

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF KENTUCKY
PADUCAH DIVISION**

DAVID GRIFFIN,

Plaintiff,

v.

**CHARLES A. JONES; SARAH C. JONES;
CA JONES MANAGEMENT
GROUP, LLC; INTEGRATED
COMPUTER SOLUTIONS, INC.;
BLACKROCK INVESTMENTS, LLC;
SE BOOK COMPANY, LLC; and
COLLEGE BOOK RENTAL COMPANY,
LLC,**

Defendants.

**Case No. 5:12-cv-00033
JUDGE RUSSELL**

JURY DEMAND

AFFIDAVIT OF SANFORD WEXLER

STATE OF MICHIGAN

COUNTY OF OAKLAND

Sanford Wexler, having been duly sworn, states as follows:

1. My name is Sanford Wexler.
2. I am over the age of eighteen and am otherwise qualified to offer the following testimony, which is based upon my own personal knowledge.
3. I am employed as a Director for BBK, Ltd. In my capacity as Director, I am familiar and knowledgeable of BBK's work as described below all matters to which I am testifying to herein.

4. I hold a bachelor's degree in Business Administration and am a Certified Insolvency and Restructuring Advisor. I have specialized in and provided advice in the fields of bankruptcy, insolvency, court appointed receiverships and other business restructuring matters working with a variety of creditors, creditor committees, debtors, and trustees for eighteen years. In that capacity, I have regularly reviewed the corporate and financial records of various companies and business entities.

5. BBK was engaged to perform a review and inspection of corporate records for Integrated Computer Solutions, Inc., Blackrock Investments, LLC, College Book Rental Company, LLC and SE Book Company, LLC ("the Companies"). The request for inspection of records identified several categories of corporate records, all of which relate to and arise from the normal conduct of business for the type of entities identified.

6. On or about January 30, 2012, I travelled to Murray, Kentucky to conduct the inspection of records at the business offices for the Companies.

7. As part of the inspection of records, I met with company officials and requested to inspect all of the various business records identified in David Griffin's January 20, 2012 notice of intent to inspect corporate records.

8. The documents attached hereto and further identified on the index attached hereto were provided by company officials and/or found among the corporate records maintained at the offices of the Companies.

9. Based upon my professional experience and knowledge, the attached documents appear to have been created pursuant to the normal business activities of the Companies by relevant managers, members, and/or executives for the Companies. Further these documents

appear to have been kept and maintained as part of the normal business activities and the regular corporate records for the Companies.

10. I have conducted an analysis of the financial statements and tax returns for the Companies, all of which were contained in the corporate records as provided by the Companies.

11. Based upon a review of the financial statements provided by the company, in 2009, SEB paid C.A. Jones Management, LLC over \$2.3 million in "management fees" while that company reported only \$820,929 in net income and had only \$1,133,117 in earnings before interest, and taxes ("EBIT"). The management fee equated to 68% of EBIT before that management fee was deducted.

12. Based upon a review of the financial statements provided by the company, in 2010, SEB's net income was approximately \$971,565 and EBIT increased slightly to \$1,442,275, yet SEB paid C.A. Jones Management, LLC almost \$ 4.3 million in "management fees" to Management. The management fee equated to 75% of EBIT before that management fee was deducted.

13. Based upon a review of the financial statements provided by the company, ICS paid \$575,427 to C.A. Jones Management, LLC in "management fees" in 2009 despite the fact that the company earned only \$188,710 in net income and had EBIT of approximately \$439,147. The management fee equated to 57% of EBIT before that management fee was deducted.

14. Based upon a review of the financial statements provided by the company, in 2010 ICS paid \$660,615 to C.A. Jones Management, LLC in "management fees", even though ICS's net income was \$235,896 and its EBIT also decreased to approximately \$401,776. The management fee equated to 62% of EBIT before that management fee was deducted.

15. Based upon a review of the financial statements provided by the company, in 2009, CBR paid \$251,067 to C.A. Jones Management, LLC. in "management fees" during the nine months following CBR's formation, while that company earned \$823,484 in net income and had EBIT of \$823,484. The management fee equated to 23 % of EBIT before that management fee was deducted.

16. Based upon a review of the financial statements provided by the company, by the end of 2010, CBR was operating at a net loss of approximately \$1.8 million and EBIT of negative \$1.68 million, yet during that same year, CBR paid C.A. Jones Management, LLC almost \$2.3 million in "management fees" out of CBR funds.

17. Based upon a review of the financial statements provided by the company, in 2011, ICS paid C.A. Jones Management, LLC over \$817,433 in "management fees" while that company reported only \$211,557 in net income and had only \$291,895 in EBIT. The management fee equated to 73% of EBIT before that management fee was deducted.

18. Based upon a review of the financial statements provided by the company, in 2011, BRI's net income was approximately \$68,296 and EBIT was \$143,951, and BRI paid C.A. Jones Management, LLC no management fees.

19. Based upon a review of the financial statements provided by the company, SEB paid \$3,743,374 to C.A. Jones Management, LLC in management fees in 2011 while the company earned \$ 757,833 in net income and had EBIT of approximately \$1,245,546. The management fee equated to 75% of EBIT before that management fee was deducted.

20. Based upon a review of the financial statements provided by the company, in 2011, CBR paid \$5,735,309 to C.A. Jones Management, LLC in "management fees", even

though CBR recorded a net loss of \$6,525,019 and its EBIT also decreased to a net loss of \$6,112,209.

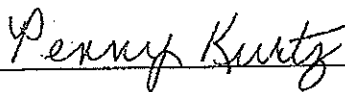
FURTHER THE AFFIANT SAITH NOT.



SANFORD WEXLER

Sworn to and subscribed before me on

this the 29th day of February, 2012.



Notary Public

My Commission Expires: _____

PENNY KURTZ, NOTARY PUBLIC IN
MACOMB COUNTY, MI
ACTING IN OAKLAND COUNTY, MI
COMMISSION EXPIRES 11/25/2012