

**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 DAVID GRIFFIN

STATE OF ARKANSAS

COUNTY OF PHILLIPS

David Griffin, having been duly sworn, states as follows:

1. My name is David Griffin.
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 reside in Nashville, Tennessee.
4. In 2008, Charles Jones approached me about investing in various Murray-based companies.

5. Based on representations by Charles Jones, I invested in two companies and I purchased 50% ownership in Integrated Computer Solutions, Inc. ("ICS") for \$2 million in 2008.

6. Soon thereafter, I purchased ownership in Blackrock Investments, LLC ("BRI").

7. In furtherance of my investment in Blackrock Investments, Jones proposed to purchase a textbook company that became SE Book Company, LLC ("SEB"). As a member of BRI, I agreed to extend to SEB a \$5 million line of credit to get the textbook company going.

8. I extended that credit based on representations by Charles Jones about the financial viability of SE Book Company and that he would only earn \$250,000 per year for his work with the companies in which I had invested.

9. Between June 2008 and February 2009, I loaned approximately \$1 million to SEB based on representations made by Charles Jones about SE Book's increased projected revenues and profits, the need for funds to make SEB more valuable, and on the understanding that Jones's loyalty was devoted to SE Book and not other companies in which he held an interest.

10. In December 2009, Jones proposed a resolution for Blackrock Investments that would hire C.A. Jones Management, LLC to provide management services, backdated to be effective July 1, 2008. Charles Jones told me that C.A. Jones Management would simply provide payroll services, but did not disclose the terms of the contract between Blackrock and C.A. Jones Management or the allocation of the fees paid to that company.

11. I never held any ownership interest in C.A. Jones Management and was not privy to any information about its operations or finances.

12. In 2009, I agreed to invest in another textbook company, College Book Rental Company, LLC ("CBR").

13. Over the course of 2008, 2009, and 2010, Jones continued to tell me that he only made \$250,000 per year for his work with the various companies in which we held ownership interests.

14. Charles Jones never disclosed to me that ICS, BRI, SEB and CBR, (the "Companies") were actually being controlled and operated by C.A. Jones Management, who in turn paid itself significant sums in "management fees."

15. When faced with what he described as operational shortfalls within SEB and CBR, Jones routinely asked me to invest more money to cover those expenses while making assurances that revenues were increasing and my additional investments would make my initial investments in these companies more valuable.

16. I was never informed by Charles Jones, Sarah Jones, or any other C.A. Jones Management employee about the substantial charitable donations being made by SEB or CBR during this period.

17. I was never informed by Charles Jones, Sarah Jones, or any other C.A. Jones Management employee about the substantial payments being made by the Companies to other Charles Jones-related entities for "services" during this period.

18. In 2010, having already invested over \$20 million in the Companies, I had concerns about the financial viability of the Companies and supported the engagement of Commonwealth Economics to review the activities of the Companies.

19. Charles Jones represented that he would follow the recommendations of Commonwealth Economics.

20. Based upon these representations, I invested another approximately \$10 million in the Companies in the first six months of 2011.

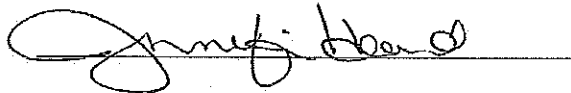
21. I also personally guaranteed bank loans for SEB and for CBR in 2010 and 2011.

22. Charles Jones advised me that he had leased a King Air Turbo Prop for 90 hours to be used for business purposes of SEB and CBR. It came to my attention that the plane was being used to transport his family and friends for personal recreational purposes. I, also, became aware that he had extended the lease beyond the original 90 hours. It was my understanding that the rental rate was \$900.00 per hour with a minimum of 90 hours.

FURTHER THE AFFIANT SAITH NOT.


DAVID GRIFFIN

Sworn to and subscribed before me on
this the 28th day of February, 2012.


Notary Public

My Commission Expires: 03/18/19

