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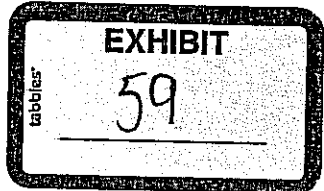
TRANSCRIPTION OF CD  
341 CREDITORS' MEETING  
HELD MAY 24, 2006

BANKRUPTCY CASE NO. 06-31917-H4-7; JIMMY SISSOM,  
DEBTOR; IN THE UNITED STATES BANKRUPTCY COURT FOR  
THE SOUTHERN DISTRICT OF TEXAS - HOUSTON DIVISION

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PREPARED BY:  
Carrie Maggard, Certified Shorthand Reporter

NOTE: Please note that this transcription  
may have slight inaccuracies due to  
the quality of the audio and the  
interpretation of the transcriptionist.



Page 2

1 BARBARA: Do you have a copy of those  
 2 Sterling Bank account checks?  
 3 RON: Do you understand my question? How  
 4 do I figure out who you paid 225,000 to? You  
 5 don't have an account at Sterling.  
 6 JIMMY SISSOM: I just --  
 7 RON: (Inaudible) you got cashier's  
 8 checks.  
 9 JIMMY SISSOM: Because that's where they  
 10 were bought.  
 11 RON: But how am I going to know who got  
 12 the cashier's checks?  
 13 BARBARA: Do you have any records where  
 14 you can provide us with that information?  
 15 RON: Okay. That's imperative.  
 16 JIMMY SISSOM: Okay.  
 17 RON: Okay? I'm demanding.  
 18 JIMMY SISSOM: Okay.  
 19 RON: Not a problem.  
 20 JIMMY SISSOM: Okay.  
 21 RON: Okay?  
 22 JIMMY SISSOM: That's not a problem.  
 23 RON: Okay. It's 10:30, we're going to go  
 24 on the record. Okay. Why don't you go outside  
 25 and call all these other cases (inaudible)?

Page 3

1 SPEAKER: Anyone here for the 10:30 docket  
 2 can come up. 10:30?  
 3 RON: Okay. Let's get to it. The first  
 4 case for 10:30 is Jimmy Sissom.  
 5 Mr. Sissom, raise your right hand. Do you  
 6 swear to tell the truth, the whole truth and  
 7 nothing but the truth? State your name.  
 8 JIMMY SISSOM: Jimmy Glenn Sissom.  
 9 RON: Are you single or married?  
 10 JIMMY SISSOM: Married.  
 11 RON: All right. Your wife is not filing  
 12 bankruptcy; correct?  
 13 JIMMY SISSOM: No, sir.  
 14 RON: Did you review your schedules before  
 15 you signed them?  
 16 JIMMY SISSOM: Yes, sir.  
 17 RON: Did you sign your schedules?  
 18 JIMMY SISSOM: Yes, sir.  
 19 RON: Did you review (inaudible)?  
 20 BARBARA: Yeah, that was the initial stuff  
 21 for the 342 notice that I gave you initially  
 22 and you signed it and I signed it, the first  
 23 time you came to my office.  
 24 JIMMY SISSOM: Okay, yes.  
 25 RON: Have you ever filed bankruptcy

Page 4

1 before?  
 2 JIMMY SISSOM: No, sir.  
 3 RON: Have you listed on your schedules  
 4 all of your wife's assets and all of your  
 5 assets?  
 6 JIMMY SISSOM: Yes, sir.  
 7 RON: Your wife does not have any separate  
 8 property at this time?  
 9 JIMMY SISSOM: No, sir.  
 10 RON: What is your occupation today?  
 11 JIMMY SISSOM: Still buying some wholesale  
 12 cars. That's what I'm planning on starting  
 13 doing here again shortly.  
 14 RON: What is your wife's occupation?  
 15 JIMMY SISSOM: She's just a mother.  
 16 RON: Okay. You received a \$250,000 loan  
 17 from a company called Crown Financial and it  
 18 says in your schedules on statement of  
 19 financial affairs number ten on January 31st,  
 20 2006 you placed the stock in a company called  
 21 F&S Venture, Inc. Do you own any percent of  
 22 that stock?  
 23 JIMMY SISSOM: No, sir. I own 50 percent.  
 24 RON: Who owns the other 50 percent?  
 25 JIMMY SISSOM: That would be John Parker

Page 5

1 and Chris -- or John Spence and Chris Parker.  
 2 RON: Okay. And you pledged your  
 3 50 percent interest in the F&S Venture to Crown  
 4 Financial; is that correct?  
 5 JIMMY SISSOM: That's correct.  
 6 RON: And what was the purpose of that?  
 7 JIMMY SISSOM: At the time it was to get a  
 8 refinance from the bank and refinance it.  
 9 RON: And the name of the other co-owners  
 10 of the stock are John --  
 11 JIMMY SISSOM: John Spence.  
 12 RON: And Chris --  
 13 JIMMY SISSOM: Parker.  
 14 RON: Are these friends of yours?  
 15 JIMMY SISSOM: I've known John for three  
 16 or four years and Chris I met when we went  
 17 through school about a year and a half ago.  
 18 RON: And what is that this F&S Venture,  
 19 Inc. own?  
 20 JIMMY SISSOM: A storage facility in Katy,  
 21 Texas.  
 22 RON: And how much did F&S Venture, Inc.  
 23 pay for that facility?  
 24 JIMMY SISSOM: Initially, it was I believe  
 25 \$767,000.

1 RON: Okay. When did it purchase it?  
 2 JIMMY SISSOM: March of 2002, I believe.  
 3 RON: Okay. And is there a bid on that  
 4 property?  
 5 JIMMY SISSOM: Yes, there is.  
 6 RON: Who holds the rent?  
 7 JIMMY SISSOM: Royal Oaks Bank.  
 8 RON: How much are they owed on that?  
 9 JIMMY SISSOM: I believe right at 1.1  
 10 million.  
 11 RON: If that particular facility, the  
 12 Katy storage facility was sold in the next  
 13 three months, six months, how much, in your  
 14 opinion, would have been as received from the  
 15 sale?  
 16 JIMMY SISSOM: Net or total gross?  
 17 RON: Gross.  
 18 JIMMY SISSOM: Probably between two and  
 19 2.5 million.  
 20 RON: Is the indebtedness with Royal Oaks  
 21 Bank current on the F&S note?  
 22 JIMMY SISSOM: As far as I know it is,  
 23 yes, sir.  
 24 RON: Who keeps the books on F&S?  
 25 JIMMY SISSOM: John Spence does.

1 RON: -- current?  
 2 JIMMY SISSOM: Not current.  
 3 RON: What's (inaudible)? End of the  
 4 year?  
 5 JIMMY SISSOM: Yes, I have end of the  
 6 year.  
 7 RON: (Inaudible).  
 8 JIMMY SISSOM: Yes.  
 9 RON: I'd like to see that.  
 10 JIMMY SISSOM: Okay.  
 11 RON: Could you also contact John or Chris  
 12 and ask them if they do have any more current  
 13 financial statements and P&L and balance sheet  
 14 on it because I'd like to see that, too.  
 15 JIMMY SISSOM: Okay.  
 16 RON: Do you know if John or Chris pledged  
 17 their 50 percent interest in the stock?  
 18 JIMMY SISSOM: No, sir, they didn't, not  
 19 that I know of.  
 20 RON: So, you believe that if the facility  
 21 was sold, two to 2.5 million would be the gross  
 22 proceeds. In front of that you have to pay off  
 23 Royal Bank 1.1 million.  
 24 JIMMY SISSOM: Correct.  
 25 RON: Are there any other creditors that

1 RON: And what is -- do you know his  
 2 contact information or is that something you  
 3 could provide to me by Friday?  
 4 JIMMY SISSOM: Yes, sir, that's no  
 5 problem.  
 6 RON: And I'll need the contact  
 7 information for Mr. Spence. I also need the  
 8 contact information on Mr. Parker. Who is the  
 9 CPA for F&S?  
 10 JIMMY SISSOM: It was Bernice Bensky  
 11 (phonetic) last year.  
 12 RON: And this year?  
 13 JIMMY SISSOM: This year I'm not sure who  
 14 they ended up getting.  
 15 RON: If you'll find out who the CPA is.  
 16 The F&S Venture, Inc., is that a C corporation.  
 17 JIMMY SISSOM: It's a C corp.  
 18 RON: And do you have copies of the '04  
 19 and '05 tax returns?  
 20 JIMMY SISSOM: They're at John Spence's,  
 21 yes, sir.  
 22 RON: I'd like to have copies of those,  
 23 please. Do you have a balance sheet and a P&L  
 24 statement for F&S --  
 25 JIMMY SISSOM: Yes, sir.

1 are significant creditors that are owed money  
 2 by F&S that you can recall?  
 3 JIMMY SISSOM: Well, my credit card debt  
 4 was resolved related to F&S Ventures.  
 5 RON: Okay. Anything else?  
 6 JIMMY SISSOM: Nothing else.  
 7 RON: All right. Do you feel like F&S is  
 8 pretty much current on making their payments  
 9 whether it's to Royal Oaks or any other  
 10 creditor?  
 11 JIMMY SISSOM: I believe. I think they  
 12 are.  
 13 RON: Who is the manager or managing  
 14 person? Is it John, Chris or you?  
 15 JIMMY SISSOM: John.  
 16 RON: Do you receive any distributions  
 17 from F&S?  
 18 JIMMY SISSOM: No, sir.  
 19 RON: You don't do any work for F&S. It's  
 20 purely an investment. Is that correct?  
 21 JIMMY SISSOM: At the time I -- yes, it  
 22 was an investment. I did a lot of work, but I  
 23 never received any proceeds at all.  
 24 RON: Okay. And you were not entitled to  
 25 anything in the way you did work?

Page 10

1 JIMMY SISSOM: Two and a half years of  
 2 work I would think I was entitled to something,  
 3 but there was nothing in the paper that  
 4 entitled me to anything.  
 5 RON: All right. Well, oftentimes people  
 6 do things in a group and they do sweat equity  
 7 or they contribute their time in labor.  
 8 JIMMY SISSOM: My blood, sweat equity and  
 9 time and labor and the amount of money I put in  
 10 it, yeah, there was some.  
 11 RON: How much is your investment in this?  
 12 JIMMY SISSOM: Originally, I believe I had  
 13 476,000 in it. Four-fifty-six, 476, right  
 14 around there.  
 15 RON: Okay. And then how much of an  
 16 investment did Mr. Spence and Parker make? Did  
 17 you own a hundred percent at one time and sell  
 18 the other 50 percent?  
 19 JIMMY SISSOM: No, the Frys owned  
 20 50 percent and I owned 50 percent.  
 21 RON: And then the Frys sold their  
 22 one-half interest to John and Chris?  
 23 JIMMY SISSOM: Correct.  
 24 RON: Okay. And that's how you ended up  
 25 with them as partners?

Page 11

1 JIMMY SISSOM: Correct.  
 2 RON: Did the Frys make any equity  
 3 contribution into this?  
 4 JIMMY SISSOM: No.  
 5 RON: Why did you make the effort in  
 6 contribution and they did not?  
 7 JIMMY SISSOM: Once I'd already started  
 8 the company -- I didn't know they didn't have  
 9 any money when we started the company. So,  
 10 basically, we went in as 50/50 partners and  
 11 then I found out that -- we were in the middle  
 12 of the construction phase and they didn't have  
 13 any money so there wasn't -- it wasn't  
 14 something I felt like I could hold together  
 15 myself. (Inaudible).  
 16 RON: You posted in your bankruptcy  
 17 schedules a claim against Mike and (inaudible)  
 18 Fry for 300,000. What's the basis of that  
 19 claim?  
 20 JIMMY SISSOM: That was basically what  
 21 they owe me back from --  
 22 RON: What is the evidence to that? Do  
 23 you have any acknowledgement from them that  
 24 they owe it?  
 25 JIMMY SISSOM: I paid some -- I paid

Page 12

1 lawyer fees for them. I paid --  
 2 RON: Okay. So, these are funds that you  
 3 advanced. But is there anything in writing  
 4 like a promissory note that they signed saying,  
 5 "Yes, we owe you 300"? Anything like a letter  
 6 saying, "We acknowledge that you advanced  
 7 money"?  
 8 JIMMY SISSOM: Nothing like that, other  
 9 than just the fact that if we're partners, I  
 10 wouldn't have put up all the money. They would  
 11 have -- they would have done that. They should  
 12 have (inaudible).  
 13 RON: What is the evidence that you have  
 14 that shows that, in fact, you advanced \$300,000  
 15 for their benefit?  
 16 JIMMY SISSOM: Just all the expenses that  
 17 I've spent.  
 18 RON: Would that be cancelled checks?  
 19 JIMMY SISSOM: Oh, absolutely, yes.  
 20 RON: Would it be invoices?  
 21 JIMMY SISSOM: Just cancelled checks.  
 22 RON: Well, the cancelled checks have to  
 23 be tied to something, don't they?  
 24 JIMMY SISSOM: Well, they be tied to --  
 25 some of them for their lawyers, some of them

Page 13

1 for money that they've received, some of them  
 2 for the money for F&S Ventures.  
 3 RON: All right. I'd like you to put  
 4 together a damage (inaudible) with  
 5 documentation.  
 6 JIMMY SISSOM: Okay.  
 7 RON: And send the documentation in his  
 8 absence (inaudible) as to why you still feel  
 9 like they owe you something.  
 10 JIMMY SISSOM: Okay.  
 11 RON: And then I'll need the contact  
 12 information for Mike and (inaudible) Fry, the  
 13 fax, home address, business address, all that  
 14 kind of stuff.  
 15 JIMMY SISSOM: Okay.  
 16 RON: Are they employed, to your  
 17 knowledge?  
 18 JIMMY SISSOM: I don't know if they are.  
 19 RON: Do they live in Houston?  
 20 JIMMY SISSOM: I don't know if they do.  
 21 They sold their property in Katy, and I don't  
 22 know if they moved or not.  
 23 RON: Do you think John and Chris might  
 24 know?  
 25 JIMMY SISSOM: Oh, I'm sure we can find

Page 14

1 this. That's not a problem.  
 2 RON: Okay, thank you. How were you  
 3 introduced to the Frys?  
 4 JIMMY SISSOM: They had come by my office  
 5 and done some work for me for several years.  
 6 And then when I bought a property over on  
 7 Schumacher, they had come by one day and they  
 8 made an offer to me, said they wanted to go  
 9 into the storage business.  
 10 RON: Have you made any payments to Crown  
 11 Financial?  
 12 JIMMY SISSOM: Just one payment was made.  
 13 RON: How much?  
 14 JIMMY SISSOM: For 750.  
 15 RON: Seven hundred --  
 16 JIMMY SISSOM: \$750.  
 17 RON: Okay. When is your next payment  
 18 due?  
 19 JIMMY SISSOM: It was due I believe May  
 20 1st.  
 21 RON: Nobody is here for Crown Financial.  
 22 Who gave you the documentation that you have on  
 23 what we'll call your Crown Financial \$250,000  
 24 loan to you from (inaudible)? Show me your  
 25 cancelled checks, really the cashier's checks

Page 15

1 that you sent out at the end of January,  
 2 beginning of February to (inaudible). Then I  
 3 would like to know if those are checks that  
 4 are -- were your personal (inaudible) or  
 5 somebody else's (inaudible).  
 6 JIMMY SISSOM: Okay.  
 7 RON: Will you be able to tell me that?  
 8 JIMMY SISSOM: Yes.  
 9 RON: And then to the extent that you have  
 10 documentation that shows why you're giving  
 11 5,000 to Mr. X and 10,000 to his wife, I need  
 12 to understand why you're doing that.  
 13 JIMMY SISSOM: Okay.  
 14 RON: If you have the invoices or copies  
 15 of something in writing that can tie into, that  
 16 would be great and make it so obvious that when  
 17 I look at it that I'll understand it. If you  
 18 don't have documentation (inaudible) say Mr. X  
 19 got 5,000 in cause (inaudible).  
 20 JIMMY SISSOM: Okay.  
 21 RON: And let me understand why it is that  
 22 you feel like, A, you owe the money,  
 23 (inaudible), why didn't you feel it was  
 24 necessary to pay that particular person in your  
 25 financial circumstances. When did you make up

Page 16

1 your mind to file bankruptcy? (Inaudible).  
 2 JIMMY SISSOM: I believe right after I got  
 3 the money from -- probably two weeks after the  
 4 bank --  
 5 RON: You got the money from Crown.  
 6 JIMMY SISSOM: From Crown and the bank  
 7 wasn't going to -- I was going to do a deal  
 8 with Nick (inaudible) at Crown Financial. I  
 9 was going to have to pay in for a couple of  
 10 months. And then at that time it was my  
 11 understanding the bank was going to try to  
 12 refinance me somehow and then that was off the  
 13 table --  
 14 RON: Okay.  
 15 JIMMY SISSOM: -- almost immediately after  
 16 I got funds.  
 17 RON: Okay. And then on -- Barbara, as to  
 18 you on payments to creditors, number three --  
 19 BARBARA: Yeah.  
 20 RON: -- to the extent that that needs to  
 21 be handled --  
 22 BARBARA: Sure.  
 23 RON: -- please do so. How much time do  
 24 you think you need to get me all this  
 25 information?

Page 17

1 BARBARA: It's going to be kind of hard  
 2 for us to do it by Friday.  
 3 RON: I agree.  
 4 BARBARA: If we could have until next  
 5 Friday.  
 6 RON: That's perfect. Will that give you  
 7 enough time?  
 8 JIMMY SISSOM: That's fine, yes, sir.  
 9 RON: Okay. Next Friday. And what I'll  
 10 do is I'm going to tentatively reset your  
 11 meeting for June the 7th at 9:20 in the  
 12 morning.  
 13 Barbara, if you'll check in with me and  
 14 tell me sometime before June 7th. If I've got  
 15 everything I need and understand it and I don't  
 16 have any questions, then there will not be a  
 17 need for me to come and Barbara (inaudible).  
 18 CRAIG DENUM: Ron, could you reset it for  
 19 some other day other than June the 7th because  
 20 I'll be out of the country, if it's needed.  
 21 RON: We will reset it for June the 21st.  
 22 CRAIG DENUM: That will work. Thank you.  
 23 RON: Okay. So, let's see. Let's go  
 24 back. Okay. And for the record, after you  
 25 sold your home, it's my understanding that you

1 took a portion of the proceeds and you bought  
 2 two vehicles, one for your wife and  
 3 (inaudible).  
 4 JIMMY SISSOM: A suburban.  
 5 RON: A suburban and then you bought a --  
 6 BARBARA: '97 BMW.  
 7 RON: '97 BMW.  
 8 BARBARA: Because the -- they had been  
 9 driving dealership cars.  
 10 RON: I understand.  
 11 BARBARA: And the dealership wasn't there  
 12 anymore.  
 13 RON: I understand. How did you come up  
 14 with a \$900,000 value on F&S Ventures, Inc?  
 15 Where does that come from? Is that you taking  
 16 2 million and subtracting 1.1?  
 17 JIMMY SISSOM: I think what I had done  
 18 is -- yes, sir, that's what I had done, yes.  
 19 BARBARA: And it should be half of that.  
 20 RON: Yeah.  
 21 JIMMY SISSOM: Yeah.  
 22 RON: I'm going to ask that you amend  
 23 number 14 to show that the debtor only owns an  
 24 undivided 50 percent interest in F&S.  
 25 BARBARA: Sure.

1 JIMMY SISSOM: Just from her father -- or  
 2 excuse me, her grandfather.  
 3 RON: Her grandfather. And is her  
 4 grandfather deceased?  
 5 JIMMY SISSOM: Yes, sir.  
 6 RON: And, so, the trust is empty.  
 7 JIMMY SISSOM: Yes, sir.  
 8 BARBARA: That's in the SOFA when we talk  
 9 about the income.  
 10 RON: Uh-huh, I saw it. Okay. I'm going  
 11 to open up for questions.  
 12 CRAIG DENUM: Mr. Sissom, my name is Craig  
 13 Denum. I represent Royal Oaks Bank. Just so I  
 14 have an understanding -- and your attorney and  
 15 I have already spoken and we've agreed that  
 16 we're going to do a 2004 examination, so I'll  
 17 try to keep these brief.  
 18 RON: And if you'd give me notice of your  
 19 2004 --  
 20 CRAIG DENUM: Absolutely.  
 21 You stated earlier that you received --  
 22 and I'm a little confused. You sold your stock  
 23 in F&S Ventures?  
 24 RON: No, he pledged it.  
 25 BARBARA: He was confused. He gave it up.

1 RON: And that his equity is -- it should  
 2 say 450 instead of 900.  
 3 BARBARA: Yep.  
 4 RON: Do you agree?  
 5 JIMMY SISSOM: Yes, sir.  
 6 RON: Okay. And then if you would also  
 7 put on number 13 subject to company stock.  
 8 BARBARA: Sure.  
 9 RON: So that we see it altogether. And  
 10 everything is being claimed as exempt, if I  
 11 understand it, other than the stock in the  
 12 different entities, some of which we have  
 13 (inaudible) and the previous to Frys.  
 14 BARBARA: That is correct.  
 15 RON: Everything else is being claimed as  
 16 exempt?  
 17 BARBARA: Yes.  
 18 RON: And I think somewhere on the  
 19 schedules I read that your wife had a trust,  
 20 but that the trust, the proceeds or (inaudible)  
 21 from that trust is gone because it's all been  
 22 spent.  
 23 JIMMY SISSOM: Yes, sir.  
 24 RON: What kind of trust was this? Is  
 25 that a trust set up for her livelihood?

1 JIMMY SISSOM: I'm a little confused how  
 2 it happened, too.  
 3 RON: He misstated that.  
 4 BARBARA: He took it to Crown Financial  
 5 and handed it to them.  
 6 CRAIG DENUM: Okay.  
 7 BARBARA: They hold it because they did  
 8 their collateral.  
 9 CRAIG DENUM: It wasn't sold?  
 10 JIMMY SISSOM: No, sir.  
 11 CRAIG DENUM: Could that be -- could you  
 12 be mistaken about that now?  
 13 JIMMY SISSOM: Could I be mistaken about  
 14 what?  
 15 CRAIG DENUM: It being sold.  
 16 JIMMY SISSOM: I don't know. I went over  
 17 there with -- Mr. McGuire had sent me over  
 18 there and I don't know exactly how it was all  
 19 set up. Basically we had given the stock up  
 20 for a loan.  
 21 CRAIG DENUM: Is it possible you sold the  
 22 stock and had an option to purchase it back?  
 23 JIMMY SISSOM: Yes, sir, that's true.  
 24 RON: Okay. Do you have any of the  
 25 documentation?

1 CRAIG DENUM: I may. I'll get you what I  
 2 have.  
 3 RON: If you do, send it to me.  
 4 CRAIG DENUM: Absolutely.  
 5 BARBARA: Yeah, we need to sort that out.  
 6 RON: Yeah, Barbara (inaudible) send it to  
 7 me.  
 8 BARBARA: Sure.  
 9 RON: I'd like to see it.  
 10 CRAIG DENUM: Sure.  
 11 But more importantly, I guess my question  
 12 is, is for that option, as I understand it, you  
 13 received two-hundred -- \$250,000?  
 14 JIMMY SISSOM: After fees I believe it was  
 15 225 or 222.  
 16 CRAIG DENUM: Okay. And then you took  
 17 that money over to Sterling Bank the same day.  
 18 JIMMY SISSOM: Correct.  
 19 CRAIG DENUM: And you converted it to  
 20 cashier's checks.  
 21 JIMMY SISSOM: Correct.  
 22 CRAIG DENUM: And the payees on these  
 23 cashier's checks would be the folks that you  
 24 owed money to.  
 25 JIMMY SISSOM: Not at the time. I just

1 JIMMY SISSOM: Yes, sir.  
 2 RON: And then what Craig just asked you  
 3 was what happened to those four checks.  
 4 JIMMY SISSOM: I paid off debt with all of  
 5 them.  
 6 RON: Okay. Who got the money?  
 7 CRAIG DENUM: Who got the money and how do  
 8 we prove that they got the money? What's the  
 9 paper trail?  
 10 JIMMY SISSOM: I think I told you earlier  
 11 I'd itemized everything for you that I had. I  
 12 know some of it went back to the bank.  
 13 RON: I'll share it with you.  
 14 CRAIG DENUM: Okay.  
 15 RON: Just so you know.  
 16 CRAIG DENUM: Okay.  
 17 BARBARA: Will I get a copy?  
 18 RON: So, when you make a copy for me,  
 19 send a copy to Craig. And if there's anybody  
 20 else at the table that would like to see it,  
 21 just let me know.  
 22 CRAIG DENUM: Just one quick question  
 23 about that. When you paid these entities or  
 24 individuals that you owed money to, did you pay  
 25 them with cash? Did you pay them with a check?

1 got cashier's checks to put them in my name at  
 2 the time.  
 3 CRAIG DENUM: Okay. So, the cashier's  
 4 checks that you received from Sterling were all  
 5 in the name -- your name, Mr. Sissom?  
 6 JIMMY SISSOM: Correct.  
 7 CRAIG DENUM: Okay. And then what  
 8 happened to those cashier's checks?  
 9 JIMMY SISSOM: I paid off all my debt with  
 10 them.  
 11 BARBARA: Yeah, but how did you do that?  
 12 JIMMY SISSOM: I just -- I'm sorry. Go  
 13 ahead.  
 14 RON: Okay. What I'm hearing is that you  
 15 went to Sterling, you got a cashier's check in  
 16 your name --  
 17 JIMMY SISSOM: Yes, sir.  
 18 RON: -- for 225,000.  
 19 JIMMY SISSOM: I believe I got -- yes,  
 20 sir.  
 21 RON: One check.  
 22 JIMMY SISSOM: No, sir, I got I believe  
 23 four different checks.  
 24 RON: Four. And then if you added them  
 25 up, that would be 225.

1 Did you have another cashier's check issued?  
 2 How did you pay them?  
 3 JIMMY SISSOM: They may have been some  
 4 cashier's checks, some cash. But I need to  
 5 look at the --  
 6 CRAIG DENUM: And where would you have  
 7 gotten those cashier's checks issued?  
 8 JIMMY SISSOM: I couldn't answer that at  
 9 this time.  
 10 RON: Do you think you went back to  
 11 Sterling Bank?  
 12 JIMMY SISSOM: I may have. I'll get them  
 13 all to you.  
 14 RON: Well, it's real important for all of  
 15 us that are sitting at the table that you take  
 16 your time and give us the details.  
 17 JIMMY SISSOM: I understand.  
 18 RON: Because as you can probably imagine,  
 19 what you did is a little bit out of the  
 20 ordinary.  
 21 JIMMY SISSOM: What is that?  
 22 RON: Taking 225, getting a check in your  
 23 name for 225, making out a cashier's check when  
 24 we have what we'll call as zone of insolvency  
 25 that you're in. It's not like you took the 225

1 and put it in a bank account.  
 2 JIMMY SISSOM: At the time, though, I  
 3 wasn't --  
 4 RON: I'm not asking you for an  
 5 explanation. I'm just telling you it's a  
 6 little bit out of the usual.  
 7 JIMMY SISSOM: I didn't try to --  
 8 RON: (Inaudible).  
 9 JIMMY SISSOM: (Inaudible) what I was  
 10 doing. I understand.  
 11 RON: Nobody is saying you've done  
 12 anything wrong. I'm just saying we need to see  
 13 some documentation. That's all.  
 14 JIMMY SISSOM: Yes, sir.  
 15 RON: So, help us.  
 16 CRAIG DENUM: Mr. Sissom, you owned a  
 17 company, a hundred percent stock owners, I  
 18 understand, of Dealer's Management Group, Inc.  
 19 Is that correct?  
 20 JIMMY SISSOM: Correct.  
 21 CRAIG DENUM: Since you also filed in  
 22 connection with this an affidavit saying that  
 23 you have not made any income since the past six  
 24 months -- I guess that's October of 2005 --  
 25 from these entities. Is that correct?

1 JIMMY SISSOM: Yes, sir.  
 2 CRAIG DENUM: Okay. And what was the  
 3 result of those repossessions? Where are those  
 4 cars now?  
 5 JIMMY SISSOM: We ended up -- the ones  
 6 that -- if you're referring to the problem we  
 7 just had recently, the repo companies were told  
 8 not to pick up anything even though some of  
 9 those repossessions have been out for over a  
 10 year.  
 11 BARBARA: Okay. What happened to the ones  
 12 that were repoed?  
 13 JIMMY SISSOM: We gave them back to the  
 14 customer.  
 15 CRAIG DENUM: So, all of the cars that you  
 16 repossessed since November of 2005 --  
 17 JIMMY SISSOM: Well, not all the cars, no,  
 18 sir.  
 19 CRAIG DENUM: Okay. Where --  
 20 JIMMY SISSOM: Some of them are sold to  
 21 some other customers or resold.  
 22 CRAIG DENUM: Okay. Can I get a list of  
 23 cars that were repossessed and then resold and  
 24 copies of the contracts that relate to those  
 25 sales? And where are the monies that were

1 JIMMY SISSOM: The past two -- about two  
 2 years, actually.  
 3 CRAIG DENUM: Okay. Have you collected  
 4 any monies on behalf of Dealer's Management  
 5 Group, Inc. since November of 2005?  
 6 JIMMY SISSOM: Yes, sir. I believe we've  
 7 collected through March, I believe.  
 8 CRAIG DENUM: Okay. And who is in  
 9 possession of those monies?  
 10 JIMMY SISSOM: The money that was  
 11 collected was spent on expenses. We weren't --  
 12 we weren't sure we were out of business until  
 13 February of '05.  
 14 CRAIG DENUM: Okay. And who has an  
 15 accounting of those monies collected and the  
 16 expenses?  
 17 BARBARA: Would those monies have all gone  
 18 into the bank account?  
 19 JIMMY SISSOM: Yes, ma'am.  
 20 BARBARA: I can get you copies of the bank  
 21 statements. I've already furnished them to Mr.  
 22 Summers.  
 23 CRAIG DENUM: Okay. Have you repossessed  
 24 any cars since November on behalf of Dealer's  
 25 Management Group, Inc.?

1 received from those contracts?  
 2 JIMMY SISSOM: They've paid expenses.  
 3 It's about \$30,000 a month to keep the company  
 4 running.  
 5 CRAIG DENUM: Okay. Who currently has the  
 6 Dealer's Management Group, Inc.'s computer?  
 7 JIMMY SISSOM: Maybe -- I think Joe or  
 8 myself has it. Maybe -- I don't know, sir.  
 9 I'll have to check.  
 10 CRAIG DENUM: Okay. Would you advise your  
 11 lawyer -- when you say "Joe," who --  
 12 JIMMY SISSOM: When we left, I don't know  
 13 who got everything.  
 14 CRAIG DENUM: Who is Joe?  
 15 JIMMY SISSOM: Joe is one of the guys that  
 16 worked with me.  
 17 CRAIG DENUM: What's his last name?  
 18 JIMMY SISSOM: Colette (phonetic).  
 19 CRAIG DENUM: Okay. So, either Joe  
 20 Colette or you have the computer. But you'll  
 21 get with your attorney --  
 22 JIMMY SISSOM: I don't know that for sure.  
 23 I'll have to check.  
 24 CRAIG DENUM: Okay. But you can find --  
 25 you'll know -- somebody has your computer, is



Page 30

1 that correct -- or the Dealer's Management  
 2 Group, Inc.'s computer?  
 3 JIMMY SISSOM: I'm sure. I'm sure.  
 4 CRAIG DENUM: Who is Mark Schiff?  
 5 JIMMY SISSOM: I have no idea. Never  
 6 heard the name.  
 7 CRAIG DENUM: You've never heard the name  
 8 Mark Schiff? Have you ever heard the name Cars  
 9 & More, L.L.C.?  
 10 JIMMY SISSOM: Yes, sir.  
 11 CRAIG DENUM: Okay. What is Cars & More,  
 12 L.L.C.?  
 13 JIMMY SISSOM: That's one of the companies  
 14 I do some buying for.  
 15 CRAIG DENUM: Okay. Do you do any  
 16 collecting for Cars & More, L.L.C.?  
 17 JIMMY SISSOM: No, sir.  
 18 CRAIG DENUM: Okay. So, you've never  
 19 since January 1st of 2006 done any collection  
 20 on behalf of Cars & More, L.L.C.?  
 21 JIMMY SISSOM: Since 2006, no, sir.  
 22 CRAIG DENUM: And you've never told  
 23 anybody that you were collecting anything on  
 24 behalf of Cars & More, L.L.C.?  
 25 JIMMY SISSOM: No, sir.

Page 31

1 CRAIG DENUM: Okay. Does Cars & More,  
 2 L.L.C. have any of the contracts that resulted  
 3 from the sale of the repossessed vehicles?  
 4 JIMMY SISSOM: No, sir.  
 5 CRAIG DENUM: I'll pass the witness. I'll  
 6 just reserve my questions.  
 7 RON: Sir --  
 8 CRAIG DENUM: This is the president of  
 9 Royal Oaks Bank. He's with me.  
 10 MICHAEL NEVEL: Okay. For the record, my  
 11 name is Michael Nevel (phonetic). I represent  
 12 Chase Bank.  
 13 My client's record show approximately  
 14 \$12,000 in credit card charges since April 15th  
 15 of --  
 16 RON: Of this year?  
 17 MICHAEL NEVEL: Correct.  
 18 Were you the person using the Chase credit  
 19 card since April the 15th of this year, between  
 20 you and your spouse?  
 21 JIMMY SISSOM: What is the -- what is  
 22 the --  
 23 MICHAEL NEVEL: Well, April 15th, 2006  
 24 somebody spent \$4,073 at Fry's Electronics.  
 25 JIMMY SISSOM: That may have been me and

Page 32

1 my wife. I'm not sure.  
 2 MICHAEL NEVEL: Okay. What would you have  
 3 purchased for that amount of money?  
 4 JIMMY SISSOM: I'll have to check with her  
 5 and see.  
 6 MICHAEL NEVEL: Do you remember any of  
 7 your uses of the credit card? Do you remember  
 8 anything you bought with the credit card?  
 9 JIMMY SISSOM: No, sir, I'd have to look  
 10 at it and see.  
 11 MICHAEL NEVEL: Okay. According to my  
 12 client's records, after you filed for  
 13 bankruptcy someone charged your credit card for  
 14 it looks like a vacation at the Schlitterbahn  
 15 in New Braunfels. Did your family vacation  
 16 there?  
 17 JIMMY SISSOM: My wife may have.  
 18 MICHAEL NEVEL: Okay. Would she have made  
 19 those credit card charges at the Gruene River  
 20 Grill, the Schlitterbahn resort?  
 21 JIMMY SISSOM: She may have. I don't --  
 22 BARBARA: It's Gruene.  
 23 MICHAEL NEVEL: Gruene. I apologize. I'm  
 24 from upstate New York.  
 25 BARBARA: That's okay. I called it

Page 33

1 Gruene, too, the first time I saw it.  
 2 (Inaudible)  
 3 MICHAEL NEVEL: Well, it's pronounced  
 4 differently from where I'm from.  
 5 (Inaudible)  
 6 MICHAEL NEVEL: Anyway, I want to ask you  
 7 a couple questions about your -- the sale of  
 8 your house. You sold 4315 Waterlily Court in  
 9 Missouri City; correct?  
 10 JIMMY SISSOM: Correct.  
 11 MICHAEL NEVEL: Now, on your schedules,  
 12 your mailing address is --  
 13 BARBARA: That's my office's mistake.  
 14 MICHAEL NEVEL: Okay. That --  
 15 BARBARA: The mailing address is correct.  
 16 The other address is one digit off because  
 17 somebody's fingers got a little too close to  
 18 the four instead of the five.  
 19 MICHAEL NEVEL: All right.  
 20 BARBARA: And I didn't know that myself  
 21 until a couple days ago.  
 22 MICHAEL NEVEL: Okay. Just looking at the  
 23 warranty deed for the sale, it's from you and  
 24 your wife to a gentleman named Mr. Perez. Do  
 25 you have any association with Mr. Perez prior

1 to this sale?  
 2 JIMMY SISSOM: No, sir.  
 3 MICHAEL NEVEL: Okay. Your wife notarized  
 4 your signature and her signature on this deed.  
 5 I assume you didn't close at a title company.  
 6 Is that correct?  
 7 JIMMY SISSOM: No, sir.  
 8 MICHAEL NEVEL: Okay. The deed says that  
 9 a somebody named Larry Smith financed Mr.  
 10 Perez' sale of the property for \$250,000. Is  
 11 Mr. Smith either related to you or your wife or  
 12 someone with whom you or your wife has had any  
 13 prior business dealings?  
 14 JIMMY SISSOM: No, sir.  
 15 MICHAEL NEVEL: Do you know Mr. Smith?  
 16 JIMMY SISSOM: No, sir.  
 17 MICHAEL NEVEL: When you closed the sale  
 18 of this house, could you describe generally the  
 19 flow of funds? Mr. Smith apparently financed  
 20 this sale. Where did the money go to?  
 21 JIMMY SISSOM: I think I gave an  
 22 itemization of everything.  
 23 BARBARA: Yeah.  
 24 MICHAEL NEVEL: Pardon?  
 25 JIMMY SISSOM: I gave an itemization.

1 MICHAEL NEVEL: Okay. But I had just a  
 2 couple questions --  
 3 BARBARA: Because it's obviously  
 4 nondischargable, I mean, you know -- I'll just  
 5 state that on the record.  
 6 MICHAEL NEVEL: Okay. One thing about the  
 7 claim against the Frys. What is -- you made  
 8 some disproportionate partnership contribution  
 9 for expenses; correct?  
 10 JIMMY SISSOM: For which --  
 11 MICHAEL NEVEL: Your claim against the  
 12 Frys.  
 13 JIMMY SISSOM: Yes, sir.  
 14 MICHAEL NEVEL: Basically you claim you  
 15 overpaid your percentage interest. How old are  
 16 those overpayments? Did this happen two years  
 17 ago, three years ago?  
 18 JIMMY SISSOM: I started in March of '02.  
 19 MICHAEL NEVEL: Okay. And where -- when  
 20 was the last of your overpayments? How old is  
 21 that?  
 22 JIMMY SISSOM: Probably October of 2005.  
 23 MICHAEL NEVEL: Okay. I don't have any  
 24 more.  
 25 RON: Okay. Anybody else? Okay. So,

1 MICHAEL NEVEL: I understand. But when he  
 2 financed the sale, did he give you a check and  
 3 then you paid off the lien?  
 4 JIMMY SISSOM: Yes, sir.  
 5 MICHAEL NEVEL: Okay. So, he gave you a  
 6 check for a quarter-million dollars?  
 7 BARBARA: Huh-huh.  
 8 JIMMY SISSOM: No, he gave me a check  
 9 for --  
 10 BARBARA: He paid off the Chase loan and  
 11 also the other loan.  
 12 MICHAEL NEVEL: He paid them directly?  
 13 BARBARA: Yes.  
 14 JIMMY SISSOM: Correct.  
 15 RON: Did Chase not get paid?  
 16 MICHAEL NEVEL: My credit card company?  
 17 BARBARA: No, no, no. We're talking  
 18 about --  
 19 MICHAEL NEVEL: Are you talking about the  
 20 home finance -- I don't know if they did. I'm  
 21 not here on that.  
 22 BARBARA: But I can cut this short by  
 23 telling you that we will pay the credit card  
 24 debt, if you'll just give me a chance to talk  
 25 to you out here.

1 this case is reset tentatively for June --  
 2 BARBARA: 21st --  
 3 RON: -- 21st at 9:20.  
 4 BARBARA: -- at 9:20.  
 5 RON: And if I get all the documents and I  
 6 have everything answered to my satisfaction  
 7 then you won't have to appear. Okay? And I  
 8 will conclude the 341 meeting without anybody  
 9 here.  
 10 CRAIG DENUM: And I'll send you the  
 11 documents you requested and give you notice of  
 12 the 2004. I'll call you to make sure you're  
 13 available.  
 14 RON: That's great. Anybody else before  
 15 we --  
 16 (Transcription concluded)  
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I, the undersigned Certified Shorthand Reporter in and for the State of Texas, certify that the Jimmy Sissom 341 Creditors' Meeting was transcribed to the best of my ability. I further certify that I am neither attorney or counsel for, related to, nor employed by any parties to the action in which this testimony is taken and, further, that I am not a relative or employee of any counsel employed by the parties hereto or financially interested in the action.

SUBSCRIBED AND SWORN TO under my hand and seal of office on this the 6th day of July, 2006.

*Carrie Maggard*

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