I know that every year we gave them free tours,
5 what they could sell at an auction and the money went to
6 their bank account. So we gave them free tours, what they
7 could sell.

8 Q Okay, the bankruptcy Schedules --

9 A And these were the ways how we supported these
10 Veterans organizations. And I know that there were payments
11 to them, but I can't tell you in detail when and how much.

12 Q Okay. The bankruptcy Schedules disclose cash
13 payments to Forever Young, Inc. of about \$38,706. Was that
14 actually paid in cash or how did you make these payments,
15 checks or how?

16 A By check.

17 Q By check. Okay.

18 (Static on the line.

19 MR. GAAL: I'm sorry, I can't hear you. It's
20 very noisy now.

21 MR. MENCHISE: Okay, if everybody would
22 please mute their phone. Okay, that's better.

23 Can you hear me now, Mr. Gaal?

24 MR. GAAL: Yes. Yes.

25 BY MR. MENCHISE:

1 Q Okay, did Procom America, LLC transfer ownership
2 in any items outside of the ordinary course of business
3 within 12 months of the bankruptcy, either by sale or trade
4 or any other means?

5 A No.

6 Q Okay. Now you had mentioned earlier that the
7 customers were responsible for paying the insurance premiums
8 for the trip insurance to Travelex. But I've heard from a
9 lot of customers that they paid to Procom America the
10 insurance premiums.

11 So, which is it? Were they supposed to pay --

12 A So --

13 Q -- Procom or pay it directly to Tripex --
14 Travelex?

15 A Okay. So, first, let me tell you that our
16 Travelex champion in the company was Debra Watkins. So
17 Travelex was our business partner and we were selling their
18 insurance. And Travelex always had somebody in our team who
19 got a training from them and then they were certified and
20 then that person was responsible for managing the Travelex
21 insurance procedures.

22 But the first time I know about it and what I know
23 are two things: One, is that we were selling Travelex
24 insurance individually, which worked in a way that the
25 customers went to the Travelex website; they signed up; they

1 bought the insurance and they had to give them our
2 registration number, and this was the way how Travelex knew
3 that the customer came from us and they are buying the
4 insurance for our tours.

5 Now there was another way, that was the group
6 insurance. The group insurance was a different approach and
7 it worked in a way that the customers bought the insurance
8 from us, but they paid to us for the insurance. We
9 collected the money and we had to pay for Travelex 60 days
10 before the tour departure. So 60 days before the tour, we
11 had to pay to Travelex. And, this way, there must be
12 customers who already paid their money for us when they
13 signed up. When they signed up for the tour, they paid for
14 the insurance for us.

15 And then the money was kept in the company because
16 it was not paid to Travelex yet because the 60 days were not
17 there yet. So most of the cases, customers paid for us,
18 paid 10 or 12 months before departure. And this means that
19 the Travelex money was kept in Procom America for several
20 months.

21 Q Was that money separate or did that go into the
22 operating account?

23 A I think, as far as I know, it was in the operating
24 account.

25 Q What would you say the events were that led up to

1 and what actually caused the filing -- well, not the filing
2 of the bankruptcy, I understand that -- but what caused the
3 financial problems of this company?

4 A Well, the (line cut out).

5 Q Are you there, Mr. Gaal?

6 MR. MENCHISE: Have we lost him? I guess
7 we've lost Mr. Gaal.

8 MR. GOMEZ: Yeah, it looks like it.

9 MS. SHERMAN: We have not lost Mr. Gaal. We
10 just can't hear him. He's going to try to see if he
11 can get back in.

12 MR. MENCHISE: Okay, thank you. We'll wait.

13 MALE SPEAKER: How do you spell his last
14 name?

15 MS. SHERMAN: G-a-a-l.

16 MALE SPEAKER: Thank you.

17 MR. GAAL: Hello?

18 MR. MENCHISE: Is that Mr. Gaal?

19 MR. GAAL: Yes, I'm back.

20 BY MR. MENCHISE:

21 Q Okay, Mr. Gaal, I was asking, and I'll repeat it:
22 What were the events that led up to and what actually
23 caused, I'll say, the filing of the Assignment for Benefit
24 of Creditors because that actually was prior to the
25 bankruptcy? So, what was the --

1 A Yes.

2 Q -- cause of the ABC?

3 A So in February, end of February, we still saw that
4 this year must be a good year because we actually sold more
5 seats for our tours than in the previous year. So the
6 business was still growing in February and January, year and
7 year, and we were very optimistic.

8 And then in March, we realized that the sales
9 numbers were decreasing and more and more cancellations were
10 coming in. And then in the middle of March, the revenue
11 went down to zero. So for a week or so, the revenue was
12 zero. And, of course, the cancellation claims were coming
13 in. Well, my colleagues said that there were days when
14 hundreds and hundreds of cancellations or claims were coming
15 in.

16 And so we were listening to what was going on and
17 what the world leaders said what was going to happen. And
18 then we saw that this was going to be a long-term crisis and
19 we were sure that Europe was not going to be reopened for
20 this year. And, this way, we were sure that the revenue was
21 not going to come back any more for this year. So, on the
22 revenue side, we saw that we're going to lose all of
23 revenues for the rest of the year, which would be an impact
24 for any other company on itself.

25 But on the other side, we saw that, of course, the

1 customers want their money back because they couldn't
2 travel. And we knew that we could not deliver the tours
3 this year even if we wanted to, because there's no chance.

4 So we were discussing what we could do and then we
5 came to the conclusion that, well, we should do what other
6 travel companies do so that we could reorganize our company
7 and we could offer vouchers to the customers. And this is
8 why we filed the ABC, because the ABC procedures could have
9 given us the chance to reorganize the company and get bank
10 loans. Because we didn't have a line of credit nowhere and
11 I think that was a time when we could get some line of
12 credit and use the support of the U.S. Government and the
13 European Government as well.

14 So we wanted to get loans and we wanted to offer
15 vouchers to the customers and come up with an agreement,
16 with a deal with possibly EMS as well, because we knew that
17 EMS was going to be trouble. And we thought that, in
18 cooperation with our business partners and suppliers, maybe
19 we could have found a way where we could do a voucher to our
20 customers so that they could have got their tours in 2021.

21 But then two weeks after we filed the Assignment
22 for the Benefit of Creditors, EMS decided, with some other
23 creditors, that they sought the involuntary bankruptcy
24 against us. And then when it happened, then we realized
25 that we don't have the chance to make the agreement and

1 somehow manage the business furthermore on its way.

2 Q Okay, did you get a chance to review the
3 bankruptcy papers that were filed in the bankruptcy case on
4 behalf of Procom America?

5 A I'm sorry, I can't hear you.

6 MR. MENCHISE: Okay. Would everybody, please
7 once again, mute their phones.

8 BY MR. MENCHISE:

9 Q Okay, Mr. Gaal, did you review the bankruptcy
10 papers that Procom America, LLC filed in the bankruptcy case
11 that bears your electronic signature?

12 A Yes.

13 Q Okay. Did you actually sign these papers?

14 A Yes.

15 Q And is all of the information that you put in the
16 bankruptcy papers true and correct, and includes the
17 Statement of Financial Affairs and the Schedules?

18 A Yes.

19 Q Okay. Did you disclose all of the assets of the
20 LLC?

21 A Yes.

22 Q Did you disclose all of the creditors, to the best
23 of your knowledge?

24 A To the best of my knowledge, yes.

25 Q Okay, and did you answer all of my questions

1 truthfully today?

2 A I did so.

3 MR. MENCHISE: Okay, at this time I'm going
4 to ask -- I don't have any further questions right now.
5 I may have some follow-up questions.

6 But at this time I'm going to ask -- I'm
7 going to call out their names and see if some of the
8 attorneys have questions. And then after the attorneys
9 are through, if I don't have any further questions,
10 then we'll ask some of the customers or creditors for
11 questions.

12 So, okay, the first one I'm going to ask for,
13 is there anybody from the United States Trustee's
14 Office present?

15 (No response.)

16 MR. MENCHISE: Okay. Nobody from the United
17 States Trustee being present, okay, how about Mr.
18 Berman?

19 MR. BERMAN: Yes, I'm here and I do have
20 questions. Can you hear me, Doug?

21 MR. MENCHISE: Yes, I can.

22 MR. BERMAN: Great.

23 **E X A M I N A T I O N**

24 BY MR. BERMAN:

25 Q Mr. Gaal, my name is Steve Berman and I represent

1 Mr. Menchise in this Chapter 7 bankruptcy case. I'll have a
2 few questions for you. Can you hear me okay?

3 A Yes.

4 Q So I just wanted to make sure, the salary numbers
5 that you shared with us from January 2019 through the
6 present are in addition to the note payments of about
7 \$350,000 you took --

8 A Yes.

9 Q -- in February; is that correct?

10 A Yes.

11 Q I see payments, a number of payments, within the
12 90 days before the bankruptcy to EMS. Do you know who I'm
13 talking about when I say "EMS"?

14 A Yes.

15 Q Can you describe for me how EMS was paid out of
16 the Debtor's bank accounts?

17 A Uhh, I don't know -- well, yes. Yeah, I think I
18 know. Because, you know, EMS provided the service for us
19 accepting credit cards, so credit card payments. And that
20 was an automatic system, how they got the money
21 automatically from our bank accounts after receiving the
22 payments to our bank account in the previous month or in a
23 certain period of time. So those are service fees and those
24 service fees were taken by them automatically from our bank
25 account. That is my understanding.

1 Q So EMS had direct access to your bank accounts
2 and was able to pull money out of your bank accounts during
3 the relationship with EMS?

4 A That's how I understand, yes.

5 Q And who, on the American side, between Niki
6 Montgomery and Debra Watkins, would be most familiar with
7 the EMS relationship?

8 A Both of them. I mean Niki Montgomery was supposed
9 -- I don't know how much she knew about the company, but we
10 were in Lexington, Kentucky before we moved to Tampa,
11 Florida.

12 So we moved to Tampa, Florida last year. And
13 before that, before June that year, Niki Montgomery was
14 responsible for the EMS contract. And she was the guarantor
15 of the EMS contract.

16 And from June last year, Debra Watkins became the
17 new guarantor and the new responsible person and the new
18 peer to EMS. So, yes, both of them know much more about the
19 EMS relationship than I do.

20 Q Okay. Your bankruptcy Statement of Financial
21 Affairs reflects about \$10 million of annual revenue in
22 2018; \$15.8 million in annual revenue in 2019; and about
23 \$3.3 million in 2020 before the bankruptcy was filed. Who
24 would have the records reflecting how that money was used?

25 A Well, the records, I think, are there. We already

1 provided those. And Lynn Sherman, my attorney, has those
2 records, everything. And I think it's already provided to
3 the Trustee.

4 Q Okay. Can you describe for me the accounting
5 system, how Procom America kept track of its money?

6 A Well, we had a CPA and --

7 Q Was that Kevin Riggs?

8 A Yes, Kevin Riggs.

9 Q Okay. And would Kevin Riggs have all of the
10 accounting records?

11 A Yes.

12 Q Go ahead and continue. I'm sorry.

13 A No, I think that's all I can say. So Kevin Riggs
14 was responsible for our books and his company Renaissance
15 Consulting was, to date, providing financial services for us
16 and to us and that's how we did it.

17 Q Can you describe for me why Kevin Riggs believed
18 that Procom America and the two Hungarian Procom entities
19 should be combined for accounting purposes?

20 A Should be combined?

21 Q Right. Were you aware that Kevin Riggs thought
22 there should be a consolidation of all of the companies for
23 accounting purposes?

24 A No, I don't know.

25 MR. BERMAN: Okay, I don't have any further

1 questions at this time, although we will likely
2 schedule a Rule 2004 exam.

3 MR. MENCHISE: Okay. Thank you, Mr. Berman.
4 Heather DeGrave, would you like to ask any
5 questions?

6 MS. DeGRAVE: No. No questions at this time,
7 although, again, we would also reserve our right to
8 seek a 2004 exam.

9 MR. MENCHISE: Okay. Very good.
10 How about Lynn Sherman; would Lynn like to
11 ask any questions?

12 MS. SHERMAN: No. Thank you, Doug.

13 MR. MENCHISE: Okay. Eric Jacobs?

14 MR. JACOBS: No. Thanks, Doug.

15 MR. MENCHISE: Okay. John Skinner?

16 MR. SKINNER: Thanks, Doug, and I'll try and
17 be brief, to leave some time for the other creditors
18 and customers.

19 **E X A M I N A T I O N**

20 BY MR. SKINNER:

21 Q Good morning, Mr. Gaal. As I mentioned at the
22 beginning of the call, I am chief counsel North America for
23 Berkshire Hathaway Specialty Insurance Company.

24 Incidentally, prior to today, have you ever heard
25 the name "Berkshire Hathaway Specialty Insurance Company"?

1 A No.

2 Q Earlier, there were some questions and answers
3 regarding the policies that were purchased and sold through
4 Travelex --

5 A Yes.

6 Q Did you know the name of the underwriting company
7 for those policies?

8 A No.

9 Q Okay. If I was to suggest to you that Berkshire
10 Hathaway Speciality Insurance Company is the underwriting
11 company for those policies, would that refresh your
12 recollection?

13 A Uhh, well, I don't know. I'm sorry, I was not
14 involved in the insurance activities at all, so -- and I
15 never signed any contracts or anything. So we did have our
16 U.S. general managers there. I think Niki Montgomery and
17 then Debra Watkins, they were the general managers in
18 America and I think they must have been in relationship with
19 you or your company. So, I'm sorry, I don't know too much
20 about that.

21 Q Okay. But any of their dealings would have been
22 on behalf of the LLC; is that correct?

23 A Pardon me? I couldn't hear you well.

24 Q Sure. With respect to Niki Montgomery or Debra
25 Watkins --

1 A Yes.

2 Q -- their activities would be on behalf of Procom
3 America, LLC; correct?

4 A Yes.

5 Q Okay. But you did answer some questions regarding
6 the distinction between individual insurance and group
7 insurance; do you remember that?

8 A Yes.

9 Q And you shared with us that when it came to group
10 insurance that Procom American, LLC did collect that premium
11 from the customers; is that right?

12 A Yes.

13 Q And you also noted that that premium was not
14 required to be remitted to Travelex until 60 days prior to
15 the tour; do you remember that?

16 A Yes.

17 Q And I also want to make sure I heard you
18 correctly: Did you say that that premium was kept in one
19 of the four accounts at Bank of America?

20 A Yes.

21 Q Incidentally, the four accounts at Bank of
22 America, what were the differences between those four
23 accounts?

24 A Well, one of those was a checking account. There
25 was another one where there was company credit card on that

1 account. And there was another account where we were
2 collecting the donations for the Foundation I mentioned
3 before. And the fourth, I don't know.

4 Q But do you know which of those accounts that those
5 premium monies would have been kept in?

6 A Well, it must be the checking account, or I would
7 say I don't know. I don't know.

8 Q Okay, but it would not have been the credit card
9 account; correct?

10 A No.

11 Q And I assume it would not have been the account
12 for the donations; is that correct?

13 A No.

14 Q So it would either be the checking account or the
15 fourth account you mentioned?

16 A Yes.

17 Q Okay. Did you have an understanding with respect
18 to whose money that was?

19 A Whose money that was? It must have been the
20 passengers' money.

21 Q And that was collected for the premium for the
22 policies that were sold through Procom America, LLC;
23 correct?

24 A I'm sorry, I couldn't hear the question. It's so
25 noisy here. Can you please repeat your question?

1 Q Sure. I apologize. I'll try and speak up.

2 The monies we're talking about were monies that
3 were paid by Procom America, LLC's customers; correct?

4 A Yes.

5 Q And those monies were paid for a premium for
6 travel insurance with respect to the trips that they were
7 buying through Procom America, LLC; correct?

8 A Yes.

9 Q And, ultimately, that money was to be paid as of
10 60 days prior to the tour to Travelex; is that correct?

11 A Yes.

12 Q All right. Can you shed any light, Mr. Gaal, on
13 where that money is today?

14 A Well, that money should have been on the bank
15 account there, the Procom America bank account. But I
16 haven't got any report how much they paid off.

17 So Debra Watkins should have the report where
18 there is an analysis how much they paid to Travelex and how
19 much she kept on the bank account, because that was her
20 responsibility. So, that's what I can't tell you now. This
21 was part of her job to keep control over the insurance.

22 Q And in that regard, does Debra Watkins also have
23 lists of customers who had paid for insurance?

24 A I'm sorry, I didn't understand the question. So
25 did --

1 Q Sure.

2 A -- Debra Watkins --

3 Q Have you ever seen a list of Procom America, LLC
4 customers that purchased insurance?

5 A Yes, Debra reports but it was very long ago when I
6 saw last time a report like that.

7 Q But Debra Watkins would have been the person for
8 Procom America, LLC that kept those records?

9 A Yes. Yes, it was in Debra Watkins' job
10 description.

11 MR. SKINNER: All right. In the interest of
12 time, I'm going to suspend for now but reserve the
13 right to ask questions for a future date.

14 Thank you, Doug.

15 MR. MENCHISE: Okay. Is Mr. Scott Stichter
16 present?

17 (No response.)

18 MR. MENCHISE: He's not. Are there any other
19 attorneys that are present that would like to ask any
20 questions before I ask the customers if they want to
21 ask questions.

22 MS. DeGRAVE: Mr. Menchise, this is Heather
23 DeGrave. I do have just a couple of questions.

24 MR. MENCHISE: Okay, very good. Go ahead.

25 MS. DeGRAVE: Okay.

E X A M I N A T I O N

1
2 BY MS. DeGRAVE:

3 Q Mr. Gaal, you mentioned that when you filed the
4 ABC, you had an idea of reorganizing. How, under the ABC,
5 did you intend to try to reorganize?

6 A Well, what I knew -- I don't know if I understand
7 the question well, but you can correct me. I know that, in
8 Europe, there are a different kind of bankruptcies you can
9 file or a different kind of processes for companies when
10 they are in bankruptcies.

11 And one of that is that the purpose -- legally,
12 the purpose in Europe is not to liquidate the company but to
13 find a way how it can be reorganized and how the business
14 itself can be saved. And through that, the creditors of the
15 company can also find a better way than liquidation.

16 So I was suggested by the counsel or by the
17 attorney of Procom America to file an ABC, because that is
18 the way how we can reorganize the company, how we can --
19 because we knew that the customers will claim their credit
20 card charge back from their bank. And if they do so, it
21 obviously goes to EMS in the end and EMS has to pay back
22 their money.

23 And we always had a great cooperation with EMS and
24 they provided a very good service for us. I think we were a
25 very good customer for them and they were a very good

1 service provider for us. And so we knew that it's our
2 common interest to find a way to cooperate and find out how
3 we could offer a tour or a voucher for the customer through
4 a credit letter for our customers instead of refunding.

5 Because this is what happened in the tourism
6 industry everywhere. So this is what happened in case of
7 the airlines or hotels or the cruise lines. This is what
8 they did. And this was our plan.

9 Now finding the solution, I think that was the
10 best, so to say, the best legal frame for this
11 reorganization activity, was suggested by Mr. Al Gomez, the
12 attorney for Procom America. This is why we did it with
13 him.

14 Q Okay.

15 A Did I answer your question?

16 MS. DeGRAVE: Well, I think that I'm going to
17 quit the questioning at this time and I'll just reserve
18 for approximately at a later date.

19 MR. MENCHISE: Okay. Thank you, Heather.

20 Are there any other attorneys that would like
21 to ask any questions before I open it up to customers?

22 (No response.)

23 MR. MENCHISE: Okay, no other attorneys have
24 any questions, who are there, to ask questions and I
25 have no follow-up questions at this time. I'm going

1 to open it up to the customers now.

2 Obviously, there's a lot of people there and,
3 you know, I can't call your individual names, because I
4 don't know who's there. So I would just ask that
5 whenever a customer asks a question and they're
6 through, just indicate that you have no further
7 questions so somebody else can ask a question; okay?

8 And, please, don't repeat questions and
9 please don't argue with anybody; okay? So if there are
10 any creditors that want to ask a question, go ahead
11 right now.

12 (Cross-talk of many folks speaking at once.)

13 MS. LYONS: My name is Nancy Lyons.

14 MR. MENCHISE: Okay. Okay, Nancy, you're
15 first.

16 **E X A M I N A T I O N**

17 BY MS. LYONS:

18 Q And my only question is: Where does this leave a
19 person like myself who doesn't have a lawyer? What is the
20 next step for us? I want to be listed as a creditor and
21 I've done all of the --

22 MR. MENCHISE: Okay, that sounds like a
23 question for me. File a claim in the bankruptcy case;
24 okay?

25 MS. LYONS: Okay.

1 MR. MENCHISE: And do you have any questions
2 for Mr. Gaal?

3 MALE SPEAKER: Yes.

4 MR. MENCHISE: No. Ma'am? Ma'am, who is
5 still talking; okay?

6 MS. LYONS: Yes.

7 MALE SPEAKER: I'm sorry.

8 MS. LYONS: Well, I do have one question.

9 MR. MENCHISE: Well, go ahead and ask your
10 question quickly, please.

11 BY MS. LYONS:

12 Q Okay, and the question is: Did you have a plan
13 for people like myself whose tour was not scheduled until
14 the end of August, who kept trying to get online to hear
15 what your next step was going to be, and never, never
16 mentioned the word "bankruptcy"? We weren't able to get
17 online --

18 MR. MENCHISE: Okay. Mr. Gaal, can you
19 answer that question?

20 BY MS. LYONS:

21 Q -- like myself -- hello?

22 A Yes. So, yeah --

23 Q You know --

24 A Can I answer now?

25 MR. MENCHISE: Let him answer, ma'am.

1 BY MS. LYONS:

2 Q Yes, please do.

3 A Okay, so the plan was, in April when we filed the
4 ABC, so the Assignment for the Benefit of Creditors when we
5 signed, our purpose was to offer you -- to offer you all a
6 voucher, what you can use, in the forthcoming years. So you
7 could have used that voucher next year or two years from now
8 or three years from now and pay with your voucher for your
9 tour. That was our plan.

10 Now the problem is that the involuntary bankruptcy
11 came June 1st and now we are in a Chapter 7 case here. So
12 this is why now that option is not there anymore.

13 What I know from Mr. Levine (La-vine) or, no, it's
14 Mr. Levine (La-veen), I read an email somewhere that he's
15 planning with EMS, offering tours for people who still want
16 to travel instead of a refund.

17 But, for that, you have to claim for your refund
18 from your bank, I think. So, anyway, did you pay by credit
19 card?

20 Q Yes, I did, and I paid the full amount upfront.

21 A And so if you paid by credit card, the best I can
22 tell is that you have to claim from your bank the refund,
23 the recharge -- the recharge.

24 Q Okay.

25 A That's the best thing you can do.

1 Q Okay.

2 MR. MENCHISE: Okay, so anybody with a
3 follow-up question?

4 MS. DeGRAVE: Hold on. Yes. Yes. Were you
5 asking me if I had a follow-up question? This is
6 Heather DeGrave.

7 MR. MENCHISE: Okay, Heather, go ahead.

8 MS. DeGRAVE: Yes.

9 **FURTHER EXAMINATION**

10 BY MS. DeGRAVE:

11 Q So with respect to the plan, isn't it true,
12 Mr. Gaal, that you -- when the Involuntary Petition was
13 filed, that you did not object to the Involuntary Petition;
14 correct?

15 A No, I didn't object. We consented.

16 Q Okay. And with respect to this plan to provide
17 vouchers, did you provide anyone, any parties, anyone with
18 any evidence of what this plan was going to be?

19 A Well, we sent evidence of what these plans were
20 going to be as it was going with my people, so with the
21 management team, we were working on the plan. But,
22 unfortunately, we didn't have too much time because we had
23 only two weeks and then all of our plans was over with the
24 Chapter 7 bankruptcy case.

25 Q And when you're talking about the management team,

1 who are speaking about?

2 A Well, my marketing director, my operational
3 director, my delivery manager here in Hungary, and finance
4 director and our financial controller, these people.

5 Q Okay. So who was the marketing director; what was
6 that person's name?

7 A Her name is Livia, Livia Globush (phonetic),
8 that's her name.

9 Q Could you spell that, please.

10 A Yes, but do I have to answer these questions?

11 MR. MENCHISE: If you have the answer, yes.

12 MR. GAAL: Uhh, so her name is Livia Globush
13 (phonetic). Livia, L-i-v-i-a. But that person is not
14 the employee of Procom America.

15 BY MS. DeGRAVE:

16 Q All right. And does she have a phone number? Do
17 you have a phone number. (Screeching sound on the line.)

18 A Excuse me?

19 Q Do you have her phone number?

20 A I have her phone number, but I can't give you her
21 phone number. She's not a -- she was not an employee of
22 Procom America.

23 You have to know that there were three legal
24 entities, what we are talking about. One legal entity is
25 Procom America and that was the company selling the tours in

1 the United States.

2 There was another company in Budapest, Hungary and
3 that company was delivering the tours in Europe, all over
4 Europe. And there was a third company which was responsible
5 for marketing activities, so delivering marketing
6 (indiscernible). Altogether, there were 48 employees in
7 these three legal entities. And in the United States, there
8 were only eight of them, eight. The other 40 people were
9 sitting in Budapest, Hungary.

10 And the employees who I am talking about now are
11 now Americans and their individual data are protected.

12 Q Okay. So who is she the employee --

13 A So I cannot give you -- pardon me?

14 Q Who was she an employee of?

15 A The -- oh, the Hungarian company.

16 Q Procom Consulting?

17 A Yes, Procom Consulting.

18 Q And you say that you cannot give me her phone
19 number?

20 A No, I can't.

21 Q And that's because of why?

22 A Because, according to the European legal system, I
23 am -- it's forbidden for me to give out any personal data of
24 my employees or any former employee.

25 Q Who was the operational director you were speaking

1 of?

2 A Yeah, he's a European person. His name is Milan.

3 Q How do you spell his name?

4 A M-i-l-a-n.

5 Q What's his last name?

6 A Yeah, I mean --

7 MS. SHERMAN: This is Lynn Sherman. We have
8 an awful lot -- we have more than a hundred people on
9 this call.

10 MR. MENCHISE: Yeah, Heather, you said --

11 MS. SHERMAN: She wants names --

12 MR. MENCHISE: -- you were going to take a
13 2004. Perhaps that would be better to get into
14 specific details.

15 Why don't we let some of the customers ask
16 some questions and maybe you'll have a follow-up
17 question. Because I think he's indicated he's not
18 going to give you personal information because of the
19 European laws.

20 MS. DeGRAVE: I was specifically trying to
21 follow up on a question regarding his plan, trying to
22 figure out who were the players in the proposed plan to
23 give customers vouchers. And so that's what I was
24 following up on, trying to figure out what their names
25 were.

1 Okay, to (indiscernible due to cross-talk) --

2 MR. GOMEZ: Heather, sorry to interrupt.

3 This is Al Gomez. Let me -- I think the confusion is,

4 there was no reorganization Plan, like a Chapter 11.

5 The idea was that, and the hope was that there would be

6 some investor or buyer to come in and take over

7 operations. But nothing ever material panned out.

8 MS. DeGRAVE: Okay.

9 MR. GOMEZ: So, that's, I think, where the

10 confusion lies. This isn't a traditional Chapter 11,

11 obviously. And the ABC was just the platform to try to

12 sell the business and try to do it in the safest way.

13 So, I just want to make that clear.

14 BY MS. DeGRAVE:

15 Q Okay. So, Mr. Gaal, do you agree with what your

16 attorney just said in terms of that the ABC was not a

17 Reorganization Plan but, rather, a plan to try to sell the

18 business?

19 A Well, in my terms, reorganizing the business means

20 that we need a new investor. And we had new investors,

21 potential investors who wanted to invest, and still there

22 are some, what I know of.

23 MR. MENCHISE: Okay. Thank you.

24 Are there -- Heather, I'm going to ask if

25 there's any other questions, unless you have a real

1 quick other question. There are a lot of other people.

2 MR. McHALE: Yes, my name is Rick McHale. I
3 was one of the travelers. I traveled a lot with
4 Procom.

5 MR. MENCHISE: Okay. What's your question,
6 Rick?

7 E X A M I N A T I O N

8 BY MR. McHALE:

9 Q I purchased Travelex insurance. But when I made a
10 claim with Travelex, I was told that the premiums were never
11 paid. I would like an answer to that question: Why were
12 they never paid?

13 A The answer can be what I just said, that the
14 American -- our American colleagues collected the payments
15 from you but it wasn't paid to Travelex because your trip
16 must have been later. I did not --

17 Q No, my trip -- okay, just to clarify: My trip was
18 cancelled --

19 A Yes.

20 Q -- on March 14th, and I was supposed to leave on
21 March 18th for Vietnam.

22 A Okay.

23 Q And I was told that the premium was never paid.

24 A Well, that must be an error of my colleagues in
25 America. It's Debra Watkins's responsibility.

1 MR. MENCHISE: Okay. Is there anybody else
2 that has a question?

3 I understand, Rick, that that was your
4 question and I think he said Debra Watkins; he doesn't
5 know anything about it. So --

6 MR. MCHALE: Well, I would only say that that
7 flies in the face of what their policy was, which was
8 to pay the premium 60 days in advance. And in my case,
9 that did not happen.

10 MR. LEVY: This is Julian Levy, L-e-v-y.

11 MR. MENCHISE: Okay, Mr. Levy --

12 MR. LEVY: I just want to clarify, a quick
13 question.

14 MR. MENCHISE: Sure.

15 **E X A M I N A T I O N**

16 BY MR. LEVY:

17 Q Is Travelex a subsidiary or a sister company of
18 Procom, LLC, or is it an independent company?

19 A It's an independent company.

20 Q Not controlled in any way by the LLC?

21 A No.

22 MR. LEVY: Okay.

23 MR. MENCHISE: Thank you, Mr. Levy.

24 MR. LEVY: Thank you.

25 MR. MENCHISE: Next question?

1 MR. SELBY: Yeah, this is John Selby.

2 EXAMINATION

3 BY MR. SELBY:

4 Q I'd like to ask Mr. Gaal if he considered his
5 business to be a profitable one on an ongoing basis prior to
6 the COVID-19 incident?

7 A Yes.

8 Q You did?

9 A Yes.

10 Q Well, I'm a retired CEO and Board member of a
11 pretty substantial corporation and I'm pretty knowledgeable
12 about accounting rules. And it kind of bothers me a bit to
13 hear you referring to revenues as revenues when they're
14 really prepayments.

15 For example, let's take my situation where I paid
16 \$10,000 back in August of '19 for a trip to leave in August
17 of '20. So I prepaid this \$10,000.

18 I note, Mr. Gaal, that you're referring to this
19 \$10,000 as revenue. And I can assure you that under General
20 Accepted Accounting Principles, this would not be considered
21 revenue. This would be considered the clients or customers'
22 prepayments.

23 And, as you say, since your company is a
24 profitable one, those monies that I put in, the \$10,000 that
25 was prepaid long before your significant costs came aboard,

1 it should have been booked into your accounting system as a
2 prepayment.

3 So if you're indeed profitable, as you said, and
4 these monies were prepayments given to you a year or two
5 before you had to pay out for the various costs that would
6 have been involved in Europe during the travel period for
7 hotels and foods and for the rides, et cetera, why isn't
8 that money still in your trust account?

9 Why aren't these prepayments still there and
10 available? Because you couldn't technically, under GAAP,
11 book these prepayments as revenue until you incurred
12 expenses in August of 2020.

13 In other words, all these prepayments all these
14 people have paid should still be out there. They should
15 still be available, particularly since you said that your
16 company, on an ongoing basis, is profitable.

17 So the only thing that I can conclude here is that
18 these prepayments were taken out of the company through
19 dividends or through (indiscernible) itself or through other
20 means and probably taken offshore.

21 A No.

22 Q So why don't you do us all a favor and bring those
23 monies back onshore and refund our prepayments? That's the
24 question.

25 A So this is not a question, sir. You are --

1 MALE SPEAKER: I'm going to object, that this
2 is a statement.

3 MR. GOMEZ: Hold on. Hold on. That is more
4 of a statement, not a question. But I think we
5 understand your point.

6 Understand that under bankruptcy law -- and
7 Mr. Menchise will tell you all about this -- you have a
8 claim and you filed a proof of claim, I would assume.
9 Perhaps (line cutting out) to your credit card, if you
10 paid through the credit card. So, that's all I can
11 tell you.

12 I'll let Mr. Gaal answer the question.

13 MR. SELBY: Is this Mr. Gaal's attorney
14 answering this question?

15 MR. GOMEZ: No, I'm making a statement for
16 the record, because you're assuming that he can simply
17 write you a check. That's not the way it works in a
18 Chapter 7. It would have to be a process that is
19 adhered to through the Chapter 7 Bankruptcy Code.

20 But I'll let Mr. Gaal answer the question if
21 he wants.

22 MR. GAAL: Well, I don't debate the
23 accounting rules. I'm not an accountant and this has
24 not been a question. So, I shouldn't respond. But
25 what I can tell you -- and I didn't understand half of

1 the question because the line is so noisy that I can't
2 hear you very well.

3 But what I can tell you is that money is not
4 stolen, it's not taken anywhere else. It's not -- I
5 mean nobody consumed this.

6 Why we filed bankruptcy and why the
7 bankruptcy was decided to get filed is COVID-19.
8 COVID-19 has damaged the entire travel business around
9 the world. There are huge companies that are in
10 bankruptcy right now and just as we are. So, I mean,
11 that's it.

12 And it's the same way it goes with food
13 lines, the same way it goes with hotel companies,
14 airlines and hundreds and thousands of travel
15 businesses who are in bankruptcy now around the world.
16 And the same thing happened to us. That's my answer,
17 you know.

18 FEMALE SPEAKER: Well, I have a question
19 then.

20 MR. MENCHISE: Okay, let's take it one at a
21 time, please. One at a time. Next question?

22 MR. RACINO (phonetic) My name is Jack Racino
23 (phonetic). I'm a CPA and a customer. I have one
24 question.

25 **E X A M I N A T I O N**

1 BY MR. RACINO (phonetic):

2 Q There was \$11.8 million taken in, with deposits
3 for 2020 tours. Is there a breakdown of the disposition of
4 where those funds were disbursed, actually disbursed?

5 A (Line cutting out) to Travelex and even though the
6 business (indiscernible) window, they didn't pay it. It's
7 all laid off on (line cut out) --

8 MR. MENCHISE: Okay, Mr. Gaal, this is the
9 Trustee. This is the Trustee. Let me see if I can
10 rephrase the prior question.

11 Is there any funds available in the European
12 country -- companies, excuse me, that can be used to
13 refund customers?

14 MR. GAAL: Hello. Hello. I'm back now.

15 MR. MENCHISE: Okay. Mr. Gaal, this is the
16 Trustee. Let me rephrase the prior question.

17 Are there any monies available in the
18 European subsidiaries or related companies that would
19 be available to fund refunds to the customers?

20 MR. GAAL: What actually? I'm sorry, I
21 couldn't hear the question.

22 MR. MENCHISE: Okay. Mr. Gaal, can you hear
23 me? This is the Trustee.

24 MR. GAAL: Yes. Yes, now I can hear you.

25 MR. MENCHISE: Okay. Are there any funds in

1 the related European, Hungarian, if you will, companies
2 that are available to refund customers of Procom
3 America, LLC?

4 MR. GAAL: No. Unfortunately, the two
5 Hungarian companies are in bankruptcy as well. So the
6 same situation is going on where we are now.

7 MR. MENCHISE: Okay.

8 MR. GAAL: So you can imagine that there are
9 three legal entities where I do the same what I do now.

10 MR. MENCHISE: Okay, and those other
11 bankruptcies are pending in where, Budapest?

12 MR. GAAL: Yes.

13 MR. MENCHISE: Okay. Next question?

14 MR. PITINO (phonetic): Okay, my name is Hank
15 Pitino (phonetic). I am a CPA and a customer. I have
16 one question.

17 BY MR. PITINO (phonetic):

18 Q There was \$11.8 million of deposits made for 2020
19 travel. Do you have a breakdown or does someone have a
20 breakdown of the disposition of the \$11.8 million? In other
21 words, where it was paid; where the funds went? Thank you.

22 A Okay. So, what I can say is that all books and
23 records have been provided to the Trustee and they would
24 show where all monies were spent. So everything, all books
25 and records, have been provided to the Trustee.

1 MR. MENCHISE: Okay. Thank you, Mr. Gaal.

2 Next question?

3 MS. KIMMEL: Yes, this is Samantha Kimmel.

4 I'm also a CPA and a customer.

5 **E X A M I N A T I O N**

6 BY MS. KIMMEL:

7 Q So, Mr. Gaal, was Kevin Riggs providing consulting
8 services or auditing the financial papers?

9 A Oh, my God, I'm sorry, I can't hear. Was the
10 question Kevin Riggs? He was our -- he's a CPA. He was our
11 CPA.

12 MR. MENCHISE: I think --

13 BY MS. KIMMEL:

14 Q Auditing your company's --

15 MR. MENCHISE: I think the question was: Was
16 Travelex providing consulting services to Procom
17 America, LLC?

18 MS. KIMMEL: No. Not Travelex.

19 BY MS. KIMMEL:

20 Q Kevin Riggs, Renaissance Consulting, CPA --

21 MR. MENCHISE: Oh, I'm sorry.

22 MR. GAAL: Yes.

23 BY MS. KIMMEL:

24 Q Was he consulting or was he auditing our financial
25 statements?

1 A No, no. He was the CPA.

2 Q So did he produce audited financial statements?

3 A No, the financial statements were not audited.

4 Q Okay.

5 MALE SPEAKER: Really?

6 BY MS. KIMMEL:

7 Q Question 2 then: Did Kevin Riggs -- or you
8 mentioned you had a finance director and other financial
9 employees. Did any of them ever advise you that you could
10 not be using future deposits to fund current operations?

11 A I'm sorry, I didn't under the last couple words of
12 the question. So did they advise what?

13 Q Did any of these three financial people ever
14 advise that you should not be using future customer deposits
15 to fund current operations?

16 A No.

17 Q Okay. Third question then: What U.S. employees
18 were aware of the condition of your financials of your
19 company and the fact that you were following that practice
20 to use future deposits to fund current operations?

21 A Wow, I'm sorry, I do not understand the question.

22 Q The people that you've mentioned before like Debra
23 Watkins, you gave us --

24 A Yes.

25 Q Was she aware of the business practice that you

1 were using future customer deposits to fund current
2 operations instead of holding that money in an escrow
3 account to fund those particular future tours?

4 A Of course they knew. Of course, because this is
5 what every travel company does anywhere. Anywhere you buy a
6 ticket on a cruise line or buy a ticket for an airfare, or
7 you buy anything, or you book your hotel in advance, or you
8 buy a ticket for the Broadway show, they're going use your
9 money in advance, and they will not keep it in a separate
10 bank account and then spend it when you came back or you
11 left the theater --

12 Q Well --

13 A They do use your money. The question is: How
14 much is used of your money --

15 Q So, who besides --

16 A -- what percent that they use.

17 Q Who, besides Debra, were aware that you were
18 following that business practice?

19 A Pardon me? Who decides what?

20 Q Who, besides Debra Watkins, was aware that that
21 was your business practice?

22 A Everyone. Everybody who is working in the travel
23 industry, every single employee knows that.

24 MR. MENCHISE: Okay, ma'am, I'm going to ask
25 for any other questions; okay?

1 Are there any other questions?

2 MR. BENCH: This is Kenneth Bench from
3 Kentucky --

4 MR. MENCHISE: Okay.

5 MR. BENCH: Mr. Bench, from Kentucky. I was
6 a long-time customer of Procom. This would have been
7 my sixth tour.

8 **E X A M I N A T I O N**

9 BY MR. BENCH:

10 Q I had spoken to Ms. Watkins back in October in New
11 Orleans and she, back then, was advising me that you were --
12 that Mr. Gaal was facing serious financial issues and was
13 considering cutbacks but there's an officers club where
14 returning customers were given discounts.

15 A Yep.

16 Q So she told me if I was to -- if I wanted to use
17 it, I would have to book a tour by the end of December, or I
18 wouldn't be able to use my discount. So I did.

19 Now I kept in contact with the office all the way
20 into the middle of April, checking on the status of the
21 tour. And I was receiving emails, first of all, saying that
22 they weren't in the office because of the virus. But the
23 email was telling me: Hang in there, be patient, the tours
24 will be restarting in the first of June. And my tour was
25 supposed to leave the 5th.

1 So I was receiving encouragement from Ms. Watkins
2 and Procom America, LLC, not to worry about it, everything
3 would be fine. And then in the end of April, I got the rug
4 pulled out from me.

5 So this is something -- and I'm not sure if it's
6 going to be a question or not -- but my point is that this
7 is something that's been going on since before we even knew
8 what the COVID idea was.

9 MR. MENCHISE: Okay, I think I --

10 MR. BENCH: We had no idea.

11 BY MR. BENCH:

12 Q So my idea -- my question is going to be, to
13 Peter, as to why they were or you deceiving us since last
14 fall?

15 A So it's not true. So, last fall, there were not
16 any financial problems, nothing. And you -- so, again, all
17 books and records have been provided to the Trustee and they
18 show that there were no problems at all.

19 So last year, we had \$15.8 million revenue and
20 \$1.2 million profit. And it was -- and there was no, any,
21 financial problems.

22 What I can see here is communications. So
23 (indiscernible) that we wanted to change is the Officers
24 Club from reps. We did want to change it but it was not
25 because of financial problems.

1 The problem was that we need to use a lot of new
2 products in the market and most of them were these budget
3 tours, the cheap versions of the original tours. And the
4 problem was that when we found out the Officers Club
5 program, which is a loyalty program, I mean that loyalty
6 program was made for the all-inclusive, expensive-type tours
7 and not for the budget tours.

8 And the situation, what she should have explained
9 to you is that when you buy an expensive, all-inclusive tour
10 and you become a part of the Officers Club and then you get
11 a big discount from your next tour but the next time you
12 take a cheap tour, which is half-price or a third price than
13 the original one, what you chose, and you use the benefits
14 of the discount, what you get, then, long term, it drives to
15 an economic issue. So, that is what she should have
16 explained.

17 And this is why we said that for the new tours,
18 the new budget tours, the cheap versions, our former
19 customers who have toured in the past should not be able to
20 use their discounts for that. But it doesn't mean that we
21 had financial problems. It's just a product management
22 issue, what we are talking here about.

23 Q Okay.

24 A So we didn't have any difficulties last year at
25 all.

1 Q Okay. Well, like I said --

2 FEMALE SPEAKER: Pardon me.

3 MR. BENCH: I'm through with my questions.

4 My statement at the end is going to be is: A lot of
5 the people that are out here, they're customers. Our
6 thing right now is that we were purposely deceived and
7 defrauded by Mr. Gaal.

8 MR. MENCHISE: Okay.

9 MR. BENCH: Thank you very much and I have no
10 more further questions.

11 MR. MENCHISE: Okay. Thank you.

12 Any? Okay, next question.

13 FEMALE SPEAKER: Will we receive further
14 information from you?

15 MR. MENCHISE: Ma'am, this is the Trustee.
16 The questions are for Mr. Gaal, not the attorneys. So,
17 what's your question?

18 FEMALE SPEAKER: I just want to know if we're
19 going to receive further information from you so we can
20 hang up.

21 MR. MENCHISE: Well, if there's any further
22 information, you'll get it through the Court; okay?
23 And there will be notices sent to you periodically.

24 Okay, so next question, please.

25 MS. SHEPARD: Yes, this is Debaney Shepard.

1 I'm a customer.

2 **E X A M I N A T I O N**

3 BY MS. SHEPARD:

4 Q You seem to be blaming the whole situation on
5 COVID and yet in my case you guys cancelled my trip in
6 February due to unforeseen circumstances. You were unable
7 to fulfill this tour. So, note, no word about COVID and
8 this was actually pre the big COVID tsunami in February; and
9 promised to send out a full refund at least by March 9th.
10 That never happened.

11 So, it was not the COVID situation. And if I had
12 cancelled, you won't see a refund. You cancelled and owe
13 me a refund. So I don't know how I got caught up in this
14 mess.

15 MR. MENCHISE: Okay, Mr. Gaal, what do you
16 say to the fact that it was cancelled before the COVID
17 Pandemic?

18 MR. GAAL: Well, we didn't cancel before the
19 COVID Pandemic. We didn't cancel anything. The first
20 tour was or would have been the Vietnam tour in March.

21 Is that what you were signed up?

22 BY MS. SHEPARD:

23 Q No, no, no. I was -- my tour was scheduled for
24 October. It hasn't happened yet.

25 A For October?

1 Q This coming October, yes. But this email from
2 Lacey Glass is dated February 24th, cancelling my tour in
3 February.

4 A Which tour was it?

5 Q It's the American Revolution tour --

6 A Oh, the Revolutionary War --

7 Q All of it in the U.S.

8 A Yeah. Well, I know. The Revolutionary tour was
9 cancelled before. But as far as I knew, or according to the
10 reports I got, those tours -- the passengers of those tours
11 should have been refunded. That is my --

12 Q I know.

13 A That is how I was informed.

14 Q I think I heard that also. Yep, it says:
15 We are sending out full refunds to you by check the week of
16 March 9th --

17 A Yes.

18 Q It never happened. And then I had a series of
19 emails saying, "Where's the check?" And the emails bounced
20 back to me because the office was closed, et cetera.

21 A Yes. Yes, I remember that we cancelled the tour
22 in February. But according to the report that I got here,
23 those tours have been refunded. I didn't know about it that
24 you haven't gotten the reply.

25 Q I tried. I emailed and I called. And during the

1 COVID (line cut out), it was understandable. Yeah, I think
2 it has fallen into a crack. So if you can still give me
3 my --

4 A I did explain --

5 Q -- \$7200, I'll take it.

6 A I'm sorry, I can't hear you.

7 MR. MENCHISE: Okay. I don't think that was
8 a question, ma'am. I think that was a statement: that
9 she would take the money if you were to refund it now.

10 But the purpose of this is to ask questions.
11 So, are there any other questions?

12 MALE SPEAKER: Doug, I have a question.

13 MR. MENCHISE: Can you explain again --
14 Mr. Gaal or yourself -- explain the role of EMS in
15 this? I don't understand that. Just explain that,
16 please.

17 MR. GAAL: EMS, the abbreviation -- hello,
18 can you hear me?

19 MR. MENCHISE: Yes. Go ahead, Mr. Gaal.

20 MR. GAAL: So, EMS is a credit card
21 processing company, you know, that EMS is providing
22 financial services, and that's a way -- how you can
23 receive credit cards.

24 MALE SPEAKER: Okay. So are they the ones
25 who filed the involuntary bankruptcy?

1 MR. GAAL: Yes.

2 MALE SPEAKER: Okay. Thank you.

3 MR. MENCHISE: Okay, next question.

4 MR. EVERETT: Harold Everett here. I have
5 two questions.

6 MR. MENCHISE: Okay, please state your name.

7 MR. EVERETT: Harold Everett.

8 MR. MENCHISE: Okay. Go ahead.

9 E X A M I N A T I O N

10 BY MR. EVERETT:

11 Q The first question was: During the 2019 going
12 into 2020, I understand that you took out a salary of
13 between 300-and-\$600,000. Now we had a loan for \$350,000
14 that we paid back in (line cut out) --

15 A I'm sorry, I couldn't hear the question.

16 MR. MENCHISE: Yeah, I think he dropped off.

17 Are you still there, sir? What was your
18 question.

19 BY MR. EVERETT:

20 Q Okay. My question is this: In the two years of
21 '19 and '20, Mr. Gaal received anywhere from 300-to-\$600,000
22 a year as salary and not counting -- his salary, excuse me.
23 He had a loan for \$350,000. Has he paid back that loan?

24 MR. MENCHISE: Is that the question? Have
25 you paid back the loan, Mr. Gaal, the \$350,000?

1 MR. GAAL: I haven't paid back the loan, but
2 I didn't have that kind of salary, what he mentioned.

3 MR. MENCHISE: Okay. Okay, so --

4 MR. EVERETT: I had --

5 MR. MENCHISE: I'm sorry. Go ahead.

6 BY MR. EVERETT:

7 Q I do believe that when he made a statement about
8 an hour ago saying what his salary was from February this
9 year back to June of last year, and there was once or twice
10 a \$300,000 monthly fee.

11 A No. But, anyways, I haven't paid back. Is that
12 an answer to your question?

13 Q Yes, it is an answer. The other part of the
14 question: Have you done a personal bankruptcy
15 (indiscernible) this one?

16 A Yes, but not in the United States because I am in
17 Hungary.

18 Q Okay.

19 A I'm not a U.S. citizen and I am not a U.S.
20 resident.

21 Q Yes, sir, I understood that completely.

22 The profit for 2019, I believe you said, was
23 approximately \$2.5 million. Where did that money go?

24 A I'm sorry but, no, the profit of what?

25 Q The profit for 2019, I believe you said, you

1 brought in \$15 million and the profit was 2.5 million --

2 A No. No, no, no --

3 Q If you had that money -- sir, if you had that
4 money --

5 A No.

6 Q If you had that money in December of 2019, where
7 has it gone in the past four to five months?

8 A I didn't have that money, as the profit was not
9 that big. And so, no, the number was different from what
10 you said.

11 Q Okay. I don't believe we're getting the honesty
12 here that we need.

13 In reference to the vouchers, I guess I can make a
14 statement saying that --

15 MR. MENCHISE: Sir, we're not taking
16 statements. We're asking questions; okay? So, thank
17 you for your question.

18 Next question, please.

19 MR. EVERETT: Okay. My next question -- this
20 is Harold Everett also -- okay, I'm done. Thank you.

21 MR. MENCHISE: Okay. Thank you.

22 Next? Anybody else want to ask any
23 questions?

24 MR. BOELDT: Yes.

25 MR. MILLER: We -- which one, Doug?

1 MR. MENCHISE: The first gentleman.

2 EXAMINATION

3 BY MR. BOELDT:

4 Q My name is Michael Boeldt and we had the Travelex
5 Insurance. When I called Travelex to make the claim, to try
6 to get my refund, the said that they would not pay this
7 amount of money. Has anybody been paid from Travelex?

8 A I don't know. I don't know the answer.

9 MR. MENCHISE: Okay. Next question? The
10 next gentleman.

11 MR. MILLER: Doug, this is John Miller from
12 Las Vegas.

13 EXAMINATION

14 BY MR. MILLER:

15 Q I'd like to know who authorized -- was it the
16 marketing manager or Watkins that authorized at 28 February
17 of 2020 a notice -- an email notice of a 29 percent
18 reduction in fares if they were paid in full by the 2nd of
19 March?

20 A I don't know.

21 MS. ACCARDI: Yes, mine was paid on --

22 MR. MENCHISE: Okay. He said he doesn't know
23 the answer to that question.

24 Is there -- anybody else have another
25 question?

1 (Piano music playing.)

2 MS. ACCARDI: Yes, I do. This is Andrea
3 Accardi from Pennsylvania.

4 MR. MENCHISE: Okay. Go ahead, ma'am.

5 MS. ACCARDI: Hello?

6 MR. MENCHISE: Go ahead, ma'am.

7 MS. ACCARDI: Yes, Andrea -- I'm hearing a
8 lot of music. I don't know where that's coming from.

9 MR. GAAL: Yeah, I hear music instead of --

10 MR. MENCHISE: Somebody, please turn off
11 their radio or their music.

12 Okay, go ahead, ma'am.

13 MS. ACCARDI: Thank you. Yes. (Music
14 playing). There it is again. Andrea Accardi from
15 Pennsylvania. I want to thank all of you for being
16 there and Mr. Gaal especially for calling in, despite
17 the fact that there were two disconnections at very
18 crucial questions.

19 (Piano music continuing to play.)

20 **E X A M I N A T I O N**

21 BY MS. ACCARDI:

22 Q First of all, Mr. Gaal, is your last name spelled
23 G-a-a-l, two a's?

24 A Yes.

25 Q Okay. I believe earlier the young lady had

1 misspelled your name.

2 I can identify with all of the callers. Mr. Gaal,
3 I lost not only my money but my dream. I was going to treat
4 my nephew, who is active duty U.S. Marine currently, to a
5 trip, a World War II trip. But, unfortunately, because of
6 your situation, we were unable to take this trip.

7 My question is: Where is Debra Watkins?
8 Apparently, you have mentioned her name many times
9 throughout this conference. And, obviously, she must know
10 some answers or should know answers as to where -- the money
11 and the procedure. So, where is she? Will there be a
12 teleconference with her involved under oath? And I hope
13 this resolves -- you know, conditions will be resolved.

14 And hopefully -- I was willing to do another
15 voucher, you know, for a trip, future trip, but I don't
16 know. Right now, I just want my money back.

17 So thank you for all being online. Thank you.

18 MR. MENCHISE: Okay.

19 MR. SCHWARZ: Yes, this is Gary Schwarz from
20 Florida.

21 MR. MENCHISE: Okay. Mr. Schwarz, go ahead.

22 BY MR. SCHWARZ:

23 Q Yes, the credit card dispute will not work. Both
24 Mr. Gaal and I have Bank of America and I called them to
25 dispute the claim on my credit card. And they said:

1 Because the trip wasn't scheduled yet, I couldn't dispute
2 it.

3 A But your tour must be -- what tour were you signed
4 up?

5 Q The August 1st tour.

6 A Yeah, it was scheduled and it was not -- it will
7 not be delivered, for sure. So, you can --

8 Q Yeah, but the credit company doesn't know that.

9 MR. MENCHISE: Well, Mr. Schwarz, the company
10 is in bankruptcy. So maybe that information will help
11 you with your bank; okay?

12 MR. SCHWARZ: Okay. Well, it's the same bank
13 as he has.

14 MR. MENCHISE: Okay. Okay, but is there a
15 question?

16 MR. SCHWARZ: No, that's my question. He
17 doesn't know what he's talking about.

18 MR. MENCHISE: Okay. Okay, thank you.

19 Are there -- anybody else have another
20 question?

21 MALE SPEAKER: I want to ask you a question.

22 MR. MENCHISE: Okay, what's your question,
23 sir?

24 MALE SPEAKER: The question is (outside
25 interference) -- line on repayment of these claims. If

1 we have made a claim to our credit card company, do we
2 still have to file those bankruptcy forms and stuff
3 that your letters refer to?

4 MR. MENCHISE: Well, that's something for the
5 Trustee. Look, you can file a claim if you'd like.
6 You can only collect once; okay? So if you file a
7 claim in the case and you get paid from your credit
8 card company, you must withdraw your claim or at least
9 advise me that your claim has been paid. Okay?

10 Any other questions?

11 MALE SPEAKER: I see. So, thank you.

12 MS. COLMENERO: Yes, this is Andrea Colmenero
13 from Marietta, California. My trip was in December 3rd
14 of 2019. And in April, I tried corresponding with
15 Beyond Band of Brothers. I sent them emails and
16 nothing, to this day, has been returned back, that my
17 certified letter had been received. And my emails kept
18 coming back; that I had to call a certain number. And
19 when call a number that they given me on my email, that
20 didn't work.

21 So, my question is this: I've been listening
22 to everybody's responses and I, too, have -- I
23 purchased my airlines with AFJC tickets and I paid for
24 them by Beyond Band of Brothers with my Discover card.
25 Those are both in dispute right now. But I also did

1 file a claim with you in the event that these fail.

2 My question is: How long is it that we would
3 have to wait from the time -- I was notified two nights
4 ago by a lady to tell me --

5 MR. MENCHISE: Okay, ma'am, this is the
6 Trustee. You'll have to wait until the case is
7 concluded and we're ready to make a distribution; okay?
8 And then you'll get a notice from the Court.

9 So file your claim and then the best thing
10 you can do is just wait. Now if you can get your money
11 through the credit card company, go ahead. But there
12 won't be any distributions made from the bankruptcy
13 estate until the case is closed.

14 Okay, so anybody else have a question?

15 MS. COLMENERO: Excuse me. And how long do
16 you expect that to last?

17 MR. MENCHISE: I don't know.

18 Okay, next question?

19 MS. COLMENERO: By your experience, how long
20 does it take?

21 MR. MENCHISE: It could take years.

22 MS. COLMENERO: I'm sure this isn't your
23 first case.

24 MR. MENCHISE: It's not my first case.

25 Okay, next question?

1 FEMALE SPEAKER: Yes, and so I paid the
2 company (indiscernible) and they have refunded my
3 account with my amount. Does that mean that I should
4 not be filing with you?

5 MR. MENCHISE: Are you owed any money from
6 this company?

7 FEMALE SPEAKER: Oh, yeah. Yes.

8 MR. MENCHISE: Then file your claim. And if
9 you're paid through your credit card company, you can
10 withdraw your claim. If there's any money left owed to
11 you, then you have a right to file the claim, but you
12 can only collect once; okay? That's what I said
13 earlier.

14 Okay, next question.

15 FEMALE SPEAKER: I just wanted to clarify.
16 Thank you.

17 MR. MENCHISE: Next question? Any other
18 questions?

19 MR. JENKINS: This is Mann Jenkins. I'm from
20 Arizona.

21 MR. MENCHISE: Okay. What's your question,
22 sir?

23 **E X A M I N A T I O N**

24 BY MR. JENKINS:

25 Q This is to Mr. Gaal. But in making reservations,

1 prepaid things for the stores, how far in advance did Procom
2 have to make those reservations and payments?

3 A Well, it -- the longest -- it depends on what tour
4 it was. So for 2020, the first payment and first bookings
5 came in in the fourth quarter of 2018. So one-and-a-half
6 years before the departure.

7 Q So, that's when things like hotels and other, you
8 know, prepaid or reservations were made?

9 A Yes, some of those. And, again, if it arrived.
10 For example, for last year in 2019, that was the 75th
11 Anniversary of D Day. I mean for those -- for June 6th, for
12 the 75th Anniversary, we booked three years ago. So it
13 happened in 2016.

14 Q Okay. Do you have records somewhere that shows
15 where all that money was paid? And as kind of a follow-up
16 to that, was any of that money that was prepaid, was it paid
17 to either of your European companies for their part, you
18 know, whatever they provided for the tour?

19 A Yes. Yes.

20 MR. MENCHISE: Okay. Thank you. Thank you.

21 MR. JENKINS: Doug, one more question,
22 please.

23 MR. MENCHISE: A quick follow-up question.

24 MR. JENKINS: Okay.

25 BY JENKINS:

1 Q Was any of that money paid -- or that was prepaid
2 that way, is any of that money still recoverable?

3 A Some of it, yes. Well, we provided to the Trustee
4 a list of claims, our claims, and the credit letters that we
5 got and so it's there.

6 MR. JENKINS: Okay. Thank you.

7 MR. MENCHISE: Okay. At this time,
8 Mr. Berman, my attorney, would like to make a
9 statement.

10 Go ahead, Steve.

11 (No response.)

12 MR. MENCHISE: Steve, are you there?

13 MR. BERMAN: Yes. Can you hear me now?

14 MR. MENCHISE: Yeah, we can hear you now.

15 Mr. Berman is going to make a statement.

16 MR. BERMAN: Yes, thanks, Doug.

17 This is Steve Berman. I represent the
18 Chapter 7 Trustee. I know a lot of people have
19 questions today and we don't necessarily have answers
20 today.

21 But in the spirit of trying to communicate
22 with people in an efficient and cost-effective manner,
23 my office will establish a website and we'll be able to
24 post relevant publicly-filed information so people can
25 keep up to speed with what's going on in the case.

1 If we, for instance, set a deposition or an
2 examination of someone who might be of interest to the
3 creditors, we'll let you all know.

4 The website I'm going to establish -- and if
5 people are interested, you can make a note of this.
6 It's not up and running, but I will create a website
7 and post items to this website. It will be
8 www.beyondbandofbrothersbankruptcy.com.

9 I know that's an unwieldy name, but we'll use
10 beyondbandofbrothersbankruptcy.com and I will post --
11 my office will post relevant information that might be
12 of interest to the creditors to help answer some of
13 your questions.

14 We're not necessarily able to take everyone's
15 individual calls, but I'll hopefully get you some
16 information as quickly as we can through that website.

17 Thanks, Doug.

18 MR. MENCHISE: Okay. Thank you, Steve.

19 Okay, I think that pretty much summarizes it
20 and I think, you know, all of the people's questions,
21 although maybe not individually answered, were answered
22 in response to other questions.

23 And so unless there's like a totally new
24 question, I'm going to go ahead and conclude the
25 meeting. And, as Mr. --

1 MR. MOUNTJOY: Doug, I have a totally new
2 question; okay?

3 MR. MENCHISE: And what's your name, sir?

4 MR. MOUNTJOY: This is Gary Mountjoy. I live
5 in Virginia.

6 MR. MENCHISE: Okay, what's your question?

7 **E X A M I N A T I O N**

8 BY MR. MOUNTJOY:

9 Q I wanted to ask Mr. Gaal: The privacy
10 information, including our Passport information that we put
11 into his IT system in signing up for the tours, does that
12 reside on the servers in the United States or is any of that
13 data over in the servers in Europe?

14 A Good question.

15 MR. MENCHISE: Mr. Gaal, can you answer that
16 question, please.

17 MS. SHERMAN: Doug, this is Lynn. I believe
18 he's having trouble hearing and speaking. He's out
19 again.

20 MR. MOUNTJOY: I guess, Doug, too, while
21 we're waiting for him: As the Trustee, are you going
22 to take possession of those servers to make sure that
23 that information doesn't fall into bad hands?

24 MR. MENCHISE: Yes.

25 MR. MOUNTJOY: Okay. Thank you. But, most

1 important, I want to know if anything is over in
2 Europe?

3 MR. MENCHISE: That, I can't answer.

4 MR. MOUNTJOY: Yeah, that's what we want him
5 to answer.

6 FEMALE SPEAKER: Doug, I didn't hear your
7 name at the very beginning as the Trustee. What is
8 your name again?

9 MR. MENCHISE: Douglas Menchise,
10 M-e-n-c-h-i-s-e, and it's on all of the paperwork in
11 the bankruptcy file and you'll see it.

12 FEMALE SPEAKER: Thank you very much.

13 MR. MENCHISE: Okay.

14 MR. GAAL: Hello. This is Peter Gaal and I'm
15 back again.

16 MR. MENCHISE: Okay. Thank you.

17 MR. GAAL: I'm back, so --

18 MR. MENCHISE: Would the gentleman like to
19 repeat the question or would you like me to ask him the
20 question?

21 MR. MOUNTJOY: Sure.

22 BY MR. MOUNTJOY:

23 Q Just in short, sir: The privacy information,
24 including the Passport numbers, our addresses, et cetera,
25 names, et cetera that we put into your IT systems in signing

1 up for the tours, does that reside --

2 A Yes.

3 Q -- on the servers that are physically in the
4 United States and does any of that data been transferred to
5 your servers over in Europe?

6 A No. So the server was in The Cloud. It was
7 in a U.S. Cloud server. And the data, the personal
8 data, was always handled according to the European
9 (indiscernible), which includes the EBRD system. And
10 the EBRD is a legal framework which is there to protect
11 personal data.

12 And according to that legal circumstance, we had
13 to erase all of those personal data, what you loaded up
14 there. So it was in The Cloud and now it's erased.

15 Q It's been erased --

16 A Yes.

17 Q -- per the EU --

18 A Pardon me?

19 Q I said: It's been erased per EU Regulations?

20 A Yes.

21 Q Okay. Very good.

22 A Yeah. I cannot reserve data like that. I
23 cannot store those kind of personal information about
24 people.

25 Q Very good. And that was never sold to anybody for

1 any income for the company, anything like that?

2 A No. No.

3 Q Okay.

4 A Never.

5 MR. MOUNTJOY: Okay. Thank you.

6 Doug, that's all I've got.

7 MR. MENCHISE: Okay. Thank you.

8 Okay, if there's one or two more questions,
9 we'll take them. If not, I'm going to go ahead
10 and conclude this meeting and you all can follow
11 the website that my attorney Mr. Berman is setting
12 up.

13 MR. GREGORY: Mr. Menchise, I have a
14 procedural question for you, if I may?

15 MR. MENCHISE: Okay. What is it?

16 MR. GREGORY: My wife and I, when we signed
17 up for the tour, she paid with one credit card, I paid
18 with another credit card. All of the communications
19 have been coming to just my name, James Gregory.

20 When I file a claim, do we file as separate,
21 or can we file a consolidated claim?

22 MR. MENCHISE: You can file a consolidated
23 claim, or you can file separate, whatever you prefer.
24 Just make sure you get something on the record.

25 MR. GREGORY: Okay. It's just all the

1 communication is coming in just my name, not hers.
2 So I just wanted to make sure she's part of the
3 equation.

4 MR. MENCHISE: Yeah. Well, did you file your
5 claim on behalf of her also? I mean, include the money
6 that she spent?

7 MR. GREGORY: Well, we've not filed a claim
8 yet.

9 MR. MENCHISE: Okay.

10 MR. GREGORY: We just received the
11 communication.

12 MR. MENCHISE: Okay. Well, you can do it
13 either way you want. Just make sure that you get all
14 of the money that you're owed in a claim, either one
15 claim or two claims.

16 MR. GREGORY: Okay. Thank you very much.

17 FEMALE SPEAKER: Excuse me. Could you repeat
18 that website that you're setting up?

19 MR. MENCHISE: Okay. Mr. Berman said he's
20 setting up the website:

21 www.beyondbandofbrothersbankruptcy.com.

22 FEMALE SPEAKER: Okay. Thank you.

23 MR. MENCHISE: Okay. Since there are no
24 further questions, this meeting is now concluded.

25 Thank you very much, everybody, and thank

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you, Mr. Gaal.

FEMALE SPEAKER: Thank you.

ANOTHER FEMALE SPEAKER: Thank you, Mr. Gaal.

ANOTHER FEMALE SPEAKER: Thank you,
everybody.

MR. SKINNER: Thanks, Doug.

(Whereupon, the meeting was concluded.)

CERTIFICATE OF TYPIST

I, Kimberley S. Johnson, Certified Verbatim Reporter Master, do hereby certify that the foregoing proceeding was recorded by an electronic sound system administered by the U.S. Trustee's Office and Douglas Menchise, Chapter 7 Trustee, and thereafter reduced to typewriting by me or under my direction; that the transcript is a true and accurate record of said proceeding. Since some speakers did not identify themselves prior to speaking on the tape, I further certify that I identified the speakers to the best of my ability.

SIGNED this 13th day of May, 2021.



Kimberley S. Johnson, CVR-M
Certified Verbatim Reporter Master

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re:

Case No. 8:20-bk-03522-MGW

PROCOM AMERICA, LLC d/b/a
Beyond Band of Brothers d/b/a
BBOB,

Chapter 7

Debtor.

**CHAPTER 7 TRUSTEE, DOUGLAS N. MENCHISE'S, OMNIBUS NOTICE
OF TAKING RULE 2004 EXAMINATIONS *DUCES TECUM***

PLEASE TAKE NOTICE that DOUGLAS N. MENCHISE (the "Trustee"), as Chapter 7 Trustee of the bankruptcy estate of PROCOM AMERICA, LLC (the "Debtor"), by counsel, will examine the following person(s), under oath, on the date(s) and at the time(s) and location(s) set forth below pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure:

DEPONENT	DATE/TIME	PLACE
Mr. Peter Gaal, individually c/o Lynn W. Sherman, Esq. Trenam Kemker Scharf Barkin Frye O'Neill & Mullis, P.A. 200 Central Avenue, Suite 1600 St. Petersburg, FL 33701	May 28, 2021 at 9:30 a.m. EST	Via Zoom videoconference
Fed. R. Civ. P. 30(b)(6) corporate representative(s) of Procom America, LLC who is designated to provide binding testimony on its behalf with respect to the subject matters set forth on Schedule A(II) attached hereto. c/o Lynn W. Sherman, Esq.	May 28, 2021 at 9:30 a.m. EST	Via Zoom videoconference

DEPONENT	DATE/TIME	PLACE
Fed. R. Civ. P. 30(b)(6) corporate representative(s) of Procom Investments KFT who is designated to provide binding testimony on its behalf with respect to the subject matters set forth on Schedule A(II) attached hereto. c/o Lynn W. Sherman, Esq.	May 28, 2021 at 9:30 a.m. EST	Via Zoom videoconference
Fed. R. Civ. P. 30(b)(6) corporate representative(s) of Procom Consulting KFT who is designated to provide binding testimony on its behalf with respect to the subject matters set forth on Schedule A(II) attached hereto. c/o Lynn W. Sherman, Esq.	May 28, 2021 at 9:30 a.m. EST	Via Zoom videoconference
Fed. R. Civ. P. 30(b)(6) corporate representative(s) of Procom Consulting Utazasi IRODA KFT who is designated to provide binding testimony on its behalf with respect to the subject matters set forth on Schedule A(II) attached hereto. c/o Lynn W. Sherman, Esq.	May 28, 2021 at 9:30 a.m. EST	Via Zoom videoconference
Fed. R. Civ. P. 30(b)(6) corporate representative(s) of Procom Tours, LLC who is designated to provide binding testimony on its behalf with respect to the subject matters set forth on Schedule A(II) attached hereto. c/o Lynn W. Sherman, Esq.	May 28, 2021 at 9:30 a.m. EST	Via Zoom videoconference

The Rule 2004 Examination may continue from day to day until completed. If the Examinee receives this Notice less than seven (7) days prior to the scheduled Rule 2004

Examination date (or less than ten (10) days if the Rule 2004 Examination is taking place outside the State of Florida), the Trustee's Rule 2004 Examination will be rescheduled to a mutually agreeable time upon timely request.

The Rule 2004 Examination is being taken pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure. The Rule 2004 Examination will be taken before an officer authorized to record the testimony. The scope of the Rule 2004 Examination shall be as described in Rule 2004 of the Federal Rules of Bankruptcy Procedure. It is the Examinee's responsibility to provide and pay for a translator, if one is needed at the Rule 2004 Examination.

Dated: April 29, 2021

Respectfully submitted,

FOX ROTHSCHILD LLP

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BY: /s/ Steven M. Berman
Steven M. Berman, Esq.
Florida Bar No.: 856290
E-Mail: sberman@shumaker.com

Filer's Attestation: Pursuant to Local Rule 1001-2(e)(3) regarding signatures, Robert F. Elgidely, Esq. attests that concurrence in the filing of this paper has been obtained.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on April 29, 2021, I electronically filed the foregoing *Chapter 7 Trustee, Douglas N. Menchise's, Omnibus Notice Of Taking Rule 2004 Examinations Duces Tecum* with the Clerk of the Court using the CM/ECF System. The electronic case filing system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this notice as service of this document by electronic means including Lynn W. Sherman, Esq., Trenam Kemker Scharf Barkin Frye O'Neill & Mullis, P.A., 200 Central Avenue, Suite 1600, St. Petersburg, FL 33701.

By: /s/ Robert F. Elgidely
Robert F. Elgidely, Esq.

SCHEDULE A

I. DEFINITIONS AND INSTRUCTIONS

Unless otherwise specified, the following definitions apply to this Notice of Taking Rule 2004 Examination *Duces Tecum* and are deemed to be incorporated into each subject listed below:

1. The term “**Communication(s)**” means any written or oral statement, dialogue, colloquialism, discussion, conversation or agreement of any kind or character, including, by way of example and without limitation, any act or instance whereby messages, facts, data or any other information is transmitted orally, visually, in writing, electronically or by any other means or media from natural person or firm to another (e.g., personal conversations, telephone conversations, letters, e-mails, meetings, memoranda, telegraphic and telex communications or transmittals of documents), any manner or form of information, memorandum or notes or message transmission, however produced or reproduced, whether by “document” as herein defined or orally or otherwise, which was distributed or circulated between or among persons, or data storage or processing units and any and all documents containing, consisting of, or relating or referring, in any way, either directly or indirectly to, a communication.

2. The terms “**concern**” or “**concerning**” means relating to, referring to, connected with, commenting on, responding to, supporting, mentioning, containing, evidencing, showing, memorializing, describing, analyzing, reflecting, comprising or constituting.

3. The term “**Debtor**” means Procom America, LLC.

4. The phrase “**Debtor Representative(s)**” means:

- (i) Peter Gaal;
- (ii) Nikoletta “Nikki” Montgomery;
- (iii) Debra Watkins; and
- (iv) any of the Debtor’s officer(s), director(s), manager(s), employee(s), agent(s), or other person(s) acting or authorized to act on its behalf (past or present).

5. The term “**Document(s)**” shall have a synonymous meaning equal in scope to the usage of the term in Rule 34(a) of the Federal Rules of Civil Procedure and shall include, but shall not be limited to, the original and all drafts of all written and graphic matter, however produced or reproduced, of any kind or description, whether or not approved, signed, sent, received, re-drafted or executed, and all copies thereof which are different in any way from the original (whether by interlineation, date-stamp, notation, indication of copies sent or received, or otherwise), including, without limitation, any E-mails, paper, letter, correspondence, memoranda (including interoffice and intraoffice memoranda), notes, memoranda for files, memoranda of telephone or other conversation, announcement, bulletin, press release, newspaper or magazine article, pamphlet, circulars, advertising material, studies, analysis, statistics, surveys, drawing, sketch, schematic, chart, graph, investigation, study, working paper, summary, report, opinion, table, schedule,

extract, blueprint, portfolio, ledger, worksheet, prospectus, financial projection, financial statement, financial schedule, book, note, notation, message slip, telegram, telex and telecopier message, agreement, contract, object, record, transcript, hearing, meeting, diary, or other communication, chronological data, minutes, agendas, transcriptions, record, report, invoice, receipt, return, computer printout or other computer derived data, schedule, affidavit, cancelled check, check stub, delivery ticket, bill of lading, graph or aural records or representations of any kind, including without limitation, photographic matter, microfiche, microfilm, video-tape, motion picture and electronic, all mechanical or electronic sound recordings or transcripts thereof (including without limitation tapes, cassettes, discs and recordings) in your possession, custody, and/or control, or your agents, representatives or attorneys, unless privileged, or of which you have knowledge.

6. The phrase “**Electronic Data**” or the term “**Data**” means the original (or identical duplicate when the original is not available) and any non-identical copies (whether non-identical because of notes made on copies or attached comments, annotations, marks, transmission notations, or highlighting of any kind) of writings of every kind and description whether inscribed by mechanical, facsimile, electronic, magnetic, digital, or other means. Electronic Data includes, by way of example only, computer programs (whether private, commercial, or work-in-progress), programming notes or instructions, activity listings of electronic mail receipts and/or transmittals, output resulting from the use of any software program, including word processing documents, spreadsheets, Database files, charts, graphs and outlines, electronic mail, operating systems, source code of all types, peripheral drivers, TIF files, batch files, ASCII files, .pdf (portable document format) files, and any and all miscellaneous files and/or file fragments, regardless of the media on which they reside and regardless of whether said electronic data consists in an active file, deleted file or file fragment. Electronic Data includes any and all items stored on computer memories, hard disks, floppy disks, CD-ROMs, removable media such as Zip disks, Jaz cartridges, Bernoulli Boxes and their equivalent, magnetic tapes of all types, microfiche, punched cards, punched tape, computer chips, including, but not limited to EPROM, PROM, RAM and ROM, on or in any other vehicle for digital data storage and/or transmittal. The term Electronic Data also includes the file, folder tabs and/or containers and labels appended to, or associated with, any physical storage device associated with each original and/or copy.

7. The acronym “**ESI**” means data including writings, drawings, emails, graphs, charts, photographs, sound recordings, images, and other data or data compilations – stored in any medium from which information can be obtained either directly or, if necessary, after translation into a reasonably usable form.

8. The term “**Person**” includes natural persons, proprietorships, partnerships, firms, corporations, institutions, bodies, joint ventures, estates, trusts, receivers, public corporations, other forms of legal entity, municipal corporations, federal, state and local governments, all departments and agencies thereof, and any other governmental agencies, political subdivisions, groups, associations or organizations, and any other group or combination acting as an entity.

9. The phrase “**Petition Date**” means May 1, 2020.

10. The phrase “**Procom Entities**” means (i) Procom America, LLC; (ii) Procom Investments KFT; (iii) Procom Consulting KFT; (iv) Procom Consulting Utazasi IRODA KFT; and (v) Procom Tours, LLC, as well as any of its/their predecessors, successors, parents, subsidiaries (direct or indirect), affiliates, divisions, groups and other operational or functional units thereof.

11. The phrase “**Procom Entity Representative(s)**” means:

- (i) Peter Gaal;
- (ii) Nikoletta “Nikki” Montgomery;
- (iii) Debra Watkins; and
- (iv) any of the Procom Entities’ officer(s), director(s), manager(s), employee(s), agent(s), or other person(s) acting or authorized to act on its/their behalf (past or present).

12. The phrase “**Related to**” means directly or indirectly, concerning, referring to, reflecting, describing, evidencing, constituting, pertaining to, arising out of or in connection with, or in any way legally, logically or factually connected with the matter discussed.

13. Unless otherwise stated, the “**Relevant Period**” for each of the below topics and document requests is May 1, 2016 through and including May 1, 2020.

II. DEPOSITION TOPICS

IMPORTANT-(REFER TO ABOVE DEFINITIONS FOR MEANING OF TERMS).

Each of the Procom Entities shall designate and produce for deposition one or more of their officers, directors, managing agents, or other persons who are knowledgeable about and consent to testify on their behalf concerning the following subject matters:

1. The Debtor’s acts, conduct, property, assets, liabilities and financial condition.
2. The Debtor’s payments to creditors in the ninety day period preceding the Petition Date including, but not limited to, those identified on the attachment to the voluntary petition filed in the above-captioned bankruptcy case at Doc. 70, CM/ECF pp. 311-321.
3. The Debtor’s payments or transfers to any of the Debtor Representative(s) in the four year period preceding the Petition Date including, but not limited to, those identified on the attachment to the voluntary petition filed in the above-captioned bankruptcy case at Doc. 70, CM/ECF pp. 322-324.
4. The Debtor’s payments or transfers to any of the Procom Entities in the four year period preceding the Petition Date.
5. The Debtor’s payments or transfers to any of the Procom Entity Representative(s) in the four year period preceding the Petition Date.

6. The relationship, communications, and transactions between the Debtor or the Debtor Representative(s) and each of the Procom Entities or the Procom Entity Representative(s).
7. The relationship, communications, and transactions by and between the Debtor Entity Representative(s).
8. The relationship, communications, and transactions by and between the Procom Entity Representative(s).
9. The relationship, communications, and transactions between the Debtor or the Debtor Representative(s) and Dennis Ross, individually, and doing business as World War II Tours of Europe and Custom Euro Tours, and Cheryl Ross, individually and doing business as MRG Design.
10. The relationship, communications, and transactions between the Debtor or the Debtor Representative(s) and TravelX.
11. The relationship, communications, and transactions between the Debtor or the Debtor Representative(s) and Berkshire Hathaway Insurance Company.
12. The relationship, communications, and transactions between the Debtor or the Debtor Representative(s) and Viking Bond Service, Inc. (CA), Viking Bond Service, Inc. (FL), Viking Bond Service, Inc. (HI), Viking Bond Service, Inc. (IA), and Viking Bond Service, Inc. (WA).
13. The relationship, communications, and transactions between the Debtor or the Debtor Representative(s) and Forever Young, Inc.

III. DOCUMENTS REQUESTED

IMPORTANT-(REFER TO ABOVE DEFINITIONS FOR MEANING OF TERMS).

1. Any and all Communications, Documents, Electronic Data, and ESI concerning, referring to, relating to, and/or evidencing any assignment, transfer, or sale of any property (cash, real property, personal property, tangible property, intangible property, etc.) by the Debtor (directly or indirectly) to any of the Debtor Representative(s) in the Relevant Period.
2. Any and all Communications, Documents, Electronic Data, and ESI concerning, referring to, relating to, and/or evidencing any assignment, transfer, or sale of any property (cash, real property, personal property, tangible property, intangible property, etc.) by the Debtor (directly or indirectly) to any of the Procom Entities in the Relevant Period.
3. Any and all Communications, Documents, Electronic Data, and ESI concerning, referring to, relating to, and/or evidencing any assignment, transfer, or sale of any property (cash, real property, personal property, tangible property, intangible property, etc.) by the Debtor

(directly or indirectly) to any of the Procom Entity Representative(s) in the Relevant Period.

4. Any and all Communications, Documents, Electronic Data, and/or ESI by and between any of the Debtor Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing the Debtor during the Relevant Period.
5. Any and all Communications, Documents, Electronic Data, and/or ESI by and between any of the Debtor Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities during the Relevant Period.
6. Any and all Communications, Documents, Electronic Data, and/or ESI by and between any of the Procom Entity Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing the Debtor during the Relevant Period.
7. Any and all Communications, Documents, Electronic Data, and/or ESI by and between any of the Procom Entity Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities during the Relevant Period.
8. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing Peter Gaal during the Relevant Period.
9. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing Nikoletta “Nikki” Montgomery during the Relevant Period.
10. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing Debra Watkins during the Relevant Period.
11. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing Peter Gaal during the Relevant Period.
12. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing Nikoletta “Nikki” Montgomery during the Relevant Period.
13. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing Debra Watkins during the Relevant Period.
14. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) and Renaissance Consulting & Development

- LLC or Kevin Riggs concerning, referring to, relating to, reflecting, and/or evidencing the Debtor in the Relevant Period.
15. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) and Renaissance Consulting & Development LLC or Kevin Riggs concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities in the Relevant Period.
 16. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) and Renaissance Consulting & Development LLC or Kevin Riggs concerning, referring to, relating to, reflecting, and/or evidencing the Debtor in the Relevant Period.
 17. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) and Renaissance Consulting & Development LLC or Kevin Riggs concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities in the Relevant Period.
 18. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) and Forever Young, Inc. (or any of its owners, officers, directors, managers, employees, independent contractors, agents, or other individual(s) acting or purporting to act on its behalf) concerning, referring to, relating to, reflecting, and/or evidencing the Debtor in the Relevant Period.
 19. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) and Forever Young, Inc. (or any of its owners, officers, directors, managers, employees, independent contractors, agents, or other individual(s) acting or purporting to act on its behalf) concerning, referring to, relating to, reflecting, and/or evidencing the Debtor in the Relevant Period.
 20. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) and Forever Young, Inc. (or any of its owners, officers, directors, managers, employees, independent contractors, agents, or other individual(s) acting or purporting to act on its behalf) concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities in the Relevant Period.
 21. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) and Forever Young, Inc. (or any of its owners, officers, directors, managers, employees, independent contractors, agents, or other individual(s) acting or purporting to act on its behalf) concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities in the Relevant Period.
 22. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) and TravelX concerning, referring to, relating to, reflecting, and/or evidencing the Debtor in the Relevant Period.

23. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) and TravelX concerning, referring to, relating to, reflecting, and/or evidencing the Debtor in the Relevant Period.
24. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) and TravelX concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities in the Relevant Period.
25. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) and TravelX concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities in the Relevant Period.
26. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) and Berkshire Hathaway Insurance Company concerning, referring to, relating to, reflecting, and/or evidencing the Debtor in the Relevant Period.
27. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) and Berkshire Hathaway Insurance Company concerning, referring to, relating to, reflecting, and/or evidencing the Debtor in the Relevant Period.
28. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) and Berkshire Hathaway Insurance Company concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities in the Relevant Period.
29. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) and Berkshire Hathaway Insurance Company concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities in the Relevant Period.
30. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) and Viking Bond Service, Inc. (CA), Viking Bond Service, Inc. (FL), Viking Bond Service, Inc. (HI), Viking Bond Service, Inc. (IA), and Viking Bond Service, Inc. (WA) concerning, referring to, relating to, reflecting, and/or evidencing the Debtor in the Relevant Period.
31. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) and Viking Bond Service, Inc. (CA), Viking Bond Service, Inc. (FL), Viking Bond Service, Inc. (HI), Viking Bond Service, Inc. (IA), and Viking Bond Service, Inc. (WA) concerning, referring to, relating to, reflecting, and/or evidencing the Debtor in the Relevant Period.

32. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) and Viking Bond Service, Inc. (CA), Viking Bond Service, Inc. (FL), Viking Bond Service, Inc. (HI), Viking Bond Service, Inc. (IA), and Viking Bond Service, Inc. (WA) concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities in the Relevant Period.
33. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) and Viking Bond Service, Inc. (CA), Viking Bond Service, Inc. (FL), Viking Bond Service, Inc. (HI), Viking Bond Service, Inc. (IA), and Viking Bond Service, Inc. (WA) concerning, referring to, relating to, reflecting, and/or evidencing the Procom Entities in the Relevant Period.
34. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing that certain Asset Purchase Agreement by and between the Debtor and Dennis Ross, individually, and doing business as World War II Tours of Europe and Custom Euro Tours and Cheryl Ross, individually and doing business as MRG Design.
35. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing that certain Asset Purchase Agreement by and between the Debtor and Dennis Ross, individually, and doing business as World War II Tours of Europe and Custom Euro Tours and Cheryl Ross, individually and doing business as MRG Design.
36. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Debtor or any of the Debtor Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing the Procom America 401(k) Plan.
37. Any and all Communications, Documents, Electronic Data, and/or ESI by and between the Procom Entities or any of the Procom Entity Representative(s) concerning, referring to, relating to, reflecting, and/or evidencing the Procom America 401(k) Plan.
38. All documents reviewed by the witness in preparation for the 2004 examination.

B2560 (Form 2560 – Subpoena to Testify at a Deposition in a Bankruptcy Case or Adversary Proceeding) (12/15)

UNITED STATES BANKRUPTCY COURT

MIDDLE

District of

FLORIDA

In re PROCOM AMERICA, LLC,

Debtor

(Complete if issued in an adversary proceeding)

Case No. 8:20-bk-3522-MGW

Chapter 7

Plaintiff

v.

Adv. Proc. No.

Defendant

SUBPOENA TO TESTIFY AT A DEPOSITION
IN A BANKRUPTCY CASE (OR ADVERSARY PROCEEDING)

To: Mr. Peter Gaal, c/o Lynn W. Sherman, Esq., Trenam Kemker, 200 Central Ave., #1600, St. Petersburg, FL 33701

(Name of person to whom the subpoena is directed)

Testimony: YOU ARE COMMANDED to appear at the time, date, and place set forth below to testify at a deposition to be taken in this bankruptcy case (or adversary proceeding). If you are an organization, you must designate one or more officers, directors, or managing agents, or designate other persons who consent to testify on your behalf about the following matters, or those set forth in an attachment:

PLACE	DATE AND TIME
Via Zoom Videoconference	05/28/21 9:30 am

The deposition will be recorded by this method:

Court Reporter Transcription

Production: You, or your representatives, must also bring with you to the deposition the following documents, electronically stored information, or objects, and must permit inspection, copying, testing, or sampling of the material: See Schedule A(III) attached hereto.

The following provisions of Fed. R. Civ. P. 45, made applicable in bankruptcy cases by Fed. R. Bankr. P. 9016, are attached – Rule 45(c), relating to the place of compliance; Rule 45(d), relating to your protection as a person subject to a subpoena; and Rule 45(e) and 45(g), relating to your duty to respond to this subpoena and the potential consequences of not doing so.

Date: 4/29/2021

CLERK OF COURT

OR

Signature of Clerk or Deputy Clerk

Attorney's signature
Fla. Bar No. 111856

The name, address, email address, and telephone number of the attorney representing (name of party)

Douglas N. Menchise, Trustee, who issues or requests this subpoena, are:

Robert Elgidely, Fox Rothschild LLP, 2 South Biscayne Boulevard, Suite 2750, Miami, FL 33131, (305) 442-6543

Notice to the person who issues or requests this subpoena

If this subpoena commands the production of documents, electronically stored information, or tangible things, or the inspection of premises before trial, a notice and a copy of this subpoena must be served on each party before it is served on the person to whom it is directed. Fed. R. Civ. P. 45(a)(4).

COMPOSITE EXHIBIT 3

Federal Rule of Civil Procedure 45(c), (d), (e), and (g) (Effective 12/1/13)
(made applicable in bankruptcy cases by Rule 9016, Federal Rules of Bankruptcy Procedure)

(c) Place of compliance.

(1) For a Trial, Hearing, or Deposition. A subpoena may command a person to attend a trial, hearing, or deposition only as follows:

- (A) within 100 miles of where the person resides, is employed, or regularly transacts business in person; or
- (B) within the state where the person resides, is employed, or regularly transacts business in person, if the person
 - (i) is a party or a party's officer; or
 - (ii) is commanded to attend a trial and would not incur substantial expense.

(2) For Other Discovery. A subpoena may command:

- (A) production of documents, or electronically stored information, or things at a place within 100 miles of where the person resides, is employed, or regularly transacts business in person; and
- (B) inspection of premises, at the premises to be inspected.

(d) Protecting a Person Subject to a Subpoena; Enforcement.

(1) Avoiding Undue Burden or Expense; Sanctions. A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena. The court for the district where compliance is required must enforce this duty and impose an appropriate sanction — which may include lost earnings and reasonable attorney's fees — on a party or attorney who fails to comply.

(2) Command to Produce Materials or Permit Inspection.

(A) Appearance Not Required. A person commanded to produce documents, electronically stored information, or tangible things, or to permit the inspection of premises, need not appear in person at the place of production or inspection unless also commanded to appear for a deposition, hearing, or trial.

(B) Objections. A person commanded to produce documents or tangible things or to permit inspection may serve on the party or attorney designated in the subpoena a written objection to inspecting, copying, testing or sampling any or all of the materials or to inspecting the premises — or to producing electronically stored information in the form or forms requested. The objection must be served before the earlier of the time specified for compliance or 14 days after the subpoena is served. If an objection is made, the following rules apply:

- (i) At any time, on notice to the commanded person, the serving party may move the court for the district where compliance is required for an order compelling production or inspection.
- (ii) These acts may be required only as directed in the order, and the order must protect a person who is neither a party nor a party's officer from significant expense resulting from compliance.

(3) Quashing or Modifying a Subpoena.

(A) When Required. On timely motion, the court for the district where compliance is required must quash or modify a subpoena that:

- (i) fails to allow a reasonable time to comply;
- (ii) requires a person to comply beyond the geographical limits specified in Rule 45(c);
- (iii) requires disclosure of privileged or other protected matter, if no exception or waiver applies; or
- (iv) subjects a person to undue burden.

(B) When Permitted. To protect a person subject to or affected by a subpoena, the court for the district where compliance is required may, on motion, quash or modify the subpoena if it requires:

- (i) disclosing a trade secret or other confidential research, development, or commercial information; or

(ii) disclosing an unretained expert's opinion or information that does not describe specific occurrences in dispute and results from the expert's study that was not requested by a party.

(C) Specifying Conditions as an Alternative. In the circumstances described in Rule 45(d)(3)(B), the court may, instead of quashing or modifying a subpoena, order appearance or production under specified conditions if the serving party:

- (i) shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship; and
- (ii) ensures that the subpoenaed person will be reasonably compensated.

(e) Duties in Responding to a Subpoena.

(1) Producing Documents or Electronically Stored Information. These procedures apply to producing documents or electronically stored information:

(A) Documents. A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business or must organize and label them to correspond to the categories in the demand.

(B) Form for Producing Electronically Stored Information Not Specified. If a subpoena does not specify a form for producing electronically stored information, the person responding must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(C) Electronically Stored Information Produced in Only One Form. The person responding need not produce the same electronically stored information in more than one form.

(D) Inaccessible Electronically Stored Information. The person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the person responding must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) Claiming Privilege or Protection.

(A) Information Withheld. A person withholding subpoenaed information under a claim that it is privileged or subject to protection as trial-preparation material must:

- (i) expressly make the claim; and
- (ii) describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim.

(B) Information Produced. If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if the party disclosed it before being notified; and may promptly present the information under seal to the court for the district where compliance is required for a determination of the claim. The person who produced the information must preserve the information until the claim is resolved.

...

(g) Contempt. The court for the district where compliance is required — and also, after a motion is transferred, the issuing court — may hold in contempt a person who, having been served, fails without adequate excuse to obey the subpoena or an order related to it.

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re:

PROCOM AMERICA, LLC d/b/a
Beyond Band of Brothers
d/b/a BBOB,

Debtor.

CASE NO:
8:20-bk-03522-MGW

CERTIFICATE OF NONAPPEARANCE

I, Elsa Hernandez, Court Reporter, under penalty of perjury, declare that I was present via Zoom on May 28, 2021 for the purpose of reporting the Rule 2004 Examination of PETER GAAL, individually and Federal Rule of Civil Procedure 30(b)(6) examination of corporate representative of Procom America, LLC, Procom Investments KFT, Procom Consulting KFT, Procom Consulting Utazasi IRODA KFT, Procom Tours, LLC, scheduled to begin at 9:30 a.m., and at the hour of 10:30 a.m., that the witness did not appear.

DATED This May 28, 2021.

Elsa Hernandez

Elsa Hernandez, Court Reporter

