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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF FRESNO

-oOo-

DELI DELICIOUS FRANCHISING, INC., )

Plaintiff, )

vs. )

SAM SIAMAK NAMDARIAN, AKOO, INC., )  
and DOES 1 through 50, inclusive, )

Defendants, )  
\_\_\_\_\_ )

CASE NO. 20CECG02037

**CERTIFIED  
TRANSCRIPT**

-oOo-

DEPOSITION OF ALI NEKUMANESH

VIA VIDEO CONFERENCING

MONDAY, AUGUST 24, 2020

REPORTED BY: FLORENCE A. COLBY, CSR NO. 12433

**DEPOS TO COURT, INC.**  
**TRIAL PRESENTATION | VIDEOGRAPHY | COURT REPORTING**

## A P P E A R A N C E S

FOR THE PLAINTIFF:

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DEPOSITION ADMINISTRATOR: CHRIS NEAL

Deposition of ALI NEKUMANESH, taken via video conferencing; on Tuesday, August 24, 2020; before Florence A. Colby, in and for the State of California.

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I N D E X

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1 VIA VIDEO CONFERENCING

2 MONDAY, AUGUST 24, 2020

3 -oOo-

4 ALI NEKUMANESH

5 called as a witness herein, having  
6 heretofore duly sworn, testified as follows:

7 -oOo-

8 EXAMINATION

9 BY MR. KHARAZI:

10 Q. Good morning, Mr. Nekumanesh.

11 A. Good morning to you.

12 Q. It is nice to meet you. I've heard a lot  
13 about you; I've finally met you. Thank you for coming  
14 today.

15 A. Thank you.

16 Q. You were here for a deposition for awhile  
17 last week. You were not here, but wherever you were  
18 you could hear it, right?

19 A. Yes, sir.

20 Q. And have you ever done a deposition  
21 yourself before, sir?

22 A. Yes, sir.

23 Q. Okay. How many times?

24 A. Probably maybe ten times. I couldn't be  
25 accurate, but, you know, give and take a few, yes.

1 Q. When was the last time you were deposed,  
2 sir?

3 A. The last time was in 2001, I believe. I  
4 couldn't be sure. Mr. Ken Klassen represented my  
5 business at that time.

6 Q. Mr. Klassen used to be at least in the  
7 same firm as Mr. Schneider?

8 A. Yes.

9 Q. A good friend of mine. Do you remember  
10 the rules of deposition I went over before when we met?

11 A. Yes, sir.

12 Q. Would you like me to repeat them?

13 A. I don't think it's necessary.

14 Q. Just one admonition, sir, is that the oath  
15 that was given to you by our court reporter today,  
16 would be same oath that would be given to you in a  
17 trial in this matter or any proceedings. So you have  
18 to treat this proceeding as if you were testifying  
19 before a judge or a jury, okay?

20 A. Of course.

21 Q. And the testimony you are giving us today  
22 is done under the penalty of perjury?

23 A. I understand.

24 Q. Thank you. Mr. Nekumanesh, can you tell  
25 me what year you graduated from high school?

1 A. 1972.

2 Q. And did you graduate from high school in  
3 the United States, sir?

4 A. Yes, sir.

5 Q. What high school?

6 A. George Washington High School in Denver,  
7 Colorado.

8 Q. And after George Washington High School,  
9 did you go to college, sir?

10 A. Yes.

11 Q. Where did you go to college?

12 A. Metropolitan State in Denver, Colorado.

13 Q. And did you earn a degree from that  
14 Metropolitan State?

15 A. Yes, sir.

16 Q. And what degree did you earn?

17 A. BA in political science and economics.

18 Q. And what did you do educational-wise after  
19 you got your BA degree?

20 A. In terms of official education, nothing.  
21 I was planning to go to law school, take the LSAT exam,  
22 and my wife got pregnant, thank God, and we just  
23 decided that I should be just working full time. By  
24 the way, it's me. She wanted me to continue, so I just  
25 found it necessary to go ahead and work full time so

1 that we could have that money coming in, but other than  
2 that I have had many, many different classes which I  
3 have attended relative to small business.

4 Q. Is that your wife, Debbie?

5 A. Yes, it is.

6 Q. We'll get back to her in just a moment.  
7 Sir, employment-wise, did you work after high school  
8 during college?

9 A. Yes.

10 Q. What did you do?

11 A. Well, even during the high school I  
12 worked. After high school -- I have always been  
13 employed in the hospitality field. Started at a hotel  
14 in Denver, and been in the hospitality field all the  
15 way through.

16 Q. So this would be 1972?

17 A. Starting with 1970, actually. I came into  
18 this country in 1970.

19 Q. What hotel did you start at?

20 A. Tiffin Inn.

21 MR. SCHNEIDER: Say that again?

22 THE WITNESS: Tiffin, T-i-f-f-i-n, Inn.

23 BY MR. KHARAZI:

24 Q. Is that a chain?

25 A. I don't believe so. I don't believe so;

1 don't know.

2 Q. How long did you work for Tiffin Inn?

3 A. For about approximately two years.

4 Q. That was in 1972 when you graduated from  
5 high school, right?

6 A. Yes.

7 Q. Mr. Nekumanesh, I noticed you looking at  
8 papers. I don't have any problem with looking at  
9 papers, but I want a copy of them. So would you please  
10 give all of that at the first break to Mr. Schneider's  
11 assistant so they can scan and e-mail it to us, okay?

12 A. I sure will.

13 Q. Thank you. So after working for Tiffin  
14 Inn around the time your graduation from high school,  
15 where did you work?

16 A. I worked at White Spot Restaurants.  
17 Started there right after high school.

18 Q. And how many years did you work for White  
19 Spot?

20 A. Approximately six years.

21 Q. What are you looking at -- you're look  
22 down?

23 A. I am looking at my work history because I  
24 knew you might be asking that, so I don't have it  
25 memorized, so I wanted to be accurate.



1 Q. I appreciate that. So make sure you give  
2 that in Mr. Peterson, I believe, so I can get a copy of  
3 that, okay?

4 A. I sure will.

5 Q. So you worked at White Spot in what  
6 capacity, sir?

7 A. Started all positions, and when I left I  
8 was the general manager.

9 Q. Okay. And after White Spot, what did you  
10 do, this would bring us to 1978?

11 A. No, this would bring you to 1980.

12 Q. Okay. So you worked for them eight years,  
13 not six years, right?

14 A. From '74 to '80.

15 Q. Okay. So you left Tiffin at '74?

16 A. Around. I don't remember what I did for  
17 two winters but -- right out of high school, but I know  
18 that I started at White Spot in '74.

19 Q. Sir, so you left White Spot -- were you a  
20 full-time employee throughout that eight years or six  
21 years, however long it was?

22 A. Yes.

23 Q. Okay. What did you do after White Spot?

24 A. Went to Perkins[sic].

25 Q. Okay. Where is Perkins?

1 A. Perkins in Westminster, Colorado.

2 Q. Is that a chain restaurant?

3 A. Yes, it is.

4 Q. Coffee shop, right?

5 A. If you want to call it that, yes.

6 Q. And how long did you work for Perkins?

7 A. From 1980 to 1983.

8 Q. And what was your position there, sir?

9 A. I was the general manager.

10 Q. Single unit or multiple units?

11 A. That one was a single unit.

12 Q. And after Perkins, sir, what did you do?

13 A. I went to Wendy's.

14 Q. Corporate office or franchisee?

15 A. Corporate.

16 Q. And how long did you work at Wendy's?

17 A. From 1983 to 1993, approximately. I  
18 couldn't exactly remember if it was '92 or '93, but one  
19 of the two.

20 Q. And your position there, sir?

21 A. Left as a district manager.

22 Q. And is that single unit or multiple unit  
23 district manager?

24 A. Multiple unit.

25 Q. How many units?

1           A. At times when people were out on vacation  
2 or leaves, probably could be maybe 20 stores, 25  
3 stores.

4           Q. What market area?

5           A. Started in Denver, and ended in Fort  
6 Lauderdale, Florida.

7           Q. So you moved from Colorado to Florida?

8           A. Yes.

9           Q. When did you move to Florida, sir?

10          A. 1988.

11          Q. So when you were in Florida how many units  
12 did you have?

13          A. About the same. It varied from time to  
14 time. Minimally, I believe it was maybe eight units,  
15 but it went -- if fluctuated, and that's the way it  
16 works.

17          Q. And then you left Wendy's when you were in  
18 Florida, right?

19          A. Yes.

20          Q. 1993?

21          A. Yes, or there about, '92, '93.

22          Q. And what did you do after that?

23          A. Went to Fat Burger.

24          Q. Did you work for corporate Fats Brand, or  
25 did you work for a single store?

1 A. For corporate, yes.

2 Q. You worked for Fats Brand company?

3 A. No.

4 Q. Who did you work for?

5 A. Fat Burger.

6 Q. Fat Burger is owned by Fats Brand?

7 A. Now it is.

8 Q. How long did you work for Fat Burger?

9 A. I was there from '92 to '95, '92, '92 to  
10 '95.

11 Q. In Florida?

12 A. No, in California, Los Angeles.

13 Q. You came to California?

14 A. Yes.

15 Q. Was it a single unit?

16 A. No. All the stores were under Fat Burger.  
17 I can't recall how many we had back then.

18 Q. I think in that time period of time -- I  
19 used to live in LA, you had three stores, right?

20 A. No, no, many, many, many more.

21 Q. Very good. What was the headquarters back  
22 in '93, '95?

23 A. It was in Santa Monica, California.

24 Q. Why did you leave Fat Burger?

25 A. Well, first of all, I was recruited from a

1 gentleman that I used to report to at Wendy's, and he  
2 became one of the executives there, and when a new CEO  
3 took over after awhile, him and I had fundamental  
4 disagreements regarding some of the policies and  
5 procedures, and I knew that if someone would have to  
6 go, it would be me. I discussed that with him a couple  
7 of times, and it was mutually decided that maybe I  
8 leave.

9 Q. So you resigned, or were you fired?

10 A. It was a mutual decision, and pretty much,  
11 you know, not speaking negative of the individual, it  
12 was decided that, you know, I wasn't best suited to be  
13 serving it.

14 Q. So would a description of being terminated  
15 be a better description of your departure from there?

16 A. If you want to put it that way. It didn't  
17 exactly take place that way.

18 Q. I understand. And after Fat Burger, where  
19 did you work, sir?

20 A. Then I was a franchisee because they  
21 offered me a franchise that was available here in  
22 Fresno, so I picked that up, and actually I continued  
23 to have a positive relationship with the gentleman, and  
24 he made it very easy for me to get into the franchise,  
25 and I continued as actually giving them advice

1 sometimes, but I was a franchisee of the Fat Burger  
2 here for three years.

3 Q. In Fresno?

4 A. In Fresno, yes.

5 Q. That brings you to 1995?

6 A. 1998.

7 Q. 1998. Okay, got it, yes. And what  
8 happened to Fat Burger -- is that the one on Blackstone  
9 and Herndon?

10 A. Yes, sir, yes.

11 Q. And did you -- what happened to that  
12 franchise?

13 A. I don't like to talk about myself just  
14 like anybody else, but I felt that I wanted to create  
15 my own system, and I came to a very good mutual  
16 agreement with the same gentleman, and I went ahead and  
17 he under considerations released me of my franchise  
18 agreement. Of course, this took over a year and a half  
19 of discussions with him, and so he didn't relieve me of  
20 my franchise agreement and I changed the name to  
21 Colorado Grill.

22 Q. So you sold the name -- you were  
23 de-branded for lack of a better term?

24 A. That is not what it's called, but, yeah.

25 Q. What is it called?

1           A. I ceased to be the franchisee and changed  
2 the name, but you can call it whatever you see the  
3 legal --

4           Q. I like to call it de-branding; is that  
5 okay?

6           A. Okay.

7           Q. Were you current on your franchise  
8 obligations to Fats Brand at the time that you gave up  
9 your franchise rights?

10          A. To Fat Burger, yes. I was fully  
11 compliant.

12          Q. So you operated Colorado Burgers, or  
13 Colorado Restaurant, what is it called?

14          A. California Grill.

15          Q. Okay. And is that by yourself?

16          A. And Debbie, yes.

17          Q. Oh, you and your wife. Single unit, the  
18 same size?

19          A. Yes.

20          Q. And how long did you continue that, from  
21 1998 to when?

22          A. Actually, I then formed a consulting  
23 company, so I would go to Colorado Grill many a times  
24 due to lunch time and help out, but pretty much Debbie,  
25 Debbie operated Colorado Grill, Debbie and the manager

1 that was there.

2 Q. Do you still own the Colorado Grill?

3 A. I small percentage of the stock, yes.

4 Q. So Colorado Grill is incorporated, right?

5 A. Yes.

6 Q. And is your wife sill working at Colorado  
7 Grill?

8 A. No.

9 Q. Are you still doing consulting work for  
10 Colorado Grill?

11 A. Yes.

12 Q. What's the name of your consulting  
13 company?

14 A. Eagle Management.

15 Q. Is that an incorporated, LLC, what?

16 A. No, it's a sole propriety.

17 Q. It's a DBA?

18 A. Yes, sir.

19 Q. It says Ali Nekumanesh, dba Eagle  
20 Management?

21 A. Yes.

22 Q. Consulting?

23 A. Yes.

24 Q. Sir, so this brings us what, to 2001, 2002  
25 to now?



1           A. Yes. It brings you to -- yes. Eagle  
2 Management and Colorado Grill to 2008, if you'll lead  
3 into when I started with the Deli Delicious.

4           Q. Okay. I haven't gone there yet, so I just  
5 want to make sure you operated Eagle Consulting  
6 Management company from 2000?

7           A. From 1995.

8           Q. '95?

9           A. Yes.

10          Q. I had '98. Okay, I thought in '98 you  
11 started Colorado Grill?

12          A. Yes, but Eagle Management is my consulting  
13 business; I do that as a business.

14          Q. So -- and you have only a consulting  
15 position right now with Colorado Grill?

16          A. No, I do other work.

17          Q. Like what kind of work?

18          A. I do FDB review for folks. I do, you  
19 know, business contract reviews, business consulting,  
20 business start ups, business plans, quite a bit of  
21 business plan work. I volunteer about almost, I don't  
22 know, 50 hours, 60 hours a year, maybe more to an  
23 organization called SLO, a legal SBA through my  
24 consulting to the budding entrepreneurs that cannot  
25 otherwise afford consultants.

1 Q. So right now I am interested in Colorado  
2 Grill, sir. You provide -- what kind of consulting  
3 work do you provide for Colorado Grill?

4 A. Business consulting. Every small business  
5 needs some mentor, and I do quite a bit of mentoring  
6 for them.

7 Q. Sir, I am sorry. Who are the other owners  
8 you said you have a small merge of stocks of the  
9 Colorado Grill? I assume it's a corporation, right?

10 A. Yeah, there are three Colorado Grills.

11 Q. Okay.

12 A. And there is a Colorado Grill truck and  
13 these are owned by various people.

14 Q. Okay. Let me back up a little bit. The  
15 Colorado Grill, is that a corporation?

16 A. Yes.

17 Q. What's the name of the corporation,  
18 please?

19 A. The Colorado Grill on Herndon and  
20 Blackstone is called Colorado Grill, Fresno, Inc.

21 Q. That's Herndon and Blackstone. So -- and  
22 I know there's another one by Fresno State; what is  
23 that called?

24 A. That's called Colorado Grill, Clovis, Inc.

25 Q. And then there's a third one, which I

1 don't know where it's at, where is that one at?

2 A. Colorado Grill Three, Inc., is on Shaw and  
3 West.

4 Q. Okay. And then there's a truck, so what's  
5 the name of that company that owns the truck?

6 A. It's called CG Vertising, Inc.?

7 Q. C as in cat, G as in God, Vertising,  
8 V-e-r-t-s-i-n-g?

9 A. Yes.

10 Q. Inc.?

11 A. Yes.

12 Q. And you have stocks in all these  
13 corporations?

14 A. No.

15 Q. Which one do you have stocks in, sir?

16 A. Just the one in Clovis, Colorado Grill,  
17 Clovis, Inc.

18 Q. So do you still provide consulting  
19 services for the Colorado Grill, Fresno?

20 A. Yes -- no. About -- not the Colorado  
21 Grill, Fresno because my son has that, so he's learned  
22 how to do his stuff himself.

23 Q. Which son is that, sir?

24 A. Hossein Nekumanesh.

25 Q. Would you spell it for the benefit of the

1 court reporter, please?

2 A. H-o-s-s-e-i-n.

3 Q. The Colorado Grill, Clovis, you are a  
4 stockholder in that one?

5 A. Yes.

6 Q. And you provide consulting services in  
7 that one?

8 A. Yes.

9 Q. And who are the other stockholders?

10 A. Hossein Nekumanesh and Justin Hansen,  
11 H-a-n-s-e-n.

12 Q. And Colorado Grill Three, Inc., who are  
13 the shareholders in that one?

14 A. That's Hossein Nekumanesh, Marcello Orosco  
15 and Abdulwahev Jawad. I've got to write it to spell it  
16 for the reporter.

17 Q. Yes, thank you.

18 A. It's A-b-d-u-l-w-a-h-e-v, and the last  
19 name, Jawad is J-a-w-a-d.

20 Q. And you provide consulting services for  
21 the no. 3?

22 A. Yes.

23 Q. And then CG Vertising, Inc., who are the  
24 shareholders in that one?

25 A. It's all of the people that are named

1 already in all of the Colorado Grills to make it easy  
2 for the reporter.

3 Q. Yes. It would be Hossein, Justin,  
4 Marcello and Abdulwahev?

5 A. Abdulwahev Jawad.

6 Q. Okay. So you worked as a franchisee, and  
7 then the subsequent independent businessman for  
8 Colorado Grill, and other than the Colorado Grill, and  
9 before you joined the Deli Delicious, did you work for  
10 any other entity?

11 A. No. I did consulting work for a Golden  
12 Corral franchisee, who had other concerns, I am not  
13 sure. He had a lot of other stuff going on, but he was  
14 trying to become a franchisee of Golden Corral, so I  
15 did some work for him.

16 Q. Was that here in Fresno, Merced?

17 A. That's in Southern California.

18 Q. That didn't come to pass, I take it, what  
19 you said?

20 A. It didn't for him unfortunately.

21 Q. What else did you do?

22 A. That's about it it.

23 Q. So do you have current position with the  
24 Deli Delicious, or which I'll refer to as DDFI, so I  
25 don't have to say all those words. Do you have a

1 current position with them?

2 A. Yes. I have gone part-time kind of semi-  
3 retired, but I am still the executive vice president.

4 Q. You said semi retired, so is that like 20  
5 hours a week, 10 hours a week?

6 A. About 10 hours a week.

7 Q. And who's the president of the company?

8 A. Hesam Hobab.

9 Q. H-e-s-a-m, right?

10 A. Yes.

11 Q. And Hobab, H-o-b-a-b. I'm just doing it  
12 for benefit of Florence here because we are going to  
13 have these names repeated.

14 Do you report to him directly?

15 A. I report to Hesam Hobab, and to  
16 Mohammad --

17 Q. Spell Mohammad for the court reporter,  
18 please?

19 A. M-o-h-a-m-a-a-d[sic].

20 Q. And what's Mohammad's position with the  
21 company?

22 A. He's the sole shareholder of the company.

23 Q. You mean with a company named DD's Bakery,  
24 Inc.?

25 A. Yes.

1 Q. And what is that?

2 MR. SCHNEIDER: --

3 MR. KHARAZI: David, I can't hear you.

4 MR. SCHEINER: Sorry, technology. So I think  
5 I'll interpose an objection. Just -- as Mr. Kharazi  
6 knows, he and I have been discussing DDFI's concerns  
7 about the disclosure of DDFI's confidential trade  
8 secret information. On Wednesday of last week, the  
9 19th, Foad Sephazaradah[sic] was deposed, and after the  
10 deposition Mr. Kharazi and I spoke, I notified  
11 Ms. Kharazi that I'd like to have a protective order in  
12 place to protect DDFI's confidential trade secret  
13 privacy information. We have been meeting and  
14 conferring ever since about that topic. I proposed a  
15 stipulated protective order to Mr. Kharazi on Thursday,  
16 the 20th of August. Mr. Kharazi responded with a  
17 revised version of that protective order, and I found  
18 its terms to not protect DDFI's -- you know, I am  
19 getting feedback. Are you getting feedback too?

20 MR. KHARAZI: Yeah, I can hear you. You are  
21 absolutely right.

22 MR. SCHNEIDER: What am I right about?

23 MR. KHARAZI: About the feedback, not the  
24 protective order, but there is a feedback.

25 MR. SCHNEIDER: Is it such that you cannot

1 understand what I am saying?

2 MR. KHARAZI: No, I heard everything you said.  
3 You can continue on.

4 MR. SCHNEIDER: So Mr. Kharazi and I have been  
5 discussing a stipulated protective order that he sent  
6 me on Saturday morning, this past Saturday morning, a  
7 red lined or advised version that I did not protected  
8 adequately DDFI's interest. We continued to have  
9 meeting and confer efforts over the weekend. I  
10 proposed a new different stipulated protective order  
11 for Mr. Kharazi's consideration yesterday that I  
12 located on the Los Angeles County Superior Court's  
13 website is a form stipulation -- stipulated protective  
14 order for parties to enter into in a civil case, and we  
15 have not yet come to terms on a stipulated protective  
16 order, and as such, I just want to let everybody know,  
17 Mr. Kharazi know that I plan on objecting and  
18 instructing Mr. Nekumanesh not to answer any questions  
19 that are going to or divulge any confidential trade  
20 secret privacy protected information of DDFI, and just  
21 for the record, topics which I believe would touch on  
22 those areas are questions needing information about  
23 DDFI's standards, confidential matters, trade secrets,  
24 product knowledge, specifications, ingredients,  
25 formulas, recipes, food preparation, business



1 strategies, methods and techniques, technology,  
2 equipment specifications, operational procedures,  
3 pricing and cost information, forms, record keeping,  
4 recruiting techniques, employer pension programs,  
5 inventory control, record keeping, and reporting  
6 methods, marketing advertising, and promotional  
7 programs. So to the extent the questions are going to  
8 be asked Mr. Nekumanesh on those areas, I am going to  
9 instruct him not to answer them, I'll proceed to seek a  
10 protective order in the California Discovery Act.

11 MR. KHARAZI: Okay. Let me go on the record  
12 and say, Mr. Schneider, I appreciate the position you  
13 feel you have to protect for your clients; however,  
14 your clients brought a lawsuit claiming that we are not  
15 using the bread that we believe does not meet the  
16 standards, and you will have that in our pleadings, but  
17 by hampering our ability to ask those questions, you  
18 are precluding us from defending the motion that is  
19 pending. I did receive your revised protective order  
20 about 6:30 this morning. You may have sent it last  
21 night; I don't know.

22 MR. SCHNEIDER: I sent it yesterday.

23 MR. KHARAZI: Yeah. In any event, I haven't  
24 had a chance to review it. My opposition to you is  
25 that you allow us to proceed with the full deposition,

1 and then seek to protect whatever portion you feel that  
2 it infringes upon your client's rights. Whether you  
3 chose to instruct to Mr. Nekumanesh to answer the  
4 questions or not, of course, I can't compel him at this  
5 point, and we have to maybe take it up with the Court.  
6 And for that reason, I invited you to file an ex parte  
7 application with the Court to have this protective  
8 order heard earlier, rather than later. As you know, I  
9 only have a couple more weeks to respond to the motion.  
10 Having said that, I am going to proceed. You can make  
11 your objection, Mr. Schneider. We'll be gentleman, and  
12 professional, and proceed, and if I feel that the  
13 deposition is not productive, at that point, I'll have  
14 to stop, and have to go to Court, and take my matter up  
15 with the Judge.

16 Having said that, I'd like to proceed. Please  
17 feel free to object.

18 MR. SCHNEIDER: That is fine. The act does  
19 not require me to go allow the deposition to go forward  
20 with those questions. I have the right to object on  
21 that basis before, during, or after the depositions.  
22 So I am going to exercise that right today, and not  
23 allow him to answer those questions. I will, again,  
24 offer to go off the record, and you can read the  
25 12-page stipulation that I sent to you, and we can

1 maybe hash that out so that we don't have these  
2 problems moving forward, and we can postpone the  
3 deposition of Mr. Hadi Hobab that's scheduled for  
4 later. Until such time as we can agree upon that  
5 document, it seems like a very simple process.

6 MR. KHARAZI: Well, the problem is that,  
7 again, I have only a limited time to respond to your  
8 preliminary injunction application.

9 MR. SCHNEIDER: It's a month from today,  
10 Mr. Kharazi, is your deadline.

11 MR. KHARAZI: I think my deadline is  
12 October 7th. So with the holiday, et cetera, I don't  
13 even have two weeks. Plus these transcripts have to be  
14 prepared by the court reporter to be included in my  
15 opposition. So I think you are respectfully hampering  
16 my ability to do my work.

17 But notwithstanding, let me proceed, and we  
18 can see how far we can go.

19 Mr. Nekumanesh, can you put your microphone  
20 back on? It looks like you are on mute, please.

21 MR. SCHNEIDER: We had quite a bit of  
22 interference in this room, so that's why.

23 MR. KHARAZI: No worries, that's fine.

24 BY MR. KHARAZI:

25 Q. Sir, because this next series of questions

1 may be contentious, I ask you to count to three before  
2 you answer my questions. This way it will allow your  
3 lawyer, Mr. Schneider, to make his objections. I  
4 assume Mr. Schneider, you are representing  
5 Mr. Nekumanesh for the purpose of this deposition, and  
6 he's a corporate officer; is that correct, sir?

7 MR. SCHNEIDER: That is correct.

8 BY MR. KHARAZI:

9 Q. Mr. Nekumanesh, I am going to start back  
10 up. So are you familiar with a company named DD's  
11 Bakery, Inc.?

12 A. Yes.

13 Q. And do you have an executive position with  
14 that company?

15 A. I don't.

16 Q. Do you know who the stockholder of DD's  
17 Bakery, Inc., are?

18 A. Yes.

19 Q. Who is the stockholder?

20 A. Mohammad Hobab, 90 percent, Ali  
21 Nekumanesh, five percent, and Debbie Nekumanesh,  
22 five percent.

23 Q. Are you a member of the Board of the DD's  
24 Bakery, Inc., then?

25 A. Not at this point, I was.

1 Q. Okay. When did you resign as a member of  
2 the Board?

3 A. I don't know. A few months back, I have  
4 been trying to cut back, yes.

5 Q. Within this year?

6 A. Yes.

7 Q. Okay. Who are the members of the Board  
8 now?

9 A. Mohammad Hobab and Hesam Hobab.

10 Q. Was Mrs. Nekumantesh, Debbie, ever a  
11 member of the Board, sir?

12 A. No.

13 Q. And what's the main business of the DD's  
14 Bakery, Inc.?

15 A. It's for using bread for commercial  
16 purposes.

17 Q. And would it be accurate to say that the  
18 sole customer is DDFI's franchisees?

19 A. I am not aware of that.

20 Q. There are other customers?

21 A. I'm not aware that there are, but to  
22 answer your question, I am not aware that their sole  
23 customer is DDFI's franchise.

24 Q. Who is the chief executive officer of DD's  
25 Bakery today?

1 A. I am sorry, could you --

2 Q. Who is president or chief executive  
3 officer of DD's bakery today?

4 A. I believe it's Mohammad Hobab.

5 Q. But, sir, Mohammad Hobab does not speak  
6 English; is that correct?

7 A. Yes, or limited English.

8 Q. Does he read or write English?

9 A. I'm not aware, I am not sure.

10 MR. KHARAZI: David, that feedback is playing  
11 out there just so you know, but I am okay with it so  
12 far.

13 MR. SCHNEIDER: It's not in my ears, that's  
14 strange. If it becomes too bad for anybody to  
15 understand, let me know. We can get my IT guys back.

16 MR. KHARAZI: No, but I'm just letting  
17 everybody else know.

18 MR. SCHNEIDER: Is it the perhaps the volume?  
19 Give me one second. Let me try to turn down his  
20 volume. Can we just hang tight?

21 BY MR. Kharazi:

22 Q. So the chief-executive officer of DD's  
23 Bakery is Mohammad, right?

24 A. That's my understanding, yes.

25 Q. And where is the headquarters of the DD's

1 Bakery?

2 A. It's at 2405 West Shaw Avenue, Fresno,  
3 California 93711.

4 Q. 2495 or 2491?

5 A. I am not sure.

6 Q. Just a moment, let me double check. Is  
7 that the same headquarters as the DDFI, sir?

8 A. Yes.

9 Q. It's 2491?

10 A. 91?

11 Q. Yes?

12 A. Okay. I know that DDFI's is 2495.

13 Q. Okay. And where is the bakery at, the  
14 actual bakery?

15 A. The same office, or they have their own  
16 office also at -- I am not sure of the address. If you  
17 allow me, I can find out.

18 Q. At the next break, please find out, and  
19 I'll verify the address too.

20 A. Okay.

21 Q. So as far as the day-to-day operations,  
22 is it Mohammad Hobab that runs the day-to-day  
23 operations of the bakery?

24 A. I don't believe so.

25 Q. Who is the person that calls the

1 day-to-day, or runs the bakery day to day?

2 A. A lady named Noni.

3 Q. You can't ask questions. If you don't  
4 know, it's okay.

5 A. Okay.

6 Q. And then this Noni, is she a baker, bread  
7 maker, experience in bakery; do you know?

8 A. She is the general manager for the bakery,  
9 I believe.

10 Q. Maybe I asked a bad question. Does she  
11 have any experience in the baking process of the  
12 bakery?

13 A. I don't know.

14 Q. Did you interview this Noni for the job,  
15 sir?

16 A. No.

17 Q. Do you know who did?

18 A. I don't.

19 Q. Had Noni ever worked for DDFI, sir?

20 A. Yes.

21 Q. What was her position at DDFI?

22 A. She was a franchisee support  
23 representative.

24 Q. Thank you. I am going to make sure right  
25 now, do you have a position with DDFI, yourself?



1           A. As I mentioned, I am semi-retired, and I  
2 go in one day a week to provide consulting services to  
3 Hesam Hobab, and the Sr. Vice President that is at the  
4 company.

5           Q. Who is that?

6           A. A gentleman by the name of Bill Foley,  
7 F-o-l-e-y.

8           Q. Who are the members of the Board of DDFI,  
9 if you know?

10          A. Mohammad Hobab, Hesam Hobab, and Ali  
11 Nekumanesh.

12          Q. You are a member of the Board of DDFI as  
13 well?

14          A. Yes, sir.

15          Q. Is there a typical note taker, scribe, or  
16 a secretary for the corporation, for the DDFI?

17          A. Generally speaking, I try to take the  
18 notes for the purposes of the minutes.

19          Q. Do you keep those minutes in a corporate  
20 book?

21          A. Yes, sir.

22          Q. Do you get those minutes approved at the  
23 next Board meeting?

24          A. Yes, sir.

25          Q. And how often are the Board meetings for

1 the DDFI?

2 A. At least once a year, but we have had  
3 meetings four times, five times a year, it varies.

4 Q. Was Hadi Hobab ever a member of the Board  
5 of Directors of DDFI?

6 A. Yes.

7 Q. And when did he depart from DDFI's Board?

8 A. Mr. Kharazi, I am not quite sure of the  
9 dates. If you want, I can give you a guesstimate as to  
10 the year.

11 Q. An estimate would be better for me.

12 A. Okay. I suppose it was sometime in 2017.

13 Q. What caused Hadi Hobab to no longer be on  
14 the Board of Directors of DDFI?

15 A. There was issues between him and his  
16 father and mom of which I did not want to really be  
17 engaged in, so I don't -- I don't know really.

18 Q. With respect to Hadi's lack of  
19 participation in the Board, did it have anything to do  
20 with this new bread that DD's bakery was making?

21 MR. SCHNEIDER: I am going to object just  
22 because at first it misstates his testimony regarding  
23 lack of participation on the Board, and also about when  
24 you get into operational methods of DDFI I'm going to  
25 start objecting pretty soon there, Mr. Kharazi,

1 depending on the prep of the question.

2 MR. KHARAZI: I respect that. Are you going  
3 to tell him to answer my question?

4 MR. SCHNEIDER: The question was --

5 MR. KHARAZI: Whether Hadi's departure had  
6 anything to do with the bread that the DDs's Bakery was  
7 selling to the franchise?

8 MR. SCHNEIDER: You may answer that question.

9 THE WITNESS: This is a personal opinion,  
10 Mr. Kharazi, and I don't believe so.

11 BY MR. KHARAZI:

12 Q. You know who would know the answer to that  
13 question?

14 A. I imagine his father, Mohammad would know.

15 Q. So you testified you are a part-time  
16 employee of DDFI now. Do you keep any employment with  
17 DD's Bakery yourself, sir?

18 A. No, sir.

19 Q. And how often do you know to the bakery at  
20 all, if at all?

21 A. Perhaps once quarter.

22 Q. Do you --

23 MR. SCHNEIDER: Mr. Kharazi, you are fading  
24 out on your audio.

25 MR. KHARAZI: Sure. Sorry, I was reading my

1 notes.

2 BY MR. KHARAZI:

3 Q. You are not a member of Board either,  
4 right, so you don't go to the Board meetings, right,  
5 for the bakery?

6 MR. SCHNEIDER: I want to interpose an  
7 objection. That is -- now we're getting into the  
8 operations side of DDFI, so I am going to instruct you  
9 not to answer that.

10 MR. KHARAZI: About DD's Bakery, but that's  
11 okay.

12 MR. SCHNEIDER: Which Board were you inquiring  
13 about, Mr. Kharazi?

14 MR. KHARAZI: DD'S Bakery.

15 MR. SCHNEIDER: You may answer that question.  
16 Can we have it read back?

17 BY MR. KHARAZI:

18 Q. I'll actually ask it -- when was the last  
19 time you were in a Board meeting for DD's Bakery?

20 A. I believe it was last year.

21 Q. Like a year ago today, or sometime in  
22 2019?

23 A. Sometime in 2019.

24 Q. And is that when you and Mr. Nekumanesh  
25 resigned or not -- no longer on the Board?

1           A. Mr. Kharazi, Mrs. Nekumanesh was never on  
2 the Board.

3           Q. Okay. Got it. Well, does  
4 Mrs. Nekumanesh have any position with DDFI?

5           A. Besides being my support to see me work  
6 70 hours a week, no.

7           Q. Well, you got to thankful she's letting  
8 you work that many hours?

9           A. That's right.

10          Q. And does Mrs. Nekumanesh have any  
11 position, employment position with DD's Bakery, sir?

12          A. No, sir.

13          Q. Is Mrs. Nekumanesh employed at this time?

14          A. No, she hasn't been employed for 20 years.  
15 She is looking for a job, though.

16          Q. Well, if I know of an opening, you'll be  
17 the first one to know. Send me her resume.

18          The question is, Mrs. Nekumanesh, then, would  
19 have no personal knowledge of the undertaking with  
20 respect to DD's Bakery, correct?

21          A. Correct.

22          Q. And no personal knowledge with respect to  
23 the operations or issues of DDFI, correct?

24          A. Correct.

25          Q. Thank you. This will help me not to, you

1 know, have to bring her to a deposition. Thank you for  
2 answering that question.

3 A. Thank you.

4 Q. So you have given us a fairly good resume  
5 with respect to your knowledge of restaurant business,  
6 hospitality business, as you said. Do you know if  
7 Hesam Hobab has the same degree, or knowledge, or  
8 experience with respect to the hospitality business as  
9 you?

10 A. Well, to put myself on a high horse, I  
11 don't believe so.

12 Q. I don't want you to put yourself on a high  
13 horse. I just want to know what your personal  
14 knowledge and observations are. It's my understanding  
15 that Hesam Hobab only has maybe operated a one or two  
16 Deli Delicious restaurants in his young career,  
17 correct?

18 A. It was my understanding when I joined the  
19 company that he actually was very actively involved in  
20 all seven of the restaurants.

21 Q. But other than Deli Delicious, he has no  
22 involvement in any other restaurants business; is that  
23 correct?

24 A. I am not aware of what he did during his  
25 high school years or college years.

1 Q. What about Mohammad Hobab, do you know if  
2 Mr. Mohammad Hobab ever ran a multi-unit restaurant  
3 other than a Deli Delicious franchise or restaurant?

4 A. Mr. Kharazi, he may have owned one. I  
5 have never questioned that, so I don't know.

6 MR SCHNEIDER: Mr. Kharazi, every time you  
7 turn to your right --

8 BY MR. KHARAZI:

9 Q. I'm sorry. You joined Deli Delicious in  
10 early 2000, if I remember right; is that correct?

11 A. 2008, I believe.

12 Q. At that time, was DDFI already formed?

13 A. Yes.

14 Q. Now, at that time, was there any  
15 franchises sold already when you joined?

16 A. I don't remember.

17 Q. Do you remember who started -- no, you  
18 wouldn't remember, but would you know who started the  
19 first Deli Delicious restaurant?

20 A. I know it was somebody other than Mohammad  
21 who subsequently sold it to him, the first unit.

22 Q. Was it Bijan Shayestah?

23 A. I am not sure.

24 Q. So it is your understanding in your  
25 testimony, sir, today that Mohammad Hobab started a

1 first restaurant, and then sold it to this third party?

2 MR. KHARAZI: Okay. David you said an  
3 objection. I couldn't hear you.

4 MR. SCHNEIDER: I just wanted to make sure you  
5 understand. Objection. I think that misstates his  
6 prior testimony. You can answer the question.

7 THE WITNESS: Are you asking me if Mohammad  
8 sold -- he bought the restaurant from someone and sold  
9 it to somebody else?

10 BY MR. KHARAZI:

11 Q. No, sir.

12 A. Okay, I am sorry.

13 Q. That's okay. I think the way I understood  
14 your testimony, Mr. Nekumanesh, was that Mohammad Hobab  
15 started first the first Deli Delicious, and then he  
16 sold it to somebody else; is that correct?

17 A. No. Actually, I am not aware of what  
18 happened to store eight or nine. I am not sure how all  
19 that proceeded.

20 Q. So everything before store eight or nine,  
21 you have no knowledge of?

22 A. Yes.

23 Q. I understand that there's an allegation  
24 that Hadi Hobab was the one -- by the way, that's  
25 spelled H-a-d-i, that started the first Deli Delicious,



1 not Mohammed; is that correct?

2 A. I have no knowledge to that.

3 Q. Okay. Now, with respect to the Board of  
4 Directors meeting for for the DDFI, sir, did you  
5 prepare the agendas for those Board meetings?

6 MR. SCHNEIDER: I am going to object on the  
7 basis that it invades on DDFI's confidential  
8 information trade secrets. It's an operational matter  
9 for DDFI, and I'm going to instruct Mr. Nekumanesh not  
10 to answer.

11 BY MR. KHARAZI:

12 Q. Well, you can't answer the question  
13 because that's what your lawyer said. I'm just moving  
14 on. I am respecting his opinion, but that doesn't mean  
15 I agree with him, okay, so I am just moving on so I can  
16 get my job done.

17 With respect to the Board meetings was there  
18 ever an agenda? It's a yes or no on that?

19 MR. SCHNEIDER: Again, I'll interpose the same  
20 objection. If we're going to be into the  
21 inter-workings of DDFI's operations, I've given a  
22 little bit of a leash so far, but I want to make sure  
23 that we don't let it go too far afield. So I'm going  
24 to object and instruct Mr. Nekumanesh not to answer to  
25 the operations of the DDFI's business.

1 BY MR. KHARAZI:

2 Q. Now, with respect to the bread that is  
3 sold by DD's Bakery, were you involved in the  
4 development of that bread?

5 MR. SCHNEIDER: Same objection. Same  
6 instruction not to answer.

7 (Question for the record.)

8 MR. KHARAZI: So, David, so I can cut to the  
9 chase, are you not going to allow him to answer  
10 anything about the marketing, testing, lines test,  
11 anything like that, right?

12 MR. SCHNEIDER: Yes. That's what I said  
13 earlier on when I first where I first went on with this  
14 housekeeping issue.

15 MR. KHARAZI: Okay.

16 MR. SCHNEIDER: Again, I am willing to put  
17 this on pause right now. You can look at the 12-page  
18 proposal I sent you on the stipulated protective order,  
19 and we can get right back on the record.

20 MR. KHARAZI: Well, I just don't want to lose  
21 the witness I have. Hadi is coming in in about the  
22 next 20 minute, 30 minutes, so...

23 MR. SCHNEIDER: Mr. Nekumanesh is free. We  
24 can work through that, you and I, and I'll agree to  
25 produce him again as soon as you have a chance to look

1 through that agreement.

2 MR. KHARAZI: Let me just get my questions  
3 here.

4 Let me ask you a question, David, we're on the  
5 record, Florence, please don't go off the record.

6 With respect to the record, you don't want me  
7 to include that in my pleadings? What is it that you  
8 want me not to do?

9 MR. SCHNEIDER: You can do whatever you want  
10 with the pleadings. I'm just not going to allow  
11 Mr. Nekumanesh to disclose any popular trade secret  
12 private information about DDFI as to the protective  
13 order in place.

14 MR. KHARAZI: And what is the protective order  
15 proposing that we do with that information we get? Let  
16 me give you an example. I'm sorry, let me finish.  
17 Assume I found out that the bread is made out of  
18 cardboard in this deposition. Are you saying that I  
19 can't put that testimony before the Court?

20 MR. SCHNEIDER: All I am saying is my witness  
21 today as a representative to the company -- sorry about  
22 the feedback. I am not going to let him disclose any  
23 information and his knowledge about DDFI's confidential  
24 trade secret proprietary private information as I have  
25 got the right to do under CCP section 235.420(b)13.

1 MR. KHARAZI: But, David, the issue here is  
2 that your client claims that they have this superior  
3 organic bread. I have every right to ask those  
4 questions, and get those records to see if I have a leg  
5 to stand on.

6 MR. SCHNEIDER: I don't have a problem with  
7 you getting information, Mr. Kharazi. I just want it  
8 done under a protective order. It doesn't mean you  
9 can't use the information. It just means that you have  
10 to keep it private for the purposes of the case. If  
11 you want to take a look at that protective order I sent  
12 you, I'm all ears.

13 MR. KHARAZI: Well, let's take a break. I'm  
14 going to try to spend 15 minutes on it. It's about  
15 time to give Florence a break anyway. So it's 10:03,  
16 let's take until 10:15. We'll go off the record. I'm  
17 going to review this protective order. Thank you.

18 MR. SCHNEIDER: And just -- that's on the LA  
19 Superior Court's website, it's the general  
20 applicability --

21 MR. KHARAZI: Okay. I'll go look it up.  
22 Thank you.

23 (Off the record.)

24 MR. KHARAZI: Let's go on the record. David,  
25 I reviewed the protective order. I am prepared to sign

1 a model of this protective order which allows me to use  
2 all the deposition documents, et cetera, that will be  
3 produced throughout proceeding including the discovery  
4 responses you will be sending me shortly. I will agree  
5 not to share that other than with my clients with the  
6 specific instructions that they will not disseminate it  
7 to the public. Also that the documents can be used  
8 with my inner-office consultant, jury consultant,  
9 et cetera, and if they need to be filed with the Court,  
10 it will be filed under seal. So basically the same  
11 terms that is essential --

12 MR. SCHNEIDER: I am sorry, go ahead.

13 MR. KHARAZI: I am just saying basically I'll  
14 agree to the same. We'll just format it and get it  
15 done.

16 MR. SCHNEIDER: My paralegal is actually doing  
17 that now. It should take only a few minutes, so you  
18 are okay with the entirety of the document?

19 MR. KHARAZI: Yes. I just want to get it  
20 done. It is specifically understood that this does not  
21 preclude me from filing stuff with the Court that I  
22 obtained through the course of this litigation. I will  
23 be filing under seal under section PR 2550.

24 MR. SCHNEIDER: I was never trying to limit  
25 you in that matter, Mr. Kharazi. I was trying to

1 protect it from the public.

2 MR. KHARAZI: I appreciate that, okay.

3 MR. SCHNEIDER: So do you want to give it five  
4 more minutes, and I'll get you a copy we can sign so  
5 it's signed, and we can stop all the objections?

6 MR. KHARAZI: Well, you have my word. I have  
7 it on the record. So I think it's enforceable so we  
8 can proceed and sign it on the next break.

9 MR. SCHNEIDER: Okay.

10 MR. KHARAZI: I think -- that's why I asked  
11 Florence to go on the record to get it down that I  
12 agree with the entirety of the document with a sample  
13 of protective orders proposed by the Los Angeles  
14 Superior Court, which we'll of course format for  
15 signature for this case.

16 MR. SCHNEIDER: Can you -- Mr. Kharazi, you  
17 have my e-mail. I am not at my desk. Can you forward  
18 that over to Florence, so she can have it for the  
19 record?

20 MR. KHARAZI: Yeah, we'll mark that as Exhibit  
21 No. 2, and make No. 1 being Mr. Nekumanesh's deposition  
22 notice.

23 (Exhibit 1 and Exhibit 2 were marked for  
24 identification.)

25 MR. SCHNEIDER: Right. I just don't believe

1 that Florence has a copy of the stipulated protected  
2 order yet that we are talking about, so we should have  
3 that as a reference.

4 MR. KHARAZI: I respect that. And if for any  
5 reason I refuse to sign it, Mr. Schneider will have a  
6 right to strike the entire deposition and keep it under  
7 seal, so there's your other protection. I just want to  
8 get it going; is that okay, David?

9 MR. SCHNEIDER: That's fine. Just as long as  
10 we are bound by the terms, I'm good.

11 BY MR. KHARAZI:

12 Q. Yeah, we're good. Thank you.

13 All right. So, Mr. Nekumanesh, can you hear  
14 me okay, sir?

15 A. Yes, sir.

16 Q. Excuse me, the smoke in the air is really  
17 effecting my throat so I apologize if I'm coughing a  
18 lot.

19 MR. KHARAZI: And, David, if you want to  
20 object, just raise a thumbs up and hands up and we'll  
21 stop.

22 BY MR. KHARAZI:

23 Q. And, Mr. Nekumanesh, please look at  
24 Mr. Schneider's screen if he has an objection so we can  
25 deal with it, okay, thank you, sir.

1           With respect to the DD's Bakery's bread, do  
2 you know if that bread was ever test marketed?

3           MR. SCHNEIDER: Just -- so I think under the  
4 terms of protective order, I can just designate this  
5 transcript to be confidential, so I am doing that now,  
6 and you can go forward.

7           MR. KHARAZI: Yes. It can only be filed under  
8 seal with the Court if and when necessary.

9           MR. SCHNEIDER: Agreed.

10 BY MR. KHARAZI:

11           Q. Okay. Do you remember the question?

12           A. Yes.

13           Q. Okay.

14           A. And the answer is, I am not aware of it.

15           Q. Do you know if this bread was ever -- the  
16 DD's bread was ever used by another restaurant,  
17 specifically DD's bread by another bakery -- or not a  
18 bakery, the Deli Delicious restaurant?

19           A. By another bakery?

20           Q. I am sorry. I said, "Deli Delicious  
21 restaurant."

22           A. Deli Delicious, I don't believe so. I  
23 don't know.

24           Q. Now, you testified, sir, that DD's Bakery  
25 products are sold to other entities other than DDFI.



1 Are any of them a deli sandwich shop; if you know?

2 A. Other entities of DDFI?

3 Q. No, sir.

4 A. I am sorry.

5 Q. No, that's okay. I probably asked a bad  
6 question. DD's Bakery products, dough, whatever you  
7 all make over there, are they sold to other delis other  
8 than the DDFI?

9 A. I am not aware of it.

10 Q. Thank you, sir. Now, have you ever been  
11 to the Bask French Bakery, Inc.?

12 A. Yes.

13 Q. Have you ever been to their factory floor?

14 A. Yes.

15 Q. And have you looked at their operation as  
16 part of your responsibilities with the DDFI?

17 A. As far as their operation, can you be more  
18 specific, please?

19 Q. Sure. The quality of the bread, the  
20 products they use, things of that sort, have you done  
21 that inspection?

22 A. That is not an area of my -- I don't want  
23 to say, concern, but my level of, for the lack of  
24 better word, expertise. So I don't inject myself into  
25 that.

1 Q. Do you know as you sit here today, sir, if  
2 Bask French Bakery uses organic products, organic flour  
3 specifically for the sandwich bread they used to sell  
4 to Deli Delicious stores?

5 A. I am not aware of that.

6 Q. Do you know the source from which DD's  
7 Bakery flour comes from?

8 A. I don't know.

9 Q. And that's a perfectly good answer. I  
10 don't want you to feel in anyway chided or minimized.  
11 I don't want you to guess at all. If you don't know,  
12 please tell us you don't know.

13 A. Okay.

14 Q. Now, I asked you a few questions about  
15 whether or not there was ever a Board agenda for the  
16 DDFI Board meetings. Sir, were there Board agendas?

17 A. Yes.

18 Q. And did you prepare those agendas?

19 A. Yes.

20 Q. And do you keep those agendas somewhere?

21 A. Yes.

22 Q. Do you ever remember the issue of  
23 switching bread from Bask French to DD's baked bread  
24 was ever discussed within the Board?

25 A. Sitting here, I have -- without looking at

1 the notes, I am not sure, specifically.

2 Q. Well, let me back up. When was the  
3 concept of the deed of having your own bakery was ever  
4 discussed or developed?

5 A. Probably around three years ago.

6 Q. I have looked at the newspaper article  
7 where you were interviewed. And in fact with a TV  
8 interview with you in 2018, and in it you said, "About  
9 three years ago we decided to do the bread." Now, does  
10 that help to refresh your recollection that the concept  
11 of the bakery was about 2015, actually?

12 A. It's possible, yes.

13 Q. And when was the factory, when did the  
14 bread making factory first petition, and by that, I  
15 mean start a production?

16 A. Started actual bread production?

17 Q. Yes.

18 A. Must've been 2018, and, again, I am not  
19 sure.

20 Q. Who would know the answer to that, sir?

21 A. Possibly Mohammad Hobab, and Hesam Hobab.

22 Q. As you sit here today, sir, does Deli  
23 Delicious have any new products that has come into the  
24 market that, again, only be sold or produced using the  
25 DD's Bakery bread?

1 A. Well --

2 MR. SCHNEIDER: Mr. Kharazi, just for  
3 clarification. You are asking about a bread product.  
4 You said any new product which kind of -- it's kind of  
5 a vague question.

6 BY MR. KHARAZI:

7 Q. Thank you. I'll rephrase my question,  
8 Mr. Nekumanesh. Is there a new sandwich coming out or  
9 being developed by DDFI that can only be sold or  
10 produced using DD's Bakery bread?

11 A. To the extent of my limited knowledge,  
12 DD's bread is produced using organic flour, and that is  
13 what's portrayed to the consuming public.

14 Q. Thank you. That wasn't my question. I  
15 appreciate the answer you gave. Let me ask it a  
16 different way. Is there a new sandwich being produced  
17 or introduced to the market by the Deli Delicious  
18 Corporation that can only be prepared using DD's Bakery  
19 bread?

20 A. I am not aware. You would have to ask  
21 someone else that question.

22 Q. Who would that be, sir?

23 A. Hesam Hobab.

24 Q. You would think as a consultant for the  
25 company you would know if they're developing new

1 products.

2 MR. SCHNEIDER: I'll object. That's  
3 argumentative.

4 BY MR. KHARAZI:

5 Q. You can yes say or no.

6 A. I don't think so.

7 MR. SCHNEIDER: That calls for a yes or no  
8 question, not a statement.

9 BY MR. KHARAZI:

10 Q. Okay. Are you going to answer my  
11 question?

12 MR. SCHNEIDER: Can you repeat the question?

13 BY MR. KHARAZI:

14 Q. Sure. As a consultant, would that be your  
15 job to know to DDFI is introducing a new product to the  
16 market?

17 A. Depending on the extent of my involvement  
18 relating to consultancy, yes or no, and in this case,  
19 no.

20 Q. So you don't know if there's a new product  
21 being developed?

22 A. Yes, sir.

23 Q. It's bad question, again. Is it accurate  
24 that no new products are in the pipeline for DDFI?

25 MR. SCHNEIDER: To the extent you know.

1 THE WITNESS: I have no knowledge of it.

2 BY MR. KHARAZI:

3 Q. You have no knowledge of a new product, or  
4 you have no knowledge, period?

5 A. I have no knowledge of a new product, but  
6 there may well be.

7 Q. Thank you very much. When you worked for  
8 Wendy's or Fat Brands or other multi-unit restaurants  
9 you told us about --

10 A. It wasn't Fat Brands.

11 Q. Or Fat Burger, sorry. I did my research  
12 over the weekend so I was trying to be thorough. When  
13 you did this multi-unit restaurant affiliation whether  
14 you are the consultant, supervisor, manager, whatever,  
15 did you ever participate in a new product introduction?  
16 In other words, was a new product introduced during  
17 your tenure to these multi-unit entities?

18 A. Yes, sir.

19 Q. And did you participate in a test product  
20 for these multi-unit entities? It doesn't matter, any  
21 of them.

22 A. Yes.

23 Q. I am going do this for Florence, I know  
24 Mr. Schneider is trying to comment at us. Can you hear  
25 him? No, she can't.

1 MR. SCHNEIDER: I'll just go ahead and -- I'll  
2 strike it, that's fine.

3 MR. KHARAZI: It's just for your benefit. I  
4 am just trying to say, I'm having a hard time hearing  
5 it. I'm sure she is too.

6 MR. SCHNEIDER: I am trying to avoid feedback.

7 MR. KHARAZI: I appreciate that.

8 BY MR. KHARAZI:

9 Q. Okay. Back to Mr. Nekumanesh. Do you  
10 remember your answer, Mr. Nekumanesh?

11 A. Yes.

12 Q. Okay. What was your answer?

13 A. Yes, sir.

14 Q. You were involved in a new product  
15 marketing?

16 A. Yes.

17 Q. In what restaurant chain?

18 A. Mostly Wendy's.

19 Q. And what product did you participate in  
20 this development of?

21 A. When they came up with the super bowl  
22 program, and then the classic.

23 Q. And what did you do? You were like a  
24 multi-unit manager at the time, right?

25 A. Yes.

1 Q. And what did you do, Mr. Nekumanesh, with  
2 respect to your duties at this multi-unit restaurant  
3 manager?

4 A. With respect to the new product  
5 development?

6 Q. Yes, sir.

7 A. My job was limited to transferring the  
8 information to the store level, general managers, for  
9 execution.

10 Q. So the company headquarters would develop  
11 the product, market it, et cetera, test market it, ace  
12 test it, et cetera, and then taught you guys as  
13 supervisors, general managers, you brought it down to  
14 the store level; is that correct?

15 A. Yes, sir.

16 Q. Was this done with respect to the bread  
17 for the DD's Bakery?

18 A. Again, I am not sure. You would have to  
19 ask someone else that.

20 Q. And that would be either Hasem or  
21 Mohammad; is that correct?

22 A. Yes, sir.

23 Q. With respect to the -- strike that. With  
24 respect to the bread, the DD's Bakery's bread, do you  
25 know as you sit here today, if it was ever taste blind



1 tested?

2 MR. SCHNEIDER: Vague as to the definition --

3 MR. KHARAZI: I don't think Florence heard  
4 that because I didn't hear half of it, sorry.

5 MR. SCHNEIDER: Okay, sorry for the  
6 interference. The question is vague as to the  
7 definition of a blind taste test. So if you want to  
8 tell him what that means, you can actually follow the  
9 matter.

10 BY MR. KHARAZI:

11 Q. Well, Mr. Nekumanesh, do you understand  
12 what a blind taste test means?

13 A. Yes.

14 Q. Was DD's bread ever blind taste tested?

15 A. I am not sure.

16 Q. Was there ever a preference given to the  
17 franchisees that if they were to acquire or buy the  
18 DD's Bakery, they can get a break in their royalty  
19 fees, prices, things of that sort?

20 A. I am not aware of that.

21 Q. Sir, I understand Deli Delicious has a  
22 training manual?

23 A. Yes.

24 Q. And that training manual looks an awful  
25 lot like Wendy's manual --

1 MR. SCHNEIDER: Calls for speculation. Lack  
2 of foundation.

3 MR. KHARAZI: Thank you. Let me finish my  
4 question.

5 BY MR. KHARAZI:

6 Q. Did you develop that training manual?

7 A. No.

8 Q. Do you know who did?

9 A. I believe it was Hadi Hobab, Hasem Hobab,  
10 and then later on were the operations folks.

11 Q. Who would that be, the operations folks?

12 A. They would have been Foad  
13 Safalsaldehy[sic], Mechi Laugervaldi[sic], Noni Curry,  
14 Angela Alejandro, Christopher Balsurez[sic], Elena  
15 Newcomb, now Mitchell.

16 Q. Okay. This Noni Curry is the same Noni  
17 that's working at the DD Bakery now?

18 A. Yes, sir.

19 Q. And Curry, is that C-u-r-r-y?

20 A. Yes, sir. I believe so.

21 Q. Okay. After our next break before you  
22 take your break, I'd like you to stay on and help  
23 FLorence with Foad's last name and Mechi's last name,  
24 okay?

25 A. I will.

1 Q. And so I'll finish it up. Thank you, sir.  
2 So it would be accurate to say that you did not have  
3 any hands in developing the training manual for the  
4 DDFI; is that correct?

5 A. No.

6 Q. What about human resources management,  
7 sir? Were you involved in the human resources  
8 management for DDFI?

9 A. Yes.

10 Q. In what capacity?

11 A. Advising the company as to new rules and  
12 regulations, or what we can do to help our employees,  
13 and things like that.

14 Q. Without telling me what you talked with an  
15 attorney about, did you talk with an attorney before  
16 you gave that kind of advice to the company?

17 A. Many a times, yes.

18 Q. And the firm that you talked with would be  
19 Mr. Schneider's firm?

20 A. No.

21 Q. Other firms?

22 A. Yes.

23 Q. But firms in Fresno?

24 A. Yes.

25 Q. Can you tell me their names? Again, I

1 don't want you to tell me what you talked about, just  
2 what firms did you use?

3 A. Well, actually I would attend H.R.  
4 workshops. We would get advice also from Mr. Bret  
5 Sutton who had come to our office to offer a workshop  
6 two or three times. We'd go through the EDD and  
7 Department of Labor websites and gather information. A  
8 lot of -- limited amount of not legal research, but  
9 business management research relative to employee's  
10 workplace issues.

11 Q. Sir, did you get as a part of vice  
12 president, sr. executive vice president with the DDFI,  
13 did you get involved with the sale of a franchise to a  
14 franchisee?

15 A. Yes.

16 Q. On how many occasions?

17 A. Most all of them I was involved with.

18 Q. Were you involved with the sale of any of  
19 the franchises to my client, Dr. Sam Namdarian?

20 A. Yes.

21 Q. Which ones, both or just --

22 A. Both.

23 Q. I'm going to focus on store no. 8. Do you  
24 know who sold store no. 8, that's the one on Clovis  
25 Avenue to Dr. Namdarian?

1 A. It was Mohammad Hobab.

2 Q. And do you know -- was that the store that  
3 Mohammad Hobab had been operating by himself a long  
4 time?

5 A. No.

6 Q. So he brought it from someone else?

7 A. Yes, sir.

8 Q. Who did he buy it from?

9 A. Bought it from Niloufar Heidari,  
10 N-i-l-o-u-f-a-r, H-e-i-d-a-r-i.

11 Q. Do you know how much Mr. Hobab bought this  
12 store from Mr. Heidari?

13 A. I would have to look at my notes.

14 Q. Do you have it in front of you?

15 A. Yes, I do. I believe I do. If my notes  
16 are correct, what I have written here is \$320,000.

17 Q. Do you know if Mr. Hobab actually paid  
18 Heidari 320 in money?

19 A. I wouldn't know.

20 Q. Do you know how much Mr. Hobab sold the  
21 store to my client for?

22 A. The notes that I have here, if they are  
23 correct, it would be 327,000.

24 Q. Now, you have been involved in the sale of  
25 many franchises. Isn't it true that it is the seller's

1 responsibility to have the store up in compliance  
2 before it's sold?

3 A. Generally speaking, yes. Many times there  
4 is agreements where the restaurant is sold contingent  
5 on the buyer meeting the then current guidelines of  
6 DDFI.

7 Q. When this particular store, store no. 8  
8 was sold, do you know if it was disclosed to  
9 Dr. Namdarian that although it is usually the seller's  
10 responsibility to bring the store to compliance, in  
11 this event, he agrees to bring the store into  
12 compliance?

13 A. Okay. I can only tell you what I  
14 recollect in terms of a normal process, which I am sure  
15 took place. They would have been told that there are  
16 certain things that need to be done to bring the  
17 restaurant into compliance. The price is reflective of  
18 that, and that, you know, you would have a shoulder in  
19 the responsibility in case you buy it.

20 I am not sure if this exact verbiage was  
21 delivered to Mr. Namdarian, but this is usually what we  
22 tell the prospective buyers.

23 Q. Mr. Nekumanesh, how many of these buy and  
24 sell agreements or franchise transactions have you been  
25 involved in, approximately?

1           A. Not as many as Mr. Schneider or yourself,  
2 but I have seen hundreds of them.

3           Q. I appreciate that. I mean, with respect  
4 to Deli Delicious?

5           A. Oh, the franchise agreements I have been  
6 involved with, any franchise agreements past the store  
7 no. 9, and the buy, sell agreements probably four,  
8 five, six of them. I couldn't be sure of that.

9           Q. Have you ever seen one that has the buyer  
10 doing the upgrades other than no. 8?

11          A. Yes.

12          Q. On how many occasions, sir?

13          A. I couldn't tell you to be honest.

14          Q. Would it be accurate that the buyer  
15 usually gets a discount on the price if she or she has  
16 to upgrade the store before he can take over?

17          A. As a matter of advisement, I have always  
18 suggested to Mohammad Hobab, and Hasem Hobab and Hadi  
19 Hobab not to get engaged in pricing of the deal with  
20 the franchisor and the would be other franchisee,  
21 selling franchisee and the buying franchisee.

22          Q. Why was did it in this particular store  
23 no. 8 that the franchisee didn't so direct it to my  
24 client, and he had to go through Mohammad Hobab?

25          A. I don't know.

1 Q. And I understand based on the testimony we  
2 got from Foad that other than the main franchise  
3 agreements, et cetera, you prepared all those buy and  
4 sell agreements; is that correct?

5 A. Not all of them, no.

6 Q. With respect to this transaction, though,  
7 did you prepare the buy and sell agreements,  
8 assignments, et cetera?

9 A. Yes.

10 Q. And did you have a lawyer helping you with  
11 those documents?

12 A. No.

13 Q. Now, my client tells me that he paid  
14 \$90,000 to upgrade the store. I don't expect you to  
15 agree with that, but the upgrade was supposed to cover  
16 the entirety of the store. Do you know anything about  
17 that, do you know that if --- who complies with what he  
18 got?

19 A. I am not sure.

20 Q. There's an electronic menu board that Deli  
21 Delicious now prescribes or requires from their  
22 franchises. Who did that computation or as part of the  
23 franchise system?

24 A. I am not sure of the date, but it's been a  
25 -- I'm not sure of the date, really.



1 Q. Wouldn't be it accurate to say that at  
2 least from 2015, 2016 on, the electronic menu board was  
3 a required item?

4 A. I am not aware of that.

5 Q. Do you know when my client paid about  
6 \$90,000 for upgrades, though, why wasn't the electronic  
7 menu board installed as part of the upgrade?

8 MR. SCHNEIDER: I'll object only to the extent  
9 the \$90,000 purchase price lacks foundation.

10 BY MR. KHARAZI:

11 Q. However much he paid?

12 A. I couldn't answer that.

13 Q. Do you know who he paid that money to?

14 A. It would have been to Mohammad Hobab.

15 Q. The upgrade money went straight to  
16 Mohammad Hobab?

17 A. No, no, no, the purchase price. I am not  
18 sure whether they paid directly to the contractor that  
19 did the work, or how they went through that. I am not  
20 sure.

21 Q. Is there any requirement by DDFI that you  
22 know, sir, that they have to pay DDFI for those  
23 upgrades?

24 A. I don't believe so.

25 Q. Sir, do you or Mrs. Nekumanesh own any

1 Deli Delicious restaurants yourselves?

2 A. No.

3 Q. Or have equity interest in one?

4 A. No.

5 Q. Sir, some of the franchise companies they  
6 have a franchise support group. Does Deli Delicious  
7 have a franchise support group?

8 A. Yes.

9 Q. And who has that franchise support group?

10 A. It was to Foad Safalsaldehy prior. Now  
11 it's divvied up between several people at the -- it's  
12 Bill Foley and Juan Garcia.

13 Q. Did you know when you're involved in that,  
14 do you get letters, e-mails that are from franchisees?

15 A. Yes.

16 Q. And do you know if those letters are kept  
17 somewhere by someone?

18 A. Yes.

19 Q. Who is that person today?

20 A. I am not sure, but it would be the --  
21 somebody at the support office that stores the letter  
22 in a backup.

23 Q. Do you know with respect to store no. 8,  
24 when was sold to my client, Dr. Namdarian, if it was  
25 free and clear from all needs and encompasses?

1 A. I am not aware of that.

2 Q. You don't know, or was it not --

3 A. I am not aware. I do know that they were  
4 advised to go through escrow and seek legal advice, and  
5 they apparently decided not to do that.

6 Q. Who advised them to go through escrow?

7 A. I did.

8 Q. And do you know why they chose not to go  
9 through escrow?

10 A. No. Other than they wanted a handshake  
11 deal with Mr. Hobab.

12 Q. But it's true that there was a lien on the  
13 store when it was sold to Namdarian; is that correct?

14 A. I don't know. I am not aware of that.

15 Q. Wasn't there a loan with the Fresno First  
16 Bank that tied up the equipment and fixtures of the  
17 restaurant?

18 A. Are you referring to store no. 8.

19 Q. Yes, of course.

20 A. No.

21 Q. What about the one on Maple and Copper;  
22 was there a lien?

23 A. Yes.

24 Q. And that wasn't cleared out between the  
25 transaction and Namdarian happened; is that correct?

1           A. Mr. Kharazi, with all due respect, the two  
2 are getting mixed up, so....

3           Q. Okay. Your testimony is that no. 14,  
4 that's the one on Copper and Maple?

5           A. Yes.

6           Q. So I am going to refer to it as 14?

7           A. Okay.

8           Q. 14 had a later encumbrance, right?

9           A. 14 were different parties that were  
10 selling it.

11          Q. Right.

12          A. It wasn't Mohammad.

13          Q. Okay. Who was the seller of that one?

14          A. Hadi Hobab.

15          Q. Okay. Did that have a lien and  
16 encumbrance on it?

17          A. Come to find out, yes.

18          Q. You didn't know it at the time?

19          A. No.

20          Q. Well, how did you find out?

21          A. The bank called me, and said that -- and  
22 this is just what they were saying, you know, I am not  
23 sure if it's factual or not. That Hadi has not been  
24 making the payments and he is telling them to go get  
25 the money from my dad.

1 Q. I am sorry, go ahead.

2 A. And I -- personally I was kind of shocked  
3 by that because this is not the way business is done  
4 here in this country. And I told Mr. Hobab that the  
5 bank wants to meet to discuss this with you. So then  
6 we went when we found out that there was a lien.

7 Q. You told which Hobab that the bank wants  
8 to discuss this with you?

9 A. Mohammad Hobab, and Hesam Hobab.

10 Q. Why didn't you take Hadi with you?

11 A. Hadi had separated from the company by  
12 then.

13 Q. Okay. So when was this phone call?

14 A. I don't remember, but it must've been a  
15 year and a half ago, two years ago; I don't know.

16 Q. Who sold store no. 14 to Hadi?

17 A. Bob Johnson.

18 Q. And do you know how much it sold for?

19 A. No.

20 Q. Do you know how much Hadi sold the store  
21 for?

22 A. No.

23 Q. How much was the lien?

24 A. I don't recall.

25 Q. Did you ever contact with Hadi saying,

1 "Hey, there's a lien out here. You ought to pay it  
2 because it's your personal loan"?

3 A. No, it wasn't my place to do it.

4 Q. Do you know if Mohammad Hobab did that?

5 A. He told me he had conversations was Hadi.

6 Q. Do you know what Hadi told him?

7 A. I don't know. I do know that Hadi also  
8 owed money to the original seller. I don't know, but I  
9 heard from the original seller that Hadi owed him money  
10 too, and he hasn't paid up.

11 Q. Why would Hadi owe money to the original  
12 seller?

13 MR. SCHNEIDER: Objection. It calls for the  
14 witness' speculation.

15 BY MR. KHARAZI:

16 Q. If you know.

17 A. It was my limited information from what  
18 Mr. Bob Johnson told me that Hadi has not made payments  
19 that were due to him, but that's what he said.

20 Q. From the sale from Johnson to Hadi?

21 A. Yes.

22 Q. Do you know if Johnson was ever paid?

23 A. I am not sure.

24 Q. I understand Johnson filed for bankruptcy;  
25 is that correct?

1 A. I am not sure.

2 Q. Was there ever a tax lien in either store  
3 14 or 8 that were sold to my client?

4 A. I am not aware of it. I vaguely recall  
5 14, but I'm not sure.

6 Q. What do you remember about 14, sir?

7 A. Vaguely recall that in maybe the business  
8 journal there was either EDD or IRS note regarding a  
9 lien, small amount of tax lien.

10 Q. What was it, do you remember?

11 A. I don't, I am sorry.

12 Q. With respect to the bread that -- the DD's  
13 bread that's being used by the franchisees, were you at  
14 all charged to go and promote this bread to the  
15 franchisees?

16 A. No.

17 Q. You never did that?

18 A. That wasn't part of my responsibility.

19 Q. Who was charged with that duty, to go and  
20 sell this bread, for lack of a better term, to the  
21 franchisees?

22 A. Well, they really didn't need to sell  
23 anything. It was the franchisee's responsibility to  
24 purchase it, but the information and the dissemination  
25 of the information was -- would have been from Foad

1 Safalsaldehy, and his reports to the franchisees.

2 Q. Was there a consequence if the franchisees  
3 didn't use the bread?

4 A. Yes.

5 Q. What's the consequences?

6 A. They would be in breach of the franchise  
7 agreement.

8 MR. SCHNEIDER: One moment, one moment because  
9 I want to see witness, what the witness -- he looked at  
10 me.

11 THE WITNESS: Mr. Kharazi, regarding your  
12 question, I personally met with Mr. Namdarian and  
13 Mr. Boziah regarding the breach of the franchise  
14 agreement, and what I mentioned to them at that meeting  
15 was this is part of a contract that you signed, and  
16 really you've got bigger fish to fry than try to make  
17 it a point here that's not going to go anywhere. My  
18 suggestion was save yourself the headaches, the  
19 frustrations and legal hassles, and get together with  
20 Mohammad Hobab and Hasem Hobab and resolve this issue.  
21 I probably had three meetings with them.

22 Q. When did -- when were those meetings?

23 A. All them took place -- well, 2019, maybe  
24 one in 2020, I'm not sure, 2019.

25 Q. Do you know when DD's Bakery received its



1 certification?

2 A. No.

3 MR. SCHNEIDER: That question -- just for  
4 clarification purposes, what type of certifications are  
5 you inquiring about, Mr. Kharazi?

6 BY MR. KHARAZI:

7 Q. My understanding of papers that were filed  
8 that there was a DDF -- DD's Bakery organic handler's  
9 certification. So that's specific in what I am asking  
10 for. Do you know when that was issued?

11 A. I don't.

12 THE WITNESS: Can I take a another break?

13 MR. KHARAZI: Yeah, for sure. It's 11:01, do  
14 you want to come back at 11:10, would that give you  
15 enough time?

16 THE WITNESS: Yes, sir.

17 (Off the record.)

18 MR. KHARAZI: We have received a proposed  
19 protective order from Mr. Schneider which language and  
20 body was Exhibit No. 2. I just signed what I'll mark  
21 as Exhibit No. 4. Mr. Schneider will sign it, and that  
22 will become part of this record that Mr. Schneider will  
23 file with the Court so you can put it in as signed off.  
24 I'm going to mark as Exhibit No. 3, and I'll give that  
25 to you guys, Chris and Florence, later. It looks like

1 a resume of Mr. Ali Nekumanesh, it's two pages. One  
2 page is the resume, the second page is just some  
3 handwritten notes. It looks like he was trying to use  
4 it to spell names. We'll make that Exhibit No. 3, 4  
5 will be the signed -- fully signed stipulate protective  
6 order. When I get Mr. Schneider's signature, I'll  
7 attach that.

8 (Exhibit 3 and Exhibit 4 were marked for  
9 identification.)

10 MR. SCHNEIDER: It's coming right now. I  
11 already signed it. If you will forward that onto the  
12 court reporter. I don't have easy access to do that.

13 MR. KHARAZI: Of course, yeah. I'll get the  
14 fully signed one at the next break, attach it to this,  
15 and send all the exhibits to the court reporter.

16 Mr. Nekumanesh, are you ready to proceed?

17 THE WITNESS: Yes, sir.

18 MR. KHARAZI: My proposal is that we go until  
19 12:30, take a 40-minute lunch, and hopefully we get  
20 very close to finishing if not finishing it all up,  
21 okay?

22 BY MR. KHARAZI:

23 Q. Okay. Now, I was asking you questions  
24 about the DD, the sale of franchise and all that. I am  
25 going to move back to an area where you may have some

1 familiarity with. There are some vendors that provide  
2 services to the Deli Delicious franchise; is that  
3 correct?

4 A. Yes, sir.

5 Q. Are they delivered all by Saladino's,  
6 except -- Pepsi, for example?

7 A. Currently, yes.

8 Q. Is there any incentives paid by Saladino's  
9 to DDFI for these deliveries?

10 A. I'm not aware of any. Mr. Hobab hasn't  
11 accepted any incentives from them as far as I know.

12 Q. Do you know if the company has?

13 A. I am not aware of any.

14 Q. What about by Pepsi, is there an incentive  
15 paid by Pepsi?

16 A. Yes.

17 Q. And who received those incentives?

18 A. Yes.

19 Q. And who received those?

20 A. DDFI does.

21 Q. Is that cashed out in any way to the  
22 franchisees?

23 A. Not directly.

24 Q. Well, how is it indirectly passed to the  
25 franchisees?

1           A. I'll give you an example, if I may.  
2 According to the contract, the franchisees are to pay  
3 for the expenses of the multi-unit management  
4 conference that the DDFI puts every year, and they have  
5 never been charged for that. DDFI has been footing  
6 that bill.

7           Q. Has that been explained to the  
8 franchisees?

9           A. By DD -- by who?

10          MR. SCHNEIDER: Ty, I didn't hear what the  
11 response was.

12 BY MR. KHARAZI:

13          Q. By DDFI, of course?

14          A. To my knowledge, when franchisees have  
15 talked to me about it, I have explained it to them, and  
16 I have also referenced the franchise agreement where it  
17 indicates on a yearly basis exactly how much money was  
18 distributed to DDFI from the vendors.

19          Q. Is that accounting provided to  
20 franchisees?

21          A. Yeah, it's available.

22          Q. That wasn't my question. Was it provided  
23 to franchises?

24          A. Can you explain what you mean by provided?

25          Q. Sure. Here's a letter, Dear franchisees,

1 we received \$100,000 from Pepsi Cola last year.

2 A. No.

3 Q. Thank you. And who keeps that record?

4 A. DDFI's CPA, Jennifer Brandon.

5 Q. And is that kept in a separate --

6 MR. SCHNEIDER: Ty, every time you go to your  
7 right, we can't hear you.

8 BY MR. KHARAZI:

9 Q. Oh, Sure. Is that kept in a separate  
10 book? By that I mean, I don't mean two different  
11 books, but is there a separate account for that?

12 A. Not a separate account as far as I know.

13 Q. So is the money deposited into DDFI's  
14 general account; is that correct?

15 A. As far as I know, yes.

16 Q. Now, I want to go to an area that you may  
17 also be familiar with, and that is the two percent  
18 advertising revenue, that's collected through the  
19 franchisees, two percent per month of the gross sale;  
20 is that correct?

21 A. Yes, sir.

22 Q. And do you know who oversees that fund?

23 A. Nate Gilbert oversees it as the director  
24 of advertising, and I help Nate, in terms of the  
25 contracts that he later signs with the advertisers.

1 Q. And is that money kept in a separate  
2 account?

3 A. To my knowledge, yes.

4 Q. And have you ever seen an accounting for  
5 that money?

6 A. Yes.

7 Q. And when was the last time that you saw  
8 it?

9 A. The fourth quarter of 2019, I saw the  
10 yearly accounting.

11 Q. Is it your testimony based on your review  
12 of the accounting, 100 percent of those funds collected  
13 are used for advertising?

14 A. To my knowledge, 100 percent of it is used  
15 for advertising.

16 Q. Any of it used for salaries?

17 A. Yes.

18 Q. Okay. Whose salaries?

19 A. Nate Gilbert's, part of -- I believe, part  
20 of Frank Sanchez' salary, and a portion of -- a small  
21 portion of mine.

22 Q. What portion of your salary, sir,  
23 percentage-wise? I don't need to know how much?

24 A. I am not sure.

25 Q. What percentage of Nate's Gilbert's

1 salary, again, percentage-wise, please?

2 A. I believe it could be 100 percent, but if  
3 not, I don't know. I really don't know.

4 Q. And what about Sanchez?

5 A. A percentage of it.

6 Q. And it was percent, what percentage?

7 A. I'm not sure. And as I said, I am not  
8 sure of Nate Gilbert's percentage either.

9 Q. Do you know if Mohammad Hobab is  
10 receiving any of the advertising money?

11 A. To my knowledge, no.

12 Q. What about Hesam Hobab?

13 A. To my knowledge, no.

14 Q. Has the advertising money ever been used  
15 as a loan or borrowed against by the company?

16 A. To my knowledge -- I don't have any  
17 knowledge of it, no.

18 Q. And if that was to be done, that would be  
19 through a Board action, right?

20 MR. SCHNEIDER: Objection. Leading, extent.  
21 I don't know what the extent that was done means.

22 BY MR. KHARAZI:

23 Q. Sure. To the extent that the advertising  
24 fund was borrowed against or what money was borrowed  
25 against the advertising fund, that would be a Board

1 action; is that correct?

2 A. Normally, I would think it would have to  
3 come through the Board, yes.

4 Q. All right. Have you ever heard of a DD  
5 Franchise Association?

6 A. Yes.

7 Q. What is that?

8 A. That's a franchisee's association that I  
9 believe a few franchisees are a member of.

10 MR. SCHNEIDER: Mr. Kharazi, you went to your  
11 right again.

12 BY MR. KHARAZI:

13 Q. I am sorry. How many franchisees are out  
14 there right now? How many franchisees operating?

15 A. I am not sure of the exact number.

16 Q. Do you know what percentage of the  
17 franchisees are members of DDFA, the Deli Delicious  
18 Franchise Association?

19 A. I am not sure, but I have heard very few.

20 Q. Do you know what the purpose of DDFA is,  
21 sir?

22 A. Not really.

23 Q. Do you know who is spear heading as a  
24 manager, or president, or leader of the DDFA?

25 A. I have heard, you know, different



1 information, so I couldn't tell you with knowledge who  
2 it is.

3 Q. What have you heard?

4 A. I have heard it started with Hadi Hobab,  
5 Justin Darvishian, then it's Eric Shaw or Boziah, so I  
6 am not sure. It doesn't really matter.

7 Q. What do you mean?

8 A. I don't need to know who their president  
9 or anybody is.

10 Q. Would it be accurate to say that DDFA is  
11 not in a friendly relationship with DDFI?

12 A. Yes.

13 Q. And, in fact, they are antagonists for  
14 lack of a better term; is that correct, they fight with  
15 each other?

16 MR. SCHNEIDER: They being, DDFI and DDFA?

17 BY MR. KHARAZI:

18 Q. Yes.

19 A. I think it's a one-sided fight, and from  
20 what I see, it's DDFA unfortunately.

21 Q. Do you know, as you sit here today, if any  
22 of the franchisees who were members of DDFA have been  
23 targeted for retaliation punishment retribution by  
24 DDFI?

25 A. No.

1 Q. Isn't it true Mohammad Hobab has expressed  
2 repeatedly at the Board meeting that he wants to shut  
3 down DDFI, or take the stores members of the DDFA?

4 A. I have never heard of it, and if I had I  
5 would be objecting to it.

6 Q. Why would you object to it?

7 A. I don't think it's right.

8 Q. Did you ever say that DDFA is hurting the  
9 brand of DDFI?

10 A. Yes.

11 Q. When did you say that?

12 A. Two or three different occasions, I am  
13 sure.

14 Q. Now, was that on a Board meeting, out in  
15 the public, in a newspaper article, things of that  
16 sort?

17 A. No, to representative franchisees.

18 Q. How is DDFA hurting DDFI?

19 A. As you mentioned, their adversarial  
20 antagonistic approach to business, I just don't  
21 understand why you would want to do business that way  
22 to start with a sword in your hand instead of a book  
23 and, you know, conversation.

24 Q. I thought there was a meeting between the  
25 DDFA and DDFI representatives where questions were

1 exchanged, issues were raised, and the questions were  
2 never answered.

3 MR. SCHNEIDER: Is there a question?

4 By MR. KHARAZI:

5 Q. Yeah, were you aware of that such a  
6 meeting?

7 A. To my knowledge, every meeting that the  
8 franchise support office has with any franchisee, it's  
9 a question, answer meeting, and I don't know of an  
10 occasion where their questions haven't been answered.  
11 That's why the franchise support office exists, to  
12 answer questions.

13 Q. Did you ever have a meeting with the DDFA  
14 representatives yourself?

15 A. Yes.

16 Q. You said three occasions, is that the  
17 three occasions, or was it there more?

18 MR. SCHNEIDER: Objection. I believe that  
19 misstates his testimony.

20 BY MR. KHARAZI:

21 Q. I think you are right. Let me ask it a  
22 different way. So how many times did you meet with the  
23 DDFA group?

24 A. Probably once or twice. Maybe more, I  
25 don't know, but I recall once or twice.

1 Q. And where did you meet?

2 A. At the franchise support office.

3 Q. 2491 West Shaw?

4 A. 2495 West Shaw, yes.

5 Q. I just looked up the address, it said  
6 2491?

7 A. Okay, you may be right; I don't know.

8 Q. And who was there?

9 A. One meeting was Justin Davishian, some  
10 consultant, I don't remember his name, that they had.  
11 We had our attorney from Dowling and Aaron,  
12 Mr. Littlewood, and Hesam Hobab, and myself.

13 Q. So just one?

14 A. And maybe another member, and Mr. Dacar,  
15 Dajit Dacar[sic].

16 Q. That's the guy who was the Chowchilla  
17 franchise?

18 A. Has the Madera franchise.

19 Q. Anything that resolved in that meeting?

20 A. They asked for some information, and they  
21 were told that we would refer the information and get  
22 it to them, and namely the accounting of the  
23 advertising expenditure; if I recall correctly.

24 Q. Was Mohammad Hobab in that meeting?

25 A. No.

1 Q. Did you hear or receive communication from  
2 any of the DDFI franchisees, or a letter from DDFA that  
3 Mr. Mohammad was threatening the franchisees?

4 A. I don't recall any letter. I heard from  
5 one franchisee that that took place.

6 Q. In fact, that franchisee said that  
7 Mr. Mohammad Hobab repeatedly said, "I am going to kill  
8 you," is that correct?

9 A. No, that's not what the franchisee told  
10 me.

11 Q. And there was also another heated  
12 discussion between Boziah and Mohammad Hobab; were you  
13 present at that meeting?

14 A. No, I was not.

15 Q. Did you hear that Mr. Hobab threatened  
16 Boziah that he was going to castrate him?

17 A. Boziah said that to me, yes.

18 Q. Have you ever heard Mr. Mohammad Hobab say  
19 that he was going to castrate anyone?

20 A. I have worked for Mr. Hobab for 11 years.  
21 I have never seen him ever use foul language or lose  
22 it, and he is the only supervisor I have ever had that  
23 has not lost it; that's what I can tell you  
24 categorically, and that's why I have lasted there this  
25 long.

1 Q. Did you ever tell Mr. Hobab that that's  
2 the rumors out there, that you are bullying people,  
3 cussing at them, or threatening them; did you ever  
4 discuss that with them?

5 A. I didn't say the words that you are using,  
6 with all due respect to you. I did tell him that  
7 Boziah saw me at Sam's Club, I was with my wife, and  
8 that he said that Mohammad had said that. I told him,  
9 I said, I am dumbfounded because I have never found  
10 Mohammad to be -- ever to get himself to that level,  
11 and that I will let him know what you said. And I told  
12 Mohammad that, and Mohammad just shook his head, and  
13 didn't say anything.

14 Q. And with respect to the Hobab family, we  
15 have talked a lot about Hadi, Mohammad, and Hesam.  
16 There are other Hobab family members that are involved  
17 with the DDFI; is that correct?

18 A. Well, the family all who is involved, yes.

19 Q. There's Mrs. Hobab, Zoherh, Z-o-h-e-r-h,  
20 Hobab, correct?

21 A. Yes.

22 Q. What's her job as a franchise or DDFI  
23 owner?

24 A. She was vice president and a mentor to us.  
25 She hasn't been that active as of late because of

1 health problems.

2 Q. Well, when you see her, wish her the best.  
3 Let me ask you a question, did she ever run a  
4 multi-unit restaurant; do you know?

5 A. I am not aware of it.

6 Q. And what area does she do mentoring in?

7 A. Mostly interactions. She would mentor the  
8 employees regarding interactions with other employees,  
9 and trying to be a source to go to seek guidance and  
10 out to extinguish fires that would come up in a  
11 workplace.

12 Q. Does Mrs. Hobab speak English?

13 A. Yes.

14 Q. And you said she is no longer involved  
15 with the operation of DDFI; is that correct?

16 A. I didn't say no longer. I said she is as  
17 a limited basis due to health issues.

18 Q. In the tenure that you have had with the  
19 DDFI, has her role solely been as a mentor, or some  
20 kind of assistant to the employee relationship; is that  
21 correct?

22 A. Yes.

23 Q. The product development experience that  
24 Mrs. Hobab brought in?

25 A. As I said, I am not engaged with that part

1 of the business, and if there was, I haven't paid  
2 attention to it, or haven't attended the meetings.

3 Q. Would it be accurate to say that  
4 Mrs. Hobab has never attended a Board meeting that you  
5 were in?

6 A. No.

7 Q. Is that accurate?

8 A. It's not accurate.

9 Q. Okay. So Mrs. Hobab had attended the  
10 Board meetings?

11 A. Attended.

12 Q. Attended.

13 A. Yes.

14 Q. Was she ever a member of Board?

15 A. Yes.

16 Q. When did her membership end?

17 A. I am sorry. I don't recall.

18 Q. How many Board members are there in the  
19 DDFI?

20 A. Now, there's three.

21 Q. Has there ever been more?

22 A. Yes.

23 Q. And when did it change?

24 A. Over a period of time. You know, it could  
25 be maybe as of maybe four years ago, three or four



1 years ago.

2 Q. Have the bylaws changed; do you know?

3 A. Not that I am aware of.

4 Q. And I think you told me, Mohammad and  
5 Hesam Hobab are members of the Board. Who was the  
6 third one?

7 A. Myself, Ali.

8 Q. And your position is the secretary; is  
9 that correct?

10 A. Yes.

11 Q. Now, there's another member of the Hobab  
12 family, Sahad, S-a-h-a-d, correct?

13 A. Yes, sir.

14 Q. And what's he do?

15 A. To my knowledge, nothing. I don't see  
16 him. I haven't seen him for awhile, but of course I am  
17 not at the office every day either.

18 Q. Do you know how old Sahad is?

19 A. He must be in his early 30s.

20 Q. Do you know if he ever operated a  
21 restaurant?

22 A. I have no knowledge of that.

23 Q. Any other Hobab family members of the  
24 DDFI, sir?

25 A. Currently?

1 Q. Yes.

2 A. I don't believe so, no.

3 Q. Are there any other Hobab family members  
4 who are not in the DDFI, other than Hadi, Hesam, Zoherh  
5 and Sahad? There's four I counted, and Mohammad,  
6 there's five?

7 A. I think that's it, yes.

8 Q. Do you know if Mrs. Hobab, Zoherh Hobab  
9 was ever in charge of the training for the franchisees?

10 A. I don't recall, I don't know.

11 Q. Who handles the payroll for the DDFI?

12 A. Jennifer Brandon.

13 Q. Well, based on my information, and I want  
14 you to correct me, neither of the Hobabs have ever run  
15 any other business -- any other multi-restaurant  
16 business other than Deli Delicious; is that correct?

17 A. I am not aware of their backgrounds  
18 really.

19 Q. I mean, from what I understand, you are  
20 the only one who has outside of Deli Delicious  
21 restaurant experience in the Board of DDFI; is that  
22 correct?

23 A. Again, Mr. Kharazi, I am not aware of the  
24 extent of their experience.

25 Q. Do you know Hesam -- Hesam Hobab is not a

1 president; is that correct?

2 A. Yes.

3 Q. According the franchise disclosure, the  
4 document that I have reviewed, he was, at the time, the  
5 chief financial officer of the company; do you know  
6 that?

7 A. Yes.

8 Q. And when did that change?

9 A. Well, as you might know, the new FDD has  
10 been offered through the attorney, and it hasn't been  
11 submitted to the DBO, so once the DBO approves it, then  
12 it would reflect Hasem's name as the president.

13 Q. Do you know if Hasem has a college degree?

14 A. I believe he does.

15 Q. What's his college degree?

16 A. I am not sure.

17 Q. According to the franchise disclosure  
18 document, sir, the Hobab family did not own any  
19 restaurants, themselves; is that true?

20 MR. SCHNEIDER: Can I just ask for  
21 clarification on what specific franchise disclosure  
22 document we are looking at, Mr. Kharazi?

23 MR. KHARAZI: It's a franchise disclosure  
24 document that was given to all the franchises. You  
25 might find them among other things. I am specifically

1 referring to section 14 of that document, it's really  
2 thick.

3 MR. SCHNEIDER: Thank you.

4 BY MR. KHARAZI:

5 Q. You may know. I am just asking, do you  
6 know if the Hobab family as they sit right now, own a  
7 Deli Delicious restaurant?

8 A. Yes, Hesam Hobab owns one.

9 Q. Which store is that?

10 A. Store no. 1.

11 Q. Blackstone and Bullard?

12 A. Yes, sir.

13 Q. Now, do you know if the Blackstone and  
14 Bullard store is in full compliance with the DDFI  
15 requirements?

16 A. I'm not sure. You would have to ask that  
17 from Hesam and the others.

18 Q. The stores in DDFI group, they have to  
19 have a grill; is that correct?

20 A. To the extent possible, yes.

21 Q. And Blackstone, Bullard store doesn't have  
22 a grill, does it?

23 A. No. My understanding is that there has  
24 been challenges with the shopping center bringing gas  
25 into the building, and without the gas, you cannot have

1 a grill.

2 Q. And I understand the restaurants are  
3 supposed to also have a fryer so they can sell french  
4 fries?

5 A. Yes, sir.

6 Q. For frying potatoes, and that store  
7 doesn't have a fryer, does it?

8 A. I don't know if it does now or not. But,  
9 again, the same element exists that there was a  
10 challenge of gas coming into the building.

11 Q. Has there been an exemption given to the  
12 particular store by the franchise, Zoherh?

13 A. Under the conditions, I would think you  
14 would give an exemption, but I am not aware of one.

15 Q. So would it be accurate to say that this  
16 particular store is out of compliance?

17 A. I am not sure --

18 MR. SCHNEIDER: And I'll object. Calls for  
19 the oral conclusion, and calls for speculation as he  
20 sits here right now.

21 BY MR. KHARAZI:

22 Q. And has there been any action taken  
23 against Mr. Hesam Hobab for this out of compliance  
24 store; if you know?

25 MR. SCHNEIDER: Again, I'll object that it

1 calls for -- we'll, I'm sorry. I'll take that back.  
2 Assumes facts not in evidence.

3 BY MR. KHARAZI:

4 Q. Go ahead, Mr. Nekumanesh.

5 A. I am not aware of it.

6 Q. Okay. Were you present in the election of  
7 the last officers?

8 A. Yes.

9 Q. Have you explored -- let me go back to  
10 Bullard, I forgot about something. Have you explored  
11 or required Hesam Hobab to buy an electric grill?

12 A. No, because electric grills don't operate  
13 the same way as gas grills do.

14 Q. What about electric fryers?

15 A. Same thing.

16 Q. Have you tested any?

17 A. Yes.

18 Q. When was that?

19 A. In other businesses, I have tested them.

20 Q. So were the one who gave the exemptions to  
21 Hesam?

22 A. No.

23 MR. SCHNEIDER: Objection. That calls for --  
24 assumes fact not in evidence.

25 BY MR. KHARAZI:

1 Q. So would it be accurate to say that Hasem  
2 Hobab has not done anything to remedy the situation?

3 A. That's incorrect.

4 Q. Why is it incorrect?

5 A. To my knowledge he has been looking to get  
6 the landlord to bring in the gas so that he can proceed  
7 with what he's got to do, I am not sure where it's at  
8 this point. You would have to ask him.

9 Q. And this is store no. 1; is that correct?

10 A. Yes.

11 Q. And when did Deli Delicious start selling  
12 fried products?

13 A. I don't recall the date.

14 Q. 2014?

15 A. I don't recall; I am sorry.

16 Q. For six years, seven years -- sorry, my TV  
17 just went off. I think it's just because I haven't  
18 been using it for awhile. That's okay, you can talk.  
19 For seven years now, you haven't -- the Deli Delicious  
20 Franchising Corporation hasn't done anything to remedy  
21 the situation, correct?

22 MR. SCHNEIDER: That calls for speculation.  
23 He said he was not exactly sure what year he started.

24 BY MR. KHARAZI:

25 Q. Correct, sir?

1           A. To my assumption and experience with  
2 landlords, there's challenges involved trying to get  
3 the landlord to bring in new services into the sites,  
4 and I am not sure to what extent Hasem has been able to  
5 deal with those challenges and succeed so...

6           Q. Has he been issued a cease and desist  
7 order?

8           A. No.

9           Q. And as you sit here today, is that store  
10 open today?

11          A. Yes, sir.

12          Q. Now, with respect to your own consulting  
13 firm, Mr. Nekumanesh, do you provide consulting to Deli  
14 Delicious Franchising, Inc., as well?

15          A. Through the firm, no, as an employee.

16          Q. Okay. So Eagle Management Consulting,  
17 Inc., or Management Consulting, excuse me, has no  
18 consulting relationship with the Deli Delicious  
19 Franchise, Inc.; is that correct?

20          A. Yes.

21          Q. And are you currently providing the names  
22 of your customers consulting for another  
23 multi-restaurant business?

24          A. No.

25          Q. Other than in the last ten years, other



1 than providing services to Deli Delicious, have you  
2 provided any consulting services to any other multi-  
3 restaurant business?

4 A. None.

5 Q. Can you tell me what kind of customers do  
6 you have without giving me their names? First, give me  
7 their names.

8 A. Sure.

9 MR. SCHNEIDER: Objection. That are through  
10 Eagle Consulting.

11 MR. KHARAZI: Yes, yes.

12 THE WITNESS: One I just had recently who  
13 wanted to get into a franchise and review the FDD,  
14 franchise agreement. Her attorney referred her to me,  
15 and I did a little bit of work for it, that's for an  
16 example.

17 BY MR. KHARAZI:

18 Q. Okay. So Mrs. Jones wants to buy a Deli  
19 Delicious franchise, and you were consulting with her?

20 A. Not Deli Delicious.

21 Q. Oh, I thought you said FDD?

22 A. Well, yeah, other franchise companies.

23 Q. Okay. So that was an individual that you  
24 did consulting with?

25 A. Yes, sir.

1 Q. And that was a restaurant franchise she  
2 was trying to buy?

3 A. No, sir. It was an insurance agency.

4 Q. Any other types of business you can tell  
5 me?

6 A. Business plans that request for those  
7 business agreement reviews, that type of things.

8 Q. Sir, do you know what the concentration or  
9 the ingredients of the bread that the Deli Delicious  
10 right now sells to the restaurants are, what's the  
11 ingredients?

12 A. I don't have any knowledge of that.

13 Q. And I assume you also don't know what the  
14 recipe is; is that correct?

15 A. That's correct.

16 Q. I wrote all these questions over the  
17 weekend, so I apologize, I don't want to repeat them.  
18 If I do, I do apologize in advance.

19 A. That's okay.

20 Q. Do you know a person by the name of Keith  
21 Warwick, W-a-r-w-i-c-k?

22 A. I don't recall.

23 Q. He is, or was the president of Fat Burger;  
24 does that help you refresh your memory?

25 A. Oh, Keith Warlick.

1 Q. Warlick, it's not Warwick?

2 A. Yes.

3 Q. You know him?

4 A. No, I don't actually.

5 Q. Did you ever have any relationship with  
6 Mr. Warlick? By that I mean professional relationship  
7 with him?

8 A. No. I believe when I came on Board, he  
9 left.

10 Q. So you guys didn't work during this  
11 together?

12 A. Did what?

13 Q. You never did work together?

14 A. No, sir.

15 Q. Now, how many Wendy's did you oversee all  
16 together?

17 A. I don't really recall, but it could have  
18 been as maybe 25 at any time, or smaller numbers. When  
19 somebody went on vacation, or quit or got fired, you  
20 would pick up some stores until such time another  
21 supervisor was appointed.

22 Q. Have you ever had a professional  
23 relationship with EECU? By that, let me define that.  
24 Professional relationship being a member of the Board,  
25 being a manager, being an employee, et cetera, not

1 having a bank account, per se?

2 MR. SCHNEIDER: What entity are asking about?

3 BY MR. KHARAZI:

4 Q. Educational Employees Credit Union, EECU?

5 A. Yes.

6 Q. Okay. What professional relationship did  
7 you have with EECU, sir?

8 A. I was recruited to be on the supervisory  
9 committee, and now I'm a Board member.

10 Q. You are now a Board member of EECU?

11 A. Yes, sir.

12 Q. And when did you become a Board member of  
13 EECU?

14 A. Must've been two years ago, maybe longer.

15 Q. Well, I think when I asked you about your  
16 professional background, that didn't come up. Is there  
17 a reason you didn't mention that when I was questioning  
18 you, sir?

19 MR. SCHNEIDER: I think when the question was  
20 asked, I think he went through his employment history.

21 MR. KHARAZI: I asked him for all the  
22 employment history.

23 THE WITNESS: I can read it off to you, but  
24 that wasn't employment, but I am sorry about that.

25 BY MR. KHARAZI:

1 Q. So that was not a paid position?

2 A. No.

3 Q. And are you a paid Board member?

4 A. No.

5 Q. Do you have a professional business with a  
6 Valley Small Business Corporation?

7 A. Yes.

8 Q. What's your relationship with that?

9 A. I'm a Board member, and also on the loan  
10 committee.

11 Q. Is that an unpaid position as well?

12 A. Yes, sir, all voluntary for small  
13 businesses.

14 Q. And how long have you been doing that?

15 A. About a year.

16 Q. And is that the same as Valley Community  
17 Small Business Development Center, or is that a  
18 different entity?

19 A. Yeah, that's what it is, yes.

20 Q. They are both the same. Okay, so I have  
21 based on my background of you, sir, I have Valley Small  
22 Business Development Corporation?

23 A. Yes.

24 Q. Valley Community Small Business  
25 Development Center?

1 A. No, no.

2 Q. One of the same?

3 A. One of the same, yes.

4 Q. And are you being currently recruited to  
5 work for either of these two entities, or rate one of  
6 these -- that would be EECU or Valley Small Business  
7 Development Center?

8 A. Some folks have talked to me, but I have  
9 no interest at this time. I am trying to just --

10 Q. Trying to retire?

11 A. Trying to lower the thing, you know, my  
12 time, and maybe do more volunteer work to where I want  
13 to do.

14 Q. Do you know if the building were the DD's  
15 Bakery is located at is owned by any of the Hobab  
16 families?

17 A. From what I recall, it's owned by Hesam  
18 Hobab, but that may have changed.

19 Q. When was the building purchased; do you  
20 know?

21 A. No.

22 Q. And do you know if it was purchased with a  
23 bakery in mind?

24 A. I'm not sure.

25 Q. Do you know if there's a lease between

1 DDFI and Hesam?

2 A. Between DDFI and Hesam, I am not aware of.

3 Q. Do you know the address of the bakery?

4 A. That's what I had written on that note  
5 that Mr. Schneider sent you it. I was going to look it  
6 up during the break, but...

7 Q. You don't know the address?

8 A. Not by heart, no.

9 Q. Do you know how many people work for the  
10 DD's Bakery?

11 A. I don't exactly, know.

12 Q. Do you know if the administrative office  
13 for DD's Bakery is the same as DDFI?

14 A. I know DD's Bakery has its own offices,  
15 so...

16 Q. Well, is the address the same as DDFI?

17 A. I am not sure.

18 Q. Do you know who handles the administrative  
19 work for DD's Bakery?

20 A. Juanita Hobab, I think she does the work,  
21 Noni, I believe, does a certain amount, and Jennifer  
22 Brandon does a certain amount.

23 Q. Juanita is whose wife?

24 A. Juanita is Sahad's wife.

25 Q. Do you where Juanita's headquartered at,

1 where is her office?

2 A. At the DD's Bakery site.

3 Q. And is that at the same place as the DDFI?

4 A. No.

5 Q. Do you know if Mrs. Zoherh Hobab has any  
6 involvement the DD's Bakery?

7 A. I am not sure.

8 Q. Did you know if Foad Safalsaldehy has any  
9 involvement with the DD's bakery?

10 A. I don't believe so.

11 Q. Okay. You said Jennifer Brandon?

12 A. Yes.

13 Q. She is the CPA for the DDFI; is that  
14 correct?

15 A. Yes.

16 Q. And she is headquartered in the DDFI's  
17 business office, right?

18 A. Yes.

19 Q. I'm going to plow through this,  
20 Mr. Nekumanesh, just bear with me. I am going to get  
21 it done, so we can get a break, and then do Hadi Hobab.  
22 I told him to come back at 12:30, but it could be  
23 later.

24 Is there a development team for DDFI that is  
25 in charge of developing products? By that, I mean



1 people who do the research, development, market  
2 analysis, things of that sort?

3 A. It's to my understanding that there is.

4 Q. And who are the members of that team?

5 A. I believe currently it is Adam Oliver,  
6 Frank Sanchez, Bill Foley, Juan Garcia, and I am not  
7 sure to what extent Hesam Hobab is involved, and to a  
8 limited extent, I think that's about it, I believe; I'm  
9 not sure. I'm not really right now too privy to what's  
10 happening at the office.

11 Q. Is there a reason for that?

12 A. Well, as I mentioned to you, I am trying  
13 to cut back on my time, and trying to pay attention to  
14 my volunteer work.

15 Q. Do know if there's such a development team  
16 also for DD's Bakery?

17 A. I am not sure. You'll have to ask Hesam  
18 that.

19 Q. Do you know if DD's Bakery has gotten all  
20 the licenses for its organic product?

21 A. I am told that they do.

22 Q. Do you know if there's a license issued by  
23 the California Department of Health for DD's Bakery?

24 A. I believe every food business has to have  
25 one.

1 Q. So there is one?

2 A. I would hope so.

3 Q. What about California Department of  
4 Agriculture for organic products; do you know if  
5 there's a license for that?

6 A. I would guess, yes, but I am not sure.

7 Q. That would be Fresno County, right,  
8 because DD's Bakery doesn't have any other outlet's  
9 other than Fresno County, right?

10 A. Yes.

11 Q. Now, I'm told -- have you seen the DD's  
12 bread being baked for the sandwich shops?

13 A. Yes.

14 Q. I am told that the dough is baked, and  
15 then is frozen; is that correct?

16 A. The dough is baked, and it's flash frozen;  
17 if I am right.

18 Q. What does that mean?

19 A. That means it's immediately frozen, so it  
20 doesn't take that sustained period of time for the  
21 product to freeze. So to my understanding, a long  
22 period of time of freezing impacts the bread, and this  
23 way it doesn't. But that's just my very limited  
24 knowledge. I really don't know what I am talking  
25 about.

1 Q. You are not an expert at bread making?

2 A. At anything really, to be honest with you.

3 Q. And then you are basically saying that you  
4 were told that this is a flash freezing in order to  
5 preserve the bread better; is that correct?

6 A. I wasn't told that it was going to  
7 preserve the bread better. I was told that flash  
8 freezing is what they do to distinguish it, to sustain  
9 freezing.

10 Q. Do you know if the bread that is shipped  
11 to stores, it is in frozen state, right?

12 A. As far as I know, it is, yes.

13 Q. And it has to be kept frozen until it is  
14 ready to be used?

15 A. I would think so. I'm not operationally  
16 -- better said that.

17 Q. And do you know how long it would take for  
18 it to thaw out?

19 A. I don't.

20 Q. Do you know how much labor will it take to  
21 get it thawed out, processed, et cetera?

22 A. I don't think there's been a study done to  
23 that effect that I have seen.

24 Q. Do you know if there's been allowance made  
25 for the franchisees to have additional freezer space

1 for the frozen bread?

2 A. I am not aware of it.

3 Q. Do you know, as you sit here today, how  
4 many franchisees do not buy DD's Bakery bread?

5 A. Last I heard was three of them or four,  
6 but I am not sure.

7 Q. Is there a site selection process involved  
8 associated with the Deli Delicious Franchise,  
9 Incorporation's site selection?

10 MR. SCHNEIDER: What kind of selection  
11 process, Mr. Kharazi?

12 MR. KHARAZI: A site selection, s-i-t-e.

13 THE WITNESS: Generally speaking, and I have  
14 seen this not just at DDFI with other companies, that  
15 the franchisee engages the services of a broker that  
16 brings in the site, and then the franchisor either now  
17 electronically, or in person, visits the sites, and  
18 looks to see if it could possibly work.

19 BY MR. KHARAZI:

20 Q. And what criteria franchisor -- well, you  
21 said generally, does that happen with DDFI?

22 A. As far as I know, it does, or has many  
23 times, yes.

24 Q. And what criteria does the DDFI use for  
25 the site selection?

1           A. The population intensity -- density, I'm  
2 sorry. The density of the population, demographics,  
3 schools, churches, you know, trade, traffic flows, that  
4 type of things.

5           Q. And who maintains those records?

6           A. Well, we get those -- well, generally it  
7 is provided with the broker.

8           Q. And within DDFI who maintains this?

9           A. What do you mean by maintain?

10          Q. Gets it, reviews it, analyzes it, analyzes  
11 it, and processes it, and approves it; who does that?

12          A. Okay. There's no approval process. It's  
13 acceptance of the site. Because it is indicated even  
14 in the franchise agreement that the franchisee is the  
15 sole party responsible for the selection of the site,  
16 but it comes across to Hesam Hobab, and then in  
17 conjunction with maybe operations people and the  
18 franchisee gets a letter of acceptance of the site with  
19 a provision put in the thing telling them that, you  
20 know, this is the site, that we are accepting it, but  
21 you are totally responsible to make sure you make the  
22 right decision.

23          Q. I am going to read to you a certain sites.  
24 I want to see if they are still open. Is there a site  
25 open right now in Morgan Hill?

1 A. No.

2 Q. There was a site opened one time in Morgan  
3 Hill, right?

4 A. Yes.

5 Q. Shut down?

6 A. Yes.

7 Q. Same thing in San Jose, correct, open and  
8 shut?

9 A. Yes.

10 Q. Same thing in Roseville, open and shut?

11 A. Yes.

12 Q. Same thing in Citrus Heights, open and  
13 shut?

14 A. Yes.

15 Q. Same thing in Fashion Fair Mall in Fresno,  
16 open and shut, correct?

17 A. Yes.

18 Q. Same thing in Elk Grove, open and shut?

19 A. Elk Grove?

20 Q. Uh-huh, yes.

21 A. I have to refresh my memory; I don't  
22 recall.

23 Q. San Luis Obispo?

24 A. Yes.

25 Q. Open and shut, correct?

1 A. Yes.

2 Q. And in Chowchilla?

3 A. Yes.

4 Q. Stockton and Waterloo?

5 A. I don't believe so. I don't know. I  
6 don't believe so.

7 Q. Is there a store in Waterloo right now?

8 A. I believe so, yes.

9 Q. What about Oakhurst?

10 A. Yes.

11 Q. Is it open still?

12 A. Yes, it is.

13 Q. On Fowler and Shepard?

14 A. Yes.

15 Q. Open still?

16 A. Yes. And those are doing very well,  
17 actually.

18 Q. The ones that are still open?

19 A. New franchisees, customer care, and they  
20 are successful.

21 Q. So prior to 2006, who was in charge of the  
22 selection process, site selection process?

23 A. 2006?

24 Q. '16, pardon me, pardon me, 2016.

25 A. I don't know who was "in charge", but it

1 was Hadi Hobab, Hesam Hobab, Mohammad Hobab. I was  
2 involved to a limited degree, operations people were.

3 Q. When you say you were involved to a  
4 limited degree, what were you involvements?

5 A. I would give my two cents, not that I'm an  
6 expert on anything, but the past experience I would  
7 give them my two cents about whether I felt the site  
8 was going to have any traffic or not.

9 Q. In the last 12 months how many new stores  
10 did DDFI have open?

11 A. One.

12 Q. Where is that at?

13 A. That's in Tulare.

14 Q. Is there a reason that the expansion  
15 stopped or slowed down?

16 A. I have my personal opinions, but I don't  
17 care to talk about it really.

18 Q. Has it anything to do with the operation  
19 of DD's Bakery?

20 A. No.

21 Q. What do you attribute that to then?

22 A. I don't want to throw stones, if you  
23 permit me, please.

24 Q. Well, I am entitled to an answer unless  
25 you say, "Hey, it's my wife who told me not to answer



1 this question," then I honor that. Who was this  
2 pointer?

3 A. My honest opinion is the negative somewhat  
4 untrue publicity and press, it doesn't help the  
5 business.

6 Q. Without discussing the actual -- I want a  
7 yes or no answer from you, were you present in the  
8 Board meeting when this litigation was discussed?

9 MR. SCHNEIDER: Assumes facts not in evidence.

10 THE WITNESS: Yes.

11 BY MR. KHARAZI:

12 Q. Was this litigation an agenda item in a  
13 Board meeting?

14 A. I don't remember.

15 Q. Do you know if the Board authorized this  
16 litigation?

17 A. Yes.

18 Q. Was there a unanimous?

19 A. Yes.

20 Q. What about -- I understand there's a  
21 litigation against Hadi Hobab. When did that commence?

22 A. I am not sure.

23 Q. Was there a Board meeting that ratified  
24 that litigation?

25 A. I don't recall.

1 Q. Do you know what the status of that  
2 litigation is?

3 A. As far as I know, it's ongoing  
4 unfortunately.

5 Q. Well, you guys are the ones that sued so,  
6 okay. Strike that question.

7 A. Sad state of affairs.

8 Q. Yep. No father should ever sue his son, I  
9 agree.

10 A. Or vice versa. No son should ever go  
11 against his father for money or financial gain.

12 Q. Well, he hasn't done that yet, has he?

13 MR. SCHNEIDER: I'll object. I don't know if  
14 it's a question and answer, and it's argumentative.

15 THE WITNESS: I apologize for the outburst, by  
16 the way.

17 BY MR. KHARAZI:

18 Q. That's okay. We're going to revisit that  
19 soon, I am sure. It's not over yet. That issue is  
20 coming up in another setting.

21 Mr. Nekumanesh, has Deli Delicious  
22 Franchising, Inc., borrowed money against any other  
23 funds it holds in trust, for example, the marketing  
24 fund, the descendent funds, anything like that?

25 A. Not that I am aware -- excuse me, borrowed

1 money against those accounts, you mean?

2 Q. Right.

3 A. Not that I am aware of.

4 Q. But DDFI has borrowed money at banks and  
5 financial intuitions, right?

6 A. Yes, sir.

7 Q. And are they current on those obligations  
8 as you sit here today?

9 A. I hope so. I am not sure.

10 Q. Do you get reports from financial standing  
11 of the corporation during the Board meetings?

12 A. Yes.

13 Q. Have you received any report that says to  
14 the contrary, that we are behind, having financial  
15 trouble, anything like that?

16 A. We have received reports that sometimes we  
17 are behind on loan payments, but...

18 Q. When was that report? When was the last  
19 time you have seen that?

20 A. Probably -- I don't know, over a year ago  
21 or so. I can't recall.

22 Q. Mr. Nekumanesh, you have interacted with  
23 Boziah with respect to the store no. 8 and 14; is that  
24 correct, sir?

25 A. Yes.

1 Q. And do you fined him to be a good  
2 franchisee, generally?

3 A. Yes.

4 Q. He is actually one of the better ones; is  
5 that correct?

6 A. I have a different measuring stick, you  
7 know. He is a good franchisee. He is a good guy, but  
8 noncompliant.

9 Q. Do you know -- well, because of the bread,  
10 right? Yes?

11 A. Bread and the menu board.

12 Q. Well, the menu board was Hobab's  
13 responsibility to put up. It got paid for, right?

14 A. However you think; I don't know.

15 Q. We'll visit that. I get that. Other than  
16 the bread and the menu board -- by the way, do you know  
17 if the menu board has been ordered by Boziah?

18 A. I'm not sure.

19 Q. Would it surprise you if I were to tell  
20 you it's on back order?

21 A. It wouldn't surprise me. I would hope  
22 it's done, though.

23 Q. Do you know how many other people are  
24 buying the Bask bakery bread today in the Deli  
25 Delicious franchises?

1 A. I am -- I am not sure.

2 Q. Now, is there a problem with the Bask  
3 french bakery bread in terms of quality, in terms of  
4 freshness, in terms of the dates, anything like that?

5 A. Well, you know in restaurant business,  
6 there could always be a problem with the bread, but in  
7 terms of Bask Bakery, there was issues relative to the  
8 plant maintenance, the scope of the operation to the  
9 extent that DDFI felt they'll have the ability to  
10 support more stores, their equipment. So I think  
11 Mohammad Hobab had those concerns with Bask.

12 Q. In the last two years, has there ever been  
13 a delivery missed by Bask French Bakery?

14 A. I don't know. I am not privy to that  
15 information.

16 MR. KHARAZI: Mr. Nekumanesh, what I'd like to  
17 do is take a 45-minute lunch break, have you come back  
18 by 1:15. I'm going to just review my notes, make sure  
19 I haven't missed anything. I may be done.

20 I am going to get that one document, attach it  
21 to this protective order. Now, you are going to file  
22 the original, anyway, right, David?

23 MR. SCHNEIDER: I believe I have your  
24 signature. I have to check my e-mail, you said you  
25 sent it.

1 MR. KHARAZI: Yeah, I sent my signed copy. I  
2 assume you affixed your signature. I know you said you  
3 e-mailed it to me, of I course of believe you.

4 MR. SCHNEIDER: Mr. Peterson did.

5 MR. KHARAZI: So you have the original, you  
6 file it, and I'll attach it to this whatever exhibit  
7 that was for a protective order, and send it to  
8 Florence for her records or Chris.

9 MR. SCHNEIDER: I'll go ahead -- and you  
10 should by now have it, your signature and mine, a fully  
11 executed copy.

12 MR. KHARAZI: Okay. Yeah, I have it. I'll  
13 attach it. You are going to use the original to get it  
14 filed with the Court.

15 MR. SCHNEIDER: Yeah, we are going to file it  
16 with the Court.

17 MR. KHARAZI: I'll attach this. I'll print  
18 this out, and put it in as an exhibit with the  
19 transcripts.

20 MR. SCHNEIDER: Perfect.

21 Do you have any idea about what time you are  
22 going to expect to start with Hadi?

23 MR. KHARAZI: I told him to be here at 12:30  
24 so he should be here in ten minutes. Let them off for  
25 lunch, have them come back at 1:15. I may be done with

1 Ali. I just want to check my notes maybe at 1:30 at  
2 the latest, and then we'll be quick. Do you have  
3 questions for Ali?

4 MR SCHNEIDER: I do not.

5 MR. KHARAZI: Okay, perfect. I may be done  
6 with him in about ten minutes at the most.

7 MR. SCHNEIDER: Okay, so we're going to come  
8 back at 1:30?

9 MR. KHARAZI: 1:15 or you can come back at  
10 1:30 but I figured 1:15.

11 MR. SCHNEIDER: That's fine.

12 MR. KHARAZI: All right, David. Thank you  
13 very much. Have a good lunch.

14 (Off the record.)

15 (Recess taken.)

16 BY MR. KHARAZI:

17 Q. Just a few follow-up questions. Do you  
18 recall if there was ever a Board approval for a DD's  
19 Bakery bread by the DD Advisory Board?

20 A. I -- I don't recall, but I imagine there  
21 would be.

22 Q. Well, that was a big move by the DDFI, you  
23 would think as an executive vice president and Board  
24 member you would know that?

25 A. The only reason I am saying that is that I

1 am not sure if the other purveyors have been on there,  
2 and I am not sure if actually specifically there was an  
3 agenda item. I have to look to be sure.

4 Q. Okay. So you prepared all the Board  
5 meeting minutes at least and all the notices. I think  
6 that was your testimony, right?

7 A. Yes.

8 Q. And you have as you sit here, there was no  
9 recollection in your mind that the issue of the DD's  
10 bread used was discussed by the Board; is that correct?

11 A. No, I am simply saying I cannot remember  
12 whether it was part of the written agenda or not.

13 Q. Do you remember any discussions during a  
14 Board meeting about the bread?

15 A. Yes. About the DD's Bakery, you mean?

16 Q. Yes.

17 A. Yes.

18 Q. And who was in that Board meeting?

19 A. I don't know.

20 Q. Was Hadi still with the company when those  
21 discussions took place?

22 A. I believe so, but -- I am pretty sure he  
23 was. I don't know because people miss meetings, so I'm  
24 not sure who was there and who wasn't really.

25 Q. Was Hadi was with the company, did he ever



1 miss a meeting, Board meeting?

2 A. Yes.

3 Q. How many times?

4 A. I am not sure.

5 Q. He was, at the time, president of the  
6 company, wasn't he?

7 A. No.

8 Q. He wasn't a president?

9 A. No.

10 Q. What was Hadi's title when he left?

11 A. He was the chief operating officer.

12 MR. SCHNEIDER: Are we talking about the time  
13 that they went to DD's Bakery bread?

14 BY MR. KHARAZI:

15 Q. Right. Is that correct?

16 A. Yes, sir.

17 Q. Well, we're going to be asking Hadi in  
18 little bit. Was Mohommad Hobab in that meeting when  
19 DD's Bakery bread was discussed?

20 A. Logic would tell me, yes, but I'm not  
21 sure.

22 Q. Was there a conflict of interest issue  
23 ever raised that hey, between, your wife, and  
24 Mr. Hobab, you own 100 percent of stocks and the bakery  
25 is going to profit from this. Was there a conflict

1 ever discussed?

2 MR. SCHNEIDER: I'll object. It assumes facts  
3 not in evidence, and calls for a legal conclusion. Go  
4 ahead and answer.

5 THE WITNESS: I can tell you this much, if I  
6 ever felt that there was a slight disadvantage or  
7 conflict issue, I personally would not have accepted  
8 the grant of the stock.

9 BY MR. KHARAZI:

10 Q. But you didn't pay for the stock, you  
11 received it gratuitously?

12 MR. SCHNEIDER: I'll -- well, you can go ahead  
13 and answer the question.

14 THE WITNESS: Okay. Well, I did not pay it.  
15 It was granted to me, but our CPA told me that, Ali,  
16 for this to take effect, you would have to pay the  
17 taxes on the value of the stock, and I ended up, I  
18 believe, paying about \$3,000 or something. I don't  
19 recall exactly how much.

20 BY MR. KHARAZI:

21 Q. Does the same apply to Ms. Nekumanesh's  
22 share?

23 A. Yes, for both of us.

24 Q. Why were you given shares for free  
25 basically on the cost of the stocks?

1           A. I don't know. You would have to ask  
2 Mr. Mohammad Hobab that. I do know that at one time he  
3 asked me what we do at Colorado Grill, and I told him  
4 that we help the long-term employees become actual  
5 owners of the business, and we have. So that was the  
6 only conversation really we had. I never sought it,  
7 never requested it, never really wanted it, but I am  
8 blessed that he did consider me.

9           Q. I am sure if you offered it to Hadi he  
10 would take it.

11          A. I haven't -- even though there hasn't been  
12 any money made, but be as it may, I am very fortunate  
13 that I've received it.

14          Q. You are a member of the Board of the DD's  
15 Bakery too?

16          A. I am sorry?

17          Q. Are you now a member of Board of DD's  
18 Bakery?

19          A. No, sir.

20          Q. Did you ever have the occasion to prepare  
21 the minutes of the Board for the DD's Bakery when you  
22 were a member of the Board?

23          A. Yes, sir.

24          Q. Do you have those records with you?

25          A. In my person now?

1 Q. No, among your assets?

2 A. At the office, yes.

3 Q. Would you give those to Mr. Schneider to  
4 give to me, the minutes that you have?

5 MR. SCHNEIDER: Mr. Kharazi, he will give them  
6 to me, and then we'll figure out the best way to handle  
7 those, okay?

8 MR. KHARAZI: Okay. Can I mark those as  
9 Exhibit No. 5, and you add it, David, to transcript?

10 MR. SCHNEIDER: To the extent that they are  
11 something that you are entitled to get in this matter,  
12 then, yeah.

13 MR. KHARAZI: Thank you. And then if you want  
14 to read back something, just let me know what it is,  
15 give me a couple minutes and I will do it.

16 (Exhibit 5 was marked for identification.)

17 BY MR. KHARAZI:

18 Q. I want you also, Mr. Nekumanesh, to look  
19 for the minutes of the agenda, and the minutes of the  
20 Board dealing with the bread issue, however many there  
21 are.

22 A. Can I take notes to this effect?

23 Q. Yes, of course. So it's any agenda item,  
24 and any board minutes that discusses the bread, and  
25 give it to Mr. Schneider, we'll mark it as Exhibit No.

1 6. Don't give it me, don't send it to me, give to  
2 Mr. Schneider.

3 (Exhibit 6 was marked for identification.)

4 MR. SCHNEIDER: Again, if I object to whether  
5 that's proper, that's something you and I can meet and  
6 confer about if necessary.

7 MR. KHARAZI: If you have to read back  
8 something, just give me a nod, and we can work with  
9 that.

10 MR. SCHNEIDER: Just so I am clear on my  
11 notes, DD's Bakery agenda, Board minutes regarding the  
12 bread, was there something else?

13 MR. KHARAZI: So DD's Bakery and Board  
14 minutes agenda, and minutes with respect to the sale of  
15 the bread to DDFI, and then DDFI's agendas, and the  
16 minutes with respect to purchase of the bread by DDFI.

17 MR. SCHNEIDER: I understand.

18 BY MR. KHARAZI:

19 Q. Did you have a question, Mr. Nekumanesh?

20 MR. SCHNEIDER: For me or Mr. Kharazi?

21 THE WITNESS: May I ask you a question?

22 MR. SCHNEIDER: Okay. Ty, I'm going to mute  
23 this because he wants to ask me a question really  
24 quick.

25 MR. KHARAZI: Okay.

1 (Off the record.)

2 BY MR. KHARAZI:

3 Q. Let's go back on the record.

4 Mr. Nekumanesh, do you still have a question for me?

5 A. No, sir, thank you.

6 Q. You are clear as to what we are asking?

7 Are you clear about what we are asking?

8 A. I have actually spoken with Mr. Schneider,  
9 and he will direct as he sees appropriate.

10 Q. Sir, with respect to the store on Bullard  
11 and Blackstone, does that have an electronic menu  
12 board?

13 A. I am not sure.

14 Q. Do you know why that store is not being  
15 sued -- pursued for lack of electronic menu board?

16 A. As I mentioned, Mr. Kharazi, I am not sure  
17 if they have the electronic menu board, so I wouldn't  
18 be able to tell you that.

19 Q. Do you know a person by the name of Nick  
20 Juarta?

21 A. Yes.

22 Q. What do you know about Mr. Juarta?

23 A. He was the husband of the former  
24 franchisee of the Deli Delicious Franchising, Inc.

25 Q. That was in Visalia, correct?

1 A. That's correct.

2 Q. And you guys debranded him?

3 A. I am sorry?

4 Q. You guys debranded that site, right?

5 A. DDFI did, yes.

6 Q. Oh, that's what I meant, I am sorry, not  
7 you personally. And why was that done?

8 A. Well, this went through some legal  
9 maneuvers of which there was confidentiality, and I am  
10 not sure if I am able to answer that. I would have to  
11 show that document to Mr. Schneider, and then after his  
12 review, I would be glad to answer that question.

13 Q. I respect that. I'll mark that as Exhibit  
14 No. 7, and why don't you share that with Mr. Schneider,  
15 and if he deems it proper, give it to me.

16 But I'm going to ask some questions that  
17 should be in the general public. Was there ever a  
18 lawsuit filed in that case?

19 (Exhibit 7 was marked for identification.)

20 MR. SCHNEIDER: I am sorry. Which case are we  
21 talking about?

22 BY MR. KHARAZI:

23 Q. The Juarta matter, the one in Visalia?

24 A. I don't think there was a lawsuit, but I  
25 know the franchise, that Tony was contacted, and he

1 went way above me to actually write legal letters to  
2 someone because I would the write the normal letters,  
3 and then I think the franchise, that was Tony hired and  
4 then he dealt with that.

5 Q. You mean DDFI hired a franchise attorney  
6 to respond to Mr. Juarta?

7 A. Yes, sir.

8 Q. And Mr. Juarta had a lawyer, sir?

9 A. I believe so, I am not sure.

10 Q. Who was the franchise attorney that DDFI  
11 hired?

12 A. Mr. Adam Siegelheim, and he is out of New  
13 Jersey, Stark & Stark.

14 Q. Other than DD -- DD's Bakery, pardon me  
15 too many D's, DD's Bakery, is there another source of  
16 bread that is approved for the DDFI franchisees at this  
17 time?

18 A. No.

19 Q. Okay, thank you. There was a mediation  
20 between a DDFA and DDFI, I'm not entitled to know the  
21 contents of discussions because there's a code that  
22 precludes that. Did that ever resolve any issues  
23 between DDFA and DDFI?

24 MR. SCHNEIDER: I am going to object only to  
25 the extent that that answer would infringe upon the



1 mediation further, because whatever issues are out  
2 there is something we can -- perhaps could work -- at  
3 issue with the mediation because I don't think he  
4 should be testifying about.

5 MR. KHARAZI: I agree with you, David, that  
6 that's completely privileged. I just was asking if  
7 that resolved the issues, whatever they were.

8 THE WITNESS: One issue I know that it, from  
9 what I understood resolved, was the question of DDFI  
10 providing relative financial documents and information  
11 regarding advertising expenditure, and I believe to  
12 their satisfaction of most franchisees, it was  
13 resolved.

14 BY MR. KHARAZI:

15 Q. Do you know who received that  
16 documentation?

17 A. No.

18 Q. Do you know who provided -- I know DDFI  
19 did, but who in DDFI provided it?

20 MR. SCHNEIDER: I'm just going to object. I  
21 have not seen if he said this -- I don't know anything  
22 about this, and I'll say that for the record. If  
23 there's a settlement agreement on whatever issues you  
24 guys are talking about having resolved, I do not know  
25 if there's a confidentiality provision in that

1 settlement agreement, so I don't think you should be  
2 answering this question.

3

4 BY MR. KHARAZI:

5 Q. Okay. Why don't I have you,  
6 Mr. Nekumanesh, provide that settlement agreement, if  
7 there is one, to Mr. Schneider --

8 A. There's not.

9 MR. KHARAZI: There's not one, he says, so...

10 MR. SCHNEIDER: I don't know that agreement.  
11 I wasn't part of that, so that's why I am just being  
12 cautious.

13 THE WITNESS: My knowledge, Mr. Kharazi, I  
14 don't recall seeing any kind of settlement agreement.  
15 I know we went through the mediation, but Mr. Schneider  
16 can, if he has time, can follow through with  
17 Mr. Siegelheim, and get information.

18 BY MR. KHARAZI:

19 Q. So Adam Siegelheim was involved in that  
20 mediation?

21 A. Yes, sir.

22 Q. Okay. And my question specifically,  
23 Mr. Nekumanesh, was that do you know -- you said that  
24 some financial information was provided as a result of  
25 an agreement. I want to know who received it, if you

1 know, you probably don't, right?

2 A. I am not sure who received it relative to  
3 the mediation thing, but I am not sure who received it  
4 really.

5 Q. And do you know would provided it from  
6 DDFI's side?

7 A. Yes.

8 Q. Who was that?

9 A. Jennifer Brandon, CPA.

10 Q. So I assume that record is still available  
11 through Ms. Brandon, correct?

12 A. Yes.

13 MR. KHARAZI: All right. I think I am done  
14 with you, Mr. Nekumanesh.

15 MR. SCHNEIDER: Ty, one thing before we go off  
16 the record. Pursuant to the stipulated protective  
17 order we entered into today, I just want to designate  
18 paragraph or section 4(b). I want to designate the  
19 transcript to be confidential so I can identify more  
20 specific portions of it --

21 MR. KHARAZI: David, you are echoing really  
22 bad.

23 Mr. Nekumanesh, would you turn off your  
24 microphone, please?

25 MR. SCHNEIDER: So, can you hear me now?

1 MR. KHARAZI: I can hear you better, thank  
2 you.

3 MR. SCHNEIDER: Okay. So, what I can do is  
4 just designate the transcript under section 4(b) of the  
5 stipulated protective order as confidential, and then I  
6 can go back and identify the specific portions of the  
7 testimony.

8 MR. KHARAZI: I'd like you to do that as soon  
9 as Florence gives us the transcript. I, off the  
10 record, before you came in, I asked her to give us that  
11 in two weeks, at least a draft, so I can use it in my  
12 pleadings. We'll file under seal, it's not a big deal.  
13 I don't want to give the Judge the whole transcript. I  
14 just want to give pages of it.

15 MR. SCHNEIDER: Yeah, I just want -- yeah. I  
16 am happy -- as soon as I have the copy of the  
17 transcript, I'll review it, and I'll get back to you.  
18 I just want to exercise that right under the document  
19 to designate portions confidential. The entire  
20 transcript does not need to be. At this point, I need  
21 to go back and see what it is, and I'll identify those  
22 portions that are confidential in my opinion.

23 MR. KHARAZI: Understood. Let's take a  
24 ten-minute break. I am going to put Mr. Hobab in the  
25 other room. He's not here. He is in the lobby, so I'm

1 going to go grab him, and then we'll get going about  
2 1:40? David, would that give you enough time?

3 MR. SCHNEIDER: I don't think -- I mean, I'll  
4 do my best but I need to have my IT guys move me in, so  
5 it'll be somewhere between -- probably about 1:45 or  
6 1:50 at the worst.

7 MR. KHARAZI: Are you going to order a copy,  
8 David, for this transcript?

9 MR. SCHNEIDER: Yes.

10 MR. KHARAZI: Mr. Schneider's copy of the  
11 transcript will be provided to Mr. Nekumanesh for  
12 reading, verification changes, and then Mr. Schneider  
13 will notify me of the changes. I'll keep the original,  
14 and in the event the original cannot be produced at the  
15 time of trial, or hearing, or proceeding,  
16 Mr. Schneider's copy would come in lieu thereof.

17 Would you agree, David?

18 MR. SCHNEIDER: Stipulate to that, yes.

19 MR. KHARAZI: Thank you very much, gentlemen.  
20 And, Florence, let's take a ten-minute break or however  
21 long.

22 -oOo-

23 (This deposition concluded at the hour of 1:32 p.m.)

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DECLARATION OF DEPONENT UNDER  
PENALTY OF PERJURY

I, ALI NEKUMANESH, do hereby declare under penalty of perjury that I have read the foregoing transcript of my deposition taken on MONDAY, AUGUST 24, 2020; that I have made such corrections as noted herein, initialed by me; that my testimony contained herein, as corrected, is true and correct.

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Dated this \_\_\_\_ day of \_\_\_\_\_, 2020, at \_\_\_\_\_, California.

\_\_\_\_\_  
ALI NEKUMANESH

1 STATE OF CALIFORNIA )  
2 COUNTY OF FRESNO ) SS.

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I, FLORENCE COLBY, a Certified Shorthand Reporter, in and for the State of California, do hereby certify:

That the foregoing proceedings were taken before me at the time and place herein set forth; that any witnesses in the foregoing proceedings, prior to testifying, were duly sworn; that a record of the proceedings was made by me using shorthand which was thereafter transcribed under my direction; that the foregoing is a true record of the testimony given.

I further certify that I am neither financially interested in the action, nor a relative or employee of any attorney or party to this action.

IN WITNESS WHEREOF, I have this date subscribed my name.

DATED: September 5, 2020

*Florence A. Colby*

\_\_\_\_\_

FLORENCE COLBY, CSR 12433