

In the Matter Of:

MID SOUTH BIOLOGICS vs

MIMEDX GROUP

2:17-cv-02028-JTF-tmp

NORMAN LACHAPELLE

September 26, 2017



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EXHIBIT 1

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1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE WESTERN DISTRICT OF TENNESSEE
3 WESTERN DIVISION

4 MID SOUTH)
5 BIOLOGICS, LLC,)
6 Plaintiff,)
7 VS.) NO. :
8) 2:17-cv-02028-JTF-tmp
9 MIMEDX GROUP, INC.,)
10 Defendant.)

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14 THE 30 (b) (6) DEPOSITION

15 OF
16 NORMAN LaCHAPELLE
17 SEPTEMBER 26, 2017

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25 Memphis, Tennessee 38103
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Norman Lachapelle - September 26, 2017

1 The 30(b)(6) deposition of NORMAN
2 LaCHAPELLE is taken on this day, Tuesday,
3 September 26, 2017, on behalf of the Defendant,
4 pursuant to notice and consent of counsel,
5 beginning at approximately 9:00 a.m., in the
6 offices of Adams & Reese, LLP, located at 6075
7 Poplar Avenue - Crescent Center, Suite 700,
8 Memphis, Tennessee 38119.

9 This deposition is taken pursuant to
10 the terms and provisions of the Tennessee Rules of
11 Civil Procedure.

12 All forms and formalities are
13 waived. Objections are reserved, except as to
14 form of the question, to be disposed of at or
15 before the hearing.

16 The signature of the witness is
17 waived.

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30(b)(6)
Norman Lachapelle - September 26, 2017

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A P P E A R A N C E S

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3

30(b)(6)
Norman Lachapelle - September 26, 2017

1

INDEX

2

NAME :	NORMAN LaCHAPELLE	PAGE NO. :
Examination by Mr. Wilbon		5

5

EXHIBITS

7

8

NO.	DESCRIPTION	PAGE NO. :
Exhibit 1	Rule 30(b)(6) Deposition Notice	8
Exhibit 2	E-Mail Chain	21
Exhibit 3	05/01/12 E-Mail	38
Exhibit 4	Marked for Identification	50
Exhibit 5	E-Mail Chain	52
Exhibit 6	E-Mail Chain	58
Exhibit 7	E-Mail Chain	67
Exhibit 8	05/21/12 E-Mail	79
Exhibit 9	05/31/12 E-Mail	84
Exhibit 10	06/18/12 E-Mail	89
Exhibit 11	08/14/12 E-Mail	90
Exhibit 12	08/16/12 E-Mail	92
Exhibit 13	E-Mail Chain	93
Exhibit 14	E-Mail Chain	96
Exhibit 15	07/23/13 E-Mail	97
Exhibit 16	03/24/14 E-Mail	110
Exhibit 17	08/08/17 E-Mail	112
Exhibit 18	Delivered Order Form	120
Exhibit 19	Complaint	121
Exhibit 20	05/15/14 Termination Letter	147
Exhibit 21	05/19/14 E-Mail	152
Exhibit 22	E-Mail Chain	159
Exhibit 23	Interrogatories/Doc Production	176

20

21

22

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25

4

30(b)(6)
Norman Lachapelle - September 26, 2017

5

1 NORM LaCHAPELLE,

2 having been first duly sworn, was examined and
3 testified as follows:

4 EXAMINATION

5 BY MR. WILBON:

6 Q. Mr. LaChapelle, my name is Clarence
7 Wilbon. I'm counsel for MiMedx in this lawsuit
8 that's been filed by your company Mid South
9 Biologics, LLC.

10 Have you ever given a deposition before?

11 A. No, sir.

12 Q. I'm going to be asking you a series of
13 questions today that Ms. Lewis, our court
14 reporter, is going to take down every question
15 that I ask and every answer that you give. So let
16 me go over a few housekeeping rules.

17 It's imperative that we both don't talk at
18 the same time because obviously she can't type
19 what two people are saying at one time. When I'm
20 asking a question, I will ask that you allow me to
21 finish the question before you give an answer.
22 And I'll try to do the same, give you the same
23 courtesy of not interrupting you while you're
24 giving an answer. But I will preference that by
25 saying, if I ask you a yes or no question and you

30(b)(6)
Norman Lachapelle - September 26, 2017

1 don't answer that and just start talking, I may
2 interrupt you to ask you to answer the question
3 and then you're allowed to explain your answer.

4 This is not a marathon or exercise to see
5 how long you can hold up or what kind of stamina
6 you have in terms of being able to answer a
7 question. So if at any point you need to take a
8 break, that's fair. But the only thing I will say
9 is if I've asked you a question, I'm going to want
10 you to give an answer before we take the break.
11 But otherwise we can take breaks as needed.

12 A. Yes, sir.

13 Q. Now, are you under the influence of any
14 drugs or alcohol, anything that would keep you
15 from being able to answer the questions that I
16 ask?

17 A. No, sir.

18 Q. Now, if I ask a question that's
19 incomprehensible or just doesn't make sense to
20 you, it's fair for you to just say, I don't
21 understand the question and ask me to ask it a
22 different way. I don't have a problem doing that.

23 A. Yeah.

24 Q. Can you state your full name?

25 A. Norman William LaChapelle.

6

30(b)(6)
Norman Lachapelle - September 26, 2017

7

1 Q. Can you spell LaChapelle for the record?

2 A. L-a capital C-H-A-P-E-L-L-E.

3 Q. And your current address?

4 A. 7785 Hunters Run Drive Germantown,
5 Tennessee 38138.

6 Q. How long have you been on Hunters Run
7 Drive?

8 A. Fifteen years.

9 Q. Any plans to move from there within the
10 next two years that you know of?

11 A. Yes.

12 Q. You are planning to move?

13 A. I'm staying around here, but I'm getting a
14 new house.

15 Q. Okay. But you're not leaving --

16 A. We plan to get a house, yeah.

17 Q. I'm going to hand you what is called a
18 Rule 30 Deposition Notice.

19 Have you seen that before?

20 A. Yes, I have.

21 Q. You reviewed the topics that are listed on
22 this document?

23 A. Yes.

24 Q. On Page 2?

25 A. Yes.

30(b)(6)
Norman Lachapelle - September 26, 2017

8

1 Q. You agree that you are the appropriate
2 person to address any questions that I have
3 regarding these specific topics?

4 A. Agreed.

5 Q. So you're here today -- your deposition
6 was noticed for a Rule 30 Deposition Notice that I
7 just gave you. And you had your individual
8 deposition notice as well. So you're here in both
9 capacities today to give your deposition.

10 MR. WILBON: We'll mark this as
11 Exhibit 1.

12 (The above-mentioned document was
13 marked as LaChapelle Exhibit Number 1.)

14 BY MR. WILBON:

15 Q. What's your educational background, Mr.
16 LaChapelle.

17 A. Bachelor's degree in science.

18 Q. From where?

19 A. University of Memphis or Memphis State at
20 the time.

21 Q. What year?

22 A. 1990.

23 Q. What's your date of birth?

24 A. 12/9/67.

25 Q. Are you married?

30(b)(6)
Norman Lachapelle - September 26, 2017

9

1 A. Yes.

2 Q. What's your wife's name?

3 A. Angela.

4 Q. LaChapelle?

5 A. Yes.

6 Q. Do you have any children?

7 A. One and one on the way.

8 Q. How old is the one that you currently
9 have?

10 A. Seven.

11 Q. You have one on the way?

12 A. Yes.

13 Q. Are you currently employed?

14 A. Yes.

15 Q. Where?

16 A. Mid South Biologics. 3059 Forest Hill
17 Irene, Suite 102 Germantown, Tennessee 38138.

18 Q. Let's go back to your education just for a
19 moment. You said you have a bachelor's degree in
20 what field again?

21 A. Science.

22 Q. Any other education?

23 A. No.

24 Q. No master's or doctorate degree?

25 A. Do not have one.

30(b)(6)
Norman Lachapelle - September 26, 2017

10

1 Q. Any other form of training, certificates,
2 or certifications that you hold?

3 A. National strength and conditioning. I was
4 involved with a physical therapy program. So
5 national conditioning and strength.

6 Q. You've worked at Mid South Biologics since
7 when?

8 A. 2000.

9 Q. When was Mid South founded?

10 A. 2000.

11 Q. What did you do prior to joining Mid
12 South?

13 A. Worked for Ethicon as a hernia sales
14 representative.

15 Q. What years did you work for Ethicon?

16 A. 1990 to '94.

17 Q. The J&J Company?

18 A. Yes.

19 Q. Where did you go between 1994 and 2000?

20 Where did you go when you left Ethicon?

21 A. A company called Allergan. I was a breast
22 reconstruction specialist.

23 Q. Spell that Allergan.

24 A. A-L-L-E-R-G-A-N.

25 Q. Where was Allergan located?

30(b)(6)
Norman Lachapelle - September 26, 2017

11

1 A. In California.

2 Q. Were you based in California --

3 A. No, sir.

4 Q. -- or were you in Memphis?

5 MR. PEEL: Let him finish his
6 question.

7 A. Yes, sir.

8 BY MR. WILBON:

9 Q. You were based out of Memphis?

10 A. Yes, sir.

11 Q. What years were you with Allergan?

12 A. After the year of Ethicon and then up to,
13 I think, 1999 really, started Mid South Biologics.

14 Q. Let's discuss Mid South Biologics. It was
15 formed in 2000?

16 A. I believe so.

17 Q. As what kind of company?

18 A. Distribution for allograft tissue.

19 Q. What is allograft tissue?

20 A. Non-human -- I mean, allograft tissue
21 comes from a cadaver.

22 Q. What is that used for?

23 A. Transplants, sports medicine, neuro. I
24 use bone, tendon, skin for burn patients.

25 Q. Who were the founders of Mid South?

30(b)(6)
Norman Lachapelle - September 26, 2017

12

1 A. Norman W. LaChapelle.

2 Q. What about Judd Grisanti?

3 A. 1099.

4 Q. Was Judd Grisanti with you from 2000?

5 A. No.

6 Q. So you founded it in 2000. Where was it
7 located?

8 A. It was -- I don't know the correct
9 address. Actually, it was Cordes Circle in
10 Memphis, Tennessee. C-O-R-D-E-S.

11 Q. Who were your clients at that time, if you
12 know, when you started?

13 A. Basically, all the surgery centers in
14 Memphis. Memphis Surgery Center, Baptist Surgery
15 Center, Methodist Hospital, Le Bonheur, Saint
16 Francis. And let's see, The Med; Regional Medical
17 Center.

18 Q. Mid South was a distributor?

19 A. Yes.

20 Q. Do you have any other locations outside
21 the one here in Memphis?

22 A. No, sir.

23 Q. To date do you have any other locations
24 outside of Memphis?

25 A. No, sir.

30(b)(6)
Norman Lachapelle - September 26, 2017

13

1 Q. So you founded it in 2000. It was a sole
2 proprietorship or what type of entity was it?

3 A. Sole proprietor, LLC.

4 Q. Who were your employees at that time?

5 A. I had 1099s. I don't recall the names. I
6 have a business that took care of my transactions
7 and business partner. His name is Scott Bevill.
8 He did just the daily routines of the company,
9 track tissue so forth.

10 Q. When did Scott join you?

11 A. Shortly after probably 2005, yeah. Before
12 that I did everything myself.

13 Q. Was he full-time with you?

14 A. Part-time.

15 Q. Did he have any other employment?

16 A. Not that I'm aware of.

17 Q. Now, I've seen documents that say J. Scott
18 Bevill. What does the "J" stand for?

19 A. Jeffery.

20 Q. Where is Jeffrey from?

21 A. He's from Olive Branch.

22 Q. He used to work at International Paper?

23 A. I don't think so. Maybe his dad did. I
24 don't know.

25 Q. So you had 1099 employees at the time.

30(b)(6)
Norman Lachapelle - September 26, 2017

14

1 Was Mr. Bevill a 1099 independent
2 contractor or was he actually on payroll?

3 A. He was a 1099, but I set up a payroll
4 account for him. So he was 1099, yeah.

5 Q. Was AvKARE one our your initial customers?

6 A. During the time the (inaudible)?

7 Q. Uh-huh. (Affirmative response.)

8 A. No. No.

9 Q. So from 2000 to -- did the business model
10 or the concept or the products you provide change
11 in the first five years?

12 A. No. We're solely an allograft
13 distribution company. So I would show up for
14 surgical cases that needed allograft for a case
15 and then I would distribute allograft according to
16 let's say, if you needed something in California.
17 I would ship it from the Memphis area to there.
18 But my main work, daily work was in the Memphis
19 area supporting all the hospitals and surgical
20 centers in the MidSouth.

21 Q. Now, who were your vendors from which you
22 acquired your product?

23 A. At the time it was the Mid-South Tissue
24 Bank.

25 Q. Is that still a current vendor today?

30(b)(6)
Norman Lachapelle - September 26, 2017

15

1 A. No, it's not.

2 Q. So you go from 2000 to that takes us up to
3 2005. From 2005 to 2010, did your business model
4 change?

5 A. No. It continued the same allograft, but
6 we believe we started getting into the amniotic
7 fluid and amniotic graft business. And I was the
8 first company to put a graft in for urology with a
9 company called BioD, which is based in Memphis.

10 So Biodlogics.

11 Q. Are they still in existence today?

12 A. I believe that my friend, Tim Braham, who
13 was the owner. He sold it for quite a bit and
14 now, I believe it's Derma Sciences.

15 Q. Still here in Memphis?

16 A. Yes, sir.

17 Q. Has your business model changed since
18 2010?

19 A. 2010, no it's just basically the allograft
20 and the amniotic tissue.

21 Q. Has the business been successful over this
22 time period that we've discussed?

23 A. Yes.

24 Q. Have you seen an uptake in your gross
25 revenue each year or has it been steady?

30(b)(6)
Norman Lachapelle - September 26, 2017

16

1 A. Well, like the medical field, it goes up.
2 It's up and down like anything else, but it's
3 usually pretty steady. When I introduced the
4 amniotic fluid and the grafts, it did take off
5 pretty substantially. The business has been just
6 steady with daily work orders and things like
7 that, yes.

8 Q. When did you first meet or begin to deal
9 with MiMedx?

10 A. I believe in 2011.

11 Q. What is MiMedx?

12 A. It's a regenerative company dealing with
13 amniotic fluid and grafts.

14 Q. Do you know where they're based out of?

15 A. Kennesaw, Georgia.

16 Q. How did you first come to know MiMedx?

17 A. I met -- the first person I met was Mike
18 Carlton. We hit it off pretty well. I was
19 transferring from BioD, I wanted to change to
20 different vendors and MiMedx came along and it
21 seemed like a good fit. And we started talking
22 about possibly a distributorship in Memphis and
23 that's how we kind of struck a conversation up.

24 Q. How did you first meet Mike?

25 A. On the phone.

30(b)(6)
Norman Lachapelle - September 26, 2017

17

1 Q. You called him?

2 A. I believe it was -- I don't recall how I
3 learned about MiMedx. I believe it was either I
4 was goggling it or something and it occurred. I
5 was looking for some amniotic tissue companies and
6 I kept hearing about MiMedx and they were pretty
7 much just starting out. And then I spoke with
8 Mike Carlton and I said, look, I'm a distributor
9 in Memphis, Tennessee. I have very strong
10 contacts. And he told me, well we have a
11 distributor already, but we can work together.
12 I'm like, okay, we'll see about that.

13 The other distributor kind of went away
14 and then I was the sole distributor for the
15 Memphis area.

16 Q. Who was the other distributor that Mike
17 referenced, if you recall?

18 A. It was Kevin Jones. I forgot the name of
19 his company. They were storing tissue illegally
20 and that's when they were dissolved and I
21 prevailed or I was then the guy, yeah.

22 Q. So Kevin Jones's company was storing
23 tissue illegally?

24 A. And that's why they were dissolved as a
25 company. You can't do that.

30(b)(6)
Norman Lachapelle - September 26, 2017

18

1 Q. Upon that company being dissolved that
2 kind of opened the door?

3 A. I wouldn't say, opened the door, but it
4 was the only entity that was there and that was
5 Mid South Biologics.

6 Q. So you meet Mike and you tell him you're
7 from Memphis and you're interested in working with
8 MiMedx and what happens next?

9 A. We signed an agreement.

10 Q. What kind of agreement?

11 A. Just a basic agreement. What it stated
12 was that, you know, now there are restrictions of
13 where I could sell. Back then it was, you know,
14 the western world, so we could sell anywhere we
15 wanted to and I did. I was in Wisconsin. I was
16 in different places. So I did my job and I did
17 pretty well. And then after the fact, they closed
18 it in saying look, you can't have this territory
19 anymore. And basically, as time changed there
20 were different agreements that had to be signed.
21 So it kind of changed. Nothing was ever set.

22 Q. You said a lot there.

23 A. Right.

24 Q. Let's simplify this. So at this time you
25 say you had an agreement. It's not the Consulting

30(b)(6)
Norman Lachapelle - September 26, 2017

19

1 Agreement that is at issue today. That's not what
2 you're referring to. You entered into another
3 agreement with them in 2000 -- was this in 2011?

4 A. I believe so. The very first agreement
5 that I signed was that I could sell anywhere.

6 Q. Which product?

7 A. The Amniofix. I think at the time that
8 was the only thing they had was the AmnioFix.

9 Yes, sir.

10 Q. Now, that agreement that you're referring
11 to, was that known as a Distribution Agreement
12 between --

13 A. Yeah, a Distribution Agreement, yes, sir.

14 Q. You think you signed that in 2011?

15 A. I think I recall that. It was around that
16 time.

17 Q. But that agreement is not the basis of
18 your lawsuit against MiMedx now, is it?

19 A. Well, looking back it, you kind of -- no,
20 it's not.

21 Q. Let me show you an e-mail here. Start at
22 the back and work forward.

23 A. (Witness peruses document.)

24 Q. Do you recall seeing this?

25 A. Not really, no.

30(b)(6)
Norman Lachapelle - September 26, 2017

20

1 Q. But it's a series of e-mails between you
2 and it looks like a gentleman by the name of Bill
3 Taylor from MiMedx?

4 A. Yes, I do recall --

5 MR. PEEL: Let him finish.

6 A. Go ahead, Clarence. I'm sorry.

7 BY MR. WILBON:

8 Q. It's a series of e-mails between you and
9 Bill Taylor from MiMedx; is that right?

10 A. It looks like it, yes.

11 Q. Do you know Bill Taylor?

12 A. Yes, I do.

13 Q. Who is Bill Taylor?

14 A. He's the CEO of MiMedx.

15 Q. Now, you were about to say something.
16 What were you going to say?

17 A. Oh, I just remembered the company that
18 Kevin Jones was Biologics Technologies. Yes, sir,
19 that was his company's name. I recall that I was
20 trying to get a letter stating that I was the sole
21 distributor in the Memphis area since Biologics
22 Technologies was no longer a certified vendor with
23 MiMedx, which would help my company get into --
24 because what it was, there was a lot of confusion
25 of Biologics Technologies and Mid South Biologics

30(b)(6)
Norman Lachapelle - September 26, 2017

21

1 going for the same clients, so to speak. And that
2 was the clarification that I was asking for -- to
3 make -- I could have two different entities saying
4 that I was the sole distributor for MiMedx in the
5 area.

6 MR. WILBON: Let's mark this as
7 Exhibit 2.

8 (The above-mentioned document was
9 marked as LaChapelle Exhibit Number 2.)

10 BY MR. WILBON:

11 Q. I'm really interested in kind of the dates
12 on this e-mail as well. This first e-mail from
13 you to Mr. Taylor is May 31, 2012. Were you
14 already a vendor and doing business with MiMedx at
15 that time if you recall?

16 A. Yes.

17 Q. You testified earlier that you kind of
18 benefitted from Mr. Jones's business going out of
19 business.

20 A. Well, looking back, you know, it was
21 pretty much a confusion. So did I benefit? Not
22 really, because they set themselves up for, you
23 know, they were doing some bad things in the
24 Memphis area.

25 Q. They being?

30(b)(6)
Norman Lachapelle - September 26, 2017

22

1 A. Biologics Technologies.
2 Q. Kevin Jones's company.
3 A. Yeah. So I had to mend all of my
4 relationships. So saying that once he left the
5 gateway is open, no, I don't admit that.

6 Q. Then looking here on -- I'm going to
7 represent to you that these numbers in the bottom
8 right-hand corner that says MSB000039.

9 A. I see that, yes, sir.

10 Q. That represents Mid South Biologics
11 document production meaning that these documents
12 were produced in response to written discovery by
13 Mid South in this lawsuit?

14 MR. PEEL: No, that's not accurate.

15 MR. WILBON: They weren't produced by
16 Mid South?

17 MR. PEEL: In this lawsuit? No.

18 MR. WILBON: They were produced in
19 the first lawsuit?

20 MR. PEEL: Correct.

21 MR. WILBON: But you produced the
22 same documents as they did.

23 MR. PEEL: I produced nothing.

24 MR. WILBON: You didn't produce any
25 documents in this lawsuit?

30(b)(6)
Norman Lachapelle - September 26, 2017

23

1 MR. PEEL: You never asked for any.

2 MR. WILBON: We did send a
3 document --

4 MR. PEEL: You sent a document
5 request. And you said we would produce it at a
6 time convenient to the parties. I don't know if
7 it really matters that much. I mean, these are
8 documents that were produced by former counsel.
9 But I'm trying to keep the record straight. These
10 were not introduced in this lawsuit.

11 BY MR. WILBON:

12 Q. Do you dispute that these documents were
13 produced in the first lawsuit by Mid South?

14 MR. PEEL: Are you asking me?

15 MR. WILBON: No, I'm asking Mr. --

16 A. Repeat that, please.

17 MR. PEEL: To the extent that he
18 knows.

19 BY MR. WILBON:

20 Q. Do you recall providing these documents to
21 your prior counsel, Chris Lazarini?

22 A. I do not.

23 Q. Do you know where Mr. Lazarini would have
24 gotten these documents from to produce them?

25 A. Maybe Judd Grisanti.

30(b)(6)
Norman Lachapelle - September 26, 2017

24

1 Q. What was Judd Grisanti's role with Mid
2 South? You said he was a 1099 employee?

3 MR. PEEL: I'm going to object to the
4 form to the extent to keep it clear that 1099 and
5 employee are probably two different things.

6 BY MR. WILBON:

7 Q. A 1099 independent contractor. What was
8 his role with Mid South?

9 A. His role was when he first came aboard
10 what, a couple of years ago, that his friend, my
11 friend by the name of Dr. Pirani lives in Gadsden.

12 Q. How do you spell Pirani?

13 A. P-I-R-A-N-I. Dr. Pirani in Gadsden,
14 G-A-D-S-D-E-N, Alabama, was a urologist. They
15 were good friends. I knew his brother that lives
16 here. So we went to visit Dr. Pirani.

17 Q. What year are you talking about?

18 A. About 2012, 2013 maybe. And during that
19 time I was doing extensive work for urologists in
20 Memphis, Tennessee. And MiMedx was highly
21 interested in me doing an agreement or being the
22 first one to put in a graft for urology for
23 MiMedx.

24 We went up there and talked -- I spoke to
25 Dr. Pirani about the logistics, you know, how he

30(b)(6)
Norman Lachapelle - September 26, 2017

25

1 could use the amniotic tissue in his practice. He
2 knew what it was. He knew how it worked. He knew
3 the benefits. He knew what it could do. We
4 decided that it would be good for putting on a
5 prostatectomy on the nerve bundle for erectile
6 dysfunction. Okay, that was the whole thing. He
7 put us on there. It heals the nerve bundle and so
8 forth. I did that and that was his first pretty
9 much -- I mean, that was his first product that he
10 helped me with, my first client.

11 Q. You compensated him for that?

12 A. Yes, like just a percentage, 10 percent.

13 Q. Did his role expand with Mid South after
14 that?

15 A. Towards the latter parts when he
16 introduced myself to AvKARE. He was up in
17 Kentucky doing some other work and prospecting.
18 And he came upon the AvKARE and we kind of talked
19 about the FSS with MiMedx. But at the time I
20 wanted to be the distributor. It's kind of
21 convoluted, but it's a lot going on here.

22 Q. We've got time. Explain what you're
23 talking about, convoluted.

24 A. So basically, Judd made the contact up in
25 Kentucky, called AvKARE. They are a

30(b)(6)
Norman Lachapelle - September 26, 2017

26

1 pharmaceutical and a government entity.

2 Q. You said they're out of Kentucky or are
3 they out of East Tennessee?

4 A. Western Kentucky, Bowling Green.

5 And things worked out. So I went up there
6 and we did a presentation and knew the --

7 Q. What year are we talking about?

8 A. The latter part of 2011, maybe. I
9 believe. Don't count me on that, but it was
10 during that time. They liked what they heard and
11 we decided to use Mid South Biologics to put
12 ourselves on the FSS supply schedule.

13 Q. What is FSS?

14 A. Federal Supply Schedule, meaning that you
15 can sell at government entities, you know,
16 prisons, anything in government, which is a huge
17 contract, okay. They put us on the FSS in a
18 matter of months, which no one else could do. And
19 we decided to form a partnership, where I was
20 going to be the head distributor and have other
21 entities such as strategic locations that would,
22 you know, sell the tissue for us into the
23 government and use MiMedx as our choice of
24 product, yes.

25 Q. You were going to sell the tissue on

30(b)(6)
Norman Lachapelle - September 26, 2017

27

1 behalf to the government on behalf of AvKARE?

2 A. Uh-huh. (Affirmative response.)

3 Q. But you were going to obtain the tissue to

4 sell from MiMedx?

5 A. Yes, sir.

6 Q. Mid South was going to obtain the tissue

7 or AvKARE was going to obtain the tissue from

8 MiMedx?

9 A. Mid South was going to be the distributor

10 for AvKARE and then we were going to obtain the

11 tissue from MiMedx, which would be a great

12 partnership for both parts.

13 Q. And you needed AvKARE because they were

14 the ones who were able to get you on the FSS?

15 A. Yes.

16 Q. But they weren't going to provide any

17 services or product?

18 A. No.

19 Q. You were going to provide the services,

20 MiMedx was going to provide all the product?

21 A. Yes, sir.

22 Q. This was in 2011?

23 A. May; around that time.

24 Q. Did you discuss this arrangement with

25 anybody at MiMedx?

30(b)(6)
Norman Lachapelle - September 26, 2017

28

1 A. During the time we told them through Mike
2 Carlton and he said, you know, because at the time
3 they were trying to get on the FSS as well.

4 Q. How did you know that?

5 A. There was a flyer. I forgot the name of
6 it, but it's a freedom flyer or something that I
7 recollect and it had a person that was a
8 spokesperson for them that said that they could
9 get them on the FSS.

10 Q. Freedom Flyer, is this an organization or
11 just --

12 A. It was like, it was just called freedom --
13 MR. PEEL: Hold on. Let him finish
14 his question.

15 BY MR. WILBON:

16 Q. When you say, "freedom flyer," do you mean
17 like a mailer or flyer or are you saying freedom
18 flyer and it's a company that was going to get
19 MiMedx on the FSS?

20 A. I believe it was like a company or entity.
21 I forgot the person's name. But they thought that
22 they could get something going, so we kind of
23 backed off a little bit. And then toward the
24 latter part they said yes, get this done for us.

25 Q. Who are they?

30(b)(6)
Norman Lachapelle - September 26, 2017

29

1 A. Mike Carlton and I was working with Bill
2 Cochran at that time too, Bill Cochran.

3 Q. Who is Bill Cochran?

4 A. He was a MiMedx employee.

5 Q. Now, were these just telephone calls you
6 had? Were these e-mails or were they in-person
7 visits where you had these conversations?

8 A. At the time it was phone calls.

9 Q. Now, were you already a distributor for
10 MiMedx when these FSS conversations were taking
11 place?

12 A. Yes, sir.

13 Q. So you're a distributor for MiMedx
14 already?

15 A. Selling their tissue and the AvKARE deal
16 was a different entity. So both are different,
17 yeah.

18 Q. Judd Grisanti makes the initial contact
19 with AvKARE?

20 A. Yes, sir.

21 Q. He didn't have any written agreements with
22 AvKARE at that time when he made that?

23 A. Just negotiations.

24 Q. When AvKARE gets you on the FSS, do you
25 have a written agreement to support the

30(b)(6)
Norman Lachapelle - September 26, 2017

30

1 relationship or was that verbal?

2 What was your agreement with AvKARE?

3 A. That we were going to be on the FSS, which
4 we were. And what happened after that was MiMedx
5 said no, you're not going to be the distributor.
6 We're going to take full control of it. That's
7 where it started.

8 Q. Full control of it. What's it?

9 A. They were going to be the distributor,
10 they were going to be the supplier, and basically
11 I was going to have an override.

12 Q. By override you mean a commission?

13 A. At the time I did not know what they
14 meant.

15 Q. Who told you that from AvKARE?

16 A. Bill Cochran through Bill Taylor.

17 MR. PEEL: Object to the form of the
18 question. Can you restate the question again?

19 MR. WILBON: He just answered the
20 question.

21 MR. PEEL: You said --

22 THE WITNESS: I'm not a lawyer, so I
23 don't know.

24 MR. WILBON: He didn't say he had a
25 problem. You objected to the form, but he

30(b)(6)
Norman Lachapelle - September 26, 2017

31

1 answered it.

2 MR. PEEL: If you want to have it on
3 the record who from AvKARE told you that and he
4 responded Bill Cochran and Bill Taylor, then I'm
5 perfectly happy having the record misstated in
6 that sense. So you do whatever you want.

7 MR. WILBON: If that's what he
8 believes, then that's what his answer is. If he
9 believes that Bill Cochran and Bill Taylor were
10 from AvKARE and told him that, then that's --

11 A. Oh, I'm sorry. They're not from AvKARE.
12 Bill Cochran and Bill Taylor are from MiMedx.

13 BY MR. WILBON:

14 Q. Okay. Well, my question was: Who from
15 AvKARE told you?

16 A. Bill Lindsey. I'm sorry, Jim Lindsey, I
17 believe, yes.

18 Q. Who is Jim Lindsey?

19 A. He was like executive sales, I believe.

20 Q. Tell me about that conversation.

21 A. During?

22 Q. When Mr. Lindsey tells you that AvKARE is
23 going to control this relationship with the FSS?

24 A. I didn't say that. I said that MiMedx
25 told me that they're going to control the business

30(b)(6)
Norman Lachapelle - September 26, 2017

32

1 development with AvKARE and themselves.

2 Q. What did you do in response?

3 A. I said well, I wasn't too happy about it.

4 Q. Was MiMedx on the FSS at that point?

5 A. No.

6 Q. How were they going to control that if
7 they weren't on the FSS?

8 A. Well, they said, there's no way that
9 you're going to be able to be the distributor.
10 You can put us on the FSS and we'll take care of
11 you.

12 Q. Did you put them on the FSS?

13 A. I sure did.

14 Q. How did you do that?

15 A. Through AvKARE.

16 Q. So did AvKARE get them on there or did you
17 do it?

18 A. I was the very first person to show them
19 what MiMedx was all about as far as the tissue and
20 the profits and they wanted to get into the
21 biologic business. So yes, I was a huge proponent
22 of getting them on the FSS.

23 Q. So MiMedx wanted get on the biologics
24 component?

25 A. MiMedx wanted to get an FSS number so they

30(b)(6)
Norman Lachapelle - September 26, 2017

33

1 could sell into the government.

2 Q. Did they get that number?

3 A. Yes, through the help of Mid South
4 Biologics.

5 Q. I thought you said through AvKARE?

6 MR. PEEL: Objection to the form of
7 the question. Misstates his testimony.

8 BY MR. WILBON:

9 Q. Let's back up. Let's go at it this way.

10 A. There's three parties, Clarence, okay.

11 MR. PEEL: Let him ask the question.

12 THE WITNESS: Yes, sir.

13 BY MR. WILBON:

14 Q. Go ahead. What were you going to say?

15 Three parties.

16 A. There were three parties. There's AvKARE,
17 there is my company, Mid South Biologics. All
18 right. And there's MiMedx, okay. Mid South
19 Biologics introduced MiMedx products to AvKARE,
20 okay. AvKARE, you know, liked the idea of doing
21 the tissue business and they said they could, you
22 know, definitely get us the FSS. I was to receive
23 the FSS first. MiMedx objected to that and said
24 we want to be on the FSS. You cannot be the
25 distributor. If you get us on there, we'll take

30(b)(6)
Norman Lachapelle - September 26, 2017

34

1 care of you as far as compensation, which I didn't
2 know at the time, okay. In a matter of 6 to 8
3 months they received a D-U-N-S number or a license
4 to sell into government entity, okay.

5 They got what they wanted. I fulfilled my
6 obligation and that's where it stands.

7 Q. So what was the relationship between
8 AvKARE and MiMedx at that time? You made the
9 introduction and what happened next between the
10 two of them, those two entities?

11 A. Yes, sir. What I did was I introduced
12 them to each other. And meetings were back and
13 forth, and during the time one party couldn't
14 agree with the other party, you know. They didn't
15 contact me. As far as I was concerned, my job was
16 completed, okay. I did my part. I got them on
17 FSS. That was my role in Mid South Biologics.

18 During the time, I guess discussions were
19 heated. One party didn't agree with the other. I
20 got a call from AvKARE saying, hey, these guys
21 don't want to play percentage. I got a call from
22 Bill Taylor saying, get this job done. We're
23 about to lose it. I made the arrangements, called
24 AvKARE and said look, work it out. It's going to
25 be a great opportunity for both parties. And they

30(b)(6)
Norman Lachapelle - September 26, 2017

35

1 did. That's what happened. That's how the
2 contract got completed. That's my recall.

3 Q. What time frame are we talking about?

4 A. Right before the -- I mean, I received my
5 contract right -- May 1st, 2012, I believe, yeah.

6 Q. So this all would have happened around
7 that time?

8 A. Yes, sir.

9 Q. Do you know if AvKARE and MiMedx entered
10 into an agreement between those two entities?

11 A. They did.

12 Q. Have you ever seen that agreement?

13 A. I did, briefly.

14 Q. When did you first see the agreement?

15 A. Like, last week. So I didn't have
16 privilege to seeing that document.

17 Q. So you hadn't seen it prior to last week?

18 A. No. But I know they did receive a
19 three-year deal like I was supposed to have as
20 well.

21 Q. A three-year -- what was the nature of
22 that deal, as you recall?

23 A. With theirs, I don't know.

24 Q. Do you recall Mid South being referenced
25 in that agreement, if you recall, when you saw it

30(b)(6)
Norman Lachapelle - September 26, 2017

36

1 last week?

2 A. In the AvKARE agreement, I do not recall
3 seeing my name on there.

4 Q. Your name or your company's name?

5 A. Right.

6 Q. So you were not a party to that agreement?

7 MR. PEEL: Object to the form of the
8 question. That's not what he said.

9 A. Again, I'm not a lawyer, but in my
10 interpretation of the agreement I was told that
11 once I brought two parties together, which I
12 did, and my agreement stated that, you know, all I
13 was asked to do was get them on FSS, which I did.

14 MR. WILBON: If you've got an
15 objection to the question, that's fine to state
16 your objection, but you don't need to say that's
17 not what he stated and try to coach the witness
18 along. If you've got an objection to the form,
19 state the form. But trying to give him answers,
20 we're not going to tolerate that.

21 MR. PEEL: Did I -- read back what my
22 objection was.

23 (WHEREUPON, THE COURT REPORTER READ BACK
24 THE LAST QUESTION FROM THE RECORD.)
25 BY MR. WILBON:

30(b)(6)
Norman Lachapelle - September 26, 2017

37

1 Q. We've arrived at the point to where
2 there's been an introduction between AvKARE and
3 MiMedx. And you testified that you were
4 instrumental in helping MiMedx get on the FSS by
5 way of AvKARE and you were told that you would be
6 taken care of?

7 A. Through an agreement.

8 Q. Through an agreement?

9 A. Yes, sir.

10 Q. Were you taken care of, i.e., was that
11 agreement ever consummated between Mid South and
12 MiMedx?

13 A. Yes.

14 Q. When was that?

15 A. I believe it was May 1st, 2012.

16 Q. Let me show you a document here and
17 represent to you that this is the consultant
18 agreement that was attached to the Complaint that
19 Mid South filed in January of this year. I'm
20 going to note the file stamp marked on the top of
21 the document.

22 Have you ever seen that document before?

23 A. Yes, sir.

24 Q. Take a minute to look at it and let me
25 know is that the agreement that Mid South entered

30(b)(6)
Norman Lachapelle - September 26, 2017

38

1 into with MiMedx as a result of the --

2 A. Yes.

3 Q. -- relationship with AvKARE that we just
4 discussed and you said that Mid South would be
5 taken care of?

6 MR. PEEL: I'm going to object to the
7 form of your question.

8 A. I'm not saying that -- let me rephrase by,
9 being taken care of. An agreement would be
10 written or shown to me for my obligation to
11 getting them on the FSS contract.

12 BY MR. WILBON:

13 Q. Is that the agreement that you ultimately
14 entered into?

15 A. Yes.

16 MR. WILBON: Let's have that marked
17 as Exhibit 3.

18 (The above-mentioned document was
19 marked as LaChapelle Exhibit Number 3.)

20 BY MR. WILBON:

21 Q. Who were the parties to this agreement?

22 A. Mid South Biologics and MiMedx Group.

23 Q. According to this document when was it
24 entered into by the parties?

25 A. It looks like May 1st, 2012.

30(b)(6)
Norman Lachapelle - September 26, 2017

39

1 Q. Who signed the document on behalf of Mid
2 South?

3 A. Myself.

4 Q. At the bottom of -- well, about 3 or 4
5 pages from the end where the signature page is,
6 there's a signature on the bottom. It looks like
7 to me it reads Judd O. Grisanti; is that right?

8 A. It looks like that. I do not recall him
9 signing this.

10 Q. Have you ever seen his signature?

11 A. No.

12 Q. But you don't recall him signing it?

13 A. After the fact, it looks like Judd
14 Grisanti, yes.

15 Q. He was signing as a witness?

16 MR. PEEL: I object to the form and
17 foundation of the question.

18 BY MR. WILBON:

19 Q. You can answer.

20 A. I don't know why he signed it. I was the
21 only person that needs to be signing on this
22 agreement.

23 Q. Was he present when you signed this
24 agreement?

25 A. I do not recall.

30(b)(6)
Norman Lachapelle - September 26, 2017

40

1 Q. Was he involved in the negotiations of
2 this agreement?

3 A. For this agreement, no.

4 Q. Do you know if he was contacting or had
5 any direct communication with MiMedx regarding
6 this agree during the negotiation period?

7 A. I'm not sure about this agreement. I
8 don't think he was, but they did have
9 conversations about just the AvKARE because he
10 knew about the AvKARE. That was it.

11 Q. You don't think he was involved in
12 actually negotiating the terms of this agreement?

13 MR. PEEL: Objection. Asked and
14 answered.

15 BY MR. WILBON:

16 Q. You can answer the question.

17 MR. WILBON: You just have a standing
18 objection -- why don't we note you have a standing
19 objection to every question.

20 I can ask him if he thinks he was
21 involved in it.

22 BY MR. WILBON:

23 Q. So he's just going to object to
24 everything, but you can still answer the question.

25 MR. PEEL: Listen. If you have a

30(b)(6)
Norman Lachapelle - September 26, 2017

41

1 question, you need to answer the question.

2 Otherwise, I'm going to keep making my objections
3 as I see fit.

4 MR. WILBON: And I'm going to keep
5 asking the question.

6 BY MR. WILBON:

7 Q. So you can answer the question. Despite
8 his objection, you can answer the question.

9 A. What was the question again, Clarence?
10 I'm sorry.

11 Q. The question was: You don't believe or
12 think that he was involved in the negotiations of
13 this agreement?

14 MR. PEEL: Objection; asked and
15 answered.

16 MR. WILBON: What is the objection;
17 asked and answered?

18 Go back. Let's read. When did I ask
19 him if he thought Judd was involved in the
20 negotiations; when?

21 MR. PEEL: Yes, sir. We can have --

22 MR. WILBON: Read it all back. Read
23 the whole discussion back. When did I ask him
24 that? When did I ask him that?

25 MR. PEEL: Ask him --

30(b)(6)
Norman Lachapelle - September 26, 2017

42

1 MR. WILBON: She's going to read it
2 back. We're going to find out when I asked him
3 that.

4 MR. PEEL: I suggest counselor that
5 you ask your question. I'm going to state my
6 objections.

7 MR. WILBON: No. I want to know. If
8 all you're going to do is object to every
9 question. You're saying asked and answered. When
10 did I ask that question. When?

11 MR. PEEL: Why don't we excuse the
12 witness.

13 MR. WILBON: No, we're not. We're
14 going to do it on the record.

15 When did I ask that question?

16 MR. PEEL: We can do it on the
17 record, but I would prefer --

18 MR. WILBON: We're not going to
19 excuse -- we're not excusing the witness. When
20 did I ask that same question? You're objecting to
21 everything.

22 MR. PEEL: Why don't you read back
23 the last five minutes or so.

24 MR. WILBON: Tell me when I asked him
25 if he thought he was involved in the negotiations.

30(b)(6)
Norman Lachapelle - September 26, 2017

43

1 And even if I did, how is that improper?

2 MR. PEEL: I don't know why you're
3 arguing with me, but just go back and read.

4 MR. WILBON: Because you're
5 interrupting intentionally and wasting our time.

6 MR. PEEL: You're wasting time by not
7 asking questions and arguing with me. But I would
8 like to -- if you want to read back the questions
9 then read back the questions.

10 MR. WILBON: You can have a standing
11 objection.

12 MR. PEEL: I'm not having a standing
13 objection. I'm going to make my objections as I
14 see fit.

15 MR. WILBON: It's just ridiculous.
16 You're just wasting time.

17 MR. PEEL: I'm not wasting anyone's
18 time. You're wasting time by not asking
19 questions.

20 MR. WILBON: You're being
21 intentionally unnecessarily difficult.

22 BY MR. WILBON:

23 Q. Do you recall -- and I'm going to ask it
24 again --

25 MR. PEEL: No. No. No. Hold on.

30(b)(6)
Norman Lachapelle - September 26, 2017

44

1 We're not -- no. You asked to read back the
2 questions, so we're going to read back the
3 questions. I told you to ask more questions and
4 now you want to ask more questions.

5 MR. WILBON: Look. You don't tell --
6 it's my deposition. You're not going to tell me
7 what to do.

8 MR. PEEL: And I can make my
9 objections.

10 MR. WILBON: And that's all you can
11 do in a deposition is make objections. You can't
12 tell her to read anything. You can make
13 objections. If you've got an objection --

14 MR. PEEL: If you can tell her to
15 read back, I can read back the questions. You
16 don't have any right to tell me what I can or
17 cannot do.

18 MR. WILBON: Look, you're not going
19 to sit here and interrupt my deposition.

20 MR. PEEL: I'm going to make
21 objections as I see fit.

22 MR. WILBON: If you want to stop it,
23 we can go take the deposition in front of Judge
24 Fowlkes.

25 MR. PEEL: Will you please read back

30(b)(6)
Norman Lachapelle - September 26, 2017

45

1 the questions.

2 MR. WILBON: Because this is -- all
3 the discussions with you has been a waste of time.

4 MR. PEEL: Read back the questions.
5 Please read back the question.

6 MR. WILBON: We're not reading back
7 the question.

8 BY MR. WILBON:

9 Q. Answer the question I just asked.

10 MR. PEEL: Please read back the
11 questions.

12 MR. WILBON: We're not going to waste
13 time with this guy.

14 MR. PEEL: I'm going to tell you
15 right now, I'm going to end the deposition and we
16 can go back in front of Judge Fowlkes.

17 MR. WILBON: I'm happy to go to Judge
18 Fowlkes.

19 MR. PEEL: You just asked me to read
20 back the questions. Did you not say that?

21 MR. WILBON: I said you continue to
22 say asked and answered. You're trying to coach
23 this guy.

24 MR. PEEL: I can ask -- I can --

25 MR. WILBON: Asked and answered is

30(b)(6)
Norman Lachapelle - September 26, 2017

46

1 not a proper deposition objection. You can object
2 to the form. Asked and answered is not even a
3 proper deposition objection.

4 MR. PEEL: Will you please go back
5 and read the question?

6 MR. WILBON: You get the rules and
7 show me where that's a proper deposition
8 objection.

9 MR. PEEL: I don't have to explain
10 anything to you other than ask you to please read
11 back the questions.

12 BY MR. WILBON:

13 Q. Mr. LaChapelle, I've got a question. My
14 next question is: Do you recall or believe that
15 Mr. Grisanti was involved in the negotiations of
16 this Consulting Agreement?

17 MR. PEEL: Objection; asked and
18 answered.

19 BY MR. WILBON:

20 Q. You can answer the question.

21 A. He was not.

22 Q. Do you recall or believe that he had any
23 direct communication with MiMedx regarding the
24 terms of this Consulting Agreement?

25 A. Regarding the terms of this Consulting

30(b)(6)
Norman Lachapelle - September 26, 2017

47

1 Agreement, no, sir.

2 Q. He did not?

3 A. He didn't have anything to do with the
4 negotiations. It was my company. I negotiated
5 with Mimedx. But it was a -- can I state a fact?

6 Q. Yes.

7 A. Before this was even signed we had a
8 verbal agreement that was supposed to be
9 occurring, but at the time I received this it
10 was -- this is not the one that I agreed upon,
11 okay. I will state that. That I was forced to
12 sign this or I would not get anything in return,
13 okay.

14 Q. Let's talk about that. How were you
15 forced to sign this?

16 A. Pretty much I got the deal. Pretty much
17 the deal was done and I was, like, hey, Bill, can
18 I go ahead and get legal counsel because I don't
19 agree with this contract. He said no. You need
20 to sign it right now or you don't get anything.

21 Q. Was that by e-mail or via telephone?

22 A. No, it was not in an e-mail. A telephone
23 conversation.

24 Q. Did you have any e-mails with Bill? When
25 you say Bill, you mean Bill Taylor?

30(b)(6)
Norman Lachapelle - September 26, 2017

48

1 A. Bill Taylor. Then I think I did e-mail
2 Pete Petit saying how this whole situation went
3 down and I thought that I was not fairly treated
4 per the agreement.

5 Q. Now, who is Pete Petit?

6 A. He's president of MiMedx.

7 Q. Let me show you this e-mail exchange here
8 and ask if you ever recall seeing this?

9 A. (Witness peruses document.)

10 MR. PEEL: I'm going to object to
11 this document because the Consulting Fee
12 Agreement, which is an attachment was not produced
13 by counsel in this case or Defendant in this case
14 as evidenced by there is no Bates stamped
15 document -- there's no Bates stamp with respect to
16 the attachment. And we clearly asked for any
17 previous versions of the Consulting Fee Agreement,
18 which was not produced to us.

19 MR. WILBON: We'll take that
20 objection up at a later time.

21 BY MR. WILBON:

22 Q. But you can answer the question because
23 this was attached to the e-mails that we produced.

24 MR. PEEL: Not the Consulting Fee
25 Agreement wasn't. I know that because I asked for

30(b)(6)
Norman Lachapelle - September 26, 2017

49

1 it and I know your response to it and I know that
2 there is no Bates stamp to this document.

3 So I note counselor's failure to
4 produce this document as asked in discovery.

5 BY MR. WILBON:

6 Q. Do you recall this e-mail?

7 A. No.

8 Q. Is that your e-mail address,
9 normlachapelle@yahoo.com?

10 A. Yes.

11 Q. Were you receiving e-mails from Bill
12 Taylor at this address throughout this time
13 period?

14 A. I believe it was msbiologics@yahoo.com,
15 which is my company's name.

16 Q. So you never received any e-mails from
17 Bill Taylor to --

18 A. I'm not saying that I didn't. I just
19 don't recall, if I did.

20 Q. Do you recall ever seeing this document
21 before?

22 A. No.

23 Q. Is this document different than the one
24 that you ultimately executed?

25 A. You know, by looking at it, I don't know.

30(b)(6)
Norman Lachapelle - September 26, 2017

50

1 I mean, it could be worded differently, but it
2 looks maybe the same expect for, you know, the
3 percentages were -- should be 4 percent. And
4 there was a different -- you know, I don't recall.
5 I don't recall. This was dated in March and the
6 only time I really saw the contract was in my
7 recollection was during the latter parts of when
8 the agreement was executed.

9 MR. WILBON: We'll mark this one for
10 ID purposes as No. 4.

11 (The above-mentioned document was
12 marked for identification as LaChapelle Exhibit
13 Number 4.)

14 BY MR. WILBON:

15 Q. Do you remember in March of 2012, having
16 any discussions with Mr. Taylor about the terms of
17 the --

18 A. No, sir.

19 MR. PEEL: Let him finish the
20 question.

21 BY MR. WILBON:

22 Q. You never had any discussions with him
23 about the terms of the --

24 A. After March. My recall was during the
25 time negotiations were about to -- were being

30(b)(6)
Norman Lachapelle - September 26, 2017

51

1 transpired.

2 Q. When was that?

3 A. In May.

4 Q. Did you ever have any e-mail
5 communications with Bill Taylor or anyone else at
6 MiMedx regarding the materials of the Consulting
7 Agreement?

8 A. The only one I personally recall is
9 discussing the terms with Mike Carlton.

10 Q. Tell me about those discussions.

11 A. I told him the outline of what I wanted
12 the agreement to be and there was no salary cap.
13 I mean, not salary. But there was no \$10 million
14 cap. It was just for a five-year period, 4
15 percent, and no cap. And that was verbally agreed
16 upon and then once the agreement was executed this
17 is what I saw.

18 Q. So you never had any discussions or
19 e-mails with anybody regarding a 3 percent cap?

20 A. I believe towards the end I did. But this
21 is pretty much I saw it and I did not agree with
22 it and that's when I was told that if I do not
23 sign this that pretty much I would get nothing in
24 return for my hard work and, you know, dedication
25 to the company, which I made them a tremendous

30(b)(6)
Norman Lachapelle - September 26, 2017

52

1 amount of money with this contract.

2 (The below-mentioned document was
3 marked as LaChapelle Exhibit Number 5.)

4 Q. Let me show you an e-mail from you. It's
5 dated April 26, 2012, to Bill Taylor, Pete Petit,
6 Mike Carlton, Judd Grisanti.

7 Do you recall sending this e-mail?

8 A. I believe so.

9 Q. Did this meeting take place?

10 A. That meeting as I recall never occurred.

11 Q. What was the purpose of wanting to have
12 this meeting?

13 A. I guess discuss the override.

14 Q. You wanted Judd Grisanti in this meeting,
15 it looks like according to your e-mail; is that
16 right?

17 A. Correct.

18 Q. Why did you want Mr. Grisanti in this
19 meeting?

20 A. Because he did have relationships with
21 AvKARE during the time. But decisions to be made
22 as far as the company were mine and mine alone.

23 Q. But this meeting didn't take place?

24 A. May 3rd through the 9th?

25 Q. It said you're going to be out of town

30(b)(6)
Norman Lachapelle - September 26, 2017

53

1 May 3rd through the 9th.

2 A. Yeah.

3 Q. Did you have a meeting --

4 A. I believe we met him the very first time.

5 And I forgot what the meeting was about. I think
6 we were in Atlanta, but I do not know what we
7 discussed. I forgot. I'm not sure if it was -- I
8 don't think it was the -- I think it was just a
9 greet and meet because I had never met Pete Petit
10 and we just wanted to introduce ourselves or
11 myself as the distributor.

12 But there was never a formal meeting,
13 discussion of hey, we're going to give you, you
14 know, a cap, which I would never agree upon.

15 Q. Let me show you the next e-mail, a series
16 of e-mails, it looks like between you, Bill
17 Cochran, Mr. Grisanti, Mike Carlton, and Bill
18 Taylor. Do you recall?

19 MR. PEEL: Did we make the last one
20 an exhibit?

21 MR. WILBON: The last one is Exhibit
22 5.

23 A. Okay.

24 BY MR. WILBON:

25 Q. Do you recall that e-mail?

30(b)(6)
Norman Lachapelle - September 26, 2017

54

1 A. I do. I think I was discussing my terms
2 during the verbal, saying that, yeah, I suggested
3 when he mentioned 10 percent, I guess I did
4 mention that I wanted 10 percent. I tried to get
5 the best deal I could. And I suggested 5 percent.
6 I don't see where it states anything about --
7 let's see.

8 Q. Let me ask you real quick: What have you
9 redacted from the top of this?

10 MR. PEEL: I want to object to this.
11 I mean, we didn't redact anything. This is an old
12 case, so to the extent that it might involve some
13 type of privilege or work product, I'm going to
14 instruct him not to answer. I don't know the
15 answer to the question. It's been redacted by
16 previous counsel.

17 MR. WILBON: I don't think you can
18 tell him not to answer. If he's saying he doesn't
19 know is one thing. If he's going to say something
20 that's privileged; if he says that.

21 MR. PEEL: What if he says, he
22 doesn't know the answer?

23 MR. WILBON: Right. So I mean, I
24 think, you're telling him -- you're instructing
25 him not to answer, so you won't instruct him not

30(b)(6)
Norman Lachapelle - September 26, 2017

55

1 to answer and get --

2 MR. PEEL: Well, ask him if he
3 doesn't know.

4 MR. WILBON: Well, I asked him what
5 was redacted and you told him not to answer.

6 MR. PEEL: Ask him the question
7 again.

8 BY MR. WILBON:

9 Q. Do you know what was redacted from the top
10 of this?

11 A. No.

12 Q. Do you still have the original version of
13 this e-mail?

14 A. No.

15 Q. Do you know what happened to it?

16 A. No, I don't.

17 Q. What did you do with all your e-mails and
18 files relating to this case?

19 Did you give them to your prior attorney?

20 A. I believe so.

21 Q. Did you give him originals?

22 A. I don't recall.

23 Q. Did you give Mr. Peel any documents?

24 A. I believe -- no. Judd, I believe gave the
25 prior lawyer. He saved everything.

30(b)(6)
Norman Lachapelle - September 26, 2017

56

1 Q. So all these documents, if you call, would
2 have been Judd giving them to your prior lawyer?

3 A. I believe so.

4 Q. Did you give documents to Mr. Peel when
5 you retained him?

6 A. I believe the other lawyer did.

7 Q. So he got the documents from the other
8 lawyer?

9 A. I believe so.

10 Q. Well, you know you didn't?

11 A. I never saw that stuff. I mean, I
12 recollect seeing that myself, but I do not know if
13 we sent it to Mr. Peel or not.

14 MR. PEEL: I'm going to make a formal
15 objection on the record that this is outside of
16 the scope of the topics of the 30(b) (6) today.

17 MR. WILBON: We'll just make a note
18 that I'm going to come back and put him under
19 oath. He's the second witness so make a note.

20 MR. PEEL: No, his deposition is
21 formally set for tomorrow. So if you want to go
22 ahead with your --

23 MR. WILBON: Well, by e-mail. Last
24 week you agreed when we sent the e-mail as to what
25 the deposition schedule was. If he wants to come

30(b)(6)
Norman Lachapelle - September 26, 2017

57

1 back tomorrow, we'll do him and Judd tomorrow. I
2 don't care. If you want to be difficult we can
3 make it that difficult.

4 MR. PEEL: Let's take a break. We've
5 been going about an hour. So let's take a break.

6 (Break taken from 10:04 a.m. to
7 10:21 a.m.)

8 BY MR. WILBON:

9 Q. Mr. LaChapelle, how did you prepare for
10 this deposition today?

11 A. Just read some of the notes like this
12 agreement again and then my counsel.

13 Q. Had a meeting with counsel? I don't want
14 to know anything about the meeting.

15 A. My meeting was just that I received this
16 documentation right here.

17 Q. Did you meet with anybody else in
18 preparation?

19 A. No, sir.

20 Q. Did you talk to Judd Grisanti?

21 A. No.

22 Q. Did you review any --

23 A. I'm sorry. I talked to him, but nothing
24 to do with the case. I just said that you're
25 going to probably be subpoenaed and then I have a

30(b)(6)
Norman Lachapelle - September 26, 2017

58

1 deposition so he would be aware of that. That's
2 all I said.

3 Q. We were looking at the document we just
4 marked as Exhibit 6, the e-mail.

5 (The above-mentioned document was
6 marked as LaChapelle Exhibit Number 6.)

7 A. (Witness peruses document.) Yes, sir.

8 BY MR. WILBON:

9 Q. Go back to Page 3, which is MSB34.

10 A. (Witness complies.)

11 Q. Let me clarify one thing. You recall
12 having filed a lawsuit against MiMedx in 2015, and
13 Chris Lazarini and the Bass Berry and Sims Law
14 Firm represented you. Do you recall that?

15 And that lawsuit was, the legal term for
16 it is nonsuited. And then you refiled in 2017?

17 A. Yes, sir.

18 Q. On Page 3 it says: Norm, as per our
19 conversation last week, attached is the Consulting
20 Agreement. Please take a look at it and let's
21 talk in the next few days to fill in the blanks
22 and address any other comments that you may have.

23 A. Okay.

24 Q. And then you responded; is that right?

25 A. Where is the response?

30(b)(6)
Norman Lachapelle - September 26, 2017

59

1 Q. Page 2. It's an e-mail from Norm
2 LaChapelle and it's normlachapelle@yahoo.com on
3 April 26, 2012?

4 A. Yes.

5 Q. That's the yahoo address. Does that
6 refresh your memory that you were using the yahoo
7 address sometimes and not just the Mid South
8 Biologics?

9 A. I believe he had both addresses, yes, sir.

10 Q. And you wrote back: Bill -- and this is
11 Bill Taylor at MiMedx. Right. I think you
12 testified earlier he was with MiMedx. Bill
13 Taylor. Correct?

14 A. Yes, sir.

15 Q. You write: Bill, can we get the contract
16 done tomorrow for your override?

17 And we were talking about the override.
18 When you say override, can you explain to me what
19 you mean by override right there?

20 A. What I will be compensated for, for
21 getting this agreement between MiMedx and AvKARE
22 finished. My only obligation was to put these two
23 together and get an FSS contract for MiMedx.
24 That's what I did and my obligation after that was
25 done. So my efforts would be rewarded through a

30(b)(6)
Norman Lachapelle - September 26, 2017

60

1 override agreement.

2 Q. Override of some percentage of the pay
3 that they received off the deal. Correct?

4 They being MiMedx.

5 A. Yes.

6 Q. "I wanted to drive up, but not sure if
7 that's possible. We are very excited about
8 working with AvKARE and MiMedx and would just like
9 to get contract behind us. Can we agree on 8
10 percent for the life of the contract."

11 Now, you were saying that you were told
12 and we'll go through this in more detail. You
13 were saying that you were told -- well, no. I'll
14 back up. Let me go to the next part of the
15 e-mail.

16 Mr. Taylor writes back to you the next day
17 and says: Norm, I'm working on it with Pete. I
18 will say that 5 to 8 percent is not reasonable for
19 this kind of contract.

20 So by that Mr. Taylor is saying that in
21 his view that 8 percent is too much or is
22 unreasonable for this deal; is that correct?

23 A. "I will say that 5 to 8 percent is not
24 reasonable for this kind of contract.

25 That's coming from Bill Taylor, yes.

30(b)(6)
Norman Lachapelle - September 26, 2017

61

1 Q. And he's responding to you?

2 A. Yes.

3 Q. Mr. Taylor says, the compensation needs to
4 be commensurate with the value and effort
5 provided. Making an introduction is definitely
6 worth an override, but it needs to be in a
7 realistic range for a realistic period of time.
8 I've asked Pete what he would like to propose to
9 you. As soon as I hear back from him, I'll let
10 you know.

11 A. And my response was Mike, Mike Carlton: I
12 knew this would happen. Is he serious. Value and
13 effort. A lot of effort went into this and a
14 value is the biggest possible revenue contract to
15 date, which is a fact. That was my response.

16 Q. Where does it say, which is a fact?

17 A. I ad libbed that.

18 Q. Oh, okay.

19 So your response, you don't respond to
20 Bill Taylor. It looks like you maybe did or you
21 forwarded it to Judd Grisanti, Bill Cochran, and
22 Mike Carlton. Correct?

23 A. It looks like I did, yes, sir.

24 Q. In part you read it. It says, Mike: I
25 knew this would happen. Is he serious. Value and

30(b)(6)
Norman Lachapelle - September 26, 2017

62

1 effort. A lot of effort went into this and the
2 value is the biggest possible revenue contract to
3 date. This is not a 3 percent deal and a little
4 stock. Five percent for the life of the contract
5 and stock is not unreasonable.

6 You did receive some stock options from
7 MiMedx. Correct?

8 A. I was, and they were taken away from me
9 because I did not sign another agreement.

10 Q. What do you mean another agreement?

11 A. My Distribution Agreement. At the time I
12 was told that if I didn't sign this agreement that
13 my AvKARE contract would be terminated. And that
14 was stated and it was stated that both contracts
15 were different entities. One did not succeed the
16 other. So basically, the AvKARE was totally
17 different from the distribution. So that
18 shouldn't have been in play.

19 Q. Now, it looks like you're the first one,
20 at least in this e-mail chain. You raised this is
21 not a 3 percent deal and a little stock.

22 Had somebody mentioned 3 percent to you at
23 that point already?

24 A. No. No. Because at the very beginning I
25 was driving. It said from Mike Carlton.

30(b)(6)
Norman Lachapelle - September 26, 2017

63

1 Q. Mike responded to you?

2 A. He said, the value could be huge, but a
3 lot of unknowns. What if this drives 20 million
4 in sales, even 2 percent becomes an annuity of
5 \$400,000. When you mentioned 10 percent, okay.
6 So I mentioned 10 percent. So that was my initial
7 gathering of what I wanted this contract to be.

8 Q. Yes.

9 A. He suggested 5 percent, which I see that,
10 but 3 percent and I've never seen anything in this
11 conversation that says a cap would be submitted.
12 That was brought upon me the last part of when I
13 saw this contract. And I did not agree with it.

14 Q. So you're saying you saw it for the first
15 time in the actual contract itself?

16 You saw the \$10 million cap for the first
17 time when you received the Consulting Agreement?

18 A. I don't understand the question.

19 Q. You're saying that the cap was thrust upon
20 you. I'm saying the first time you learned of a
21 cap was when you got this Consulting Agreement?

22 A. The cap was never mentioned in the
23 agreement. The cap was never mentioned in the
24 conversations. It was always about a percentage
25 and the life of the contract, meaning it's going

30(b)(6)
Norman Lachapelle - September 26, 2017

64

1 to be years or the life of the contract. That's
2 all I wanted to get. I mean, for my efforts in
3 putting this on I believe that was fair and not
4 unreasonable to ask for at the time.

5 Q. And then you said you wanted it for the
6 life of the contract, the contract between MiMedx
7 and AvKARE?

8 A. Yes.

9 Q. And that was for three years?

10 A. The life of the contract would have been
11 as long as AvKARE and MiMedx would have continued
12 doing business.

13 Q. I understand that. But I'm going to
14 represent to you that MiMedx and AvKARE's
15 agreement was for three years. You saw the
16 agreement. Correct?

17 A. Yes.

18 Q. And it was for three years?

19 A. So was mine.

20 Q. Right. Your agreement --

21 A. So reading, yes.

22 I'm sorry. I didn't mean to cut you off.

23 Q. When you say looking at Mike's e-mail,
24 Mike says, his next sentence says, I think the
25 higher percentage can be the override for Ron/Thad

30(b)(6)
Norman Lachapelle - September 26, 2017

65

1 as the dollars will be under AvKARE.

2 Now, what's Ron/Thad?

3 A. It was a podiatrist that I was making
4 probably about \$80,000 a month for compensation
5 for selling, you know, getting them the MiMedx
6 product. That was taken away from me as well and
7 by doing so another company came in, which was --
8 I forgot the name of the company.

9 Again, they took revenue from my business
10 and said, hey, we'll give you this little
11 override, which is Exhibit, I believe, A on the
12 Consulting Agreement, the override agreement. It
13 says, I guess this company called Medicraft, which
14 is clinical services Biocraft referral fee. Five
15 percent of gross products of their prospect during
16 2012. I never received anything from that.

17 Basically, they took MiMedx, my company's
18 revenue and gave it to another company, which is
19 Biocraft. That's what that was. So this little
20 referral agreement saying that I was going to be
21 compensated for that, never was.

22 Q. Now, having read this e-mail chain, does
23 that refresh your memory that there was some
24 negotiation between Mid South and MiMedx leading
25 up to the actual Consulting Agreement?

30(b)(6)
Norman Lachapelle - September 26, 2017

66

1 A. I don't agree with that. The negotiations
2 were all on pretty much what I would like to have
3 this agreement be. Nothing saying that they would
4 give me a cap on the agreement. It doesn't say
5 anything in this document. All I was asking for
6 was my fair share, which I thought at first was 10
7 percent. And then it was agreed, I will say 5 to
8 8 percent is not reasonable for the contract. So,
9 you know, I was asking for 4 during the time and
10 that didn't happen.

11 So basically, my first initial agreement
12 was, I wanted 10 percent for the life of the
13 contract. And by looking at this, it looks like
14 that I did not agree with, you know, this has led
15 up to the agreement that was finally given to me,
16 which I totally disagreed upon. And when I read
17 the terms, which is the cap in the 3 percent, I
18 did not want to sign it. And during that time
19 Bill Taylor told me that if I did not sign it and
20 I'm going to overemphasize this. I won't get
21 shit. Pardon my language. That was, in fact,
22 what he said.

23 Q. Let me show you this. This document is
24 Bates numbered MSB7 through 15. The way it is
25 produced to us it was e-mails between Judd

30(b)(6)
Norman Lachapelle - September 26, 2017

67

1 Grisanti, you, Mike Carlton, and others at MiMedx.
2 I'm using it the way it was produced to us, so
3 it's got some -- some of the formatting is a
4 little bit strange where some of the e-mails just
5 run down the middle of the page.

6 Do you recall this e-mail?

7 A. I don't recall, but it looks like it did
8 occur.

9 MR. WILBON: Let's mark it as
10 Exhibit 7.

11 (The above-mentioned document was
12 marked as LaChapelle Exhibit Number 7.)

13 BY MR. WILBON:

14 Q. Let me know after you've had a minute to
15 read through this e-mail.

16 A. (Witness peruses document.)

17 I've read MSB000008.

18 Q. Let's start at the back and then work our
19 way to the front as e-mails go. It looks like the
20 last few pages are just -- again, because the
21 formatting is off, there's just text down the
22 middle of page.

23 A. All right.

24 Q. If we look at starting on Page 10, MSB10,
25 it's an e-mail from Bill Taylor dated May 16,

30(b)(6)
Norman Lachapelle - September 26, 2017

68

1 2012. It's to you, cc Bill Taylor, and Mike
2 Carlton. Subject is: Agreement attached. It
3 reads, Norm, attached, please find the referral
4 fee agreement, I am sending via FedEx this
5 evening. Two originals. Please sign both, and
6 return to me. Please let me know if you have any
7 questions or comments.

8 Did I read that correctly?

9 A. I guess, but, you know, this is not how I,
10 you know, read. I believe that's what it says.

11 Q. Right. Yeah, I mean, the format. This is
12 the way you guys produced it to me.

13 And then you wrote back to Bill Taylor,
14 starting on MSB9, on May 16, 2012, at 8:46 p.m.
15 you wrote -- well, actually, you didn't write.
16 You forwarded that. You forwarded that, it looks
17 like to Judd Grisanti. Do you see that?

18 You forwarded it to Judd Grisanti.

19 A. Okay.

20 Q. And then Judd wrote back to you the next
21 day.

22 A. In capitals?

23 Q. Yeah, in caps. And from Judd Grisanti to
24 Norm LaChapelle. And it reads. No. No. On
25 both. 1. AvKARE: We wanted 4 percent. All the

30(b)(6)
Norman Lachapelle - September 26, 2017

69

1 work. Everything that it took to make this
2 happen. When AvKARE walked away from the
3 agreement Judd G had to -- I guess he was trying
4 to say erasure that. I think he was trying to say
5 ensure that MiMedx was the best out in the market.
6 Nothing could compare. Judd sold them on his
7 passion of the product. Epifix.

8 I think Judd is talking in the third
9 person in here.

10 Also pricing: MiMedx is profiting more on
11 the AvKARE FSS.

12 I'm not going to read the rest of them.
13 You said you just read it. So here, you know, and
14 Judd makes his other points and then he addresses
15 No. 2 as the Ron M, and that's what you were just
16 telling me about the other company. Correct?

17 A. Correct.

18 Q. And then No. 3, he's asking for territory
19 clarity. And No. 4 it says: Copy Pete, Mike,
20 everyone when you send the reply.

21 So is this Judd telling you what Mid
22 South's response to MiMedx should be?

23 A. This is Judd suggesting what, I mean, the
24 final decision was mine and mine alone. You know,
25 Judd definitely had, you know, he was a proponent

30(b)(6)
Norman Lachapelle - September 26, 2017

70

1 of the AvKARE, but I think he just want to give
2 his opinion out. It kind of verifies or states
3 what I wanted in the beginning. The 3 percent and
4 the cap was not what we wanted.

5 Q. Now, let's look on up. Then Judd, about
6 25 minutes later, Judd contacts Mike Carlton at
7 MiMedx's directly. So you recall when I asked you
8 earlier was Judd contacting, dealing with, and
9 communicating directly with MiMedx regarding this
10 Consulting Agreement and you said you didn't think
11 he was or didn't recall.

12 But here he's forwarding this, his what
13 you call proposed response to Mike Carlton
14 directly. You see that?

15 A. Yes.

16 Q. It says, Mike, please take a minute and
17 look over my reply back to Norm regarding AvKARE,
18 Ron M override contract and advise.

19 Was Judd a science guy or was he a
20 restaurant guy or both?

21 A. He was, you know, Grisanti's has been
22 around for years and years for the restaurant
23 business. But when he came to me I trained him on
24 tissue, so he definitely knew the ins and outs of
25 MiMedx's product, how to sell it. And obviously

30(b)(6)
Norman Lachapelle - September 26, 2017

71

1 did pretty well with getting the two parties
2 together and making again, the biggest contract in
3 MiMedx's history to date.

4 Q. So you introduced Judd to the science
5 industry, if you will?

6 A. I did.

7 Q. Then Mike writes back to Judd: Judd, the
8 3 percent deal was Pete (Bill was at 2 percent,
9 for which most brokered deals bringing companies
10 together is standard). Also three years ties to
11 AvKARE's contract per Norm's request. This is
12 should be a nice check for initiating and helping
13 save the deal.

14 As for Ron, 5 percent for '12 and if you
15 want '13 it goes to 3 percent, no problem per
16 Bill. I'm in the middle of all this, Bill is the
17 guy.

18 So as we look at this again, the Ron/Thad
19 is not an issue in this lawsuit. Correct? This
20 is about the AvKARE percentage?

21 A. Yes.

22 Q. Flip over to MSB Page 7. Judd writes back
23 to Mike and says. Okay. Thanks for the positive
24 remarks. That is fine. I will get Norm to sign
25 the contract.

30(b)(6)
Norman Lachapelle - September 26, 2017

72

1 You see that?

2 A. Where is this at?

3 Q. Start at the bottom Page 7. Right there.

4 No, not that one. The one before Mike Carlton
5 writes back. Judd is the one that says: Okay.
6 Thanks for the positive remarks. That is fine. I
7 will get Norm to -- I think the intent is to say
8 to sign the contract, but he says singen the
9 contact.

10 A. Yeah. I don't know what singen means so I
11 don't know what that meant.

12 Again. Again, Judd's a very, you know,
13 he's very opinionated, but he had nothing to do
14 with my obligation or swinging my way. I knew
15 what I wanted from the deal. I've been in the
16 business for a long time and that's where I stand.
17 Okay.

18 Q. Okay. I understand that, but --

19 A. Yeah. On the agreement, consultant should
20 be entitled to a referral fee equal to the
21 percentage --

22 Q. We're going to talk about it.

23 A. Yeah.

24 Q. Let me ask you --

25 A. I'm not getting heated at all. I'm just

30(b)(6)
Norman Lachapelle - September 26, 2017

73

1 saying, this whole thing is --

2 Q. Okay. I want to talk about what we're
3 talking about right now. At this point Judd is a
4 representative of Mid South; is he not? At this
5 point that we're talking about in May of 2012 on
6 MSB7. Judd is a representative of Mid South; is
7 he not?

8 A. No. Legally, he's a 1099 person, 1099.

9 Q. But he's communicating directly with
10 MiMedx on behalf of Mid South at that point, isn't
11 he?

12 A. On behalf of Judd Grisanti. There's
13 nothing in the contract. I mean, that's his
14 opinion. He was involved with Mike Carlton. He
15 was a friend of Mike Carlton's.

16 Q. And you, Norm LaChapelle, on behalf of Mid
17 South had been asking for meetings with MiMedx
18 that would include Judd Grisanti. Correct?

19 We looked at e-mails where you --

20 A. Correct.

21 Q. So would you agree with me that it was
22 fair for MiMedx to believe Mr. Grisanti was
23 representing Mid South when he's communicating
24 with --

25 A. Representing, I don't --

30(b)(6)
Norman Lachapelle - September 26, 2017

74

1 MR. PEEL: Objection to form and
2 foundation.

3 You can answer.

4 A. Rephrase that question, please.

5 BY MR. WILBON:

6 Q. You had forwarded e-mails asking for
7 meetings with Pete Petit and others at MiMedx for
8 you and Judd Grisanti. Correct?

9 A. Correct.

10 Q. And Judd Grisanti was heavily involved in
11 the whole AvKARE deal. Correct?

12 A. Heavily?

13 Q. Or let's just take the word heavily out.
14 He was involved in the negot -- he brought AvKARE
15 to the table based on your earlier testimony?

16 A. He introduced me to AvKARE.

17 Q. You would agree with me that's fair for
18 MiMedx to believe and understand that Judd
19 Grisanti is negotiating and communicating on
20 behalf of Mid South. Correct?

21 MR. PEEL: Object to the form and
22 foundation of the question.

23 You may answer.

24 A. I do not agree with that. I believe that
25 was his opinion. I brought him along to say, hey,

30(b)(6)
Norman Lachapelle - September 26, 2017

75

1 I appreciate -- I mean, you know, to be with me,
2 but the verbal communication is between my company
3 and MiMedx. And that meeting never happened.

4 Q. And while Mid South and MiMedx are
5 negotiating this Consulting Agreement you're
6 forwarding e-mails between Mid South and MiMedx to
7 Judd. Correct?

8 A. As a courtesy.

9 Q. I didn't ask you why. I just said --
10 yes or no, did you forward them to him or not?

11 A. Yes, sir.

12 Q. And he wrote back to you his position on
13 the negotiations. Correct? He's saying 4
14 percent?

15 A. That was his opinion.

16 Q. And he does on to communicate directly
17 with Mike Carlton of MiMedx regarding this
18 agreement?

19 A. They were friends.

20 Q. This e-mail doesn't say anything about,
21 dear friend. This e-mail is him negotiating and
22 dealing with Mike Carlton of MiMedx regarding the
23 terms of the Consulting Agreement, isn't it?

24 MR. PEEL: I'm going to objection to
25 the form of the question and to foundation.

30(b)(6)
Norman Lachapelle - September 26, 2017

76

1 A. The final decision --

2 BY MR. WILBON:

3 Q. That wasn't -- I'm not asking you if he
4 had final authority. I understand your position
5 is you had final authority.

6 A. Uh-huh. (Affirmative response.)

7 Q. But here Judd is holding himself out as a
8 representative of Mid South. Correct?

9 A. No, not correct.

10 Q. He's not holding himself out. He's not
11 saying in here he's going to get you to sign the
12 contract?

13 So you're telling me as you read this
14 e-mail, you don't understand this e-mail chain to
15 be Judd Grisanti communicating with Mike Carlton
16 of MiMedx regarding the terms of the Consulting
17 Agreement? You don't understand that?

18 A. I agree with that.

19 Q. And he's holding himself out as having the
20 authority to do that. Correct?

21 A. I don't agree with that. That's not true.

22 Q. So what's he doing there? In your
23 opinion, what's he doing there?

24 A. He is just -- like I said, Judd is highly
25 opinionated. A lot of passion went into this,

30(b)(6)
Norman Lachapelle - September 26, 2017

77

1 okay. A lot of time went into this. So yes, he
2 felt that he, had, you know, that he was part of
3 this AvKARE, at the end of the day, he was a 1099.
4 He had his opinions. I listened to him and, you
5 know, and that's where it went.

6 Q. Did you ever tell him not to contact
7 MiMedx directly?

8 A. I believe that at some time I did.

9 Q. Where is that e-mail?

10 A. There was never an e-mail.

11 Q. You never told MiMedx that Judd Grisanti
12 didn't have authorization to agree with the 3
13 percent, did you?

14 A. Restate that, please.

15 Q. You never told anybody at MiMedx that Judd
16 Grisanti didn't have authority to communicate with
17 them directly, did you?

18 A. I never did.

19 Q. You never told them that he did not have
20 authority or -- let me phrase it this way. You
21 didn't tell them that he made misrepresentations
22 when he said that Mid South was agreeing to the 3
23 percent and he was going to get you to sign the
24 contract? You never told them that.

25 A. Everybody knew what Judd's role was with

30(b)(6)
Norman Lachapelle - September 26, 2017

78

1 Mid South Biologics. Everybody knew what my role
2 was. I was the president CEO, my company, and
3 Judd was just a 1099 that helped with the push of
4 this AvKARE deal.

5 Q. Now, as I understand your testimony here
6 today and pleadings in this lawsuit, you've taken
7 the position that you never agreed to the
8 Consulting Agreement or the 3 percent. You were
9 told to take it or you weren't getting shit, is
10 what you just testified to.

11 MR. PEEL: I'm going to object to the
12 form and foundation of the question.

13 BY MR. WILBON:

14 Q. Didn't you just testify that -- that's
15 what you said, it was a fact that Bill Taylor told
16 you that?

17 A. On the phone. I cannot prove it. On the
18 phone. That's the truth.

19 Q. And Judd didn't have to agree to anything.
20 Right?

21 A. He was not a part of the contract. I
22 mean, his opinion was that, you know, he agreed
23 with me that we should have a percentage and when
24 the salary cap came about that was the last, you
25 know, the last hooray, pretty much. You know, I

30(b)(6)
Norman Lachapelle - September 26, 2017

79

1 tried to argue my case and at the, I say the
2 witching hour, pretty much said, you know, either
3 sign it or not.

4 Q. Let me show you an e-mail that was
5 produced by MiMedx in this case. It's MiMedx 118.

6 Do you recall sending this e-mail?

7 A. (Witness peruses document.)

8 I don't remember.

9 Q. You don't remember?

10 A. I don't remember writing this. I mean, it
11 says it's from me, but I do not. I mean, I agree
12 with the no, except the 10 million dollar cap. I
13 don't remember this.

14 MR. WILBON: We're going to mark this
15 on as Exhibit 8.

16 (The above-mentioned document was
17 marked as LaChapelle Exhibit Number 8.)

18 BY MR. WILBON:

19 Q. I'm going to take you back to Exhibit 7
20 for just a moment. That e-mail from Judd Grisanti
21 to Mike Carlton is dated Thursday, May 17, 2012.
22 Correct?

23 A. Yes.

24 Q. Now, the e-mail that I just handed you as
25 Exhibit 8 is dated Monday, May 21, 2012, and it

30(b)(6)
Norman Lachapelle - September 26, 2017

80

1 reads: Bill and Pete, I spoke with Judd this week
2 and we are both in agreement with the contract
3 except the \$10 million cap.

4 So if Judd had no authority interest or
5 rights in this deal or in Mid South why are you
6 speaking with him about this?

7 A. Because he was part of the -- he's part of
8 negot -- not negotiations, but he was part of
9 getting the, you know, that was a sign of good
10 faith on my part to include him in on this.

11 Q. So the fact that you included him also
12 makes it reasonable for MiMedx to understand that
13 he has authority to bind Mid South to the 3
14 percent as he did in that e-mail; isn't that
15 right?

16 MR. PEEL: Object to the form and
17 foundation of the question.

18 A. Like I said again, they all knew what
19 Judd's role was and they knew Judd's character and
20 that's what, you know, they were talking to Judd
21 probably off the record about this. But, you
22 know, at the end of the day, I made the decisions.

23 BY MR. WILBON:

24 Q. And this e-mail also is further evidence
25 of you, on behalf of Mid South Biologics,

30(b)(6)
Norman Lachapelle - September 26, 2017

81

1 negotiating the terms of this Consulting Agreement
2 with MiMedx, is it?

3 A. Say that again.

4 Q. This e-mail is further evidence of you
5 negotiating the terms of the Consulting Agreement
6 with MiMedx; isn't that right?

7 MR. PEEL: Object to the form and
8 foundation of the question.

9 A. No.

10 BY MR. WILBON:

11 Q. So despite this e-mail you continue to
12 maintain that there were no negotiations. This
13 was a take it or leave it from MiMedx.

14 A. Yeah, there was negotiations at the very
15 beginning. What I wanted and what I got was two
16 different things.

17 Q. And that's what negotiations are --

18 A. Right. Sorry.

19 Q. We all enter negotiations wanting, and we
20 don't always get a hundred percent of what we
21 want. Correct?

22 A. Yeah. We also, you know, would like to be
23 treated fairly, too.

24 Q. You say you like to be treated fairly, but
25 before the Consulting Agreement was terminated,

30(b)(6)
Norman Lachapelle - September 26, 2017

82

1 you weren't complaining about it being unfair were
2 you?

3 A. Because there was no cap. Who would sign
4 to a cap.

5 Q. So when you were receiving checks in 2012,
6 '13, and early '14, there was no cap?

7 A. There was a cap. What I told you in the
8 beginning, sir, was that I was forced or pretty
9 much if I don't sign it the deal is off. You
10 don't get anything. That's what I was trying to
11 emphasize. I tried my best to get what I thought
12 was fair and reasonable to the point where they
13 pretty much had it with me probably and said,
14 look, if you don't sign it, you don't get
15 anything. And that's the whole crux of this
16 situation.

17 I was hired to do my job. I did it. I
18 painted the house, so to speak. That's all I was
19 asked to do. There was nothing else I needed to
20 do with the AvKARE contract. I stepped away from
21 it. Those two made, you know, tons of money and
22 all I'm asking for is my percentage, which I was
23 owed for three years.

24 MR. WILBON: Let's take a quick break
25 to for a couple of minutes.

30(b)(6)
Norman Lachapelle - September 26, 2017

83

1 THE WITNESS: Yes, sir.

2 (Break taken from 11:00 a.m. to
3 11:13 a.m.)

4 BY MR. WILBON:

5 Q. Let me show you this e-mail here. MiMedx
6 document No. 69. An e-mail dated May 31, 2012.
7 It's from you to Bill Taylor and Pete Petit. Do
8 you recall sending this e-mail?

9 A. Contracts, meaning I don't know what
10 contracts these are, but just let's see.

11 (Witness peruses document.)

12 Yes, asking him was the contract meaning
13 distributor contracts or it didn't say.

14 Q. I don't know. That's what I was going to
15 ask you. Do you know what you sent back?

16 A. No, sir. I believe that when I'm looking
17 at this with Kevin Jones, I think, maybe it's
18 restructuring of Mid South Biologics as being the
19 sole distributor in the Memphis area since Kevin
20 Jones is out and I believe that's it.

21 Q. Do you think you were sending the
22 distributorship agreement?

23 A. I believe so.

24 MR. WILBON: Let's mark that as
25 Exhibit 9.

30(b)(6)
Norman Lachapelle - September 26, 2017

84

(The above-mentioned document was
marked as LaChapelle Exhibit Number 9.)

3 BY MR. WILBON:

4 Q. As far as Mid South's position, you don't
5 have any issue with the payments you received for
6 the first year of the contract. Correct?

7 You're not suing based on that, your 3
8 percent of the 10 million in sales. Correct?

9 A. I'm suing that I should fulfill, I should
10 fulfill the contract for three years.

11 Q. So your position is that they fulfilled it
12 for two years and four days. Correct?

13 MR. PEEL: Object to the form and
14 foundation.

15 A. I do not know that answer.

16 BY MR. WILBON:

17 Q. But they fulfilled it for years 1 and 2.
18 Correct?

19 A. Correct.

20 Q. And you're suing, saying that you're
21 entitled to 3 percent of sales for the third year
22 of sales up to \$10 million?

23 A. A three-year contract. What it says in
24 the contract, yes. The agreement was for three
25 years. I was only paid two. I need my final year

30(b)(6)
Norman Lachapelle - September 26, 2017

85

1 compensated.

2 Q. There's not a dispute about the amount,
3 correct. If you were successful in this lawsuit,
4 the amount would be \$300,000. Correct?

5 A. Plus attorney fees and plus probably a
6 percentage of what they owe me. I mean, if it's a
7 percentage of some kind of a -- yeah, a percentage
8 of the agreement. A percentage of -- what am I
9 trying to say. Yeah, I mean, since it's been such
10 a long time, a percentage of what they owe me
11 since they didn't pay me the contract.

12 Q. I don't follow you.

13 MR. PEEL: I think he's saying
14 backpay.

15 MR. WILBON: Is he trying to say
16 interest?

17 MR. PEEL: Yeah, I think that's what
18 he's trying to say.

19 A. Interest, that's right, interest. I'm
20 sorry. I've got another deal going. I'm sorry.
21 I apologize.

22 Interest accrued because I did not receive
23 my last year of the agreement that I signed. I
24 apologize.

25 BY MR. WILBON:

30(b)(6)
Norman Lachapelle - September 26, 2017

86

1 Q. What I'm asking you is, I'm just trying to
2 make the record clear and get it. If AvKARE sold
3 \$10 million in year three, your position is you
4 would be entitled to the full \$300,000. Correct?

5 A. Correct, if the agreement was still going
6 forward and not stopped.

7 Q. There is no dispute that the \$10 million
8 threshold was met. Correct?

9 A. In years 1 and 2 and 3.

10 Q. Right.

11 A. No, no dispute about that.

12 Q. No dispute that they sold 10 million in
13 year three. MiMedx is not disputing that,
14 correct. You understand that. Right?

15 A. They sold a lot more, yes. Yes, sir.

16 Q. So you understand and agree that the issue
17 then is whether or not they had a right to
18 terminate the contract. Correct?

19 MR. PEEL: Object to the form and
20 foundation of the question.

21 A. Terminate what? The contract was already
22 consummated. I already did my -- I already did my
23 due diligence. I did what they told me. And I'm
24 going to go ahead and do the painting the house,
25 okay.

30(b)(6)
Norman Lachapelle - September 26, 2017

87

1 I was asked to paint a house. I did it.
2 That was it. I had nothing else to do with the
3 contract. They told me that they wanted to get --
4 you and you alone get us on this FSS contract
5 because we couldn't do it on our own. We told
6 them we could do it in six to eight months. We
7 fulfilled our obligation, okay. So termination
8 from what. Am I going to terminate MiMedx and not
9 receive my -- okay, I don't want my \$300,000
10 MiMedx. No. The termination in my mind is for
11 dealings after this was consummated, future deals.
12 This was already set in stone, a done deal, you
13 know, three years, 3 percent so-called cap.
14 That's a done deal, okay.

15 Q. And we're going to talk about here in a
16 little bit the specifics of the contract, the
17 termination. We're going to get into the details.

18 A. Sure.

19 Q. But we're kind of working backwards. So
20 we're at the point now, we're in June of 2012.
21 The Consulting Agreement is in place, products
22 being sold to AvKARE and you're receiving
23 payments. Correct?

24 MR. PEEL: Object to the form and
25 foundation of the question. I didn't hear you so,

30(b)(6)
Norman Lachapelle - September 26, 2017

88

1 I apologize.

2 A. Payments, but they were late. Can I
3 expound on that or no?

4 BY MR. WILBON:

5 Q. Yeah.

6 A. Well, I was told that it was every 45 days
7 and I, you know, I wasn't bothering anybody. I
8 said, hey, Bill could you read the contract again.
9 We're due our first check and we weren't paid
10 until about, I think two months after the fact,
11 which he wrote the contract. Did he even know his
12 own contact. Yeah, that's all I have to say about
13 that.

14 Q. When did Scott Bevill become involved in
15 dealings with MiMedx?

16 A. Maybe six or seven years ago, maybe. I
17 mean, he's been around. He's really good with
18 bookkeeping and things like that. He's helped me.
19 He's not a full-time employee. I hired him as
20 just a business -- to straighten my books out,
21 order tissue, keep everything straightened out
22 with my daily affairs.

23 Q. And then he started communicating with
24 MiMedx regarding the payment issues that you were
25 just describing; isn't that correct?

30(b)(6)
Norman Lachapelle - September 26, 2017

89

1 A. I think he either e-mailed or I'm not sure
2 if he called, but I think he -- a lady up here
3 that I forgot her name that I was told was the
4 person to talk to.

5 Q. Jacki Bugg?

6 A. Yeah, that's it.

7 Q. Look at this e-mail here. MSB37.

8 A. Uh-huh. (Affirmative response.)

9 (The above-mentioned document was
10 marked as LaChapelle Exhibit Number 10.)

11 BY MR. WILBON:

12 Q. E-mail exchange between you and Mike
13 Carlton, which Judd Grisanti is copied. It's from
14 June 18, 2012. At that point the Consulting
15 Agreement is in place. Correct?

16 A. As of June, yeah.

17 Q. So the Consulting Agreement is in place
18 and you're writing Mike asking him, who do I need
19 to speak with to find out whether MSB is due for
20 payments with the AvKARE deal.

21 So at this point you're basically trying
22 to figure out what amount is accrued or what your
23 payment will be. Correct?

24 A. Yes, sir. I've never received and I was
25 told that I would get a, you know, sheet saying

30(b)(6)
Norman Lachapelle - September 26, 2017

90

1 what they did each month or quarterly, when I was
2 to have dealings with Dr. Marascalco, and they
3 just stopped, all communication stopped. So I
4 didn't know what he was making and pretty much
5 they, you know, that was pretty much -- I knew I
6 wasn't getting paid on that.

7 Q. Were you getting upset with MiMedx about
8 this?

9 A. No. All I wanted was just clarify on it.
10 I wasn't getting upset with anybody.

11 Q. Starting to get frustrated with them?

12 A. No. Not at the point. I was, you know,
13 my frustration was with the deal. You know, we
14 spent a lot of time on this and put the so-called
15 pieces together. I kind of think of ourselves as
16 the chess master and brought two companies
17 together to form what is now the largest biologics
18 for amniotic tissue to date.

19 Q. Let me show you this e-mail between you
20 and Mike Carlton. Judd Grisanti is copied again,
21 August 14, 2012.

22 A. (Witness peruses document.)

23 MR. WILBON: Let's mark it as Exhibit
24 11.

25 (The above-mentioned document was

30(b)(6)
Norman Lachapelle - September 26, 2017

91

1 marked as LaChapelle Exhibit Number 11.)

2 BY MR. WILBON:

3 Q. In that one Mike is providing you numbers
4 relating to the amount of sales, correct, for the
5 third quarter?

6 A. He said, they're climbing, yeah.

7 Q. And he says you get 3 percent --

8 A. Yeah.

9 Q. -- each quarter from what I can tell?

10 A. Well, and what I said before was if it's
11 45 days, we need to figure out how to do that.
12 Well, in the contract it is 45 days, okay. By no
13 means was -- I mean, anybody would ask for, you
14 know, ask for follow-ups.

15 Q. At that point are you getting frustrated?

16 A. No, we just wanted to -- we, you know, we
17 signed a contract agreement that was legally
18 binding. And what it says was payments were due
19 on a specific day, okay. Well, I don't know about
20 you, but we want to get paid so that way we can,
21 you know, we can order tissue at a timely manner
22 or do things that we need to do with the money.

23 Q. I show you another e-mail that's dated
24 August 16, 2012 and we'll mark it as Exhibit 12.

25 This is Jacki Bugg who we just mentioned.

30(b)(6)
Norman Lachapelle - September 26, 2017

92

1 She's providing -- well, actually, this is Judd
2 Grisanti. You're copied, but this is between Judd
3 and Jacki discussing numbers as well. Correct?

4 A. This is about something that's on the
5 distributor agreement. It had nothing to do with
6 AvKARE.

7 Q. But he asked her: Please provide a
8 spreadsheet of the commission rate of products
9 sold on the FSS with AvKARE to date. This would
10 help us keep a more accurate accounting. Correct?

11 Do you see that?

12 A. Yeah.

13 MR. WILBON: Mark that as 12.

14 (The above-mentioned document was
15 marked as LaChapelle Exhibit Number 12.)

16 BY MR. WILBON:

17 Q. Judd is communicating at that point with
18 MiMedx about the financial affairs of Mid South.
19 Correct?

20 A. Yeah. Judd Grisanti of Mid South
21 Biologics, Grisanti Consulting, yes.

22 Q. So he has two companies or he was an
23 independent contractor for Mid South and he had
24 his own consulting company?

25 A. I believe so. I don't know what incurred

30(b)(6)
Norman Lachapelle - September 26, 2017

93

1 on that. I don't know what he did with that. I
2 think that was for his catering company.

3 Q. At this point is Mid South starting to get
4 frustrated with MiMedx?

5 MR. PEEL: Object to the form and
6 foundation of the question.

7 A. No, sir. I don't get upset. I just, you
8 know, I'll want something that's, you know, if it
9 says -- if it says -- let me rephrase that.

10 So I'm a very punctual person. So if you
11 tell me to be somewhere at a certain time, I'm
12 going to be there. Now, if you show up late, I
13 consider that pretty rude and that you don't value
14 my time. So with that being said, we just wanted
15 to find out when exactly we were going to get paid
16 because one entity, Bill Taylor saying that we
17 didn't get paid until, I guess, quarterly and the
18 agreement as we looked at it was 45 days.

19 Q. Okay.

20 A. Yes, sir. And I looked at it four or five
21 times thinking maybe, I was wrong and finally, I
22 guess he did look at the contract and...

23 (The below-mentioned document was
24 marked as LaChapelle Exhibit Number 13.)

25 BY MR. WILBON:

30(b)(6)
Norman Lachapelle - September 26, 2017

94

1 Q. This is another document, that e-mail
2 chain that Mid South produced in this matter. And
3 this is Scott Bevill sending information to MiMedx
4 and asked to when -- what you just described
5 actually -- the time frame when to expect the
6 override should come in. Correct?

7 A. That looks like it, yes, sir. And he even
8 quoted. I'm looking at it. It says, the great
9 Ronald Reagan once said, trust but verify.

10 Q. Right. At this point had things started
11 to go south between MiMedx and MidSouth?

12 A. No. I think it was just, basically it was
13 just a matter of, you know, communicating and
14 actually finding out when are we going to get
15 paid. One party thought it was quarterly as you
16 can see here and it wasn't.

17 Q. But you got that worked out; did you not,
18 the time period?

19 A. I think after a while it did work out, but
20 it was seemed like after the contract was
21 consummated. After that it was pretty much, hey,
22 guys, you know, thanks for making us millions of
23 dollars, but we'll pay you when we think about
24 paying you.

25 Q. You don't have any document that's say

30(b)(6)
Norman Lachapelle - September 26, 2017

95

1 that, do you?

2 A. It's my opinion.

3 Q. Let me show you this. Now, fast forward
4 to June 2013. This is an e-mail from Jeff
5 Bevill -- Scott Bevill. You said Jeffrey Scott
6 Bevill. Right?

7 A. Yes.

8 Q. To Mark Diaz and Jacki Bugg and you. And
9 then later he adds Bill Taylor and Mark Diaz.

10 A. Again, this is all between Scott Bevill
11 and not myself. So if you're asking me if I was
12 frustrated, no. It looks like Mark Diaz was
13 frustrated because we were just trying to find out
14 what, you know what was going on.

15 Q. And Mark tells you on the third page of
16 this, on June 18, 2013: Hi, Norm, I do not
17 calculate the commissions/overrides anymore. I am
18 copying Jacki Bugg.

19 Is that right?

20 A. Correct. I believe during the time I was
21 informed that Mark Diaz was our contract person.
22 And then, I guess he passed to Bugg or passed the
23 buck to Ms. Bugg.

24 Q. And at this point Jeff or Scott Bevill is
25 once again on here sending in the appropriate

30(b)(6)
Norman Lachapelle - September 26, 2017

96

1 section of the contract to this e-mail. Correct?

2 A. Yes.

3 Q. So Jeff is getting -- is he getting
4 frustrated with the process at this point?

5 MR. PEEL: Objection. Calls for
6 speculation.

7 A. If he did, I do not know about. Maybe he
8 was just thinking in my best interest. But I did
9 not hear him or even say anything about being
10 frustrated. I'm not sure if there was. I think
11 you're maybe implying that, but I don't see this.

12 BY MR. WILBON:

13 Q. And you see it here in the middle of Page
14 1, the first page on this Exhibit 14 were Mark
15 tells Scott, please do not imply that we're hiding
16 sales. Do you see that?

17 A. Yeah.

18 (The above-mentioned document was marked
19 as LaChapelle Exhibit Number 14.)

20 BY MR. WILBON:

21 Q. And then you see Scott writes Mark back?

22 A. Yeah, I think. We never saw anything as
23 far as Marascalco because we were used to seeing
24 monthly reports from our own company come back to
25 us at a pretty significant amount. And after

30(b)(6)
Norman Lachapelle - September 26, 2017

97

1 MiMedx took Dr. Marascalco away from our company,
2 it seemed like sales just dwindled or nothing.

3 Q. Okay. Then look at this next e-mail,
4 which is five days later. It's from Bill Taylor.
5 It's not copied to you.

6 MR. WILBON: Let's mark it for ID
7 purposes.

8 (The above-mentioned document was
9 marked for identification as LaChapelle Exhibit
10 Number 15.)

11 BY MR. WILBON:

12 Q. You didn't receive that e-mail?

13 A. No, it's at this point, yeah, that I guess
14 Bill Taylor was informed about the payment
15 schedule that we were entitled to.

16 Q. Bill tells his team, he says, please
17 direct any and all correspondence related to
18 commission overrides of Mid South Biologics
19 directly to me. If anyone from Mid South contacts
20 you, please direct them to contact me or forward
21 them directly to me immediately. I just got off
22 the phone with Mid South and told them they are
23 not to speak with anyone but me and that if they
24 do, we will terminate their contract.

25 Do you recall having that conversation

30(b)(6)
Norman Lachapelle - September 26, 2017

98

1 with Bill?

2 A. No, but I recall that Scott Bevill was
3 called from Bill Taylor, okay. And pretty much
4 told him very harsh language that pretty much the
5 fact that if we kept, I guess, asking where our
6 payment is that he would terminate our contract,
7 okay.

8 Q. Which he had a right to do with 30 days
9 notice. Correct?

10 A. No, he does not.

11 MR. PEEL: Object to the form.

12 A. No, he does not. And let me expound on
13 that. Because the deal was already done, sir,
14 okay. How are you going to terminate something
15 that's already been done? We were positioned to
16 get this done as far as an AvKARE FSS contract,
17 okay. That's all this says. I mean, in my
18 opinion -- I'm not a lawyer. All this says is
19 that I was hired to do a job, which I did. Three
20 years, it's in the contract.

21 In my opinion for the termination clause
22 or whatever it is, is that was dealings after this
23 contract was done. That's my position.

24 Q. I want to kind of keep this in order, but
25 we'll come back. But get you a copy of this

30(b)(6)
Norman Lachapelle - September 26, 2017

99

1 Consulting Agreement you have before you.

2 A. (Witness complies.)

3 Yes, sir.

4 Q. Let's turn to Provision 11.

5 MR. PEEL: Has this been marked as an
6 exhibit.

7 MR. WILBON: Not yet. We're going
8 to.

9 BY MR. WILBON:

10 Q. Again, I want to go through the contract
11 at one time, which we'll do, it looks like it will
12 be after lunch now.

13 But Provision 11 says Term: It says the
14 term of this agreement shall commence on the
15 Effective Date. Either party may terminate this
16 agreement upon (30) days written notice to the
17 other party.

18 And that's just the part I want to show
19 you. Does the Consulting Agreement state that
20 either party may terminate it; yes or no?

21 A. Yes.

22 Q. So I'm going to ask you this in the
23 context of Bill Taylor's e-mail. So when he said
24 I just got off the phone with the folks at Mid
25 South and told them they are not to speak with

30(b)(6)
Norman Lachapelle - September 26, 2017

100

1 anyone but me and if they do we will terminate
2 their contract.

3 So just based on what I -- and we'll get
4 into the contract interpretation in terms. But
5 based on that, there is a provision in the
6 Consulting Agreement that says it can be
7 terminated. Correct?

8 A. I don't agree with that. I don't agree
9 with that provision in the contract stating
10 because --

11 Q. Answer my question then you can expand.

12 MR. PEEL: Let him finish.

13 BY MR. WILBON:

14 Q. I said, there is a provision, yes or no.
15 And you're free to expand. But there is a
16 provision in here that says that MiMedx or Mid
17 South can terminate this agreement on 30 days
18 notice?

19 A. I disagree.

20 Q. So we didn't just read that provision?
21 That's not in there?

22 A. For the AvKARE contract, I don't agree
23 with that, that provision.

24 Q. I didn't ask you did you agree with it.
25 I'm asking you, is it in there; yes or no. Does

30(b)(6)
Norman Lachapelle - September 26, 2017

101

1 it say --

2 A. It's in there, yes, sir.

3 Q. Okay. And so when you just intimated that
4 Bill Taylor was saying something inappropriate
5 about terminating, the agreement says that he can
6 terminate the contract. Correct?

7 I'm not asking you about whether you agree
8 with it. You're going to get your chance to
9 discuss that. But there is a provision in that
10 Consulting Agreement that says it can be
11 terminated by MiMedx or Mid South?

12 MR. PEEL: Object to the form and
13 foundation of the question.

14 A. I still don't. The termination to me was
15 that -- no, I don't agree with that.

16 BY MR. WILBON:

17 Q. Okay. You don't agree that there's a
18 provision in there that says it can be terminated?

19 A. Not relating to the AvKARE contract.

20 Q. Were you aware at the time when Bill
21 Taylor did this that the conversation he had was
22 because Mid South representatives were berating
23 the MiMedx employees?

24 MR. PEEL: I object to the form and
25 foundation of the question.

30(b)(6)
Norman Lachapelle - September 26, 2017

102

1 A. Berating as, did we call them names? Did
2 we threaten anybody? No. Did we ask --

3 Q. Well, you threatened somebody. Do you
4 recall telling Mike Carlton or Mark Diaz that they
5 had better not come back to Memphis and what you
6 were going to do to them?

7 MR. PEEL: Object to the form and
8 foundation of the question.

9 A. I recall the call. I was at Memphis in
10 May, World Championship Barbecue. Probably 30,000
11 people there. And I got a call. I think it was
12 from, I think Bill Cochran called me. All of a
13 sudden, I realize that there's five people on the
14 phone, which I didn't know about, okay. So the
15 discussion was, I believe, the agreement saying
16 that I would agree to give up all my doctors,
17 which I had hired a MiMedx employee, Jeff Chavies
18 under Mid South Biologics as a favor to MiMedx,
19 right. And when that didn't occur, they wanted me
20 to give up all my rights to my doctors under my
21 name, okay. I believe they wanted to have another
22 meeting with me. So I might have said, don't come
23 to Memphis because it would be a waste of your
24 time because we need to solve this right now.

25 And what I said was, look, I can't

30(b)(6)
Norman Lachapelle - September 26, 2017

103

1 understand you guys. I was shouting because I
2 couldn't hear, okay. Was I combative? I don't
3 think so. Was I taken by surprise? Definitely
4 so.

5 Q. Well, you didn't tell them don't come to
6 Memphis because of that. You told him if he came
7 to Memphis you were going to do bodily harm to
8 him.

9 A. I never threatened anybody. I would never
10 do that. That's not in my nature.

11 Q. And obviously, I'm familiar with Memphis
12 in May, the Barbecue Fest that you're -- and it's
13 a big crowd so you can understand how if you're
14 yelling into the phone that somebody can interpret
15 that as you yelling at them and berating them?

16 MR. PEEL: Object to the speculation
17 as to what someone else understands.

18 THE WITNESS: Right.

19 BY MR. WILBON:

20 Q. I didn't ask you if they understood. I
21 said, you can understand how somebody could
22 interpret it that day. Correct?

23 MR. PEEL: Same objection.

24 A. Was I talking loud? Who knows. I don't
25 know. That was 2000, you know. But I was in

30(b)(6)
Norman Lachapelle - September 26, 2017

104

1 definitely a crowd. But the conversation was, I
2 said, look guys, let's talk Monday when I can sit
3 down. And I believe Mr. Schultz was on the phone
4 and he said pretty much, what's that phrase,
5 either S-H-I-T or get off the pot. Meaning, if I
6 don't sign -- they said, if I don't sign this
7 document, okay.

8 Q. What document?

9 A. The consulting, I mean, the agreement to
10 have MiMedx sell into the hospitals and I get like
11 maybe some kind of commission, which was never
12 agreed upon. I said, no. I think we need to talk
13 about this Monday. He goes, I'll tell you what,
14 if you don't sign this agreement the AvKARE
15 contract goes away and so does your stock.

16 I said, look guys, it's two separate
17 contracts. Let's talk about this Monday.

18 So whatever was left after that, I guess
19 they were highly agitated. So three days later I
20 get a termination notice for no cause, no reason,
21 nothing leading up to the facts, whereas usually
22 you say, okay, Mid South Biologics, okay, here's
23 your first offense, here's your second offense,
24 the third offense, you're going to be terminated,
25 okay.

30(b)(6)
Norman Lachapelle - September 26, 2017

105

1 I was just -- out of spite, spite saying
2 that. I could not get this contract unless I
3 signed it. And this happened twice. Before
4 that --

5 Q. You were saying that out of spite?

6 A. They were.

7 MR. PEEL: Objection to the form and
8 foundation.

9 A. They were.

10 Let's continue.

11 MR. WILBON: What is the objection.
12 I mean, every question. He said that, and I was
13 asking him to clarify, and that's objection to
14 form and foundation. What form and found -- what
15 objection? I mean, you've objected, literally.

16 Look, you can coach the guy all you
17 want. I don't care. All this stuff you're doing
18 is unnecessary anyway. But, I mean, he testified
19 that they were doing it out of spite. And I said,
20 who, you were doing it out of spite? And that's
21 objection to form and foundation?

22 MR. PEEL: Yeah, because you said --

23 MR. WILBON: I asked and he was
24 clarifying what he said --

25 MR. PELL: You just --

30(b)(6)
Norman Lachapelle - September 26, 2017

106

1 MR. WILBON: -- and that's an
2 objection to form and foundation.

3 THE WITNESS: You asked me if --

4 MR. WILBON: If you were the one that
5 said it. You said it --

6 THE WITNESS: Right.

7 MR. WILBON: -- and I didn't
8 understand and you corrected it.

9 THE WITNESS: But I did tell you
10 that. Yeah. I think you wanted -- I'm not saying
11 you put words in my mouth by no means, but that's
12 the way --

13 MR. WILBON: It's not relevant either
14 way, but I mean --

15 THE WITNESS: I understand.

16 MR. WILBON: And it's not that, but
17 I'm just saying every -- I mean, all we're doing
18 here is we get testimony. Objection to form and
19 foundation. Objection for -- I mean, if you're
20 going to object to form and foundation, I mean,
21 look, just told you to have --

22 MR. PEEL: Are you saying I can't
23 object to all the evidence? I'm trying to do the
24 best I can here.

25 MR. WILBON: You're wasting all our

30(b)(6)
Norman Lachapelle - September 26, 2017

1 time.

2 MR. PEEL: The only one who's arguing
3 right now is you. I just said, objection to form
4 and foundation. I didn't say anything further
5 than that.

6 MR. WILBON: My goodness. I mean,
7 why waste the time.

8 MR. PEEL: I'm not wasting anything.
9 It's your deposition. I'm objecting, making my
10 objection.

11 MR. WILBON: I don't even think it's
12 a deposition. I think it's your objection forum,
13 I think. That's all we're doing here today is
14 objecting.

15 MR. PEEL: Clarence, I'm going to
16 make objections where I feel appropriate.

17 MR. WILBON: All right.

18 THE WITNESS: Yes, sir. And
19 Clarence, I mean, I was --

20 MR. PEEL: There is not a question on
21 the table.

22 THE WITNESS: Okay. I'm sorry.

23 BY MR. WILBON:

24 Q. You can finish your answer.

25 A. I'm passionate because I believe what I

107

30(b)(6)
Norman Lachapelle - September 26, 2017

108

1 did was right, okay. So don't think passion is
2 being argumentative. I just believe in what I did
3 for this company. I'm a small businessman and I
4 got -- no. I think I have the right to my
5 \$300,000 or whatever they owe me.

6 In turn, they made, what 60 to 80 million.
7 They got a new building. They formed a new wound
8 care company based on the FSS contract.

9 Q. You made a claim for bad faith, breach of
10 contract. And that's a legal theory so you may
11 not even understand that.

12 Are you familiar with that?

13 A. No, but I think I can.

14 Q. Well, no. And the reason I say that is,
15 we're going through these e-mails and this
16 background because it relates to that. So that's
17 what I'm -- it's what we, you know, it's why I'm
18 asking you these questions and going through this.
19 Otherwise, based on that to form the record.

20 This e-mail I'm showing you now, I just
21 want you to have some background understanding as
22 to why I'm asking you these questions. But let me
23 ask you this and we'll come back to it as I do.

24 Explain to me as you understand it, and
25 again it's a legal theory. I understand that.

30(b)(6)
Norman Lachapelle - September 26, 2017

109

1 You know, your lawyer is basing it on a statute.
2 But as you understand it, tell me what bad faith
3 conduct MiMedx engaged in.

4 A. Well, they pretty much told me that if I
5 don't sign the agreement, I don't get another
6 agreement. That's totally different, separate
7 entities. So to me that's a sign of bad faith.
8 If I don't sign this, I don't get that. That's
9 what the whole thing was. And to me that was, you
10 know, and this happened before. If I don't sign
11 this, I don't get my stock. Okay, I'll sign it.
12 You get your stock back. If I don't signed this,
13 you don't get your stock back, you know. Oh, my
14 stock is going away. So, I mean, it's been a cat
15 and mouse game. And I played fair. And I still
16 am. I just want what's rightfully, you know, what
17 I did was right. That's all.

18 Q. I'm showing you this e-mail here. It's
19 March 2014. What I want to do here is I want you
20 to identify for me --

21 MR. PEEL: Can I have a copy, please.

22 MR. WILBON: (Complies.)

23 BY MR. WILBON:

24 Q. Do you recall this e-mail?

25 A. I believe so, yes.

30(b)(6)
Norman Lachapelle - September 26, 2017

110

1 MR. WILBON: Mark it as Exhibit 16.

2 (The above-mentioned document was
3 marked as LaChapelle Exhibit Number 16.)

4 BY MR. WILBON:

5 Q. It looks like it starts with Jeff Bevill
6 is asking the customer service department to ship
7 certain product, correct, to Mid South?

8 A. Is this the first page?

9 Q. No, turn it over. It's the second page.
10 It starts in the back.

11 A. Yes, tracking number. Let's see, yes.

12 Q. And then Mike Carlton responds back, but
13 he copies -- who did you say Jeff Schultz is or
14 was?

15 A. I don't know who Jeff -- I mean, he was
16 just, I believe, a -- I don't know. I don't know.
17 He was just, during that time that's --

18 Q. Was he with MiMedx?

19 A. Yes, sir, yeah.

20 Q. What about Tony Thompson?

21 A. I never heard his name before.

22 Q. Mike Fox?

23 A. I never heard of him.

24 Q. John Schmidt?

25 A. Maybe.

30(b)(6)
Norman Lachapelle - September 26, 2017

111

1 Q. What about Jeff Chavies?

2 A. I do know him.

3 Q. On there you respond back and you say:
4 Mike, waiting on you guys to change agreement to
5 say that we can't be terminated in 30 days and
6 also what percentage does MSB get after all
7 accounts are signed up to order from you.

8 At this time are you negotiating a new
9 Distribution Agreement with MiMedx because it
10 wasn't a new Consulting Agreement. Correct?

11 A. Yeah, I don't recall. Yeah.

12 Q. I'm showing you an e-mail here. We'll
13 mark it for ID purposes. You're not copied on
14 this, but this MiMedx's Document 22. It's an
15 e-mail between Jacki Bugg and Bill Taylor.

16 In this e-mail Ms. Bugg is telling Mr.
17 Taylor: I just wanted to let you know that I just
18 got off the phone with an extremely, underlined
19 the word extremely, irate Scott at Mid South
20 Biologics. He basically berated and yelled at me
21 for 15 minutes regarding their commission check.

22 A. I wasn't there so I don't know what he
23 said to her.

24 Q. She goes on to say, Scott is threatening
25 with letters and lawyers and going directly to

30(b)(6)
Norman Lachapelle - September 26, 2017

112

1 you. I just wanted to give you a heads up and to
2 let you know that I really didn't appreciate his
3 tirade.

4 A. No, and I wouldn't have either. But I'm
5 not. I wasn't on the conversation, but I would
6 never condone that type of business. And I don't
7 see where a record is where I personally called up
8 Bill Taylor or Mike Carlton and chewed them out
9 saying where is my check. I didn't do that. I
10 waited patiently and -- but --

11 Q. According to this e-mail --

12 A. Right.

13 Q. -- one of the Mid South representatives
14 did. Correct?

15 MR. PEEL: Object to the form and
16 foundation of the question.

17 BY MR. WILBON:

18 Q. You can answer.

19 A. He's a 1099, so did he represent Mid South
20 Biologics? Technically yes, but he did not -- I
21 wasn't there. I don't think -- I mean,
22 speculation, purely.

23 (The above-mentioned document was
24 marked as LaChapelle Exhibit Number 17.)

25 BY MR. WILBON:

30(b)(6)
Norman Lachapelle - September 26, 2017

113

1 Q. Who was Jeff Chavies or who is Jeff
2 Chavies?

3 A. Jeff Chavies was hired by MiMedx, as you
4 recall.

5 Q. What year, if you recall?

6 A. 2014, maybe.

7 Q. Do you know where he came from?

8 A. He came from another wound care company,
9 okay. So during the time I was authorized to sell
10 into all entities or practices except wound care.
11 The first time --

12 Q. Describe womb care.

13 A. Wound care.

14 Q. Wound care.

15 A. W-O-U-N-D, not womb care.

16 So Jeff from MiMedx just to be a wound
17 care representative because they thought that they
18 had a code coming out so they could actually bill
19 for this reimbursement. It didn't happen the way
20 they had planned.

21 Q. They being MiMedx?

22 A. MiMedx, yes, sir.

23 Q. Okay.

24 A. So I get a call from one of my doctors
25 saying, hey, there's a Chavies in here

30(b)(6)
Norman Lachapelle - September 26, 2017

114

1 representing MiMedx and selling the same product
2 that we use every day at Saint Francis. I said,
3 well, that can't be.

4 So I called up either Mike Carlton or --

5 Q. Did you have some kind of exclusivity with
6 MiMedx or Saint Francis?

7 A. Yes. The agreement was that I could sell
8 into any kind of practice except for wound care.
9 That was the agreement. So when Jeff Chavies came
10 aboard --

11 Q. But he was selling wound care.

12 A. Let me get to this. So he was selling
13 wound care, okay. So in my mind, why is he going
14 to my urologist and selling a product. So I
15 called up MiMedx, nonthreatening, just saying,
16 hey, what's going on with this person selling into
17 our territory or my doctor?

18 The response was oh, you know, yes, that's
19 Jeff Chavies. We're wondering if you can work
20 with him. I said, well, I don't even know him.
21 What do you mean by work with him? He said, well,
22 he has some contacts, but, you know, we were just
23 wondering if he can go and work with you since you
24 have all the vendor credentials to get in the
25 hospital.

30(b)(6)
Norman Lachapelle - September 26, 2017

115

1 I said, well, bring him by. So Jeff, a
2 great guy. We hit it off. And immediately we
3 started doing some significant sales.

4 Q. He's selling something that you don't
5 sell. Right?

6 A. No, he's selling the same thing.

7 Q. But you didn't have wound care and he did?

8 A. He couldn't sell wound care because there
9 was no reimbursement, okay. So he started selling
10 product that he wasn't supposed to. Verbally our
11 agreement with MiMedx saying that, you know, why
12 was he selling to my doctors at Saint Francis when
13 he wasn't even a vendor.

14 Q. But wasn't Jeff a vendor. Didn't he have
15 credentials from his prior employer?

16 A. I did not know what, but his prior
17 employer --

18 Q. Because he was doing work at Saint Francis
19 independent of you before he ever joined MiMedx?

20 A. He couldn't sell the same product that I
21 was selling to the same doctor. Agreed?

22 Q. I don't know.

23 A. Yeah, that is just a fact.

24 Q. Same product for a competitor?

25 A. No. Okay. He came into Mid South

30(b)(6)
Norman Lachapelle - September 26, 2017

116

1 Biologics. He signed a contract with Mid South
2 Biologics to be a 1099 under Mid South Biologics
3 while still working for MiMedx.

4 Q. Did y'all produce that contract?

5 A. I've got it, yeah. We have it. There
6 sure is. It's a bonding contract. I can e-mail
7 it to you tonight. Whatever you want to do.

8 So that being said, is that, you know, we
9 were working a great relationship. First of all,
10 I brought him to Saint Francis. He used Reptrax,
11 which is an identification system to get into a
12 hospital: Jeff Chavies. Company: Mid South
13 Biologics. ID: No: Blank, blank, blank, blank.
14 Access granted. Slapped the badge on. Goes up to
15 surgery. He goes to surgery --

16 Q. With a Mid South badge on?

17 A. Yes, sir.

18 Does the surgery. Gets a delivered order
19 form stating that he sold the product under Mid
20 South Biologics distributorship. He would turn
21 that into the person that would do billing. It
22 would come back to us, you know, such and such a
23 date this case was done. Here's the price.
24 Here's your PO. We would submit the PO, invoice
25 it, get our check, pay Jeff Chavies his 13 percent

30(b)(6)
Norman Lachapelle - September 26, 2017

1 as agreed upon with MiMedx and then business as
2 usual.

3 Q. So the 13 percent directly to Jeff or it
4 went to MiMedx?

5 A. I believe Jeff was getting a percentage
6 from MiMedx, but when MiMedx agreed that, you
7 know, it was a great fit that we -- they agreed
8 on, can you pay Jeff Chavies's 13 percent?

9 I was like, okay. So I did. I did what
10 they asked me to.

11 Q. Thirteen percent of what?

12 A. Of sales. So he would make 13 percent off
13 that 2695.

14 Q. I've got this stack of these documents
15 that really show nothing.

16 A. I can produce something that shows a lot
17 of things, yeah, with his name and signature on
18 it.

19 Q. Let's use this.

20 A. That's for patient confidentiality, yeah.
21 You can't have anything on there. You're right.

22 Q. You list him in this case and marked as
23 confidential. We can go through.

24 A. Yes, sir.

25 Q. But let's look at that one.

117

30(b)(6)
Norman Lachapelle - September 26, 2017

118

1 A. (Witness complies.)

2 Q. These were attached to the Complaint, the
3 Complaint that you filed.

4 So looking at that one, is that one dated
5 6/16/14?

6 A. Yes.

7 Q. Now, in your lawsuit, you've sued MiMedx
8 and they were using your vendor credentials
9 wrongfully. Correct?

10 A. Correct.

11 Q. And in support of that you've attached
12 that document. How does that document show that
13 MiMedx is improperly using Mid South's vendor
14 credentials?

15 MR. PEEL: I need to object. It
16 calls for a legal conclusion.

17 BY MR. WILBON:

18 Q. You can answer.

19 A. Well, by looking at this, you're right. I
20 mean, everything is blacked out because of patient
21 confidentiality. But if these weren't blacked out
22 you could see the doctor's name, the product used,
23 the person that signed for it, which would be
24 probably Jeff Chavies.

25 Q. And where would the person have signed for

30(b)(6)
Norman Lachapelle - September 26, 2017

119

1 it? Where would that be?

2 A. Usually comments. Right here, sir.

3 (Indicating.)

4 Q. Okay.

5 A. That's where we usually sign it. So the
6 patient sticker will go right here. It would tell
7 you the date of birth of the patient, all his
8 demographics or her demographics, the doctor, also
9 the patient again, the total and this would be a
10 tracking number to track the tissue to correlate
11 what was into the system at Saint Francis at the
12 time. And then this number also would be the
13 product of 0100, meaning maybe AmnioFix 4 cm or
14 whatever product. And they would turn this in
15 accordingly.

16 Q. And then Saint Francis would pay Mid
17 South?

18 A. Yes, sir.

19 Q. On this one Saint Francis would pay Mid
20 South \$2,685.00.

21 A. Correct.

22 Q. You would give Jeff Chavies 13 percent of
23 that?

24 A. I believe that was the determined number.

25 Q. And then would you also give MiMedx a

30(b)(6)
Norman Lachapelle - September 26, 2017

1 percentage of that or is it 13 percent for Jeff
2 and MiMedx combined, if you know?

3 A. I had to, of course, buy the tissue from
4 MiMedx so they were making their margin on that
5 and then Jeff was under me as a Mid South
6 Biologics 1099.

7 Q. As it relates to this lawsuit, it's Mid
8 South's position -- and you can look at that to
9 help you have a better understanding.

10 MR. WILBON: On the next break we'll
11 mark these delivery order forms as Collective
12 Exhibit 18, but really as they are there they're
13 useless. We'll get an unredacted copy.

14 THE WITNESS: And I could produce
15 something that's not useless, that show exactly
16 his signature. I can produce that as well.

17 MR. WILBON: Okay.

18 THE WITNESS: Yes, sir.

19 MR. WILBON: Mark that as 18, but
20 we'll get that.

21 (The above-mentioned document was
22 marked as LaChapelle Exhibit Number 18.)

23 BY MR. WILBON:

24 Q. I'm going to give you a copy of the
25 Complaint that was filed to initiate this lawsuit.

120

30(b)(6)
Norman Lachapelle - September 26, 2017

121

1 MR. WILBON: Make it Exhibit 19.

2 (The above-mentioned document was
3 marked as LaChapelle Exhibit Number 19.)

4 BY MR. WILBON:

5 Q. I want you to turn to Page 6, starting at
6 Paragraph 41. You're reading 41 through 48.

7 Let me know when you have finished that.

8 A. (Witness complies.)

9 Okay.

10 Q. So according to your allegations Mid
11 South, using these forms sold product to -- I
12 mean, strike that.

13 MiMedx sold products to Saint Francis
14 using Mid South's credentials. Correct?

15 A. Correct.

16 Q. And that's what you say these forms show,
17 Exhibit 18?

18 A. Yes, sir.

19 Q. Did Jeff Chavies not have his own
20 credentials?

21 A. For this particular, no, he did not.

22 Q. And I'm assuming that these documents,
23 here, Exhibit 18, the collective documents that
24 are attached to the Complaint as Exhibit 3. So
25 again, there's nothing on those documents that --

30(b)(6)
Norman Lachapelle - September 26, 2017

122

1 A. Right.

2 Q. -- MiMedx defending this lawsuit could
3 make any sense of just with the information that
4 was provided. But wasn't the product actually
5 consigned already? Weren't those already on the
6 shelves at Saint Francis at the time?

7 A. I believe we used them all up and he
8 brought them in, hand brought them in.

9 Q. He being Jeff?

10 A. Yes, sir. That's what I believe.

11 Q. On the unredacted copies of these that you
12 say you can produce, they're going to have a
13 product code and a tracking number?

14 A. Uh-huh. (Affirmative response.)

15 Q. Can you use that product code and tracking
16 number to determine when it was brought in?

17 A. I believe so, yes.

18 Q. So if it was already on the shelf and Jeff
19 didn't bring it in, so MiMedx wouldn't have used
20 your credentials for anything. Correct?

21 A. Well, it's after the fact. Then what's
22 Jeff doing with a Mid South Biologic order form.

23 Q. If Saint Francis records show that this
24 money went to Mid South and MiMedx was never paid
25 anything by Saint Francis, would MiMedx have

30(b)(6)
Norman Lachapelle - September 26, 2017

123

1 misused Mid South's credentials?

2 MR. PEEL: I object to the
3 hypothetical.

4 A. Oh, it's a hypothetical.

5 With that being said, the product was
6 already paid for. So I want to reiterate why was
7 Jeff Chavies in the hospital representing Mid
8 South Biologics after I was terminated. If
9 anybody would be in there, it would be me. Why is
10 his signature on a Mid South Biologics agreement
11 or a bill only.

12 Q. So you're saying Jeff Chavies's only right
13 to be in a hospital was via Mid South Biologics?

14 A. If that's correlated -- if this correlates
15 to my company, which I legally paid for, yes.

16 Q. But didn't Jeff Chavies have rights at
17 Saint Francis independent of Mid South?

18 A. At the end when I was terminated, yes
19 because, yeah, they...

20 Q. So he would have had a right to be there
21 and be in the surgery. If your product is not
22 used or if Saint Francis is not paying MiMedx for
23 your product, MiMedx has done nothing wrong?

24 MR. PEEL: Object to the form of the
25 question.

30(b)(6)
Norman Lachapelle - September 26, 2017

124

1 A. Why is my name on the Mid South Biologics
2 and Jeff Chavies had to signature after the fact
3 he was terminated. You tell me, okay.

4 BY MR. WILBON:

5 Q. We don't see anything that shows Jeff
6 Chavies's signature.

7 A. You're not going to because it's
8 confidentiality. I mean, that's patients rights
9 now. If you want me to produce documents, I can.

10 Q. Well, we have a protective order in this
11 case.

12 A. Okay. I didn't --

13 MR. PEEL: We'll talk.

14 THE WITNESS: Okay.

15 BY MR. WILBON:

16 Q. I mean, I guess we'll table this part of
17 the deposition because until we get those
18 documents we won't really know.

19 A. Okay.

20 MR. WILBON: It's almost 12:15. How
21 long do you guys need?

22 MR. PEEL: An hour is fine.

23 (Break taken from 12:15 p.m. to
24 1:39 p.m.)

25 BY MR. WILBON:

30(b)(6)
Norman Lachapelle - September 26, 2017

125

1 Q. Mr. LaChapelle, we left off, we were
2 talking about the delivered order forms and I
3 think where we left it was that you're going to
4 see if you can find some of these so we can get
5 unredacted and kind of do some tracing to figure
6 out what's going on with those.

7 With that being the case, that's kind of
8 where we'll leave it with the misappropriation
9 conversion claim for now. So we'll table that
10 part of the deposition and revisit it at the
11 appropriate time.

12 I guess, we've got the deposition
13 tomorrow. I don't know if you wanted to bring
14 them, if you can get to them. You've got to get
15 them to Paul first so he can look at them.

16 MR. PEEL: I thought we were going to
17 go at the end of the day where you were going to
18 ask whether his testimony in his personal capacity
19 is different.

20 MR. WILBON: No. I'm just saying on
21 bringing those documents so we can talk about
22 them.

23 MR. PEEL: If he gets that to me,
24 I'll bring them to you.

25 MR. WILBON: Yeah, we'll just look at

30(b)(6)
Norman Lachapelle - September 26, 2017

126

1 them tomorrow and we can talk while he --

2 MR. PEEL: They are marked
3 confidential.

4 MR. WILBON: That's what I'm going to
5 do with the other deposition as far as that.

6 MR. WILBON:

7 Q. I want to get some clarification again on
8 Mr. Chavies. Did he have two employers, both Mid
9 South and MiMedx? He had two different
10 agreements, if you will?

11 A. Yes, sir.

12 Q. And when your agreement with MiMedx was
13 terminated, did you terminate Mr. Chavies or what
14 happened to him?

15 A. I did not. I did my good faith with him.
16 I didn't realize this was going to occur so I just
17 left it, you know, didn't pursue any action.

18 Q. I mean, but did you tell him he no longer
19 was affiliated, did you terminate --

20 A. He came to my office and we kind of
21 discussed because we were friends and had great
22 business relationships with each other. He said,
23 look, you know, no hard feelings. I said, none
24 taken. But you do have a contract with Mid South
25 Biologics and I know that you're contracted with

30(b)(6)
Norman Lachapelle - September 26, 2017

127

1 MiMedx, so you have to do what you have to do. He
2 did know.

3 Q. It was over as far as Mid South and Jeff
4 Chavies at that time --

5 A. Correct.

6 Q. -- the relationship?

7 A. Yeah.

8 Q. The professional relationship?

9 A. Yes.

10 Q. Okay. Mr. LaChapelle, we have talked
11 around, if you will, the Consulting Agreement, but
12 we haven't talked directly about the Consulting
13 Agreement, so I want to do that now.

14 Can we agree that this the agreement that
15 is at issue in this lawsuit. Correct?

16 A. Agreed.

17 Q. Let's start here with Page 1 of the
18 agreement. It's entitled Consulting Agreement
19 between MiMedx Group and Mid South Biologics, LLC.
20 I think we established earlier that it was signed
21 by you on behalf of Mid South. Correct?

22 A. Yes. It doesn't look like my signature,
23 but it's...

24 Q. You received at least \$600,000 pursuant to
25 this agreement. Correct?

30(b)(6)
Norman Lachapelle - September 26, 2017

128

1 A. So far, yes.

2 Q. Well --

3 A. That wasn't the question though was it?

4 Q. No. Now, you don't dispute that MiMedx
5 paid you the first two full years, correct. That
6 part is not in dispute. Right?

7 A. Is that the question?

8 Q. Right.

9 A. Yes.

10 Q. All right. Then so looking down here at
11 No. 1 is Appointment: It says: Company hereby
12 appoints Consultant as an authorized,
13 non-exclusive independent Consultant to promote
14 the Products provided by Company -- they call them
15 products -- to prospective customers previously
16 approved in writing (which may be an e-mail) by
17 Company (each, a "Prospect" and collectively, the
18 "Prospects") during the Term (as hereinafter
19 defined).

20 Did I read that correctly?

21 A. Yes.

22 Q. And then Provision 2 is you -- when I say
23 you, I'm speaking of Mid South -- Mid South
24 accepting the appointment.

25 And in Provision 3, I want to talk about

30(b)(6)
Norman Lachapelle - September 26, 2017

129

1 this. This is the referral fees section.

2 A. Okay.

3 Q. Let's read it together. It says: For
4 each Prospect with which the Company enters into
5 an agreement for the sale of Products, Consultant
6 shall be entitled to a referral fee equal to a
7 percentage of Gross Sales of Products to such
8 Prospect for a period to be agreed by parties and
9 set forth on Exhibit A hereto.

10 And then it reads: Provided that in some
11 cases, referral fees shall only be payable on
12 Gross Sales of Products to a Prospect they are
13 subsequently resold by a specified sales agent or
14 sub-distributor as set forth on Exhibit A.
15 Exhibit A shall be amended by agreement of the
16 parties to reflect the agreement with respect to
17 each new opportunity.

18 And then it defines Gross Sales."

19 "Gross Sales" shall mean the gross amount
20 actually collected by Company from sales of its
21 Products, less the amount of any taxes, credit for
22 returns, transportation costs, and the like."

23 And then this is the provision, I think,
24 you and Scott were e-mailing about: Referral fees
25 on payments received during any month shall be

30(b)(6)
Norman Lachapelle - September 26, 2017

1 paid within (20) days following the end of such
2 month.

130

3 Is that what you were talking about --

4 A. Yes, sir.

5 Q. -- the timings of the payments.

6 And so far we're at the first three
7 provisions. Do you, Mid South have my dispute
8 with anything in the first three provisions of
9 this agreement?

10 Let me put it this way. Those three
11 provisions, are you contesting anything about
12 those in your lawsuit?

13 A. No. The consultant shall be entitled to a
14 referral fee percentage.

15 Q. Right.

16 A. Yes. And refer to Exhibit A for a
17 three-year period, yes, sir.

18 Q. Then when we turn to Exhibit A.

19 A. (Witness complies.)

20 Q. It says: Referral fee. The first
21 prospect is AvKARE, Inc. And the second prospect
22 is Medicraft Clinical. We're not going to discuss
23 Medicraft of Biocraft because they're not an issue
24 and no referral fees are in dispute on that. The
25 only one at issue is the AvKARE. Correct?

30(b)(6)
Norman Lachapelle - September 26, 2017

131

1 A. Well, this was definitely in the
2 agreement, but I never received any information of
3 what the sales were so at a this point, yes, it's
4 an agreement that the AvKARE was in to answer your
5 question.

6 Q. And it says: Referral fee 3 percent of
7 the first 10 million of Gross Sales of Product to
8 Such Prospect during the first 12-month period,
9 commencing within the initial Sale of Product to
10 such Prosect.

11 And then Roman numeral II, the first 10
12 million of Gross Sales of Product in each of the
13 subsequent two 12-month periods. Right?

14 A. For a total of three years, yes.

15 Q. That doesn't say for a total of three
16 years?

17 A. In my opinion, it does. I'm not a lawyer,
18 but reading this, in my mind the deal was three
19 years and that was it because the AvKARE deal was
20 three years.

21 Q. Okay.

22 A. Yes, sir.

23 Q. Your interpretation as you read Exhibit A
24 with respect to AvKARE, you're saying it says you
25 get 3 percent of the first 10 million of gross

30(b)(6)
Norman Lachapelle - September 26, 2017

132

1 sales it would be the period commencing on June --
2 what was it June, I think it's commencing on June
3 12, 2012. Correct?

4 MR. PEEL: Object to the form and
5 foundation of the question.

6 A. I really don't know what time it started,
7 no.

8 BY MR. WILBON:

9 Q. Provision 4 as to Confidentiality. Would
10 you agree with me that that's not a basis for your
11 lawsuit. You're not contending that MiMedx did
12 anything wrong with respect to confidentiality.
13 Correct?

14 A. I don't know.

15 Q. You're not suing based on anything with
16 confidentiality. Correct?

17 A. No.

18 Q. Number 5 says Independent Contractor.
19 You're not suing saying that MiMedx did anything,
20 breached their provision relating to you being an
21 independent contractor. Correct?

22 A. Yes.

23 Q. The same question for Nos. 6 and 7.
24 Assignment. And then: No Authority to Extend
25 Warranties, Etc.?

30(b)(6)
Norman Lachapelle - September 26, 2017

133

1 A. I don't really know what that means. I'm
2 not a lawyer so I really don't.

3 Q. But that's not the --

4 A. No.

5 Q. Number 9 is Indemnity. You're not basing
6 any claims based on anything in that indemnity
7 provision as you understand it. Correct?

8 A. Correct.

9 Q. And No. 10 says: Non-compete and
10 Non-solicitation. That's not the basis for any
11 claim that you brought against MiMedx. Right?

12 A. In the AvKARE contract?

13 Q. Right.

14 A. Yes, sir.

15 Q. Now, Term, No. 11, the Term provision.
16 Now, that is one of the keys to the basis of your
17 lawsuit. Correct?

18 MR. PEEL: I object to the form and
19 foundation of the question.

20 A. Like I said again, I reiterate...

21 BY MR. WILBON:

22 Q. Go ahead.

23 A. I'm not a lawyer and this whole caption
24 does not make any sense to me at all.

25 Q. Okay.

30(b)(6)
Norman Lachapelle - September 26, 2017

134

1 A. I mean, I've read it. It's -- it's --

2 Q. Well, we'll talk about it in specifics,
3 but what I'm --

4 MR. PEEL: Hold on. Let him finish.

5 A. Yeah, it's very convoluted to me.

6 BY MR. WILBON:

7 Q. We're going t talk about that.

8 A. Sure.

9 Q. What I'm just trying to do is narrow it
10 down to what, you know, that it's the referral fee
11 provision and the term that form the basis of the
12 lawsuit. Which Provision 3 is referral fees and
13 you're entitled to referral fees for a three-year
14 period. That's Provision 3. And then you're
15 basing it on Paragraph 11 that says term?

16 MR. PEEL: Object to the extent that
17 it calls for a legal conclusion.

18 A. Like I said again, I'm not a lawyer. I'm
19 basing this whole thing on what I believe and
20 truthfully believe is a three-year deal. That was
21 the crux of the whole thing. That's what we
22 agreed to. And in my mind it's three years, no
23 matter what. I did my, of course, due diligence.
24 I got them what they asked me to do and that was
25 it. In my mind my obligations was fulfilled, yes,

30(b)(6)
Norman Lachapelle - September 26, 2017

135

1 sir.

2 BY MR. WILBON:

3 Q. And again, for each of those three years
4 that I believe that you were entitled to payment
5 during, the maximum amount of payment would have
6 been \$300,000 for each of those years. Correct?

7 A. For a total of 900,000, yes, sir.

8 Q. You were paid 600,000?

9 A. I believe so, yes, sir.

10 Q. I'm going to refer to the last period as
11 300,000, although I think the proof in this case
12 shows that MiMedx did send Mid South a payment for
13 a period of June 12 to June 16, 2014. So that
14 would make it just -- I don't remember what the
15 dollar amount is, but that makes it less than
16 300,000. But we're going to call it 300,000 to
17 keep it simple.

18 So let's look at Provision 11 on the
19 Consulting Agreement. It says: Term. The term
20 of this Agreement shall commence on the Effective
21 Date.

22 Let's see where Effective Date is defined.
23 We do know that we can look back at -- here it is.
24 Right here -- the signature page and it says: In
25 Witness Whereof, the parties have --

30(b)(6)
Norman Lachapelle - September 26, 2017

136

1 A. Uh-huh. (Affirmative response.)
2 Q. -- hereunto executed this Agreement as of
3 May 1, 2012, the Effective Date.

4 So it says: Term -- I'm going to start
5 over: The term of this Agreement shall commence
6 on the Effective Date. Either party may terminate
7 this Agreement upon thirty days' written notice to
8 the other party.

9 Did I read that correctly?

10 A. You read that correctly.

11 Q. But you said that didn't make sense to
12 you?

13 A. You read it correctly, but in this
14 particular contract, the termination agreement
15 didn't come into play because the job was already
16 done. I did what I was told. I did what I was
17 asked to do. After that the termination agreement
18 to me meant dealings of the future, future
19 dealings because this deal was already, the
20 expression, in the can, so to speak. Done, walk
21 away, on to the next. I did what they asked me to
22 do. Basically, I'm done. That's all they asked
23 me to do. I did my obligation.

24 Q. So based on that interpretation why did
25 you even need an agreement that could have

30(b)(6)
Norman Lachapelle - September 26, 2017

137

1 termination provisions or anything if you're
2 basing it on a future contract aspect?

3 A. Because I didn't write this. I asked if I
4 could -- they said no, I can't change anything.
5 Back to my other statement saying, I pretty much
6 had to sign this agreement.

7 Q. Well, you were only told that you couldn't
8 once the negotiations were over and it was the
9 final version. Correct?

10 A. Rephrase that, please. Say it again,
11 please.

12 Q. You were not told that you couldn't change
13 anything until there was a final agreed upon
14 version. Correct?

15 MR. PEEL: Objection to the form and
16 foundation.

17 A. When I saw the agreement I didn't agree.
18 And basically, the last part when it said the cap
19 and everything, I didn't agree upon that.
20 Everything up to the point was a percentage.

21 Q. Now, we looked at some e-mails earlier,
22 discussing the cap and you signed this and sent
23 this back. You knew there was a cap?

24 A. I could not redo the contract, sir.

25 Q. You didn't have to agree the it. You

30(b)(6)
Norman Lachapelle - September 26, 2017

138

1 weren't forced to agree to it?

2 A. Well, if I didn't agree to it then they
3 would not pay me a dime. That's what they told
4 me. So I was hands tied, on my back. If you
5 don't do this you don't get this. Basically, what
6 they've been telling me all through my career with
7 them, okay. If I don't do this, I don't get that.
8 If you don't sign this, you don't get your fee.
9 You don't get your AvKARE contract. We're going
10 to terminate that. If I don't sign this, you
11 don't get your stock.

12 Q. So when were you told that; at the end of
13 negotiations? Because it's clear from the record
14 and e-mails that you and Mr. Grisanti were
15 negotiating with MiMedx regarding this Consulting
16 Agreement?

17 MR. PEEL: Object to compound
18 question.

19 A. Like I said before, I agreed to a
20 three-year term. And then basically, what I
21 agreed upon was \$300,000 a year. I received six.
22 I am entitled to my \$300,000, and that's why I'm
23 here.

24 Q. You don't dispute that Paragraph 11 was in
25 the agreement at the time you signed it. Correct?

30(b)(6)
Norman Lachapelle - September 26, 2017

139

1 A. I don't dispute it. I just don't believe
2 it has anything pertaining to the AvKARE
3 agreement. Like I said, once it was -- and I'm
4 going to emphasize this. Once I got the job done,
5 I was through with the AvKARE because I was not
6 asked to do a single thing after, less I got them
7 on the contract, which I did with FSS.

8 Q. Let's read on. You say you don't think it
9 relates to the AvKARE agreement. Well, obviously
10 Exhibit A relates to the AvKARE agreement and --

11 A. How can you terminate something that's --
12 MR. PEEL: Hold on. Hold on. Let
13 him ask the question.

14 BY MR. WILBON:

15 Q. Exhibit A relates to the AvKARE agreement
16 and this term provision relates to prospects and
17 again, on Exhibit A, AvKARE is a Prospect.
18 Correct?

19 MR. PEEL: Object to the form of the
20 question to the extent it also calls for a legal
21 conclusion.

22 A. Like I said, Mr. Clarence, I really don't
23 know what this -- I'm not a lawyer. I really
24 don't know what this means. To me it's very
25 convoluted. It's a sentence that doesn't really

30(b)(6)
Norman Lachapelle - September 26, 2017

1 end. It just goes and goes and goes. I don't
2 know. And maybe I'm ignorant. But I don't
3 understand this.

4 Q. Why did you sign it if you didn't
5 understand it?

6 A. I had to sign it because I told you again
7 because I would not get a contract -- I would get
8 zero dollars. They would walk away from me and
9 say, look, you know, you're not going to get a
10 thing.

11 Q. Who told you that spec --

12 A. Bill Taylor.

13 MR. PEEL: Let him finish.

14 A. Okay. T-A-Y-L-O-R.

15 MR. PEEL: Let him get out his
16 question.

17 THE WITNESS: All right. I thought
18 that was a question.

19 MR. PEEL: He wasn't finished. Just
20 let him finish his question.

21 Go ahead, Clarence. I'm sorry.

22 BY MR. WILBON:

23 Q. So if Mr. Taylor is the one that told you
24 to sign or else -- I mean, I'm paraphrasing that.
25 But he told you to sign or else. Correct?

140

30(b)(6)
Norman Lachapelle - September 26, 2017

141

1 A. During that time, yes, that is correct. I
2 think what it was, I was negotiating for the best
3 deal that Norm LaChapelle and Mid South Biologics
4 could get because this is probably one of the
5 biggest contracts during the time. I saw the
6 dollar value in it. We worked hard for this. So,
7 yes, I fought for it. But at the end pretty much
8 they said, look, we hear you, but if you don't
9 sign it, you don't get a thing. That's my
10 statement, that's the truth and I'm sticking by
11 it.

12 Q. What benefit was it to AvKARE to force --
13 strike that.

14 What benefit was it to MiMedx to force you
15 to sign this? Because if the other option was
16 don't give you anything, why would they just not
17 give you a contract and just don't give you
18 anything?

19 MR. PEEL: Object to the form of the
20 question; argumentative.

21 A. I don't know. I'm just saying I was given
22 a -- I don't know. I can't answer that.

23 BY MR. WILBON:

24 Q. Because if they don't give you this
25 contract then you don't get \$300,000 for year one

30(b)(6)
Norman Lachapelle - September 26, 2017

142

1 or year two. Correct?

2 A. If I don't sign the contract I don't get a
3 thing. So either get zero or get \$900,000. I
4 chose the latter. On a three-year deal, two years
5 were paid, one is owed to me.

6 Q. But you're saying that MiMedx acted in bad
7 faith. If they had the option of not giving you
8 anything, why did they agree to a deal that could
9 possibly net you \$900,000?

10 MR. PEEL: Object to speculation.

11 A. I don't understand.

12 BY MR. WILBON:

13 Q. You're saying that MiMedx gave you two
14 options.

15 A. Uh-huh. (Affirmative response.)

16 Q. Do this deal, sign this agreement, and
17 we'll give you 900,000. Don't sign it and we
18 won't give you anything?

19 A. So I signed it.

20 Q. I mean, why were they pushing you to sign
21 a deal when they could not give you anything at
22 all?

23 A. Well, because I wanted more than they
24 wanted to give me.

25 Q. I understand that. But I guess I'm doing

30(b)(6)
Norman Lachapelle - September 26, 2017

143

1 a poor job with the question. The question is --

2 A. I can't understand the question.

3 Q. You're saying they're telling you behind
4 Door No. 1 is \$900,000?

5 A. Uh-huh. (Affirmative response.)

6 Q. Behind Door No. 2 is zero. And they
7 pushed you to the \$900,000. Correct?

8 A. Right.

9 Q. Why didn't they just push you to Door No.
10 1, where there was nothing? Why just give you
11 \$900.000 for no reason?

12 MR. PEEL: Object to the form of the
13 question. Calls for speculation.

14 A. The reason was that, you know, there was a
15 detailed explanation or a detail of my dealings
16 with AvKARE. You know, that was the initial
17 agreement and there was dialogue going on so there
18 was a paper trail that says that I was a big part
19 of getting this deal done and there was an
20 agreement to be had. So in my mind, you know,
21 like I said, I wanted 10 percent at first and Mike
22 Carlton said maybe 5 and then 4 basically. But
23 there was a salary cap in there. And when I said,
24 look, I don't want a salary cap, then that's when
25 they said, you know, pretty much we're tired of

30(b)(6)
Norman Lachapelle - September 26, 2017

144

1 hearing what you want. This is what we're going
2 to give you, in my interpretation.

3 Q. So then we go back to we just read that
4 either party may terminate this agreement upon 30
5 days written notice to the other party.

6 And then the next sentence reads: Upon
7 termination, the provision of this Agreement, the
8 provisions hereof that are intended to provide
9 termination or expiration of this Agreement shall
10 so survive. Termination of this agreement shall
11 not terminate the company's obligations to make
12 payments to consultant with respect to Gross Sales
13 of Products to Prospect to which the Company had
14 sold Products during the Terms of this Agreement
15 for the full twelve months after the initial sale
16 of Products to such Prospect. Any period after
17 the end of the term of this Agreement in which
18 Company is still obligated to make payments to
19 Consultant is hereinafter referred to as the
20 "Residual Period?"

21 What was that Party's agreement with
22 respect to the residual period?

23 A. Like I said, I'm not a lawyer and my
24 interpretation is this is a three-year deal and
25 that was it.

30(b)(6)
Norman Lachapelle - September 26, 2017

145

1 Q. You're just saying that your understanding
2 was you went in and you were getting \$900,000?

3 A. At the end of three years.

4 Q. At the end of three years.

5 A. That was the deal.

6 Q. So it doesn't matter that they have a
7 right to terminate or any of that?

8 MR. PEEL: Object to the form and
9 foundation of the question.

10 A. Termination means, okay, termination to
11 me, I already did -- again, Clarence, I was asked
12 to do a specific job, okay. I did that job. I
13 was not asked to do anything else. So to
14 terminate what? The job was already done. The
15 house was painted. They didn't ask me to do the
16 shutters. I painted the house. Took my brushes,
17 took my can, and went back to my daily business
18 with Mid South Biologics.

19 So in turn, I didn't agree with their
20 other agreement and basically this whole thing got
21 to the point where if I don't sign this. Again, I
22 did not get a separate contract that had nothing
23 to do with the Distribution Agreement. That's it.
24 That's all I gather from this little contract,
25 this four-page contract. The deal was three

30(b)(6)
Norman Lachapelle - September 26, 2017

146

1 years. AvKARE got a three-year deal so...

2 BY MR. WILBON:

3 Q. So after you signed this, we've talked
4 about and looked at some e-mail correspondence in
5 2012, '13, and even some in '14, leading up to the
6 termination of the Consulting Agreement. Correct?

7 A. Correct.

8 Q. We looked at an e-mail earlier, but when
9 do you recall the first time the termination of
10 the Consulting Agreement was brought up to you by
11 MiMedx?

12 A. May, I think, May, Memphis in May of 2000,
13 was it '13 or '14, when that phone call was
14 established where I could not hear the -- I really
15 couldn't hear anything. All I heard was, if I
16 don't sign this agreement for MiMedx to go in as a
17 supplier for, you know, cut out the distributor
18 and work a deal out with them, I would not be able
19 to get the AvKARE contract. And that's when I
20 said, whoa guys, you can't do that and I think I
21 need to hang the phone up right now and talk about
22 it Monday.

23 Well, I think Tuesday came and I got a
24 letter of termination stating that both contracts
25 were being terminated, one being the distribution

30(b)(6)
Norman Lachapelle - September 26, 2017

147

1 side and the other with the AvKARE, which had
2 nothing to do with it. And I believe there is an
3 e-mail stating that, that one contract had nothing
4 to do with the other contract.

5 Q. What were you told with respect to why the
6 contract was being terminated?

7 A. I think I just told you that. I was told
8 that if I did not play their game such as going
9 into an agreement with MiMedx or another way to
10 distribute their tissue, meaning they would just
11 directly sell it to the hospitals and cut the
12 Distribution Agreement with me unless I agreed to
13 their terms, which the terms were still being
14 negotiated. And then I guess they pretty much got
15 to the point where either you sign this or you
16 don't get this.

17 Q. I'm showing you here what we will mark as
18 Exhibit 20.

19 (The above-mentioned document was
20 marked as LaChapelle Exhibit Number 20.)

21 BY MR. WILBON:

22 Q. I represent that that's the termination
23 letter from --

24 A. May 15, yes, sir.

25 Q. -- MiMedx to you. Do you recall receiving

30(b)(6)
Norman Lachapelle - September 26, 2017

148

1 this letter?

2 A. Yes, sir.

3 Q. It's dated May 15, 2014, I think is what
4 you just said?

5 A. Yes, sir.

6 Q. And Mr. William Taylor, that's Bill Taylor
7 who we've been discussing. Correct?

8 A. Correct.

9 Q. And he says: This letter serves as notice
10 of termination of the above-referenced agreements.
11 And it presents the Distribution Agreement and the
12 Consulting Agreement. Correct?

13 A. Meaning, the Distribution Agreement and
14 the AvKARE agreement.

15 Q. What I call the Consulting Agreement and
16 what we just looked at as Exhibit 3, you're
17 calling the AvKARE agreement. Right?

18 Just so we'll make sure for the record.

19 A. Is that what you're calling it?

20 Q. I call it the Consulting Agreement. You
21 keep saying the AvKARE Agreement, which is fine,
22 but we'll --

23 A. Is your interpretation the Consulting
24 Agreement the AvKARE Agreement?

25 Q. Is that what you're referencing when you

30(b)(6)
Norman Lachapelle - September 26, 2017

149

1 say the AvKARE Agreement?

2 A. Consulting Agreement. I don't want to say
3 nothing -- yeah, I do.

4 Q. That's fine. I just wanted to make sure
5 so --

6 A. Okay, I just wanted, yeah.

7 Q. So that's being used interchangeably for
8 the record.

9 A. Okay.

10 Q. When you say AvKARE Agreement, you're
11 referring to the --

12 A. Consulting Agreement, yes, sir.

13 MR. PEEL: Can I ask how we're going
14 to characterize the agreement between AvKARE and
15 MiMedx?

16 MR. WILBON: That's a good question.

17 MR. PEEL: I don't mean to throw
18 stuff in there, but we have been referring to that
19 to some extent about the AvKARE deal being three
20 years between AvKARE and MiMedx.

21 MR. WILBON: Yeah. I mean, the
22 AvKARE Agreement is not -- well, let's just for
23 purposes of this deposition only. Because you
24 know, the AvKARE Agreement is not an actual
25 exhibit in this case, in this deposition.

30(b)(6)
Norman Lachapelle - September 26, 2017

1 MR. PEEL: Correct. But there have
2 been some questions about whether you've seen that
3 agreement. I think he's referred to that also as
4 AvKARE.

5 MR. WILBON: Well, from this point
6 forward, let's just call it the Consulting
7 Agreement and know that's what we're referring to.

8 MR. PEEL: That makes it a lot
9 easier.

10 BY MR. WILBON:

11 Q. So you received this letter from Mr.
12 Taylor?

13 A. Right.

14 Q. What happened next after you received this
15 letter?

16 A. I was kind of, you know, taken back on it
17 because my Consulting Agreement was terminated as
18 well, which again, has nothing to do with the
19 other. We were talking about the Distribution
20 Agreement, which has nothing to do with AvKARE,
21 nothing, okay.

22 Their qualms to me was I was supposed to,
23 you know, again, this company changed different
24 ways of business throughout the years I've been
25 working with them. In this case, they pretty much

150

30(b)(6)
Norman Lachapelle - September 26, 2017

151

1 took all the distributors out of the equation and
2 was selling to the hospital themselves. And I
3 questioned that and I don't know why they would
4 call me on, I think it was a -- I don't know.

5 Anyway, the whole conversation was loud, I
6 could not hear. As you know, Memphis in May is
7 very loud. And this is where the whole thing kind
8 of got kind of mixed up because I think they
9 thought that I was not being tolerant or playing
10 the game with them or being a good sport. I
11 really couldn't understand what they were saying
12 and all I wanted to do was say, look, let's get
13 this Monday so I can, you know -- I'm at Memphis
14 in May. We're trying to win a, you know, barbecue
15 championship or whatever.

16 So yeah, that was my insight of it.

17 Q. Did you contact anybody at MiMedx after
18 you received the termination letter that's marked
19 as Exhibit 20?

20 A. I think I tried to contact Mike Carlton to
21 see what, you know, what can be done after, you
22 know, what did I do, or, you know, can we work
23 this out. You know, it's one thing to lose the
24 distributorship, but another thing was to lose the
25 AvKARE agreement, which, you know.

30(b)(6)
Norman Lachapelle - September 26, 2017

152

1 Q. Which one was more profitable, if you
2 recall, during that time period?

3 A. For short-term the AvKARE, but for
4 long-term definitely MiMedx.

5 Q. For years to come because it had more
6 life?

7 A. Yes, sir.

8 BY MR. WILBON:

9 Q. Let me show you e-mails that Mid South
10 produced. This is dated -- start at the back.
11 It's MSB47 and 48. If you look at the back, it's
12 an e-mail from you to Bill Taylor and Pete Petit.
13 It's May 19, 2014. And that's after the
14 termination, right, termination letter was
15 received?

16 A. Uh-huh. (Affirmative response.)

17 (The above-mentioned document was
18 marked as LaChapelle Exhibit Number 21.)

19 Q. In this e-mail you state: Bill, I
20 received my letter of termination his weekend and
21 was hoping that we could resolve this where both
22 parties can prosper.

23 So according to this that letter came, I
24 guess immediately upon you getting off the phone
25 or during the barbecue because the barbecue is on

30(b)(6)
Norman Lachapelle - September 26, 2017

153

1 the weekend?

2 A. It was Wednesday, Thursday, Friday,
3 Saturday.

4 Q. So somewhere along there the letter comes
5 in. You said, all I was asking was to receive
6 credit from three existing surgeons.

7 What is that referring to?

8 A. So again, Mr. Chavies was on board with
9 Mid South Biologics. Mid South Biologics held the
10 vendor status and anything under Mid South
11 Biologics was an umbrella for these surgeons that
12 were under my company's name. Jeff Chavies was
13 just a 1099, servicing my doctors in the form of
14 the Mid South Biologics. He was a 1099. He came
15 with the product. He assisted the surgeries, but
16 to say that in my opinion these were, you know,
17 quote my doctors under Mid South Biologics because
18 they were under my vendor status and no one
19 else's. And...

20 Q. Go ahead.

21 A. No. I mean, everything I've told you is
22 in this letter, you know, stating my case.

23 Q. Okay. And as you --

24 A. I'm sorry. I've always been a team player
25 and have been since conception, which is the very

30(b)(6)
Norman Lachapelle - September 26, 2017

154

1 beginning of MiMedx days.

2 Q. But Mr. Bevill hadn't always been. Based
3 on e-mails we saw earlier he's berating and
4 attacking MiMedx employees, wasn't he?

5 A. That was between Ms. Bugg and another
6 gentleman, Mark Diaz from MiMedx. It wasn't to
7 Mr. Bevill. It was between -- a conversation
8 based on hearsay, those two saying, oh, Mr. Bevill
9 berated me. I wasn't there. I don't know what
10 went on. Did I tell him to berate -- no.

11 Q. But you were responsible for Mr. Bevill's
12 conduct. Right?

13 A. Mr. Bevill has his own mind.

14 Q. But he's a representative from Mid South?

15 A. All I can say is that I do not condone
16 that type of, you know, but saying that he did it.
17 I wasn't there.

18 Q. Did you ever tell Mr. Bevill that he
19 caused you problems with MiMedx with his behavior,
20 conduct?

21 A. This is the first I heard about it.

22 Q. Nobody at Mid South ever told you about
23 you threatening them -- strike that.

24 Nobody from MiMedx ever told you about
25 your conduct or your behavior towards MiMedx

30(b)(6)
Norman Lachapelle - September 26, 2017

155

1 employees?

2 MR. PEEL: Are you talking about him
3 or somebody else?

4 A. Are you talking to me?

5 MR. WILBON: Yeah, I said him.

6 A. Well, no one has said, hey, Mr. LaChapelle
7 or Norm, this is a warning, no. I've never.

8 BY MR. WILBON:

9 Q. What did they tell you?

10 A. They didn't tell me anything. They never
11 told me anything about me berating their
12 employees. Now, does berating mean...

13 Q. Does berating mean what?

14 A. No.

15 Q. Nobody ever told you that they didn't like
16 the way that you were treating or talking to
17 their --

18 A. There was no berating involved, okay. It
19 was strictly business. We wanted to know the, you
20 know, the terms, when is the money -- there was no
21 yelling. The only yelling I heard was from Scott
22 Bevill, saying that Bill Taylor threatened him
23 saying, you're lucky we have this contract to that
24 point. And Mr. Bevill was shaken up pretty good
25 that day because he's never been talked to in that

30(b)(6)
Norman Lachapelle - September 26, 2017

156

1 manner.

2 Q. Who was he yelling at?

3 MR. PEEL: Object to the form.

4 BY MR. WILBON:

5 Q. You said Mr. Bevill was irate and yelling?

6 A. No. No. Maybe you're misinterpreting my
7 words. I said, Mr. Taylor, Bill Taylor. So let's
8 establish who Bill Taylor is. Bill Taylor is the
9 CEO of MiMedx, okay.

10 Q. You said, you may not have intended to.

11 MR. WILBON: Go back when he said,
12 the only yelling was Mr. Bevill.

13 (WHEREUPON, THE COURT REPORTER READ BACK
14 THE LAST QUESTION FROM THE RECORD.)

15 BY MR. WILBON:

16 Q. Yeah, that right there. He said the only
17 yelling I heard was from Scott. I made it up for
18 you.

19 A. There was no berating. This is the first
20 I heard about it, Mr. Clarence. You know, it's
21 just totally falsified, whatever. We've never
22 yelled at anybody. I mean, we did MiMedx a huge,
23 just -- yeah. It's just, you know. I'm lost for
24 words because this berating is just all new to me.

25 What I said was, Mr. Taylor, CEO of MiMedx

30(b)(6)
Norman Lachapelle - September 26, 2017

157

1 called up Mr. Bevill and verbally, I guess, lashed
2 into him. That's what I said -- that's what I
3 meant to say.

4 Q. I'm showing you this e-mail. It's from
5 May 21, 2014. It's from you to Judd Grisanti.
6 Your e-mail is from May 21, 2014. And it says
7 you're forwarding a message that Judd had from
8 2013. You say: Please show this to our lawyer.
9 It clearly states that AvKARE deal is totally
10 separate. Also states that Jeff Chavies was hired
11 for wound care and nothing else.

12 So what was the purpose in showing this to
13 the lawyers or telling him to show this to the
14 lawyers?

15 MR. PEEL: What?

16 MR. WILBON: He told Judd to show it
17 to the lawyers. So that's not privileged or
18 confidential.

19 MR. PEEL: What -- uh --

20 MR. WILBON: Because, I mean, y'all
21 maintain that Judd was not an employee. Judd had
22 no --

23 MR. PEEL: I was thinking. I was
24 thinking. I get my Italians mixed up.

25 Go ahead.

30(b)(6)
Norman Lachapelle - September 26, 2017

158

1 A. Restate that, Clarence. I think I know
2 what you're...

3 BY MR. WILBON:

4 Q. Now, you were saying show this to the
5 lawyers and I said why were you wanting Mr.
6 Grisanti to show this to the lawyers?

7 A. Well, there was dialogue going back and
8 forth. I mean, Judd was very good friends with
9 Mike Carlton. So he, I guess, somebody -- he had
10 texted that to Judd saying that we want to prove
11 or say that the two contracts were separate and
12 that was saying that MiMedx pretty much said,
13 yeah, you're right. This states one does not have
14 anything to do with the other.

15 Q. Well, in here Mike is saying: Guys, I
16 just spoke to Bill Taylor about the new issues.
17 Consulting Agreement for AvKARE override is a
18 separate issue, not connected.

19 He's saying the issues are --

20 A. Say that again, I'm sorry.

21 MR. PEEL: Just look up that page.

22 WITNESS: Did he say separate
23 entities?

24 BY MR. WILBON:

25 Q. Separate issues.

30(b)(6)
Norman Lachapelle - September 26, 2017

159

1 A. Separate issues.

2 MR. PEEL: Did you mark this as an
3 exhibit?

4 MR. WILBON: Yeah, that's 22.

5 (The above-mentioned document was
6 marked as LaChapelle Exhibit Number 22.)

7 Q. It's at the top. That e-mail up there at
8 the top from Mike Carlton.

9 A. Okay.

10 Q. He just said it's a separate issue. It's
11 separate from whatever issue you're discussing in
12 2013. In 2013 you weren't discussing the
13 termination. Correct?

14 A. We were discussing something that has
15 nothing to do with AvKARE as shown in here.

16 Q. Right.

17 A. It had nothing to do with the AvKARE
18 contract.

19 Q. It had nothing to do with terminating
20 either contract. Correct?

21 A. (Witness peruses document.)

22 "The AvKARE override is a separate issue,
23 not connected."

24 Okay: Stocking. So I guess it was a
25 stocking agreement. This was concerning Jeff

30(b)(6)
Norman Lachapelle - September 26, 2017

1 Chavies's status in these hospitals.

2 Q. It could be talking about this product
3 that you say that's on these delivered order forms
4 that's been stocked at Saint Francis. Correct?

5 A. No, not necessarily. It says Jeff needs
6 to be paid through MiMedx's payroll. I guess,
7 because of -- you know, complications with this
8 would be because he's on MiMedx's payroll as a
9 salaried employee.

10 Now, I guess this says: A report needs to
11 be generated to show what his commission sales per
12 month will be. So it has nothing to do with, you
13 know, separate entities so I don't know what
14 you're --

15 Q. And it doesn't have anything to do with
16 the terminations either, right, termination of
17 either agreement. This is almost a year earlier.
18 Right?

19 A. Yes, but it surely states that any
20 agreement besides the AvKARE agreement is separate
21 and that doesn't have anything to do with it. So
22 with that being said, AvKARE is in another room as
23 far as I'm concerned. It has nothing to do with
24 the Distribution Agreement. If you want to call
25 it a Consulting Agreement, it's by itself, stands

160

30(b)(6)
Norman Lachapelle - September 26, 2017

161

1 alone. And that was what I was interpreting, yes,
2 sir.

3 Q. Turn back to, I think, it's Exhibit 19,
4 Complaint?

5 A. (Witness complies.)

6 Q. I want to talk about some of your specific
7 allegations. Starting at Paragraph 24, on Page 4.
8 It says: On information and belief, in years 2012
9 and 2013 AvKARE purchased 10 million early in the
10 12-month period, well before the expiration of 12
11 months.

12 Is it your understanding that MiMedx
13 doesn't contest that? Do you understand that?

14 A. Yes.

15 Q. That MiMedx agrees that it sold the
16 requisite \$10 million. Correct?

17 A. I believe so.

18 Q. Then Paragraph 25 says: AvKARE continued
19 to purchase Products from MiMedx in the third
20 year, which is the 12-month period that began May
21 2014.

22 And you understand MiMedx has agreed that
23 AvKARE purchased Products in that, what you're
24 calling the third year? You understand MiMedx has
25 agreed and stipulate to that. Right?

30(b)(6)
Norman Lachapelle - September 26, 2017

162

1 A. That they're still selling to --
2 Q. No, at that time period, during that
3 12-month period that began May 2014, AvKARE did
4 purchase product from MiMedx. You understood
5 that?

6 A. Yes.

7 Q. And 26 says: Upon information and belief,
8 AvKARE has purchased or will purchase over \$110
9 million in products from MiMedx during the
10 12-month period beginning in May 2014.

11 And you understand that MiMedx has agreed
12 and stipulated that it did sell over \$10 million
13 in Products to AvKARE during that time period.
14 Correct?

15 A. That they did sell \$10 million the second
16 year of the contract, the agreement. Yes.

17 Q. Okay. So it's not a dispute as to the
18 amount being sold. And again, it says right here
19 in 27, you say: Accordingly, Mid South is
20 entitled to receive a referral fee in the amount
21 of \$300,000 from MiMedx.

22 But MiMedx disputes that Mid South is
23 entitled to that. Correct?

24 A. I don't know. I don't know what that
25 means.

30(b)(6)
Norman Lachapelle - September 26, 2017

163

1 Q. You understand that MiMedx's position is
2 that Mid South is not entitled to that \$300,000
3 for that last year. Right?

4 A. No. No, I am entitled to the \$300.000.

5 Q. You believe that, but MiMedx has
6 established that they disagree with you. Correct?
7 That's why you sued them. Right?

8 A. Yes. I'm just making sure I say the
9 right -- Yeah.

10 Q. Yeah, you're --

11 A. Because once again, I'm not a lawyer.

12 MR. PEEL: Otherwise, this whole
13 exercise would be futile. We're here for nothing
14 is all I'm trying to say.

15 BY MR. WILBON:

16 Q. You're saying that you're entitled to it,
17 but MiMedx is saying that you're not. Correct?

18 A. Correct, sir.

19 Q. And what I'm seeking to establish and make
20 clear for the record is, there's no dispute as to
21 whether or not MiMedx sold \$10 million in that
22 time period. And that if Mid South was correct,
23 which MiMedx's position is that Mid South is
24 incorrect. But if MiMedx is correct, the damages
25 on that, for that particular breach, alleged

30(b)(6)
Norman Lachapelle - September 26, 2017

164

1 breach would be the \$300,000. Correct?

2 MR. PEEL: I'm going to object to the
3 extent that there is also a request for attorneys'
4 fees.

5 MR. WILBON: Yeah. I said, for that
6 particular breach. I understand the attorneys'
7 fees.

8 A. Correct.

9 BY MR. WILBON:

10 Q. Now, the next heading is: MiMedx's Bad
11 Faith Breach of the Consulting Agreement. I mean,
12 28, it says: MiMedx is obligated to pay; 29 says,
13 MiMedx has refused to pay; 30 references the
14 termination of the agreement. Paragraph 31 says,
15 MiMedx remains obligated to pay. Thirty-two says,
16 despite it's obligation to pay, MiMedx has failed
17 to make payments. And 33 says: MiMedx says, it
18 won't pay, make payments. Thirty-four says,
19 MiMedx is in breach because it refused to pay.
20 Thirty-five, MiMedx's denial of Mid South's right
21 to the referral fee constitutes a bad faith
22 refusal to perform under the Consulting Agreement.

23 Why is that a bad faith refusal? Not from
24 a legal standpoint, but factually, what as you
25 understand it is or did MiMedx do in bad faith?

30(b)(6)
Norman Lachapelle - September 26, 2017

1 MR. PEEL: Object to the extent that
2 it calls for a legal conclusion. Obviously, you
3 stated your question in a way that you asked, but
4 I'm going to ask that you restate that question.

5 BY MR. WILBON:

6 Q. What facts, what did they do, what thing
7 did they do?

8 A. Again, I mean, I'm going to reiterate this
9 again. If I wasn't to sign a distribution
10 contract I would not get my obligated contractual
11 agreement, Consulting Agreement, AvKARE Agreement,
12 whatever you want to call it, which it was a
13 three-year deal.

14 Q. Now, what year are you referring to if you
15 were not agreeable to signing this Distribution
16 Contract you weren't going to get that? What year
17 was that?

18 Is this the Memphis in May?

19 A. That's pretty much when -- yeah. That's
20 what I was trying to get. You have the paperwork.
21 You saw where they terminated my agreement based
22 on me not signing the Distribution Agreement. One
23 has not anything to do with the other.

24 Q. Any other facts or bases for your
25 contention that MiMedx acted in bad faith?

165

30(b)(6)
Norman Lachapelle - September 26, 2017

166

1 A. Well, in the history of my dealings with
2 MiMedx at first we were, you know, great friends.
3 I mean, you know, I thought Mike Carlton was a
4 good friend of mine. We did, you know, I got them
5 a lot of business in the beginning because we
6 could sell, you know, to any entity in the
7 country, which I did. That was taken away from
8 me. And at certain times where if I didn't sign
9 an agreement, I would either get my stock, which,
10 you know, was, I think, 10,000 shares at, I think,
11 \$1.10. And the stock went up to about, you know,
12 \$12.

13 I don't know about you, that's a
14 substantial amount of money in my world. That was
15 taken away from me. They were giving that to me
16 because I gave them a big distributor in Arkansas.
17 They said okay, since you can't come in this
18 territory, let's give you stock, Buddy. Thanks,
19 man. Of course, stock was at the time, was
20 nothing. But it did accumulate to, you know, I
21 could have had \$11.75 or something like that it
22 went up to.

23 So that being said, this whole thing has
24 been going on. If you don't sign this, you don't
25 get this type of approach.

30(b)(6)
Norman Lachapelle - September 26, 2017

(The above-mentioned document was
marked as LaChapelle Exhibit Number 23.)

3 BY MR. WILBON:

4 Q. I'm going to hand you a copy of what was
5 provided to MiMedx as Plaintiff's Responses to
6 Defendant's First Set of Interrogatories and
7 Request for Production of Documents.

You've seen that document before.

9 Correct?

10 A. I believe so.

11 Q. We'll just go over a couple of the
12 interrogatories in here. Again, you had asked
13 earlier, and Interrogatory No. 1 asks: Identify
14 the persons affiliated with MSB who were involved
15 in the decision to enter into a Consulting
16 Agreement and, as precisely as possible, state the
17 role of each such person in that decision.

18 And after the legal objections it states:
19 Subject to and without waiving the foregoing
20 objections and the General Objections, MSB
21 identifies Norm LaChapelle and Judd Grisanti, both
22 of whom were signatories to the Consulting
23 Agreement.

24 You said you don't remember Judd signing,
25 but you see here in your interrogatory responses

30(b)(6)
Norman Lachapelle - September 26, 2017

168

1 you acknowledge that Judd did sign the Consulting
2 Agreement?

3 A. Well, I'm looking at this right here. I
4 signed it where it says to be signed and it looks
5 like someone just signed it right there. That's
6 legal right there. That, I don't know, you know.
7 That's what I would sign right there.

8 Q. Couldn't it be that Judd was signing on
9 that witness line down there?

10 A. I don't know.

11 Q. Well, if you didn't think he signed it,
12 why did you put this in your interrogatory
13 response?

14 A. Chris Lazarini did, I mean, my lawyer.

15 MR. PEEL: Object to the form of the
16 question.

17 BY MR. WILBON:

18 Q. Number 2, it says that, you know, you are
19 the owner?

20 A. Yes, sir.

21 Q. Number 4, when asked: State the basis of
22 your allegation that MiMedx breached the contract
23 between MiMedx and MSB as described in the
24 Complaint and tell me the facts, you listed in (b)
25 It says: MSB cannot identify all persons or

30(b)(6)
Norman Lachapelle - September 26, 2017

169

1 corporations with knowledge of the facts, but
2 identifies the following as having knowledge of
3 facts: Norm LaChapelle.

4 Have you told me your knowledge of the
5 facts as you understand them here today?

6 A. As I understand them, yes.

7 Q. And as you best recall, you've told me?

8 A. Truthfully, yes.

9 Q. What knowledge does Judd Grisanti have
10 about the facts of this case?

11 A. As far as the infrastructure of Mid South
12 Biologics, pretty much nothing. As far as the
13 AvKARE, yeah, he knew the players. He knew the
14 contacts. As far as the Distribution Agreement,
15 as far as I'm concerned Judd Grisanti has not
16 something to do with the AvKARE and that only. So
17 as Distribution Agreement or income besides the
18 AvKARE, he is no longer a factor.

19 Q. Is he still involved with you at all?

20 A. No.

21 Q. When did that relationship cease?

22 A. Not too long after the AvKARE.

23 Q. Why?

24 A. I think his father was ill off-and-on and
25 he wanted to go back into -- he's a chef. That's

30(b)(6)
Norman Lachapelle - September 26, 2017

1 what he does for a living. I think he, you
2 know...

3 Q. Was Judd compensated by Mid South for the
4 AvKARE relationship?

5 A. Yes.

6 Q. What amount was he compensated?

7 A. I gave him half of what I got.

8 Q. So half of the 3 percent. He got 1 1/2
9 percent?

10 A. Uh-huh. (Affirmative response.)

11 Q. As a 1099?

12 A. As a 1099.

13 Q. If you were to recover here would he be
14 entitled to half of that?

15 MR. PEEL: I'm going to object.

16 A. I cannot say. I mean, he's not involved.
17 So I don't know. I haven't heard from Mr.
18 Grisanti.

19 BY MR. WILBON:

20 Q. I ask that in part because is it your
21 understanding that Mid South would be the one
22 that's making a claim to this money or these
23 damages that are being sought in this lawsuit?

24 A. Mid South Biologics is the entity that's
25 on the contract of the Consulting Agreement, yes,

170

30(b)(6)
Norman Lachapelle - September 26, 2017

171

1 sir.

2 Q. So if Mr. Grisanti said he was making a
3 claim for that money or half of that money you
4 would disagree with him?

5 A. Yes.

6 Q. What facts or information does Scott
7 Bevill have about the facts of this case that you
8 hadn't told me about?

9 A. All I know is that he was corresponding
10 with the orders, but as far as the AvKARE he had
11 no -- I think he just wanted to basically find out
12 when the checks were being -- just basic business
13 operations.

14 Q. Now, is he still affiliated with you? I
15 know I asked you that. I just forgot what your
16 answer was.

17 A. He helps out like at the end of the year.
18 He's really good with bookkeeping and helps me on
19 that end.

20 Q. But he doesn't really have a role on a
21 day-to-day basis right now?

22 A. No, sir.

23 Q. Is he employed elsewhere; do you know?

24 A. I believe so. I do not know where. I
25 think he works with, like, agriculture; does

30(b)(6)
Norman Lachapelle - September 26, 2017

172

1 farming, things like that.

2 Q. We've talked about Bill Taylor and Mike
3 Carlton. Have you had any other discussions or
4 communications with Pete Taylor about the fact --
5 Pete Petit about the facts of this case that we
6 haven't discussed?

7 A. I think the only time like that letter
8 stating Bill stating my case and trying to make
9 it, you know, see if we could work something out.
10 That was to Pete and Bill, but I never had a --
11 Pete Petit never responded back. I believe I did
12 send him something to the fact where -- again, I
13 just didn't want to get in this, you know, lawsuit
14 and everything and hopefully we could have worked
15 it out as gentlemen, but that never occurred.

16 Q. Now, Interrogatory No. 5 asks: State the
17 basis of your allegation that MiMedx has been
18 unjustly enriched as described in the Complaint.

19 And after the objections you state: MSB
20 obtained vendor credentials.

21 I think that's what we were talking at
22 Saint Francis Hospital and the whole Jeff Chavies
23 situation. Correct?

24 A. Yes.

25 Q. It says, invoices attached to the

30(b)(6)
Norman Lachapelle - September 26, 2017

173

1 Complaint. So if it turns out that Saint Francis
2 never paid the money that's on these invoices to
3 MiMedx, but instead paid it to Mid South, would
4 that change your position that MiMedx was unjustly
5 enriched?

6 MR. PEEL: Object to hypothetical.

7 A. First of all, I would need to find out
8 if -- first of all, why was Jeff Chavies in the
9 hospital under my name in the first place. But I
10 need to find out if --

11 Q. But if MiMedx did not receive the money
12 that's listed on these invoices or order forms --

13 A. Uh-huh. (Affirmative response.)

14 Q. -- and instead that much went to Mid
15 South, you wouldn't be entitled to any money from
16 MiMedx for that. Correct?

17 MR. PEEL: Object to the form of the
18 question and hypothetical.

19 A. I don't know how to answer that.

20 BY MR. WILBON:

21 Q. I mean, if you've already received -- just
22 using Exhibit 18, for example. If this \$2,695 or
23 \$85 or whatever that is went to Mid South and not
24 MiMedx, then MiMedx wouldn't have your money.

25 Correct?

30(b)(6)
Norman Lachapelle - September 26, 2017

174

1 A. Correct.

2 Q. And they wouldn't have been unjustly
3 enriched because they didn't get anything from
4 this. Correct?

5 A. Correct, that's going back, you know, to
6 the fact that I hired Jeff Chavies in the
7 beginning under Mid South Biologics. Yeah, I
8 think it was an undermining thing and later once
9 they got this so-called castle and that's when, I
10 believe MiMedx wanted to sell the company and get
11 all the assets or the distributors out of the line
12 of fire, so to speak.

13 Q. What company was MiMedx wanting to sell?

14 A. I was thinking since the, you know, the
15 acquisition of the AvKARE deal they are prime to
16 sell the business. That's what I heard through,
17 you know.

18 Q. The grapevine?

19 A. The grapevine, yeah.

20 So getting, you know, get all the
21 distributors out of the way it's just a clean
22 sale.

23 Q. In Interrogatory No. 7 it states:
24 Identify any damages you're claiming against
25 MiMedx, and it asks you to state the manner and

30(b)(6)
Norman Lachapelle - September 26, 2017

1 calculation that you used to arrive at the claimed
2 amount.

3 And the response was: The \$300,000 that
4 we've discussed for that, what you believe was a
5 third year. The second part was interest on that
6 \$300,000. That's the term you were looking for
7 earlier. The unjust enrichment is the money that
8 you believe that was paid to MiMedx by Saint
9 Francis. Correct?

10 A. Correct.

11 Q. And then you've got costs, expenses, and
12 attorneys' fees.

13 A. Correct.

14 Q. And that represents all the damages that
15 you're seeking in this case. Correct?

16 Another way of asking that: Does that
17 represent all the money you believe that you
18 should be paid by MiMedx through this lawsuit?

19 A. I don't believe that. I believe I'm
20 entitled to more since the obligation was to pay
21 me \$300,000 and they strung it out for such a long
22 time that, you know. I don't know the law, sir,
23 but if I get more money so be it. I'm entitled to
24 that because it's been a long road for me and my
25 company.

175

30(b)(6)
Norman Lachapelle - September 26, 2017

176

1 Q. So I think that's what's sometimes
2 referred to as you want something for your
3 emotional damage and pain and suffering?

4 MR. PEEL: Object to that. It calls
5 for a legal conclusion.

6 A. I just want what's fair and what's fair is
7 that --

8 MR. PEEL: It's not pled in the
9 Complaint so it's not present here.

10 (The above-mentioned document was
11 marked as LaChapelle Exhibit Number 23.)

12 MR. WILBON: Let's take that break.

13 (Break taken from 2:48 p.m. to 2:59 p.m.)

14 MR. WILBON:

15 Q. Just a few more questions and we'll be out
16 of here.

17 You said you paid Mr. Grisanti half of the
18 \$600,000 you received?

19 A. That's correct.

20 Q. Was that pursuant to an agreement of any
21 kind that you had?

22 A. I don't remember an agreement being made.
23 It was just my generosity for him and I
24 collaborating on this deal.

25 Q. So there wouldn't be any written document

30(b)(6)
Norman Lachapelle - September 26, 2017

177

1 that states that he's entitled to a certain
2 percentage of it?

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

4 Q. My understanding is that when the AvKARE
5 or I'll say possibility or the potential to do
6 business with AvKARE came up, you were looking at
7 or considering creating another company?

8 A. Yes.

9 Q. Tell me about that.

10 A. So it was during the time Bill Cochran
11 that was working with a company called CPM Medical
12 at the time out of Dallas. A big distribution
13 center.

14 Q. He wasn't with MiMedx at the time?

15 A. No, sir. Immediately after this meeting
16 he was.

17 Q. Okay.

18 A. So that being said, I wanted to form a
19 distributorship under Mid South Biologics and name
20 it, I think, 361 Tissue X because that's the name
21 of the -- that was our name. So I went to
22 Phoenix, Arizona with Judd and there were three
23 distributors in there. One was from, I think, New
24 York. So all regions were being covered. So the
25 discussions were if I were to, you know, receive

30(b)(6)
Norman Lachapelle - September 26, 2017

178

1 the FSS, you know, I wanted to be the sole
2 distributor and use these distributors to go to
3 different parts of the country and have coverage.

4 Q. Sole distributor for MiMedx?

5 A. Yes, using MiMedx as the only source of
6 amniotic tissue; that's correct.

7 Q. But you wanted to set up another company
8 like to be a middle man between AvKARE and MiMedx.
9 So what, that company was going to buy the tissue
10 from...

11 A. No. In the beginning my brainstorm was I
12 wanted to be the distributor of the whole deal.

13 Q. So you were going to sell -- your
14 distributorship would get the product from MiMedx
15 and sell it to AvKARE?

16 A. Yes, sir. MiMedx would be the
17 manufacturer, okay. AvKARE would be the entity
18 supporting or having the FSS contract, and I would
19 be someone that would distribute the allograft
20 tissue across the country.

21 Q. Including to AvKARE?

22 A. AvKARE would be -- they would -- I guess
23 in turn AvKARE would get the orders in because
24 they had to get their orders in first and then
25 submit them as part of the FSS contract or

30(b)(6)
Norman Lachapelle - September 26, 2017

179

1 government contract.

2 Q. Now, who would they submit the orders to;
3 MiMedx?

4 A. Yeah.

5 Q. In that instance they would --

6 A. Fulfill their orders and then I would
7 distribute them accordingly.

8 Q. I'm still a bit confused.

9 A. Okay. So my office would have --

10 Q. Let's do it this way. You would have
11 MiMedx and then you would have 361 Tissue and then
12 there was going to be --

13 A. Tissue X.

14 Q. Tissue X. And then there was going to be
15 AvKARE. So AvKARE would get the order through the
16 FSS and then you would fill it as 361 X using
17 product from MiMedx?

18 A. Exactly. Sole, exclusive rights, not
19 buying anything. We wanted to include MiMedx in
20 the deal because I was working for MiMedx then.
21 We had a great relationship, so I was like, hey,
22 I'm about to bring you the deal of a lifetime,
23 right.

24 Q. And that was the AvKARE deal?

25 A. Yes, sir.

30(b)(6)
Norman Lachapelle - September 26, 2017

180

1 Q. And now, was that going to be beneficial
2 to you, MiMedx, and AvKARE or just you?

3 A. All three parties. I mean, think about
4 it, MiMedx was going to sell their quantities of
5 tissue exponentially. If it turns out they were
6 going to -- they sold -- if you look at some kind
7 of a chart or whatever during that timeframe when
8 the sales started going, they skyrocketed. I
9 mean, epic, I mean, the numbers.

10 So you know they're still going to get
11 their commission, you know. I would buy it at a
12 certain tier level. They make their money. I
13 make my money. And then AvKARE would have a
14 percentage based on negotiations, which were never
15 completed because the deal was shot.

16 So that being said, Bill Cochran was part
17 of this, in the meeting, all right. Bill Cochran,
18 I know it's convoluted. A lot of things happened.
19 Bill Cochran was immediately hired to MiMedx and
20 that's a fact. You can look at it. Right after
21 this meeting. Pretty much within weeks. So I'm
22 not saying. Well --

23 Q. Why was Bill Cochran's company, the CMC,
24 what did you say it was called?

25 A. It wasn't his company. He used to work

30(b)(6)
Norman Lachapelle - September 26, 2017

181

1 for a company called CPM.

2 Q. CBM?

3 A. CPM.

4 Q. CPM out of Dallas?

5 A. I believe that was who he was working
6 with.

7 Q. You said he was hired after that meeting.

8 What meeting was this. I'm lost.

9 A. The meeting that I just told you about. I
10 was in Phoenix, 360 Tissue X, what the name was.

11 Q. Okay.

12 A. So the whole concept of that meeting was
13 to form a distribution source to distribute MiMedx
14 tissue in all parts of the country using their
15 tissue, using AvKARE as the provider of the FSS
16 account. But I would have the FSS number so I
17 could sell into these facilities.

18 Q. The government facilities?

19 A. Yes, sir.

20 Q. But that never came into fruition?

21 A. No.

22 Q. Why did it not fly?

23 A. Evidently MiMedx, well, not evidently.

24 The facts are, no Norm, you're not going to be 361
25 Tissue X. That's not feasible. You guys are too

30(b)(6)
Norman Lachapelle - September 26, 2017

182

1 small to do it. Blah. Blah. Blah. If you can
2 get us on the FSS -- this is where the whole thing
3 started. If you can get us on FSS. We don't
4 believe you can. But that latter proved that we
5 did. And we will be the distributors of the
6 product and the manufacturers.

7 Q. And that's the way it worked out?

8 A. So in the back of my mind I was like,
9 okay, I can't do this. So I'll get a nice
10 percentage for putting these two entities
11 together. I mean, that was my thought. That was
12 my okay, if I can't do this, maybe I'll get a nice
13 percentage, step back, don't do a thing. These
14 two can, you know, it would be a lot less work
15 that I can do and just get a residual check for
16 the lifetime of the contract. That's all I
17 wanted.

18 Q. Has Mid South's business grown since 2012,
19 your gross revenue?

20 A. No.

21 Q. Stayed steady?

22 A. Yes.

23 Q. What range is that?

24 A. About 1.2.

25 Q. In gross revenue.

30(b)(6)
Norman Lachapelle - September 26, 2017

183

1 Has your sales force grown?

2 A. No, I'm doing other things now. I've got
3 two other companies that are separate entities
4 from Biologics.

5 Q. What companies are they?

6 A. Well, I was involved with a water
7 filtration system and then we would do
8 contaminated water and turn it into purified
9 drinking water, kind of Eco-type of...

10 My buddy owns it. I'm just affiliated
11 with it.

12 Q. What's that called?

13 A. ECT.

14 Q. Based out of Memphis?

15 A. He is based out of Memphis.

16 Q. Now, who is your partner?

17 A. His name is Talbott Howard.

18 Q. What's the other company?

19 A. Then we did one called Southern
20 Diagnostics, which all we did was cancer testing,
21 hereditary genetic testing, things like that.

22 Q. Is he still operating?

23 A. Yes.

24 Q. Mr. Grisanti is not involved in those at
25 all?

30(b)(6)
Norman Lachapelle - September 26, 2017

184

1 A. No, sir.

2 Q. Now, so the whole concept of 361 --

3 A. Tissue X.

4 Q. Tissue X. Is that just dead? Did you
5 just give up on that altogether?

6 A. Yeah. Once I got the word that they put
7 the kibosh on that, it was done, yeah.

8 Q. So you didn't move forward with that in
9 any capacity?

10 A. I couldn't. It was just -- and they did
11 the whole operation because, you know, I believe,
12 you know, Bill Cochran was, you know, I think, he
13 presented to MiMedx, I believe, himself and then
14 worked a deal out where, why don't we just do this
15 ourselves inhouse, and then he's no longer with
16 the company.

17 Q. Where is he now?

18 A. I think he works with CPM again.

19 Q. When was the last time you had a
20 conversation with someone from MiMedx?

21 A. Years.

22 Q. When was the last time you talked to Bill
23 Cochran?

24 A. Probably CPM, he works for CPM. A couple
25 of days ago because he has a new product that he

30(b)(6)
Norman Lachapelle - September 26, 2017

185

1 wants to show me, reimbursement for amniotic
2 tissue. He has a new program out.

3 Q. What kind of reimbursement?

4 A. I don't know yet because -- is there a
5 reimbursement? I mean, that's the -- if we get
6 reimbursement, then, yes. We're just talking
7 about that right now.

8 Q. So you hadn't talked to anybody from
9 MiMedx in a while?

10 A. And the person I would, I believe, would
11 be Bill Cochran and that's it. I don't know. I
12 think maybe during the times like, you know, what
13 happened. You know, can we solve this, you know.
14 Because I tried to mend our relationship. I
15 really did.

16 And I knew it wasn't going anywhere so
17 there was no more contact with MiMedx at all. I
18 didn't have anything to do with them. And I liked
19 working for him. I mean, to the point where when
20 this whole thing got, you know, kind of shaky with
21 these contracts, everything was, in my opinion,
22 you know, we were friends and I got them a lot of
23 business in the beginning. When we first started,
24 I mean, they were a \$7 million company. I mean,
25 they were in a hole. I'll just stop it right

30(b)(6)
Norman Lachapelle - September 26, 2017

186

1 there. So, yeah, I'm kind of baffled.

2 Q. Any other facts or anything about this
3 lawsuit that you haven't told me?

4 MR. PEEL: Object to the form of the
5 question.

6 A. I mean, I'm a human being. I told you
7 everything that you asked of me. If there is
8 something that I didn't and you know about, I
9 don't know. But I didn't mean -- know nothing to
10 misjudge me at all. Everything I've told you was
11 the truth.

12 This is my first deposition. A lot is
13 going through my mind. A lot has happened with
14 this contract, with the whole, you know, leading
15 up to this right now. There's a lot of things
16 that went on that, I mean, up and down, up and
17 down with this company. But I stood my ground as
18 far as I could, did the best I could, and then at
19 the point where I was just like, something's got
20 to be done. I've got, you know, I've got pride
21 and you can't take this away from me because I
22 brought this to the table.

23 That's where we're at right now. It's a
24 matter of doing the right thing. And I think I
25 was in the right. I made them 80 -- who knows,

30(b)(6)
Norman Lachapelle - September 26, 2017

1 tons of money and all I'm asking for is \$300,000
2 plus lawyers' fees.

3 MR. WILBON: That's all the questions
4 I have with the exception of wanting to address
5 the -- since we're not in the position to address
6 the Saint Francis documents, we want to revisit
7 that. Once we get those documents, we may need to
8 reconvene for purposes of addressing that. But I
9 think that's one thing.

10 That's all the questions I have.
11 Subject to Exhibit 18, the Saint Frances document
12 we can adjourn.

13 MR. PEEL: I have no questions.

14 MR. WILBON: Now, Mr. LaChapelle, you
15 have a deposition scheduled -- you were here and
16 just testified today on behalf of Mid South
17 pursuant to the deposition notice that we marked
18 as Exhibit 1 at the start of the deposition. I
19 also noticed your deposition in an individual
20 capacity because I as counsel for MiMedx have no
21 way of knowing who they're going to put up as the
22 Rule 30 witness.

23 It turns out that you are the Rule 30
24 witness. So I can take a separate deposition of
25 you in your individual capacity, but what I'm

187

30(b)(6)
Norman Lachapelle - September 26, 2017

188

1 wanting to do is, if I take a separate deposition,
2 I'm going to ask you the exact same questions that
3 I asked you in this one.

4 So do you agree that you would
5 adopt -- and your counsel will speak to this,
6 whether or not it's appropriate for you to do
7 this, but I'm requesting that you tell me whether
8 or not you can adopt the testimony that you gave
9 on behalf of Mid South as your personal testimony
10 as well?

11 A. What I said today, yes.

12 Q. So if I ask you on September 26, 2017, you
13 gave testimony at 9:00 a.m., I asked you the
14 following three questions and you responded yes.
15 And I say, you did so on behalf of the company and
16 on behalf of Mr. LaChapelle, himself personally.
17 Correct?

18 A. Yes, sir.

19 MR. WILBON: Paul, any objection to
20 that?

21 MR. PEEL: No.

22 MR. WILBON: So we have agreement to
23 that. So you're done.

24 THE WITNESS: Thank you, I appreciate
25 it.

30(b)(6)
Norman Lachapelle - September 26, 2017

189

1 (WHEREUPON, THE DEPOSITION WAS
2 CONCLUDED AT APPROXIMATELY 3:15 P.M.)
3 (AND FURTHER DEPONENT SAITH NOT.)
4 (SIGNATURE WAIVED)

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30(b)(6)
Norman Lachapelle - September 26, 2017

190

1

C E R T I F I C A T E

2

STATE OF TENNESSEE:

3

COUNTY OF SHELBY:

4

I, CORA J. LEWIS, LCR, Shelby County,
Tennessee, CERTIFY:

6

The foregoing proceedings were taken
before me at the time and place stated in the
foregoing styled cause with the appearances as
noted.

7

Being a Court Reporter, I then reported
the proceeding in Stenotype, and the foregoing
pages contain a true and correct transcript of my
said Stenotype notes then and there taken.

8

I am not in the employ of and am not
related to any of the parties or their counsel,
and I have no interest in the matter involved.

9

I further certify that in order for this
document to be considered a true and correct copy,
it must bear my original signature and that any
reproduction in whole or in part of this document
is not authorized and not to be considered
authentic.

10

Witness my signature this the 13th day of
October, 2017.

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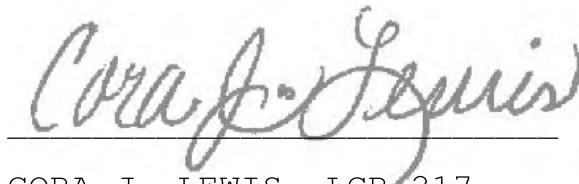
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CORA J. LEWIS, LCR 217
Expires June 30, 2018
ALPHA REPORTING CORPORATION
236 Adams Avenue
Memphis, Tennessee 38103

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Exhibits	\$300,000 85:4 86:4 87:9 108:5 135:6 138:21,22 141:25 162:21 163:2 164:1 175:3,6,21 187:1	120:6 153:13,14 170:11,12	2
Exhibit 1	1099s 13:5	2 7:24 21:7,9 59:1 63:4 69:15 71:8 84:17 86:9 128:22 143:6 168:18	
Exhibit 2	10:04 a.m 57:6	20 63:3 147:18,20 151:19	
Exhibit 3	10:21 a.m 57:7	2000 10:8,10,19 11:15 12:4,6 13:1 14:9 15:2 19:3 103:25 146:12	
Exhibit 4	11 90:24 91:1 99:4,13 133:15 134:15 135:18 138:24	2005 13:11 15:3	
Exhibit 5	118 79:5	2010 15:3,18,19	
Exhibit 6	11:00 a.m 83:2	2011 16:10 19:3,14 26:8 27:22	
Exhibit 7	11:13 a.m 83:3	2012 21:13 24:18 35:5 37:15 38:25 50:15 52:5 65:16 68:1,14 73:5 79:21,25 82:5 83:6 87:20 89:14 90:21 91:24 132:3 136:3 146:5 161:8 182:18	
Exhibit 8	12 71:14 91:24 92:13, 15 132:3 135:13 161:10	2013 24:18 95:4,16 157:8 159:12 161:9	
Exhibit 9	12-month 131:8,13 161:10,20 162:3,10	2014 109:19 113:6 135:13 148:3 152:13 157:5,6 161:21 162:3, 10	
Exhibit 10	12/9/67 8:24	2015 58:12	
Exhibit 11	12:15 124:20	2017 58:16 188:12	
Exhibit 12	12:15 p.m 124:23	21 79:25 152:18 157:5, 6	
Exhibit 13	13 71:15 82:6 93:24 116:25 117:3,8,12 119:22 120:1 146:5,13	22 111:14 159:4,6	
Exhibit 14	14 82:6 90:21 96:14,19 146:5,13	23 167:2 176:11	
Exhibit 15	15 66:24 97:10 111:21 147:24 148:3	24 161:7	
Exhibit 16	16 67:25 68:14 91:24 110:1,3 135:13	25 70:6 161:18	
Exhibit 17	17 79:21 112:24	26 52:5 162:7 188:12	
Exhibit 18	18 89:14 95:16 120:12, 19,22 121:17,23 173:22 187:11	26,2012 59:3	
Exhibit 19	19 121:1,3 152:13 161:3	2695 117:13	
Exhibit 20	1990 8:22 10:16	27 162:19	
Exhibit 21	1994 10:19	28 164:12	
Exhibit 22	1999 11:13	29 164:12	
Exhibit 23	1:39 p.m 124:24		
\$	1st 35:5 37:15 38:25		
\$1.10 166:11			
\$10 51:13 63:16 80:3 84:22 86:3,7 161:16 162:12,15 163:21			
\$11.75 166:21			
\$110 162:8			
\$12 166:12			
\$2,685.00 119:20			
\$2,695 173:22			

Norman Lachapelle - September 26, 2017

2:48 p.m 176:13	71:14 132:18 143:22	120:21 121:2 147:19	agitated 104:19
2:59 p.m 176:13	172:16	152:17 159:5 167:1	agree 8:1 34:14,19
3	6	176:10	40:6 47:19 51:21 53:14
3 38:17,19 39:4 51:19 58:9,18 62:3,21,22 63:10 66:17 69:18 70:3 71:8,15 77:12,22 78:8 80:13 84:7,21 86:9 87:13 91:7 121:24 128:25 131:6,25 134:12,14 148:16 170:8	6 34:2 58:4,6 121:5 132:23	above-referenced 148:10	60:9 63:13 66:1,14
30(b)(6) 56:16	6/16/14 118:5	accepting 128:24	73:21 74:17,24 76:18, 21 77:12 78:19 79:11
30,000 102:10	60 108:6	Access 116:14	86:16 100:8,22,24
300,000 135:11,16	600,000 135:8	account 14:4 181:16	101:7,15,17 102:16
3059 9:16	69 83:6	accounting 92:10	127:14 132:10 137:17, 19,25 138:1,2 142:8
31 21:13 83:6 164:14	7	accounts 111:7	145:19 188:4
33 164:17	7 67:10,12 71:22 72:3 79:19 132:23 174:23	accrued 85:22 89:22	agreeable 165:15
360 181:10	7785 7:4	accumulate 166:20	agreed 8:4 47:10 51:15
361 177:20 179:11,16 181:24 184:2	8	accurate 22:14 92:10	56:24 66:7 78:7,22
38138 7:5 9:17	8 34:2 60:9,18,21,23 66:8 79:15,17,25	acknowledge 168:1	104:12 115:21 117:1,6, 7 127:16 129:8 134:22
3:15 189:2	80 108:6 186:25	acquired 14:22	137:13 138:19,21
3rd 52:24 53:1	8:46 68:14	acquisition 174:15	147:12 161:22,25
4	9	acted 142:6 165:25	162:11
4 39:4 50:3,10,13 51:14 66:9 68:25 69:19 75:13 119:13 132:9 143:22 161:7 168:21	9 83:25 84:2 133:5	action 126:17	agreeing 77:22
41 121:6	900,000 135:7 142:17	actual 63:15 65:25	agreement 18:9,10,
45 88:6 91:11,12 93:18	94 10:16	149:24	11,25 19:1,3,4,10,11, 13,17 24:21 29:25 30:2
48 121:6 152:11	9:00 188:13	ad 61:17	35:10,12,14,25 36:2,6, 10,12 37:7,8,11,18,25
5	9th 52:24 53:1	address 7:3 8:2 12:9 49:8,12 58:22 59:5,7 187:4,5	38:9,13,21 39:22,24
5 52:3 53:22 54:5 60:18,23 63:9 66:7	A	addresses 59:9 69:14	40:2,3,7,12 41:13
	A-L-L-E-R-G-A-N 10:24	addressing 187:8	46:16,24 47:1,8 48:4, 12,17,25 50:8 51:7,12, 16 57:12 58:20 59:21
	a.m. 188:13	adds 95:9	60:1 62:9,10,11,12
	aboard 24:9 114:10	adjourn 187:12	63:17,21,23 64:15,16, 20 65:12,20,25 66:3,4, 11,15 68:2,4 69:3
	above-mentioned 8:12 21:8 38:18 50:11 58:5 67:11 79:16 84:1 89:9 90:25 92:14 96:18 97:8 110:2 112:23	admit 22:5	70:10 72:19 75:5,18,23
		adopt 188:5,8	76:17 78:8 80:2 81:1,5, 25 83:22 84:24 85:2,3
		advise 70:18	86:5 87:21 89:15,17
		affairs 88:22 92:18	91:17 92:5 93:18 99:1, 14,16,19 100:6,17
		affiliated 126:19 167:14 171:14 183:10	101:5,10 102:15 104:9, 14 109:5,6 111:4,9,10
		affirmative 14:7 27:2 76:6 89:8 122:14 136:1 142:15 143:5 152:16 170:10 173:13	114:7,9 115:11 123:10
		agent 129:13	126:12 127:11,13,14, 18,25 129:5,15,16
			130:9 131:2,4 135:19, 20 136:2,5,7,14,17,25
			137:6,17 138:16,25
			139:3,9,10,15 142:16
			143:17,20 144:4,7,9, 10,14,17,21 145:20,23
			146:6,10,16 147:9,12

Norman Lachapelle - September 26, 2017

148:11,12,13,14,15,17, 20,21,24 149:1,2,10, 12,14,22,24 150:3,7, 17,20 151:25 158:17 159:25 160:17,20,24, 25 162:16 164:11,14, 22 165:11,21,22 166:9 167:16,23 168:2 169:14,17 170:25 176:20,22 188:22	annuity 63:4 answers 36:19 anymore 18:19 95:17 anyone's 43:17 apologize 85:21,24 88:1 appointment 128:11, 24 appoints 128:12 approach 166:25 approved 128:16 APPROXIMATELY 189:2 April 52:5 59:3 area 14:17,19 17:15 20:21 21:5,24 83:19 argue 79:1 arguing 43:3,7 107:2 argumentative 108:2 141:20 Arizona 177:22 Arkansas 166:16 arrangement 27:24 arrangements 34:23 arrive 175:1 arrived 37:1 asks 167:13 172:16 174:25 aspect 137:2 assets 174:11 Assignment 132:24 assisted 153:15 assuming 121:22 Atlanta 53:6 attached 37:18 48:23 58:19 68:2,3 118:2,11 121:24 172:25 attachment 48:12,16	attacking 154:4 attorney 55:19 85:5 attorneys' 164:3,6 175:12 August 90:21 91:24 authority 76:4,5,20 77:16,20 80:4,13 132:24 authorization 77:12 authorized 113:9 128:12 Avkare 14:5 25:16,18, 25 27:1,7,10,13 29:15, 19,22,24 30:2,15 31:3, 10,11,15,22 32:1,15,16 33:5,16,19,20 34:8,20, 24 35:9 36:2 37:2,5 38:3 40:9,10 52:21 59:21 60:8 62:13,16 64:7,11 65:1 68:25 69:2,11 70:1,17 71:20 74:11,14,16 77:3 78:4 82:20 86:2 87:22 89:20 92:6,9 98:16 100:22 101:19 104:14 130:21, 25 131:4,19,24 133:12 138:9 139:2,5,9,10,15, 17 141:12 143:16 146:1,19 147:1 148:14, 17,21,24 149:1,10,14, 19,20,22,24 150:4,20 151:25 152:3 157:9 158:17 159:15,17,22 160:20,22 161:9,18,23 162:3,8,13 165:11 169:13,16,18,22 170:4 171:10 174:15 177:4,6 178:8,15,17,21,22,23 179:15,24 180:2,13 181:15 Avkare's 64:14 71:11 aware 13:16 58:1 101:20	 <hr/> B <hr/> bachelor's 8:17 9:19 back 9:18 18:13 19:19, 22 21:20 33:9 34:12
---	---	--	---

Norman Lachapelle - September 26, 2017

basing 109:1 133:5 134:15,19 137:2	biggest 61:14 62:2 71:2 141:5	blank 116:13	Bugg 89:5 91:25 95:8, 18,22,23 111:15,16 154:5
basis 19:17 132:10 133:10,16 134:11 168:21 171:21 172:17	bill 20:2,9,11,13 29:1,2, 3,30:16 31:4,9,12,16 34:22 47:17,24,25 48:1 49:11,17 51:5 52:5 53:16,17 59:10,11,12, 15:60:25 61:20,21 66:19 67:25 68:1,13 71:8,16 78:15 80:1 83:7 88:8 93:16 95:9 97:4,14,16 98:1,3 99:23 101:4,20 102:12 111:15 112:8 113:18 123:11 140:12 148:6 152:12,19 155:22 156:7,8 158:16 172:2, 8,10 177:10 180:16,17, 19,23 184:12,22 185:11	blanks 58:21	building 108:7
Bass 58:13	bodily 103:7	board 153:8	bundle 25:5,7
Bates 48:14,15 49:2 66:24	bonding 116:6	bone 11:24	burn 11:24
began 161:20 162:3	bone 11:24	business 13:6,7 14:9 15:3,7,17,21 16:5 21:14,18,19 31:25 32:21 33:21 64:12 65:9 70:23 72:16 88:20 112:6 117:1 126:22 145:17 150:24 155:19 166:5 171:12 174:16 177:6 182:18 185:23	businessman 108:3
begin 16:8	bookkeeping 88:18 171:18	books 88:20	buy 120:3 178:9 180:11
beginning 62:24 70:3 81:15 82:8 154:1 162:10 166:5 174:7 178:11 185:23	bothering 88:7	bothering 88:7	buying 179:19
behalf 27:1 39:1 73:10, 12,16 74:20 80:25 127:21 187:16 188:9, 15,16	bottom 22:7 39:4,6 72:3	bottom 22:7 39:4,6 72:3	C
behavior 154:19,25	bowling 26:4	Branch 13:21	C-H-A-P-E-L-L-E 7:2
belief 161:8 162:7	Braham 15:12	breach 108:9 163:25 164:1,6,11,19	C-O-R-D-E-S 12:10
believes 31:8,9	brainstorm 178:11	breached 132:20 168:22	cadaver 11:21
below-mentioned 52:2 93:23	Branch 13:21	break 6:8,10 57:4,5,6 82:24 83:2 120:10 124:23 176:12,13	calculate 95:17
beneficial 180:1	breast 10:21	breaks 6:11	calculation 175:1
benefit 21:21 141:12, 14	briefly 35:13	breast 10:21	California 11:1,2 14:16
benefits 25:3	bring 115:1 122:19 125:13,24 179:22	briefly 35:13	call 34:20,21 56:1 70:13 102:1,9,11 113:24 128:14 135:16
benefitted 21:18	bringing 71:9 125:21	bring 115:1 122:19 125:13,24 179:22	146:13 148:15,20 150:6 151:4 160:24 165:12
berate 154:10	brokered 71:9	bringing 71:9 125:21	called 7:17 10:21 15:9 17:1 25:25 28:12 34:23 65:13 89:2 98:3 102:12
berated 111:20 154:9	brother 24:15	brokered 71:9	112:7 114:4,15 157:1 177:11 180:24 181:1 183:12,19
berating 101:22 102:1 103:15 154:3 155:11, 12,13,18 156:19,24	brought 36:11 63:12 74:14,25 90:16 116:10 122:8,16 133:11 146:10 186:22	brother 24:15	calling 148:17,19 161:24
Berry 58:13	brushes 145:16	brought 36:11 63:12 74:14,25 90:16 116:10 122:8,16 133:11 146:10 186:22	calls 29:5,8 96:5 118:16 134:17 139:20 143:13 165:2 176:4
Bevill 13:7,18 14:1 88:14 94:3 95:5,6,10, 24 98:2 110:5 154:2,7, 8,13,18 155:22,24 156:5,12 157:1 171:7	blacked 118:20,21	brushes 145:16	
Bevill's 154:11	blah 182:1	buck 95:23	
big 103:13 143:18 166:16 177:12		buddy 166:18 183:10	

Norman Lachapelle - September 26, 2017

cancer 183:20	center 12:14,15,17 177:13	Circle 12:9	collectively 128:17
cap 51:12,14,15,19 53:14 63:11,16,19,21, 22,23 66:4,17 70:4 78:24 79:12 80:3 82:3, 4,6,7 87:13 137:18,22, 23 143:23,24	centers 12:13 14:20	claim 108:9 125:9 133:11 170:22 171:3	combative 103:2
capacity 125:18 184:9 187:20,25	CEO 20:14 78:2 156:9, 25	claimed 175:1	combined 120:2
capital 7:2	certificates 10:1	claiming 174:24	commence 99:14 135:20 136:5
capitals 68:22	certifications 10:2	claims 133:6	commencing 131:9 132:1,2
caps 68:23	certified 20:22	Clarence 5:6 20:6 33:10 41:9 107:15,19 139:22 140:21 145:11 156:20 158:1	commensurate 61:4
caption 133:23	chain 62:20 65:22 76:14 94:2	clarification 21:2 126:7	comments 58:22 68:7 119:2
care 13:6 32:10 34:1 37:6,10 38:5,9 57:2 105:17 108:8 113:8,10, 12,13,14,15,17 114:8, 11,13 115:7,8 157:11	championship 102:10 151:15	clarify 58:11 90:9 105:13	commission 30:12 92:8 97:18 104:11 111:21 160:11 180:11
career 138:6	chance 101:8	clarifying 105:24	commissions/ overrides 95:17
Carlton 16:18 17:8 28:2 29:1 51:9 52:6 53:17 61:11,22 62:25 67:1 68:2 70:6,13 72:4 73:14 75:17,22 76:15 79:21 89:13 90:20 102:4 110:12 112:8 114:4 143:22 151:20 158:9 159:8 166:3 172:3	change 14:10 15:4 16:19 111:4 137:4,12 173:4	clarity 69:19	communicate 75:16 77:16
Carlton's 73:15	changed 15:17 18:19, 21 150:23	clause 98:21	communicating 70:9 73:9,23 74:19 76:15 88:23 92:17 94:13
case 14:14 48:13 54:12 55:18 57:24 79:1,5 116:23 117:22 124:11 125:7 135:11 149:25 150:25 153:22 169:10 171:7 172:5,8 175:15	character 80:19	clean 174:21	communication 40:5 46:23 75:2 90:3
cases 14:14 129:11	characterize 149:14	clear 24:4 86:2 138:13 163:20	communications 51:5 172:4
castle 174:9	chart 180:7	client 25:10	companies 17:5 71:9 90:16 92:22 183:3,5
cat 109:14	Chavies 102:17 111:1 113:1,2,3,25 114:9,19 116:12,25 118:24 119:22 121:19 123:7, 16 124:2 126:8,13 127:4 153:8,12 157:10 172:22 173:8 174:6	clients 12:11 21:1	company 5:8 10:17,21 11:17 13:8 14:13 15:8, 9 16:12 17:19,22,25 18:1 20:17,23 22:2
catering 93:2	Chavies's 117:8 123:12 124:6 160:1	climbing 91:6	28:18,20 33:17 47:4 51:25 52:22 65:7,8,13, 18 69:16 75:2 78:2
caused 154:19	check 71:12 88:9 111:21 112:9 116:25 182:15	clinical 65:14 130:22	92:24 93:2 96:24 97:1
CBM 181:2	checks 82:5 171:12	closed 18:17	108:3,8 113:8 116:12
cease 169:21	chef 169:25	cm 119:13	123:15 128:11,14,17
	chess 90:16	CMC 180:23	129:4,20 144:13,18
	chewed 112:8	coach 36:17 45:22 105:16	150:23 174:10,13
	children 9:6	Cochran 29:2,3 30:16 31:4,9,12 53:17 61:21 102:12 177:10 180:16, 17,19 184:12,23 185:11	175:25 177:7,11 178:7, 9 180:23,25 181:1
	choice 26:23	Cochran's 180:23	183:18 184:16 185:24
	chose 142:4	code 113:18 122:13,15	186:17 188:15
	Chris 23:21 58:13 168:14	collaborating 176:24	company's 20:19 36:4 49:15 65:17 144:11 153:12
		collected 129:20	compare 69:6
		collective 120:11 121:23	

Norman Lachapelle - September 26, 2017

compensated 25:11 59:20 65:21 85:1 170:3,6	constitutes 164:21	85:11 86:18,21 87:3,4, 16 88:8,11 91:12,17	corporations 169:1
compensation 34:1 61:3 65:4	consultant 37:17 72:19 128:12,13 129:5 130:13 144:12,19	93:22 94:20 95:21 96:1 97:24 98:6,16,20,23 99:10 100:2,4,9,22	correct 12:8 22:20 52:17 59:13 60:3,22 61:22 62:7 64:16
competitor 115:24	consulting 18:25 46:16,24,25 48:11,17, 24 51:6 58:19 63:17,21	101:6,19 104:15 105:2 108:8,10 116:1,4,6	69:16,17 71:19 73:18, 20 74:8,9,11,20 75:7, 13 76:8,9,20 79:22
complaining 82:1	65:12,25 70:10 75:5,23	126:24 133:12 136:14 137:2,24 138:9 139:7	81:21 84:6,8,12,18,19 85:3,4 86:4,5,8,14,18
Complaint 37:18 118:2,3 120:25 121:24 161:4 168:24 172:18 173:1 176:9	76:16 78:8 81:1,5,25 87:21 89:14,17 92:21, 24 99:1,19 100:6	140:7 141:17,25 142:2 145:22,24,25 146:19	87:23 88:25 89:15,23
completed 34:16 35:2 180:15	101:10 104:9 111:10 127:11,12,18 135:19	147:3,4,6 155:23 159:18,20 162:16	91:4 92:3,10,19 94:6
complications 160:7	138:15 146:6,10 148:12,15,20,23 149:2,	165:10,16 168:22 170:25 178:18,25	95:20 96:1 98:9 100:7
complies 58:10 99:2 109:22 118:1 121:8 130:19 161:5	12 150:6,17 158:17 160:25 164:11,22	179:1 182:16 186:14	101:6 103:22 110:7
component 32:24	165:11 167:15,22 168:1 170:25	contracted 126:25	111:10 112:14 118:9, 10 119:21 121:14,15
compound 138:17	consummated 37:11 86:22 87:11 94:21	contractor 14:2 24:7 92:23 132:18,21	122:20 127:5,15,21,25
concept 14:10 181:12 184:2	contact 25:24 29:18 34:15 72:9 77:6 88:12 97:20 151:17,20 185:17	contracts 62:14 83:9, 10,13 104:17 141:5	128:5 130:25 132:3,13, 16,21 133:7,8,17 135:6
conception 153:25	contacting 40:4 70:8	146:24 158:11 185:21	137:9,14 138:25
concerned 34:15 160:23 169:15	contacts 17:10 70:6 97:19 114:22 169:14	contractual 165:10	139:18 140:25 141:1
CONCLUDED 189:2	contaminated 183:8	control 30:6,8 31:23, 25 32:6	142:1 143:7 146:6,7
conclusion 118:16 134:17 139:21 165:2 176:5	contending 132:11	convenient 23:6	148:7,8,12 150:1
conditioning 10:3,5	contention 165:25	conversation 16:23	159:13,20 160:4
condone 112:6 154:15	contest 161:13	31:20 47:23 58:19	161:16 162:14,23
conduct 109:3 154:12, 20,25	contesting 130:11	63:11 97:25 101:21	163:6,17,18,22,24
confidential 117:23 126:3 157:18	context 99:23	104:1 112:5 151:5	164:1,8 167:9 172:23
confidentiality 117:20 118:21 124:8 132:9,12, 16	continue 45:21 81:11 105:10	154:7 184:20	173:16,25 174:1,4,5
confused 179:8	continued 15:5 64:11 161:18	conversations 29:7, 10 40:9 63:24	175:9,10,13,15 176:19
confusion 20:24 21:21	contract 26:17 35:2,5 38:11 47:19 50:6 52:1 59:15,23 60:9,10,19,24	conversion 125:9	178:6 188:17
connected 158:18 159:23	61:14 62:2,4,13 63:7, 13,15,25 64:1,6,10	convoluted 25:21,23 134:5 139:25 180:18	corrected 106:8
consigned 122:5	66:8,13 70:18 71:2,11, 25 72:8 73:13 76:12	copied 89:13 90:20 92:2 97:5 111:13	correctly 68:8 128:20
	77:24 78:21 80:2 82:20 83:12 84:6,10,23,24	copies 110:13 122:11	136:9,10,13
compensated 25:11 59:20 65:21 85:1 170:3,6	constitutes 164:21	85:11 86:18,21 87:3,4, 16 88:8,11 91:12,17	corporations 169:1
compensation 34:1 61:3 65:4	consultant 37:17 72:19 128:12,13 129:5 130:13 144:12,19	93:22 94:20 95:21 96:1 97:24 98:6,16,20,23 99:10 100:2,4,9,22	correct 12:8 22:20 52:17 59:13 60:3,22 61:22 62:7 64:16
competitor 115:24	consulting 18:25 46:16,24,25 48:11,17, 24 51:6 58:19 63:17,21	101:6,19 104:15 105:2 108:8,10 116:1,4,6	69:16,17 71:19 73:18, 20 74:8,9,11,20 75:7, 13 76:8,9,20 79:22
complaining 82:1	65:12,25 70:10 75:5,23	126:24 133:12 136:14 137:2,24 138:9 139:7	81:21 84:6,8,12,18,19 85:3,4 86:4,5,8,14,18
Complaint 37:18 118:2,3 120:25 121:24 161:4 168:24 172:18 173:1 176:9	76:16 78:8 81:1,5,25 87:21 89:14,17 92:21, 24 99:1,19 100:6	140:7 141:17,25 142:2 145:22,24,25 146:19	87:23 88:25 89:15,23
completed 34:16 35:2 180:15	101:10 104:9 111:10 127:11,12,18 135:19	147:3,4,6 155:23 159:18,20 162:16	91:4 92:3,10,19 94:6
complications 160:7	138:15 146:6,10 148:12,15,20,23 149:2,	165:10,16 168:22 170:25 178:18,25	95:20 96:1 98:9 100:7
complies 58:10 99:2 109:22 118:1 121:8 130:19 161:5	12 150:6,17 158:17 160:25 164:11,22	179:1 182:16 186:14	101:6 103:22 110:7
component 32:24	165:11 167:15,22 168:1 170:25	contracted 126:25	111:10 112:14 118:9, 10 119:21 121:14,15
compound 138:17	consummated 37:11 86:22 87:11 94:21	contractor 14:2 24:7 92:23 132:18,21	122:20 127:5,15,21,25
concept 14:10 181:12 184:2	contact 25:24 29:18 34:15 72:9 77:6 88:12 97:20 151:17,20 185:17	contracts 62:14 83:9, 10,13 104:17 141:5	128:5 130:25 132:3,13, 16,21 133:7,8,17 135:6
conception 153:25	contacting 40:4 70:8	146:24 158:11 185:21	137:9,14 138:25
concerned 34:15 160:23 169:15	contacts 17:10 70:6 97:19 114:22 169:14	contractual 165:10	139:18 140:25 141:1
CONCLUDED 189:2	contaminated 183:8	control 30:6,8 31:23, 25 32:6	142:1 143:7 146:6,7
conclusion 118:16 134:17 139:21 165:2 176:5	contending 132:11	convenient 23:6	148:7,8,12 150:1
conditioning 10:3,5	contention 165:25	conversation 16:23	159:13,20 160:4
condone 112:6 154:15	contest 161:13	31:20 47:23 58:19	161:16 162:14,23
conduct 109:3 154:12, 20,25	contesting 130:11	63:11 97:25 101:21	163:6,17,18,22,24
confidential 117:23 126:3 157:18	context 99:23	104:1 112:5 151:5	164:1,8 167:9 172:23
confidentiality 117:20 118:21 124:8 132:9,12, 16	continue 45:21 81:11 105:10	154:7 184:20	173:16,25 174:1,4,5
confused 179:8	continued 15:5 64:11 161:18	conversations 29:7, 10 40:9 63:24	175:9,10,13,15 176:19
confusion 20:24 21:21	contract 26:17 35:2,5 38:11 47:19 50:6 52:1 59:15,23 60:9,10,19,24	conversion 125:9	178:6 188:17
connected 158:18 159:23	61:14 62:2,4,13 63:7, 13,15,25 64:1,6,10	convoluted 25:21,23 134:5 139:25 180:18	corrected 106:8
consigned 122:5	66:8,13 70:18 71:2,11, 25 72:8 73:13 76:12	copied 89:13 90:20 92:2 97:5 111:13	correctly 68:8 128:20

Norman Lachapelle - September 26, 2017

167:11 184:24	day 60:16 68:21 77:3 80:22 91:19 103:22 114:2 125:17 155:25	125:2 160:3	discovery 22:12 49:4
court 5:13 36:23 156:13	day-to-day 171:21	delivery 120:11	discuss 11:14 27:24 52:13 101:9 130:22
courtesy 5:23 75:8	days 58:21 84:12 88:6 91:11,12 93:18 97:4 98:8 99:16 100:17 104:19 111:5 130:1 144:5 154:1 184:25	demographics 119:8	discussed 15:22 38:4 53:7 126:21 172:6 175:4
coverage 178:3	days' 136:7	denial 164:20	discussing 51:9 54:1 92:3 137:22 148:7 159:11,12,14
covered 177:24	dead 184:4	department 110:6	discussion 41:23 53:13 102:15
CPM 177:11 181:1,3,4 184:18,24	deal 16:8 29:15 35:19, 22 47:16,17 54:5 60:3, 22 62:3,21 71:8,13 72:15 74:11 78:4 80:5 82:9 85:20 87:12,14 89:20 90:13 98:13 131:18,19 134:20 136:19 141:3 142:4,8, 16,21 143:19 144:24 145:5,25 146:1,18 149:19 157:9 165:13 174:15 176:24 178:12 179:20,22,24 180:15 184:14	DEPONENT 189:3	discussions 34:18 45:3 50:16,22 51:10,18 172:3 177:25
creating 177:7	dealing 16:12 70:8 75:22	deposition 5:10 7:18 8:5,6,8,9 44:6,11,19,23 45:15 46:1,3,7 56:20, 25 57:10 58:1 107:9,12 124:17 125:10,12 126:5 149:23,25 186:12 187:15,17,18, 19,24 188:1 189:1	dispute 23:12 85:2 86:7,11,12 128:4,6 130:7,24 138:24 139:1 162:17 163:20
credentials 114:24 115:15 118:8,14 121:14,20 122:20 123:1 172:20	Derma 15:14	disputes 162:22	
credit 129:21 153:6	Describe 113:12	disputing 86:13	
crowd 103:13 104:1	describing 88:25	dissolved 17:20,24 18:1	
crux 82:15 134:21	detail 60:12 143:15	distribute 14:15 147:10 178:19 179:7 181:13	
current 7:3 14:25	detailed 143:15	distribution 11:18 14:13 19:11,13 62:11, 17 111:9 145:23 146:25 147:12 148:11, 13 150:19 160:24 165:9,15,22 169:14,17 177:12 181:13	
customer 110:6	details 87:17	distributor 12:18 17:8, 11,13,14,16 20:21 21:4 25:20 26:20 27:9 29:9, 13 30:5,9 32:9 33:25 53:11 83:13,19 92:5 146:17 166:16 178:2,4, 12	
customers 14:5 128:15	determine 122:16	distributors 151:1 174:11,21 177:23 178:2 182:5	
cut 64:22 146:17 147:11	determined 119:24	distributorship 16:22 83:22 116:20 151:24 177:19 178:14	
D	development 32:1	doctor 114:17 115:21 119:8	
D-U-N-S 34:3	Diagnostics 183:20		
dad 13:23	dialogue 143:17 158:7		
daily 13:8 14:18 16:6 88:22 145:17	Diaz 95:8,9,12,21 102:4 154:6		
Dallas 177:12 181:4	differently 50:1		
damage 176:3	difficult 43:21 57:2,3		
damages 163:24 170:23 174:24 175:14	diligence 86:23 134:23		
date 8:23 12:23 61:15 62:3 71:3 90:18 92:9 99:15 116:23 119:7 135:21,22 136:3,6	dime 138:3		
dated 50:5 52:5 67:25 79:21,25 83:6 91:23 118:4 148:3 152:10	direct 40:5 46:23 97:17,20		
dates 21:11	directly 70:7,9,14 73:9 75:16 77:7,17 97:19,21 111:25 117:3 127:12 147:11		
	disagree 100:19 163:6 171:4		
	disagreed 66:16		

Norman Lachapelle - September 26, 2017

doctor's 118:22		emphasize 82:11 139:4	erasure 69:4
doctorate 9:24	E	employed 9:13 171:23	erectile 25:5
doctors 102:16,20 113:24 115:12 153:13, 17	e-mail 19:21 21:12 47:21,22 48:1,7 49:6,8 51:4 52:4,7,15 53:15, 25 55:13 56:23,24 58:4 59:1 60:15 62:20 64:23 65:22 67:6,15,25 75:20,21 76:14 77:9,10 79:4,6,20,24 80:14,24 81:4,11 83:5,6,8 89:7, 12 90:19 91:23 94:1 95:4 96:1 97:3,12 99:23 108:20 109:18, 24 111:12,15,16 112:11 116:6 128:16 146:4,8 147:3 152:12, 19 157:4,6 159:7	employee 24:2,5 29:4 88:19 102:17 157:21 160:9	establish 156:8 163:19
document 7:22 8:12 19:23 21:8 22:11 23:3, 4 35:16 37:16,21,22 38:18,23 39:1 48:9,11, 15 49:2,4,20,23 50:11 52:2 58:3,5,7 66:5,23 67:11,16 79:7,16 83:6, 11 84:1 89:9 90:22,25 92:14 93:23 94:1,25 96:18 97:8 104:7,8 110:2 111:14 112:23 118:12 120:21 121:2 147:19 152:17 159:5, 21 167:1,8 176:10,25 187:11	e-mailed 89:1	employees 13:4,25 101:23 154:4 155:1,12	established 127:20 146:14 163:6
documentation 57:16	e-mailing 129:24	employer 115:15,17	Ethicon 10:13,15,20 11:12
documents 13:17 22:11,22,25 23:8,12, 20,24 55:23 56:1,4,7 117:14 121:22,23,25 124:9,18 125:21 167:7 187:6,7	e-mails 20:1,8 29:6 47:24 48:23 49:11,16 51:19 53:16 55:17 66:25 67:4,19 73:19 74:6 75:6 108:15 137:21 138:14 152:9 154:3	employment 13:15	evening 68:5
dollar 79:12 135:15 141:6	earlier 21:17 59:12 70:8 74:15 127:20 137:21 146:8 154:3 160:17 167:13 175:7	end 39:5 45:15 51:20 77:3 80:22 123:18 125:17 130:1 138:12 140:1 141:7 144:17 145:3,4 171:17,19	evidenced 48:14
dollars 65:1 94:23 140:8	early 82:6 161:9	engaged 109:3	evidently 181:23
door 18:2,3 143:4,6,9	easier 150:9	enriched 172:18 173:5 174:3	exact 188:2
drinking 183:9	East 26:3	enrichment 175:7	EXAMINATION 5:4
drive 7:4,7 60:6	Eco-type 183:9	ensure 69:5	examined 5:2
drives 63:3	ECT 183:13	enter 81:19 167:15	exception 187:4
driving 62:25	education 9:18,22	entered 19:2 35:9 37:25 38:14,24	exchange 48:7 89:12
drugs 6:14	educational 8:15	enters 129:4	excited 60:7
due 86:23 88:9 89:19 91:18 134:23	Effective 99:15 135:20,22 136:3,6	entities 21:3 26:15,21 34:10 35:10 62:15 109:7 113:10 158:23 160:13 182:10 183:3	exclusive 179:18
duly 5:2	effort 61:4,13 62:1	entitled 72:20 84:21 86:4 97:15 127:18 129:6 130:13 134:13 135:4 138:22 162:20, 23 163:2,4,16 170:14 173:15 175:20,23 177:1	exclusivity 114:5
dwindled 97:2	efforts 59:25 64:2	entity 13:2 18:4 26:1 28:20 29:16 34:4 93:16 166:6 170:24 178:17	excuse 42:11,19
dysfunction 25:6	else's 153:19	epic 180:9	excusing 42:19
	emotional 176:3	Epifix 69:7	executed 49:24 50:8 51:16 136:2
		equal 72:20 129:6	executive 31:19
		equation 151:1	exercise 6:4 163:13
			exhibit 8:11,13 21:7,9 38:17,19 50:12 52:3 53:20,21 58:4,6 65:11 67:10,12 79:15,17,19, 25 83:25 84:2 89:10 90:23 91:1,24 92:15 93:24 96:14,19 97:9 99:6 110:1,3 112:24 120:12,22 121:1,3,17, 23,24 129:9,14,15 130:16,18 131:23 139:10,15,17 147:18, 20 148:16 149:25
			equal 151:19 152:18 159:3,6 161:3 167:2 173:22 176:11 187:11,18

Norman Lachapelle - September 26, 2017

existence 15:11	faith 80:10 108:9 109:2,7 126:15 142:7 164:11,21,23,25 165:25	finding 94:14	137:15 139:19 141:19 143:12 145:8 153:13 156:3 168:15 173:17 177:18 181:13 186:4
existing 153:6	falsified 156:21	fine 36:15 71:24 72:6 124:22 148:21 149:4	formal 53:12 56:14
expand 25:13 100:11, 15	familiar 103:11 108:12	finish 5:21 11:5 20:5 28:13 50:19 100:12 107:24 134:4 140:13, 20	formally 56:21
expect 50:2 94:5	farming 172:1	finished 59:22 121:7 140:19	format 68:11
expenses 175:11	fast 95:3	fire 174:12	formatting 67:3,21
expiration 144:9 161:10	father 169:24	Firm 58:14	formed 11:15 108:7
explain 6:3 25:22 46:9 59:18 108:24	favor 102:18	fit 16:21 41:3 43:14 44:21 117:7	forms 120:11 121:11, 16 125:2 160:3 173:12
explanation 143:15	feasible 181:25	five-year 51:14	forum 107:12
exponentially 180:5	Federal 26:14	Flip 71:22	forward 19:22 75:10 86:6 95:3 97:20 150:6 184:8
expound 88:3 98:12	Fedex 68:4	fluid 15:7 16:4,13	forwarded 61:21 68:16,18 74:6
expression 136:20	fee 48:11,17,24 65:14 68:4 72:20 129:6 130:14,20 131:6 134:10 138:8 162:20 164:21	fly 181:22	forwarding 70:12 75:6 157:7
Extend 132:24	feel 107:16	flyer 28:5,6,10,16,17, 18	fought 141:7
extensive 24:19	feelings 126:23	folks 99:24	found 105:14
extent 23:17 24:4 54:12 134:16 139:20 149:19 164:3 165:1	fees 85:5 129:1,11,24 130:24 134:12,13 164:4,7 175:12 187:2	follow 85:12	foundation 39:17 74:2,22 75:25 78:12 80:17 81:8 84:14 86:20 87:25 93:6 101:13,25
extremely 111:18,19	felt 77:2	follow-ups 91:14	102:8 105:8,14,21 106:2,19,20 107:4 112:16 132:5 133:19 137:16 145:9
<hr/>			
F			
facilities 181:17,18	Fest 103:12	force 141:12,14 183:1	founded 10:9 12:6 13:1
fact 18:17 39:13 47:5 61:15,16 66:21 78:15 80:11 88:10 98:5 115:23 122:21 124:2 172:4,12 174:6 180:20	field 9:20 16:1	forced 47:11,15 82:8 138:1	founders 11:25
factor 169:18	Fifteen 7:8	foregoing 167:19	four-page 145:25
facts 104:21 165:6,24 168:24 169:1,3,5,10 171:6,7 172:5 181:24 186:2	figure 89:22 91:11 125:5	Forest 9:16	Fowlkes 44:24 45:16, 18
factually 164:24	file 37:20	forget 28:5	Fox 110:22
failed 164:16	filed 5:8 37:19 58:12 118:3 120:25	forgot 17:18 28:21 53:5,7 65:8 89:3 171:15	frame 35:3 94:5
failure 49:3	files 55:18	form 10:1 24:4 26:19 30:17,25 33:6 36:7,18, 19 38:7 39:16 46:2 74:1,21 75:25 78:12 80:16 81:7 84:13 86:19 87:24 90:17 93:5 98:11 101:12,24 102:7 105:7, 14,21 106:2,18,20 107:3 108:19 112:15 116:19 122:22 123:24 132:4 133:18 134:11	Frances 187:11
fair 6:8,20 64:3 66:6 73:22 74:17 82:12 109:15 176:6	find 42:2 68:3 89:19 93:15 95:13 125:4	Francis 12:16 114:2,6 115:12,18 116:10 119:11,16,19 121:13 122:6,23,25 123:17,22 160:4 172:22 173:1 175:9 187:6	EXHIBIT 1

free 100:15	gave 8:7 55:24 65:18 142:13 166:16 170:7 188:8,13	61:21 67:1 68:17,18,23 73:12,18,22 74:8,10,19 76:15 77:11,16 79:20 89:13 90:20 92:2,20,21 138:14 157:5 158:6 167:21 169:9,15 170:18 171:2 176:17 183:24	happy 31:5 32:3 45:17
freedom 28:6,10,12, 16,17	General 167:20	hard 51:24 126:23 141:6	
Friday 153:2	generated 160:11	harm 103:7	
friend 15:12 24:10,11 73:15 75:21 166:4	generosity 176:23	harsh 98:4	
friends 24:15 75:19 126:21 158:8 166:2 185:22	genetic 183:21	head 26:20	
front 44:23 45:16 67:19	gentleman 20:2 154:6	heading 164:10	
fruition 181:20	gentlemen 172:15	heads 112:1	
frustrated 90:11 91:15 93:4 95:12,13 96:4,10	Georgia 16:15	heals 25:7	
frustration 90:13	Germantown 7:4 9:17	hear 61:9 87:25 96:9 103:2 141:8 146:14,15 151:6	
FSS 25:19 26:12,13,17 27:14 28:3,9,19 29:10, 24 30:3 31:23 32:4,7, 10,12,22,25 33:22,23, 24 34:17 36:13 37:4 38:11 59:23 69:11 87:4 92:9 98:16 108:8 139:7 178:1,18,25 179:16 181:15,16 182:2,3	get all 174:20	heard 26:10 110:21,23 146:15 154:21 155:21 156:17,20 170:17 174:16	
fulfill 84:9,10 179:6	give 5:15,21,22 6:10 8:9 36:19 53:13 55:19, 21,23 56:4 65:10 66:4 70:1 102:16,20 112:1 119:22,25 120:24 141:16,17,24 142:17, 18,21,24 143:10 144:2 166:18 184:5	hearing 17:6 144:1	
fulfilled 34:5 84:11,17 87:7 134:25	giving 5:24 56:2 142:7 166:15	hearsay 154:8	
full 6:24 30:6,8 86:4 128:5 144:15	goggling 17:4	heated 34:19 72:25	
full-time 13:13 88:19	good 16:21 24:15 25:4 80:9 88:17 126:15 149:16 151:10 155:24 158:8 166:4 171:18	heavily 74:10,12,13	
futile 163:13	goodness 107:6	held 153:9	
future 87:11 136:18 137:2	government 26:1,15, 16,23 27:1 33:1 34:4 179:1 181:18	helped 25:10 78:3 88:18	
<hr/>			
G			
G-A-D-S-D-E-N 24:14		helping 37:4 71:12	
Gadsden 24:11,13		helps 171:17,18	
game 109:15 147:8 151:10	graft 15:7,8 24:22	hereditary 183:21	
gateway 22:5	grafts 16:4,13	hereinafter 128:18 144:19	
gather 145:24	granted 116:14	hereof 144:8	
gathering 63:7	grapevine 174:18,19	hereto 129:9	
	great 27:11 34:25 94:8 115:2 116:9 117:7 126:21 166:2 179:21	hereunto 136:2	
	Green 26:4	hernia 10:13	
	greet 53:9	hey 34:20 47:17 53:13 65:10 74:25 88:8 94:21 113:25 114:16 155:6 179:21	
	Grisanti 12:2,4 23:25 29:18 39:7,14 46:15 52:6,14,18 53:17 57:20	hiding 96:15	
		higher 64:25	
		highly 24:20 76:24 104:19	

Norman Lachapelle - September 26, 2017

Hill 9:16	identify 109:20 167:13 168:25 174:24	infrastructure 169:11	introduction 34:9 37:2 61:5
hired 82:17 88:19 98:19 102:17 113:3 157:10 174:6 180:19 181:7	ignorant 140:2 II 131:11 ill 169:24 illegally 17:19,23	inhouse 184:15 initial 14:5 29:18 63:6 66:11 131:9 143:16 144:15 initiate 120:25 initiating 71:12	invoice 116:24 invoices 172:25 173:2, 12 involve 54:12 involved 10:4 40:1,11, 21 41:12,19 42:25 46:15 73:14 74:10,14 88:14 155:18 167:14 169:19 170:16 183:6, 24 irate 111:19 156:5 Irene 9:17 issue 19:1 71:19 84:5 86:16 127:15 130:23, 25 158:18 159:10,11, 22 issues 88:24 158:16, 19,25 159:1 Italians 157:24
history 71:3 166:1	immediately 97:21 115:2 152:24 177:15 180:19	ins 70:24 insight 151:16 instance 179:5 instruct 54:14,25 instructing 54:24	<hr/> J <hr/>
hit 16:18 115:2	imperative 5:17 imply 96:15 implying 96:11 improper 43:1 improperly 118:13	instrumental 37:4 intended 144:8 156:10 intent 72:7 intentionally 43:5,21 interchangeably 149:7	J&j 10:17 Jacki 89:5 91:25 92:3 95:8,18 111:15 January 37:19 Jeff 95:4,24 96:3 102:17 110:5,13,15 111:1 113:1,3,16 114:9,19 115:1,14 116:12,25 117:3,5,8 118:24 119:22 120:1,5 121:19 122:9,18,22 123:7,12,16 124:2,5 127:3 153:12 157:10 159:25 160:5 172:22 173:8 174:6 Jeffery 13:19 Jeffrey 13:20 95:5 Jim 31:16,18 job 18:16 34:15,22 82:17 98:19 136:15 139:4 143:1 145:12,14
holding 76:7,10,19	in-person 29:6 inappropriate 101:4 inaudible 14:6 include 73:18 80:10 179:19	interest 80:4 85:16,19, 22 96:8 175:5 included 80:11 Including 178:21 income 169:17 incomprehensible 6:19 incorrect 163:24 incurred 92:25 indemnity 133:5,6 independent 14:1 24:7 92:23 115:19 123:17 128:13 132:18, 21	
house 7:14,16 82:18 86:24 87:1 145:15,16	Indicating 119:3 individual 8:7 187:19, 25	interpretation 36:10 100:4 131:23 136:24 144:2,24 148:23 interpreting 161:1 interrogatories 167:6,12	
housekeeping 5:16	incorrect 163:24 incurred 92:25 independence 14:1 24:7 92:23 115:19 123:17 128:13 132:18, 21	interrogatory 167:13, 25 168:12 172:16 174:23 interrupt 6:2 44:19 interrupting 5:23 43:5 intimated 101:3 introduce 53:10	
Howard 183:17	information 94:3 122:3 131:2 161:8 162:7 171:6	introduced 16:3 23:10 25:16 33:19 34:11 71:4 74:16	
huge 26:16 32:21 63:2 156:22	informed 95:21 97:14		
human 186:6			
hundred 81:20			
Hunters 7:4,6			
hypothetical 123:3,4 173:6,18			
<hr/> I <hr/>			
i.e. 37:10			
ID 50:10 97:6 111:13 116:13			
idea 33:20			
identification 50:12 97:9 116:11			
identifies 167:21 169:2			

Norman Lachapelle - September 26, 2017

John 110:24**join** 13:10**joined** 115:19**joining** 10:11**Jones** 17:18 20:18
83:17,20**Jones's** 17:22 21:18
22:2**Judd** 12:2,4 23:25 24:1
25:24 29:18 39:7,13
41:19 52:6,14 55:24
56:2 57:1,20 61:21
66:25 68:17,18,20,23
69:3,6,8,14,21,23,25
70:5,6,8,19 71:4,7,22
72:5 73:3,6,12,18 74:8,
10,18 75:7 76:7,15,24
77:11,15 78:3,19 79:20
80:1,4,20 89:13 90:20
92:1,2,17,20 157:5,7,
16,21 158:8,10 167:21,
24 168:1,8 169:9,15
170:3 177:22**Judd's** 72:12 77:25
80:19**Judge** 44:23 45:16,17**June** 87:20 89:14,16
95:4,16 132:1,2 135:13**K****Kennesaw** 16:15**Kentucky** 25:17,25
26:2,4**Kevin** 17:18,22 20:18
22:2 83:17,19**keys** 133:16**kibosh** 184:7**kind** 6:5 11:17 16:23
17:13 18:2,10,21 19:19
21:11,17 25:18,20
28:22 60:19,24 70:2
85:7 87:19 90:15 98:24
104:11 114:5,8 125:5,7
126:20 150:16 151:7,8
176:21 180:6 183:9
185:3,20 186:1**knew** 24:15 25:2,3 26:6
40:10 61:12,25 70:24
72:14 77:25 78:1
80:18,19 90:5 137:23
169:13 185:16**knowing** 187:21**knowledge** 169:1,2,4,
9**L****L-A** 7:2**Lachapelle** 5:1,6 6:25
7:1 8:13,16 9:4 12:1
21:9 38:19 46:13 50:12
52:3 57:9 58:6 59:2
67:12 68:24 73:16
79:17 84:2 89:10 91:1
92:15 93:24 96:19 97:9
110:3 112:24 120:22
121:3 125:1 127:10
141:3 147:20 152:18
155:6 159:6 167:2,21
169:3 176:11 187:14
188:16**lady** 89:2**language** 66:21 98:4**largest** 90:17**lashed** 157:1**late** 88:2 93:12**law** 58:13 175:22**lawsuit** 5:7 19:18
22:13,17,19,25 23:10,
13 58:12,15 71:19 78:6
85:3 118:7 120:7,25
122:2 127:15 130:12
132:11 133:17 134:12
170:23 172:13 175:18
186:3**lawyer** 30:22 36:9
55:25 56:2,6,8 98:18
109:1 131:17 133:2,23
134:18 139:23 144:23
157:8 163:11 168:14**lawyers** 111:25
157:13,14,17 158:5,6**lawyers'** 187:2**Lazarini** 23:21,23
58:13 168:14**Le** 12:15**leading** 65:24 104:21
146:5 186:14**learned** 17:3 63:20**leave** 81:13 125:8**leaving** 7:15**led** 66:14**left** 10:20 22:4 104:18
125:1,3 126:17**legal** 47:18 58:15
108:10,25 118:16
134:17 139:20 164:24
165:2 167:18 168:6
176:5**legally** 73:8 91:17
123:15**letter** 20:20 146:24
147:23 148:1,9 150:11,
15 151:18 152:14,20,
23 153:4,22 172:7**letters** 111:25**level** 180:12**Lewis** 5:13**libbed** 61:17**license** 34:3**life** 60:10 62:4 63:25
64:1,6,10 66:12 152:6**lifetime** 179:22 182:16**Lindsey** 31:16,18,22**list** 117:22**listed** 7:21 168:24
173:12**Listen** 40:25**listened** 77:4**literally** 105:15**lives** 24:11,15**living** 170:1**LLC** 5:9 13:3 127:19**located** 10:25 12:7**locations** 12:20,23
26:21**logistics** 24:25**long** 6:5 7:6 64:11
72:16 85:10 124:21
169:22 175:21,24**long-term** 152:4**longer** 20:22 126:18
169:18 184:15**looked** 73:19 93:18,20
137:21 146:4,8 148:16**lose** 34:23 151:23,24**lost** 156:23 181:8**lot** 18:22 20:24 25:21
61:13 62:1 63:3 76:25
77:1 86:15 90:14
117:16 150:8 166:5
180:18 182:14 185:22
186:12,13,15**loud** 103:24 151:5,7**lucky** 155:23**lunch** 99:12**M****made** 25:24 29:22
34:8,23 51:25 52:21
77:21 80:22 82:21
108:6,9 156:17 176:22
186:25**mailer** 28:17**main** 14:18**maintain** 81:12 157:21**make** 6:19 21:3 43:13
44:8,11,12,20 53:19
56:14,17,19 57:3 69:1
86:2 107:16 117:12**literally** 105:15
lives 24:11,15
living 170:1
LLC 5:9 13:3 127:19**makes** 29:18 69:14
80:12 135:15 150:8

Norman Lachapelle - September 26, 2017

making 41:2 61:5 65:3 71:2 90:4 94:22 107:9 120:4 163:8 170:22 171:2	means 72:10 91:13 106:11 133:1 139:24 145:10 162:25	meant 30:14 72:11 136:18 157:3	Med 12:16	
man 166:19 178:8	medical 12:16 16:1 177:11	medicine 11:23	Medicraft 65:13 130:22,23	
manner 91:21 156:1 174:25	meet 16:8,24 18:6 53:9 57:17	meet 16:8,24 18:6 53:9 57:17	Mid-south 14:23	
manufacturer 178:17	meeting 52:9,10,12, 14,19,23 53:3,5,12 57:13,14,15 75:3 102:22 177:15 180:17, 21 181:7,8,9,12	meetings 34:12 73:17 74:7	middle 67:5,22 71:16 96:13 178:8	
manufacturers 182:6	memory 59:6 65:23	Memphis 8:19 11:4,9 12:10,14,21,24 14:17, 18 15:9,15 16:22 17:9, 15 18:7 20:21 21:24 24:20 83:19 102:5,9,23 103:6,7,11 146:12 151:6,13 165:18 183:14,15	Midsouth 14:20 94:11	
Marascalco 90:2 96:23 97:1	mend 22:3 185:14	Mike 16:17,24 17:8,16 18:6 28:1 29:1 51:9 52:6 53:17 61:11,22,24 62:25 63:1 64:24 67:1 68:1 69:19 70:6,13,16 71:7,23 72:4 73:14,15 75:17,22 76:15 79:21 89:12,18 90:20 91:3 102:4 110:12,22 111:4 112:8 114:4 143:21 151:20 158:9,15 159:8 166:3 172:2	Mike's 64:23	million 51:13 63:3,16 79:12 80:3 84:8,22 86:3,7,12 108:6 131:7, 12,25 161:9,16 162:9, 12,15 163:21 185:24
marked 8:13 21:9 37:20 38:16,19 50:12 52:3 58:4,6 67:12 79:17 84:2 89:10 91:1 92:15 93:24 96:18 97:9 99:5 110:3 112:24 117:22 120:22 121:3 126:2 147:20 151:18 152:18 159:6 167:2 176:11 187:17	mentioned 54:3 62:22 63:5,6,22,23 91:25	millions 94:22	Mimedx's 70:7,25 71:3 111:14 160:6,8 163:1,23 164:10,20	
market 69:5	message 157:7	Mimedx 5:7 16:9,11, 16,20 17:3,6 18:8 19:18 20:3,9,14,23	mind 87:10 114:13 131:18 134:22,25 143:20 154:13 182:8 186:13	
married 8:25	met 16:17 53:4,9 86:8	21:4,14 24:20,23 25:19 26:23 27:4,8,11,20,25 28:19 29:4,10,13 30:4 31:12,24 32:4,19,23,25 33:18,19,23 34:8 35:9	mine 52:22 64:19 69:24 166:4	
master 90:16	Methodist 12:15		minute 37:24 67:14 70:16	
master's 9:24	Mid 5:8 9:16 10:6,9,11 11:13,14,25 12:18 18:5 20:25 22:10,13,16 23:13 24:1,8 25:13 26:11 27:6,9 33:3,17, 18 34:17 35:24 37:11, 19,25 38:4,22 39:1 59:7 65:24 69:21 73:4, 6,10,16,23 74:20 75:4, 6 76:8 77:22 78:1 80:5,		minutes 42:23 70:6	
materials 51:6				
matter 26:18 34:2 94:2,13 134:23 145:6 186:24				
matters 23:7				
maximum 135:5				
meaning 22:11 26:14 63:25 83:9,12 104:5 119:13 147:10 148:13				

Norman Lachapelle - September 26, 2017

82:25 111:21	msbiologics@yahoo.com 49:14	Norm's 71:11	objected 30:25 33:23 105:15
misappropriation 125:8		Norman 6:25 12:1	objecting 42:20 107:9, 14
misinterpreting 156:6	<hr/> N <hr/>	normlachapelle@yahoo.com 49:9 59:2	objection 33:6 36:15, 16,18,22 40:13,18,19 41:8,14,16 43:11,13 44:13 46:1,3,8,17 48:20 56:15 74:1 75:24 96:5 103:23 105:7,11, 13,15,21 106:2,18,19 107:3,10,12 137:15 188:19
misjudge 186:10	names 13:5 102:1	Nos 132:23	objections 41:2 42:6 43:13 44:9,11,13,21 107:16 167:18,20 172:19
misrepresentations 77:21	narrow 134:9	note 37:20 40:18 49:3 56:17,19	obligated 144:18 164:12,15 165:10
misstated 31:5	national 10:3,5	notes 57:11	obligation 34:6 38:10 59:22,24 72:14 87:7 136:23 164:16 175:20
Misstates 33:7	nature 35:21 103:10	notice 7:18 8:6,8 98:9 99:16 100:18 104:20 136:7 144:5 148:9 187:17	obligations 134:25 144:11
misused 123:1	necessarily 160:5	noticed 8:6 187:19	obtain 27:3,6,7,10
mixed 151:8 157:24	needed 6:11 14:14,16 27:13 82:19	number 8:13 21:9 32:25 33:2 34:3 38:19 50:13 52:3 58:6 67:12 79:17 84:2 89:10 91:1 92:15 93:24 96:19 97:10 110:3,11 112:24 119:10,12,24 120:22 121:3 122:13,16 132:18 133:5 147:20 152:18 159:6 167:2 168:18,21 176:11 181:16	obtained 172:20
model 14:9 15:3,17	negotiated 47:4 147:14	numbered 66:24	occur 67:8 102:19 126:16
moment 9:19 79:20	negotiating 40:12 74:19 75:5,21 81:1,5 111:8 138:15 141:2	numbers 22:7 91:3 92:3 180:9	occurred 17:4 52:10 172:15
Monday 79:25 104:2, 13,17 146:22 151:13	negotiation 40:6 65:24	numeral 131:11	occurring 47:9
money 52:1 82:21 91:22 122:24 155:20 166:14 170:22 171:3 173:2,11,15,24 175:7, 17,23 180:12,13 187:1	negotiations 29:23 40:1 41:12,20 42:25 46:15 47:4 50:25 66:1 75:13 80:8 81:12,14, 17,19 137:8 138:13 180:14	<hr/> O <hr/>	off-and-on 169:24
month 65:4 90:1 129:25 130:2 160:12	nerve 25:5,7	oath 56:19	offense 104:23,24
monthly 96:24	net 142:9	object 24:3 30:17 36:7 38:6 39:16 40:23 42:8 46:1 48:10 54:10 74:21 78:11 80:16 81:7 84:13 86:19 87:24 93:5 98:11 101:12,24 102:7 103:16 106:20,23 112:15 118:15 123:2, 24 132:4 133:18 134:16 138:17 139:19 141:19 142:10 143:12 145:8 156:3 164:2 165:1 168:15 170:15 173:6,17 176:4 186:4	office 126:20 179:9
months 26:18 34:3 87:6 88:10 144:15 161:11	neuro 11:23	Norm 5:1 58:18 59:1 60:17 68:3,24 70:17 71:24 72:7 73:16 95:16 141:3 155:7 167:21 169:3 181:24	Olive 13:21
mouse 109:15	nice 71:12 182:9,12		open 22:5
mouth 106:11	Non-compete 133:9		opened 18:2,3
move 7:9,12 184:8	non-exclusive 128:13		operating 183:22
MSB 71:22 89:19 111:6 167:14,20 168:23,25 172:19	Non-human 11:20		operation 184:11
MSB000008 67:17	Non-solicitation 133:10		operations 171:13
MSB000039 22:8	nonsuited 58:16		opinion 70:2 73:14 74:25 75:15 76:23 78:22 95:2 98:18,21 131:17 153:16 185:21
MSB10 67:24	nonthreatening 114:15		
MSB34 58:9			
MSB37 89:7			
MSB47 152:11			
MSB7 66:24 73:6			
MSB9 68:14			

Norman Lachapelle - September 26, 2017

opinionated 72:13 76:25	pain 176:3	116:25 117:8 119:16, 19 138:3 164:12,13,15, 16,18,19 175:20	60:10,18,21,23 62:3,4, 21,22 63:4,5,6,9,10 65:15 66:7,8,12,17 68:25 70:3 71:8,14,15 75:14 77:13,23 78:8 80:14 81:20 84:8,21 87:13 91:7 116:25 117:3,8,11,12 119:22 120:1 131:6,25 143:21 170:8,9
opinions 77:4	paint 87:1	payable 129:11	percentage 25:12 34:21 60:2 63:24 64:25 71:20 72:21 78:23 82:22 85:6,7,8,10 111:6 117:5 120:1 129:7 130:14 137:20 177:2 180:14 182:10, 13
opportunity 34:25 129:17	painted 82:18 145:15, 16	payment 88:24 89:23 97:14 98:6 135:4,5,12	percentages 50:3
option 141:15 142:7	painting 86:24	payments 84:5 87:23 88:2 89:20 91:18 129:25 130:5 144:12, 18 164:17,18	perfectly 31:5
options 62:6 142:14	paper 13:22 143:18	payroll 14:2,3 160:6,8	perform 164:22
order 88:21 91:21 98:24 111:7 116:18 120:11 122:22 124:10 125:2 160:3 173:12 179:15	paperwork 165:20	Peel 11:5 20:5 22:14, 17,20,23 23:1,4,14,17 24:3 28:13 30:17,21 31:2 33:6,11 36:7,21 38:6 39:16 40:13,25 41:14,21,25 42:4,11, 16,22 43:2,6,12,17,25 44:8,14,20,25 45:4,10, 14,19,24 46:4,9,17 48:10,24 50:19 53:19 54:10,21 55:2,6,23 56:4,13,14,20 57:4 74:1,21 75:24 78:11 80:16 81:7 84:13 85:13,17 86:19 87:24 93:5 96:5 98:11 99:5 100:12 101:12,24 102:7 103:16,23 105:7, 22 106:22 107:2,8,15, 20 109:21 112:15 118:15 123:2,24 124:13,22 125:16,23 126:2 132:4 133:18 134:4,16 137:15 138:17 139:12,19 140:13,15,19 141:19 142:10 143:12 145:8 149:13,17 150:1,8 155:2 156:3 157:15,19, 23 158:21 159:2 163:12 164:2 165:1 168:15 170:15 173:6, 17 176:4,8 186:4 187:13 188:21	period 15:22 40:6 49:13 51:14 61:7 94:18 129:8 130:17 131:8 132:1 134:14 135:10, 13 144:16,20,22 152:2 161:10,20 162:2,3,10, 13 163:22
orders 16:6 171:10 178:23,24 179:2,6	Part-time 13:14	partnership 26:19 27:12	periods 131:13
organization 28:10	parties 23:6 33:10,15, 16 34:25 36:11 38:21, 24 71:1 129:8,16 135:25 152:22 180:3	partner 13:7 183:16	person 8:2 16:17 28:7 32:18 39:21 69:9 73:8 89:4 93:10 95:21 114:16 116:21 118:23, 25 167:17 185:10
original 55:12	parts 25:15 27:12 50:7 178:3 181:14	Party's 144:21	person's 28:21
originals 55:21 68:5	party 34:13,14,19 36:6 94:15 99:15,17,20 136:6,8 144:4,5	passed 95:22	personal 125:18 188:9
outline 51:11	passion 69:7 76:25 108:1	passionate 107:25	personally 51:8 112:7 188:16
outs 70:24	patient 117:20 118:20 119:6,7,9	patiently 112:10	persons 167:14 168:25
overemphasize 66:20	patients 11:24 124:8	pertaining 139:2	pertuses 19:23 48:9 58:7 67:16 79:7 83:11 90:22 159:21
override 30:11,12 52:13 59:16,17,18,19 60:1,2 61:6 64:25 65:11,12 70:18 94:6 158:17 159:22	Paul 125:15 188:19	PELL 105:25	Pete 48:2,5 52:5 53:9 60:17 61:8 69:19 71:8 74:7 80:1 83:7 152:12
overrides 97:18	pay 60:2 85:11 94:23	people 5:19 102:11,13	
owe 85:6,10 108:5		percent 25:12 50:3 51:15,19 54:3,4,5	
owed 82:23 142:5			
owner 15:13 168:19			
owns 183:10			

P**P-I-R-A-N-I** 24:13**p.m.** 68:14 189:2**pages** 39:5 67:20**paid** 84:25 88:9 90:6
91:20 93:15,17 94:15
122:24 123:6,15 128:5
130:1 135:8 142:5
160:6 173:2,3 175:8,18
176:17

Norman Lachapelle - September 26, 2017

172:4,5,10,11	186:19	pride 186:20	promote 128:13
Petit 48:2,5 52:5 53:9 74:7 83:7 152:12 172:5,11	points 69:14	prime 174:15	proof 135:11
pharmaceutical 26:1	poor 143:1	prior 10:11 23:21 35:17 55:19,25 56:2 115:15, 16	proper 46:1,3,7
Phoenix 177:22 181:10	position 75:12 76:4 78:7 84:4,11 86:3 98:23 120:8 163:1,23 173:4 187:5	prisons 26:16	proponent 32:21 69:25
phone 16:25 29:8 78:17,18 97:22 99:24 102:14 103:14 104:3 111:18 146:13,21 152:24	positioned 98:15	privilege 35:16 54:13	propose 61:8
phrase 77:20 104:4	positive 71:23 72:6	privileged 54:20 157:17	proposed 70:13
physical 10:4	possibility 177:5	problem 6:22 30:25 71:15	proprietor 13:3
pieces 90:15	possibly 16:22 142:9	problems 154:19	proprietorship 13:2
Pirani 24:11,12,13,16, 25	pot 104:5	process 96:4	Prosect 131:10
place 29:11 52:9,23 87:21 89:15,17 173:9	potential 177:5	produce 22:24 23:5,24 49:4 116:4 117:16 120:14,16 122:12 124:9	prospect 65:15 128:17 129:4,8,12 130:21 131:8 139:17 144:13, 16
places 18:16	practice 25:1 114:8	produced 22:12,15, 18,21,23 23:8,13 48:12,18,23 66:25 67:2 68:12 79:5 94:2 152:10	prospecting 25:17
Plaintiff's 167:5	practices 113:10	product 14:22 19:6 25:9 26:24 27:17,20 54:13 65:6 69:7 70:25 110:7 114:1,14 115:10, 20,24 116:19 118:22 119:13,14 121:11 122:4,13,15 123:5,21, 23 131:7,9,12 153:15 160:2 162:4 178:14 179:17 182:6 184:25	prospective 128:15
plan 7:16	prefer 42:17	production 22:11 167:7	prospects 128:18 139:16
planned 113:20	preference 5:24	products 14:10 33:19 65:15 87:21 92:8 121:13 128:14,15	prosper 152:22
planning 7:12	preparation 57:18	129:5,7,12,21 144:13, 14,16 161:19,23 162:9, 13	prostatectomy 25:5
plans 7:9	present 39:23 176:9	professional 127:8	protective 124:10
play 34:21 62:18 136:15 147:8	presentation 26:6	profitable 152:1	prove 78:17 158:10
played 109:15	presented 184:13	profiting 69:10	proved 182:4
player 153:24	presents 148:11	profits 32:20	provide 14:10 27:16, 19,20 92:7 144:8
players 169:13	president 48:6 78:2	program 10:4 185:2	provided 61:5 122:4 128:14 129:10 167:5
playing 151:9	pretty 16:3,5,18 17:6 18:17 21:21 25:8 47:16 51:21,23 66:2 71:1 78:25 79:2 82:8,13 90:4,5 93:13 94:21 96:25 98:3,4 104:4 109:4 137:5 141:7 143:25 147:14 150:25 155:24 158:12 165:19 169:12 180:21		provider 181:15
pleadings 78:6	prevailed 17:21		providing 23:20 91:3 92:1
pled 176:8	previous 48:17 54:16		provision 99:4,13 100:5,9,14,16,20,23 101:9,18 128:22,25 129:23 132:9,20 133:7, 15 134:11,12,14 135:18 139:16 144:7
PO 116:24	previously 128:15		provisions 130:7,8,11 137:1 144:8
podiatrist 65:3	price 116:23		punctual 93:10
point 6:7 32:4 37:1 62:23 73:3,5,10 82:12 87:20 89:14,21 90:12 91:15 92:17 93:3 94:10 95:24 96:4 97:13 131:3 137:20 145:21 147:15 150:5 155:24 185:19	pricing 69:10		purchase 161:19 162:4,8

Norman Lachapelle - September 26, 2017

purchased 161:9,23 162:8	149:16 156:14 165:3,4 168:16 173:18 186:5	20 50:4,5,24 51:8 52:7, 10 53:18,25 55:22 58:11,14 67:6,7 70:7, 11 79:6 83:8 97:25 98:2 102:4,9 109:24 111:11 113:4,5 146:9 147:25 152:2 169:7	referred 144:19 150:3 176:2
purely 112:22	questioned 151:3	receive 33:22 35:18 62:6 85:22 87:9 97:12 153:5 162:20 173:11 177:25	referring 19:2,10 149:11,18 150:7 153:7 165:14
purified 183:8	questions 5:13 6:15 8:2 43:7,8,9,19 44:2,3, 4,15 45:1,4,11,20 46:11 68:7 108:18,22 150:2 176:15 187:3,10, 13 188:2,14	received 34:3 35:4 47:9 49:16 57:15 60:3 63:17 65:16 84:5 89:24 127:24 129:25 131:2 138:21 150:11,14 151:18 152:15,20 173:21 176:18	refiled 58:16
purpose 52:11 157:12	quick 54:8 82:24	receiving 49:11 82:5 87:22 147:25	reflect 129:16
purposes 50:10 97:7 111:13 149:23 187:8	quote 153:17	recollect 28:7 56:12	refresh 59:6 65:23
pursuant 127:24 176:20 187:17	quoted 94:8	recollection 50:7	refusal 164:22,23
pursue 126:17	R	reconstruction 10:22	refused 164:13,19
push 78:3 143:9	raised 62:20	reconvene 187:8	regenerative 16:12
pushed 143:7	range 61:7 182:23	record 7:1 23:9 31:3,5 36:24 42:14,17 56:15 80:21 86:2 108:19 112:7 138:13 148:18 149:8 156:14 163:20	Regional 12:16
pushing 142:20	rate 92:8	records 122:23	regions 177:24
put 15:8 24:22 25:7 26:11,17 32:10,12 56:18 59:22 90:14 106:11 130:10 168:12 184:6 187:21	read 36:21,23 41:18,22 42:1,22 43:3,8,9 44:1, 2,12,15,25 45:4,5,10, 19 46:5,10 57:11 61:24 65:22 66:16 67:15,17 68:8,10 69:12,13 76:13 88:8 100:20 128:20 129:3 131:23 134:1 136:9,10,13 139:8 144:3 156:13	recover 170:13	reimbursement 113:19 115:9 185:1,3, 5,6
putting 25:4 64:3 182:10	reading 45:6 64:21 121:6 131:18	redact 54:11	reiterate 123:6 133:20 165:8
Q	reads 39:7 68:3,24 80:1 129:10 144:6	redacted 54:9,15 55:5, 9	related 97:17
qualms 150:22	Reagan 94:9	redo 137:24	relates 108:16 120:7 139:9,10,15,16
quantities 180:4	real 54:8	refer 130:16 135:10	relating 55:18 91:4 101:19 132:20
quarter 91:5,9	realistic 61:7	referenced 17:17 35:24	relationship 30:1 31:23 34:7 38:3 116:9 127:6,8 169:21 170:4 179:21 185:14
quarterly 90:1 93:17 94:15	realize 102:13 126:16	references 164:13	relationships 22:4 52:20 126:22
question 5:14,20,21, 25 6:2,7,9,18,21 11:6 28:14 30:18,20 31:14 33:7,11 36:8,15,24 38:7 39:17 40:16,19,24 41:1,5,7,8,9,11 42:5,9, 10,15,20 45:5,7,9 46:5, 13,14,20 48:22 50:20 54:15 55:6 63:18 74:4, 22 75:25 78:12 80:17 81:8 86:20 87:25 93:6 100:11 101:13,25 102:8 105:12 107:20 112:16 123:25 128:3,7 131:5 132:5,23 133:19 138:18 139:13,20 140:16,18,20 141:20 143:1,2,13 145:9	reason 104:20 108:14 143:11,14	referencing 148:25	relevant 106:13
	reasonable 60:18,24 66:8 80:12 82:12	referral 65:14,20 68:3 72:20 129:1,6,11,24 130:14,20,24 131:6 134:10,12,13 162:20 164:21	remains 164:15
	recall 13:5 17:2,17 19:15,24 20:4,19 21:15 23:20 35:2,22,24,25 36:2 39:8,12,25 43:23 46:14,22 48:8 49:6,19,		remarks 71:24 72:6
			remember 50:15 79:8, 9,10,13 135:14 167:24 176:22
			remembered 20:17
			Repeat 23:16
			rephase 38:8
			rephrase 74:4 93:9 137:10
			reply 69:20 70:17

Norman Lachapelle - September 26, 2017

report 160:10	responsible 154:11	run 7:4,6 67:5	sell 18:13,14 19:5 26:15,22,25 27:4 33:1 34:4 70:25 104:10 113:9 114:7 115:5,8,20 147:11 162:12,15 166:6 174:10,13,16 178:13,15 180:4 181:17
reporter 5:14 36:23 156:13	rest 69:12		
reports 96:24	restate 30:18 77:14 158:1 165:4		
represent 22:7 37:17 64:14 112:19 147:22 175:17	restaurant 70:20,22		
representative 10:14 73:4,6 76:8 113:17 154:14	restrictions 18:12		
representatives 101:22 112:13	restructuring 83:18		
represented 58:14	result 38:1		
representing 73:23, 25 114:1 123:7	retained 56:5		
represents 22:10 175:14	return 47:12 51:24 68:6		
Reptrax 116:10	returns 129:22		
request 23:5 71:11 164:3 167:7	revenue 15:25 61:14 62:2 65:9,18 182:19,25		
requesting 188:7	review 57:22		
requisite 161:16	reviewed 7:21		
residual 144:20,22 182:15	revisit 125:10 187:6		
resold 129:13	rewarded 59:25		
resolve 152:21	ridiculous 43:15		
respect 48:15 129:16 131:24 132:12 144:12, 22 147:5	right-hand 22:8		
respond 61:19 111:3	rightfully 109:16		
responded 31:4 58:24 63:1 172:11 188:14	rights 80:5 102:20 123:16 124:8 179:18		
responding 61:1	road 175:24		
responds 110:12	role 24:1,8,9 25:13 34:17 77:25 78:1 80:19 167:17 171:20		
response 14:7 22:12 27:2 32:2 49:1 58:25 61:11,15,19 69:22 70:13 76:6 89:8 114:18 122:14 136:1 142:15 143:5 152:16 168:13 170:10 173:13 175:3	Roman 131:11		
responses 167:5,25	Ron 69:15 70:18 71:14		
	Ron/thad 64:25 65:2 71:18		
	Ronald 94:9		
	room 160:22		
	routines 13:8		
	rude 93:13		
	Rule 7:18 8:6 187:22, 23		
	rules 5:16 46:6		
		run 7:4,6 67:5	
		S	
		S-H-I-T 104:5	
		Saint 12:15 114:2,6 115:12,18 116:10 119:11,16,19 121:13 122:6,23,25 123:17,22 160:4 172:22 173:1 175:8 187:6,11	
		SAITH 189:3	
		salaried 160:9	
		salary 51:12,13 78:24 143:23,24	
		sale 129:5 131:9 144:15 174:22	
		sales 10:13 31:19 63:4 84:8,21,22 91:4 96:16 97:2 115:3 117:12 129:7,12,13,18,19,20 131:3,7,12 132:1 144:12 160:11 180:8 183:1	
		Saturday 153:3	
		save 71:13	
		saved 55:25	
		schedule 26:12,14 56:25 97:15	
		scheduled 187:15	
		Schmidt 110:24	
		Schultz 104:3 110:13	
		science 8:17 9:21 70:19 71:4	
		Sciences 15:14	
		scope 56:16	
		Scott 13:7,10,17 88:14 94:3 95:5,10,24 96:15, 21 98:2 111:19,24 129:24 155:21 156:17 171:6	
		section 96:1 129:1	
		seeking 163:19 175:15	

Norman Lachapelle - September 26, 2017

ship 14:17 110:6	significant 96:25 115:3	sole 13:1,3 17:14 20:20 21:4 83:19 178:1,4 179:18	specifics 87:16 134:2
shit 66:21 78:9	signing 39:9,12,15,21 165:15,22 167:24 168:8	solely 14:12	speculation 96:6 103:16 112:22 142:10 143:13
short-term 152:3	simple 135:17	solve 102:24 185:13	spell 7:1 10:23 24:12
Shortly 13:11	simplify 18:24	something's 186:19	spent 90:14
shot 180:15	Sims 58:13	sought 170:23	spite 105:1,5,19,20
shouting 103:1	singen 72:8,10	source 178:5 181:13	spoke 17:7 24:24 80:1 158:16
show 14:13 19:21 32:18 37:16 46:7 48:7 52:4 53:15 66:23 79:4 83:5 90:19 91:23 93:12 95:3 99:18 117:15 118:12 120:15 121:16 122:23 152:9 157:8,13, 16 158:4,6 160:11 185:1	single 139:6	south 5:8 9:16 10:6,9, 12 11:13,14,25 12:18 18:5 20:25 22:10,13,16 23:13 24:2,8 25:13 26:11 27:6,9 33:3,17, 18 34:17 35:24 37:11, 19,25 38:4,22 39:2 59:7 65:24 73:4,6,10, 17,23 74:20 75:4,6 76:8 77:22 78:1 80:5, 13,25 83:18 92:18,20, 23 93:3 94:2,11 97:18, 19,22 99:25 100:17 101:11,22 102:18 104:22 110:7 111:19 112:13,19 115:25 116:1,2,12,16,20 119:17,20 120:5 121:11 122:22,24 123:8,10,13,17 124:1 126:9,24 127:3,19,21 128:23 130:7 135:12 141:3 145:18 152:9 153:9,10,14,17 154:14, 22 162:19,22 163:2,22, 23 169:11 170:3,21,24 173:3,15,23 174:7 177:19 187:16 188:9	spokesperson 28:8
showing 108:20 109:18 111:12 147:17 157:4,12	sit 44:19 104:2	South's 69:22 84:4 118:13 120:8 121:14 123:1 164:20 182:18	sport 151:10
shown 38:10 159:15	situation 48:2 82:16 172:23	Southern 183:19	sports 11:23
shows 117:16 124:5 135:12	skin 11:24	speak 21:1 82:18 89:19 97:23 99:25 136:20 174:12 188:5	spreadsheet 92:8
shutters 145:16	skyrocketed 180:8	speaking 80:6 128:23	stack 117:14
side 147:1	Slapped 116:14	spec 140:11	stamina 6:5
sign 47:12,15,20 51:23 62:9,12 66:18,19 68:5 71:24 72:8 76:11 77:23 79:3 80:9 82:3,9,14 104:6,14 109:5,7,8,10, 11 119:5 137:6 138:8, 10 140:4,6,24,25 141:9,15 142:2,16,17, 20 145:21 146:16 147:15 165:9 166:8,24 168:1,7	small 108:3 182:1	specialist 10:22	stamp 37:20 48:15 49:2
signatories 167:22	so-called 87:13 90:14 174:9	specific 8:3 91:19 145:12 161:6	stamped 48:14
signature 39:5,6,10 117:17 120:16 123:10 124:2,6 127:22 135:24 189:4	sold 15:13 69:6 86:2, 12,15 87:22 92:9 116:19 121:11,13 144:14 161:15 162:18 163:21 180:6	started 11:13 12:12 15:6 16:21 30:7 88:23 94:10 115:3,9 132:6 180:8 182:3 185:23	standing 40:17,18 43:10,12
signed 18:9,20 19:5,14 39:1,20,23 47:7 85:23 91:17 105:3 109:12 111:7 116:1 118:23,25 127:20 137:22 138:25 142:19 146:3 168:4,5, 11		starting 17:7 67:24 68:14 90:11 93:3 121:5 161:7	standpoint 164:24
		starts 110:5,10	stands 34:6 160:25
		state 6:24 8:19 36:15, 19 42:5 47:5,11 99:19 152:19 167:16 168:21 172:16,19 174:25	start 6:1 19:21 67:18 72:3 127:17 136:4 152:10 187:18
		stated 18:11 36:12,17 62:14 165:3	started 11:13 12:12 15:6 16:21 30:7 88:23 94:10 115:3,9 132:6 180:8 182:3 185:23

Norman Lachapelle - September 26, 2017

statement 137:5 141:10	strong 17:9 struck 16:23 strung 175:21 stuff 56:11 105:17 149:18	surgery 12:13,14 116:15,18 123:21 surgical 14:14,19 surprise 103:3 survive 144:10 swinging 72:14 sworn 5:2 system 116:11 119:11 183:7	150:12 152:12 155:22 156:7,8,25 158:16 172:2,4 Taylor's 99:23 team 97:16 153:24 Technically 112:20 Technologies 20:18, 22,25 22:1 telephone 29:5 47:21, 22 telling 54:24 69:16,21 76:13 102:4 111:16 138:6 143:3 157:13 tells 31:22 95:15 96:15 97:16 tendon 11:24 Tennessee 7:5 9:17 12:10 17:9 24:20 26:3 term 58:15 99:13,14 128:18 133:15 134:11, 15 135:19 136:4,5 138:20 139:16 144:17 175:6 terminate 86:18,21 87:8 97:24 98:6,14 99:15,20 100:1,17 101:6 126:13,19 136:6 138:10 139:11 144:4, 11 145:7,14 terminated 62:13 81:25 100:7 101:11,18 104:24 111:5 123:8,18 124:3 126:13 146:25 147:6 150:17 165:21 terminating 101:5 159:19 termination 87:7,10, 17 98:21 101:14 104:20 136:14,17 137:1 144:7,9,10 145:10 146:6,9,24 147:22 148:10 151:18 152:14,20 159:13 160:16 164:14 terminations 160:16 terms 6:6 40:12 46:24,
states 54:6 70:2 157:9, 10 158:13 160:19 167:18 174:23 177:1 stating 20:20 100:9 116:19 146:24 147:3 153:22 172:8 status 153:10,18 160:1 statute 109:1 Stayed 182:21 staying 7:13 steady 15:25 16:3,6 182:21 step 182:13 stepped 82:20 sticker 119:6 sticking 141:10 stipulate 161:25 stipulated 162:12 stock 62:4,5,6,21 104:15 109:11,12,13, 14 138:11 166:9,11,18, 19 stocked 160:4 stocking 159:24,25 stone 87:12 stood 186:17 stop 44:22 185:25 stopped 86:6 90:3 storing 17:19,22 straight 23:9 straighten 88:20 straightened 88:21 strange 67:4 strategic 26:21 strength 10:3,5 strictly 155:19 strike 121:12 141:13 154:23	submitted 63:11 subpoenaed 57:25 subsequent 131:13 subsequently 129:13 substantial 166:14 substantially 16:5 succeed 62:15 successful 15:21 85:3 sudden 102:13 sued 118:7 163:7 suffering 176:3 suggest 42:4 suggested 54:2,5 63:9 suggesting 69:23 suing 84:7,9,20 132:15,19 Suite 9:17 supplier 30:10 146:17 supply 26:12,14 support 29:25 118:11 supporting 14:19 178:18 supposed 35:19 47:8 115:10 150:22 surely 160:19 surgeons 153:6,11 surgeries 153:15	T T-A-Y-L-O-R 140:14 table 74:15 107:21 124:16 125:9 186:22 takes 15:2 taking 29:10 Talbott 183:17 talk 5:17 47:14 57:20 58:21 72:22 73:2 87:15 89:4 104:2,12,17 124:13 125:21 126:1 128:25 134:2,7 146:21 161:6 talked 24:24 25:18 57:23 127:10,12 146:3 155:25 172:2 184:22 185:8 talking 6:1 16:21 24:17 25:23 26:7 35:3 59:17 69:8 73:3,5 80:20 103:24 125:2 130:3 150:19 155:2,4,16 160:2 172:21 185:6 taxes 129:21 Taylor 20:3,9,11,13 21:13 30:16 31:4,9,12 34:22 47:25 48:1 49:12,17 50:16 51:5 52:5 53:18 59:11,13 60:16,20,25 61:3,20 66:19 67:25 68:1,13 78:15 83:7 93:16 95:9 97:4,14 98:3 101:4,21 111:15,17 112:8 140:12,23 148:6	

25 50:16,23 51:9 54:1 66:17 75:23 76:16 81:1,5 100:4 144:14 147:13 155:20	166:3 182:11	timings 130:5 tirade 112:3 tired 143:25 tissue 11:18,19,20 13:9 14:23 15:20 17:5, 19,23 25:1 26:22,25 27:3,6,7,11 29:15 32:19 33:21 70:24 88:21 90:18 91:21 119:10 120:3 147:10 177:20 178:6,9,20 179:11,13,14 180:5 181:10,14,15,25 184:3, 4 185:2	town 52:25 tracing 125:5 track 13:9 119:10 tracking 110:11 119:10 122:13,15 trail 143:18 trained 70:23 training 10:1 transactions 13:6 transferring 16:19 transpired 51:1
territory 18:18 69:18 114:17 166:18	threshold 86:8 throw 149:17	today 5:13 8:5,9 14:25 15:11 19:1 56:16 57:10 78:6 107:13 169:5 187:16 188:11	Transplants 11:23 transportation 129:22 treated 48:3 81:23,24 treating 155:16 tremendous 51:25 true 76:21 trust 94:9
testified 5:3 21:17 37:3 59:12 78:10 105:18 187:16	tier 180:12 ties 71:10	told 17:10 28:1 30:15 31:3,10,15,25 36:10 37:5 44:3 51:11,22 55:5 60:11,13 62:12 66:19 77:11,15,19,24 78:9,15 82:7 86:23 87:3,5 88:6 89:3,25 97:22 98:4 99:25 103:6 106:21 109:4 136:16 137:7,12 138:3,12 140:6,11,23,25 147:5,7 153:21 154:22,24 155:11,15 157:16 169:4,7 171:8 181:9 186:3,6,10	truth 78:18 141:10 186:11 truthfully 134:20 169:8
testing 183:20,21	Tim 15:12	tolerant 151:9	Tuesday 146:23
text 67:21	time 5:18,19 8:20 12:11 13:4,25 14:6,23 15:22 18:19,24 19:7,16 21:15 23:6 24:19 25:19,22 26:10 27:23 28:1,2 29:2,8,22 30:13 34:2,8,13,18 35:3,7 43:5,6,16,18 45:3,13 47:9 48:20 49:12 50:6, 25 52:21 53:4 61:7 62:11 63:15,17,20 64:4 66:9,18 72:16 77:1,8 85:10 90:14 93:11,14 94:5,18 95:20 99:11 101:20 102:24 107:1,7 110:17 111:8 113:9,11 119:12 122:6 125:11 127:4 132:6 138:25 141:1,5 146:9 152:2 162:2,13 163:22 166:19 172:7 175:22 177:10,12,14 184:19, 22	tolerate 36:20	turn 99:4 108:6 110:9 116:20 119:14 121:5 130:18 145:19 161:3 178:23 183:8
texted 158:10	tonight 116:7	turns 173:1 180:5 187:23	
theory 108:10,25	tons 82:21 187:1	twelve 144:15	
therapy 10:4	Tony 110:20	type 5:18 13:2 54:13 112:6 154:16 166:25	
thing 6:8 19:8 25:6 54:19 58:11 73:1 109:9 115:6 134:19,21 139:6 140:10 141:9 142:3 145:20 151:7,23,24 165:6 166:23 174:8 182:2,13 185:20 186:24 187:9	top 37:20 54:9 55:9 159:7,8	<hr/> U <hr/>	
things 16:6 21:23 24:5 26:5 81:16 88:18 91:22 94:10 117:17 172:1 180:18 183:2,21 186:15	topics 7:21 8:3 56:16	Uh-huh 14:7 27:2 76:6 89:8 122:14 136:1 142:15 143:5 152:16 170:10 173:13	
thinking 93:21 96:8 157:23,24 174:14	total 119:9 131:14,15 135:7	ultimately 38:13 49:24	
thinks 40:20	totally 62:16 66:16 109:6 156:21 157:9		
Thirteen 117:11			
thirty 136:7			
Thirty-five 164:20			
Thirty-four 164:18			
Thirty-two 164:15			
Thompson 110:20			
thought 28:21 33:5 41:19 42:25 48:3 66:6 82:11 94:15 113:17 125:16 140:17 151:9			

Norman Lachapelle - September 26, 2017

umbrella 153:11	21:14 114:24 115:13, 14 118:8,13 153:10,18 172:20	Warranties 132:25	135:2 139:14 140:22 141:23 142:12 146:2 147:21 149:16,21 150:5,10 152:8 155:5,8 156:4,11,15 157:16,20 158:3,24 159:4 163:15 164:5,9 165:5 167:3 168:17 170:19 173:20 176:12,14 187:3,14 188:19,22
underlined 111:18		waste 45:3,12 102:23 107:7	
undermining 174:8	vendors 14:21 16:20	wasting 43:5,6,16,17, 18 106:25 107:8	
understand 6:21 63:18 64:13 72:18 74:18 76:4,14,17 78:5 80:12 86:14,16 103:1, 13,21 106:8,15 108:11, 24,25 109:2 133:7 140:3,5 142:11,25 143:2 151:11 161:13, 22,24 162:11 163:1 164:6,25 169:5,6	verbal 30:1 47:8 54:2 75:2	water 183:6,8,9	
understanding 108:21 120:9 145:1 161:12 170:21 177:4	verbally 51:15 115:10 157:1	ways 150:24	
understands 103:17	verifies 70:2	We' 8:10	
understood 103:20 162:4	verify 94:9	Wednesday 153:2	William 6:25 148:6
unfair 82:1	version 55:12 137:9, 14	week 35:15,17 36:1 56:24 58:19 80:1	win 151:14
University 8:19	versions 48:17	weekend 152:20 153:1	Wisconsin 18:15
unjust 175:7	view 60:21	weeks 180:21	witching 79:2
unjustly 172:18 173:4 174:2	visit 24:16	western 18:14 26:4	womb 113:12,15
unknowns 63:3	visits 29:7	Whereof 135:25	wondering 114:19,23
unnecessarily 43:21		whoa 146:20	word 74:13 111:19 184:6
unnecessary 105:18		wife's 9:2	worded 50:1
unreasonable 60:22 62:5 64:4		Wilbon 5:5,7 8:10,14 11:8 20:7 21:6,10 22:15,18,21,24 23:2, 11,15,19 24:6 28:15 30:19,24 31:7,13 33:8, 13 36:14,25 38:12,16, 20 39:18 40:15,17,22 41:4,6,16,22 42:1,7,13, 18,24 43:4,10,15,20,22 44:5,10,18,22 45:2,6,8, 12,17,21,25 46:6,12,19 48:19,21 49:5 50:9,14, 21 53:21,24 54:17,23 55:4,8 56:17,23 57:8 58:8 67:9,13 74:5 76:2 78:13 79:14,18 80:23 81:10 82:24 83:4,24 84:3,16 85:15,25 88:4 89:11 90:23 91:2 92:13,16 93:25 96:12, 20 97:6,11 99:7,9 100:13 101:16 103:19 105:11,23 106:1,4,7, 13,16,25 107:6,11,17, 23 109:22,23 110:1,4 112:17,25 118:17 120:10,17,19,23 121:1, 4 124:4,15,20,25 125:20,25 126:4,6 132:8 133:21 134:6	words 106:11 156:7,24
unredacted 120:13 122:11 125:5		work 10:15 13:22 14:18 16:6 17:11 19:22 24:19 25:17 34:24 51:24 54:13 67:18 69:1 94:19 114:19,21,23 115:18 146:18 151:22 172:9 180:25 182:14	
upset 90:7,10 93:7		worked 10:6,13 25:2 26:5 94:17 141:6 172:14 182:7 184:14	
uptake 15:24		working 18:7 29:1 60:8,17 87:19 116:3,9 150:25 177:11 179:20 181:5 185:19	
urologist 24:14 114:14		works 171:25 184:18, 24	
urologists 24:19		world 18:14 102:10 166:14	
urology 15:8 24:22		worth 61:6	
useless 120:13,15		wound 108:7 113:8,10, 13,14,16 114:8,11,13 115:7,8 157:11	
usual 117:2		write 59:15 68:15 137:3	
		writes 60:16 71:7,22	
V			
vendor 14:25 20:22			

Norman Lachapelle - September 26, 2017

72:5 96:21

writing 79:10 89:18
128:16

written 22:12 29:21,25
38:10 99:16 136:7
144:5 176:25

wrong 93:21 123:23
132:12

wrongfully 118:9

wrote 59:10 68:13,15,
20 75:12 88:11

Y

y'all 116:4 157:20

yahoo 59:5,6

year 8:21 11:12 15:25
24:17 26:7 37:19 84:6,
21,25 85:23 86:3,13
113:5 138:21 141:25
142:1 160:17 161:20,
24 162:16 163:3
165:14,16 171:17
175:5

years 7:8,10 10:15
11:11 14:11 24:10
64:1,9,15,18 70:22
71:10 82:23 84:10,12,
17,25 86:9 87:13 88:16
98:20 128:5 131:14,16,
19,20 134:22 135:3,6
142:4 145:3,4 146:1
149:20 150:24 152:5
161:8 184:21

yelled 111:20 156:22

yelling 103:14,15
155:21 156:2,5,12,17

York 177:24

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION**

MID SOUTH BIOLOGICS, LLC,

Plaintiff,

v.

No. 2:17-cv-02028-JTF-tmp

MIMEDX GROUP, INC.,

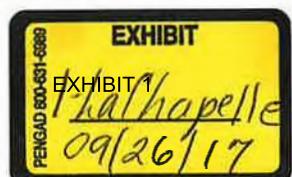
Defendant.

**RULE 30(b)(6) NOTICE OF DEPOSITION OF
MID SOUTH BIOLOGICS, LLC**

TO: Mid South Biologics, LLC
c/o Paul C. Peel, Esq.
Farris Bobango Branan, PLC
999 South Shady Grove- Suite 500
Memphis, TN 38120

PLEASE TAKE NOTICE that pursuant to Federal Rules of Civil Procedure 30(b)(6), the deposition of Mid South Biologics, LLC (“Mid-South”) will be taken by counsel for Defendant on **September 26, 2017 at 9:00 a.m.** at the office of Adams and Reese LLP, 6075 Poplar Avenue, Suite 700, Memphis, Tennessee 38119. Designee, as defined below, of Mid-South must be able to testify with a reasonable particularity regarding the subjects and matters upon which examination is requested. The deposition will be taken by oral testimony under oath before an officer authorized to administer oaths, and will continue until completed. The deposition may be taken by stenographic transcription, as well as by audio-visual means.

Pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure, Mid-South is required



to designate and fully prepare one or more officers, directors, managing agents or other persons (the “Designee”) with the most knowledge concerning the following designated topics and as to such information reasonably available to Mid-South and who consents to testify on behalf of Plaintiff.

MATTERS ON WHICH EXAMINATION IS REQUESTED

PLEASE TAKE NOTICE that the person(s) designated will be examined and requested to testify regarding the following subjects and matters:

1. The Consulting Agreement that Mid South entered into with MiMedx Group, Inc., which is the subject of Mid South’s Complaint;
2. Conversations and communications that representatives of Mid-South had with representatives of MiMedx Group, Inc. relating to the Consulting Agreement, including communications regarding the negotiations leading to the entry of the Consulting Agreement and communications regarding the termination of the Consulting Agreement;
3. Mid South’s relationship to, transactions and business dealings with MiMedx Group, Inc.;
4. The corporate structure of Mid South;
5. The specific allegations asserted in Mid South’s Complaint;
6. The damages that Mid South claims to have suffered, as alleged in Mid South’s Complaint;
7. The basis for Mid South’s claim that MiMedx Group, Inc. terminated the Consulting Agreement in bad faith.

The deposition will be recorded by stenographic means and will continue from day to day until completed. You are invited to attend and cross-examine.

Respectfully submitted,

/s/ Clarence A. Wilbon

Clarence A. Wilbon (Tenn. BPR No. 023378)
J. Bennett Fox, Jr. (Tenn. BPR No. 026828)
ADAMS AND REESE LLP
Crescent Center
6075 Poplar Avenue, Suite 700
Memphis, Tennessee 38119
Phone: (901) 524-5271
Facsimile: (901) 524-5371
Clarence.Wilbon@arlaw.com
ben.fox@arlaw.com

Attorneys for Defendant

CERTIFICATE OF SERVICE

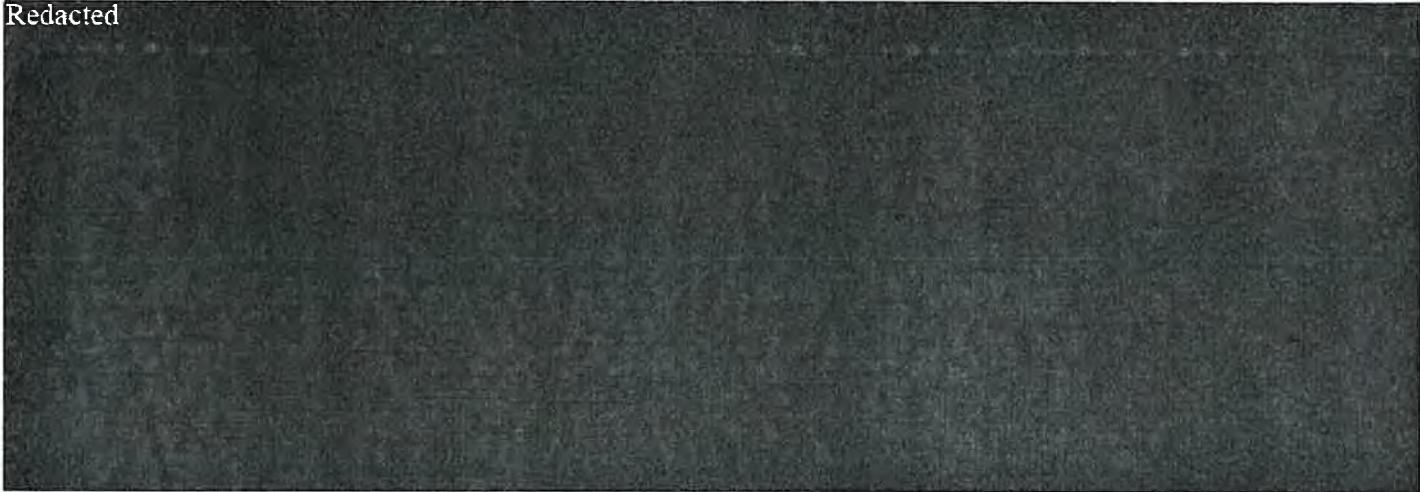
Notice of the foregoing was sent this 7th day of September, 2017, by electronic and U.S.
Mail to:

Paul C. Peel
Farris Bobango Branan, PLC
999 South Shady Grove – Suite 500
Memphis, TN 38120
Attorney for Plaintiff

/s/ Clarence A. Wilbon

Clarence A. Wilbon

Redacted



From: Bill Taylor <btaylor@mimedx.com>
Date: June 4, 2012, 7:44:00 AM CDT
To: Norm LaChapelle <normlachapelle@yahoo.com>
Cc: Judd Grisanti <juddgrisanti@gmail.com>, Mike Carlton <mcarlton@mimedx.com>
Subject: Re: Contract and MSB Letter

No worries, let's just get the amendment signed and we will be good to go. Once we have a clean version signed off, I will see what else we can do on the letter.

Sent from my iPhone

On Jun 4, 2012, at 8:10 AM, "Norm LaChapelle" <normlachapelle@yahoo.com> wrote:

Bill,

Hope you had a great weekend. I called the office and explained that I did not mean to include the price list that was altered ...I agree with the current pricing and again sorry for the confusion. Let me know if MSB is in good standing with contracts. Also I really could use clarification letter just stating Biologics Technologies is no longer a MiMedx distributor and MSB is an FDA approved tissue banking facility and has the distribution rights for the Memphis area.

Regards,

Norm LaChapelle
President/CEO
Mid South Biologics.
msbiologics@yahoo.com
901-216-5295



From: Bill Taylor <btaylor@mimedx.com>
To: Norm LaChapelle <normlachapelle@yahoo.com>; Bill Taylor <btaylor@mimedx.com>
Cc: Judd Grisanti <juddgrisanti@gmail.com>; Mike Carlton <mcarlton@mimedx.com>
Sent: Friday, June 1, 2012 1:11 PM
Subject: RE: Contract and MSB Letter

Norm,

We received the amendment for your distribution agreements today via fed ex. The override agreement is fine and considered complete. The amendment to the distribution agreement is problematic. I have attached it here as a PDF. Unfortunately you have for the 2nd time, made changes to the agreement. You marked through all the AmnioFix® pricing and added to the Exhibit A. Again, the changes you made were not agreed upon by us, and we cannot sign.

Recall that we terminated your agreement three months ago, with the termination date of June 3. This amendment was intended to reinstate the agreement with a more limited territory. Unfortunately, since you made these changes that we cannot accept, you will be without a contract effective June 4, as your original will no longer be in effect.

At this time, I will need to speak with Mike Carlton to see what we can do to move forward, but understand we will need an acceptable contract no matter how we proceed.

Regards,
Bill

Bill Taylor
President and Chief Operating Officer
Office 678-384-6721 | Fax 678-802-2860

MiMedx Group, Inc.
60 Chastain Center Blvd., Suite 60
Kennesaw, GA 30144
btaylor@mimedx.com
www.mimedx.com

From: Norm LaChapelle [<mailto:normlachapelle@yahoo.com>]
Sent: Thursday, May 31, 2012 8:49 PM
To: Bill Taylor
Cc: Judd Grisanti; Mike Carlton
Subject: Re: Contract and MSB Letter

Bill,

Kevin's group was terminated because of a blatant FDA regulation of storing tissue. How would you allow someone to continue to distribute Amniotic tissue your tissue in Memphis ? Where are they storing itthere are no consignments in Memphis and they are not drop shipping it in . There has to be a legal loophole that you can look into on this one. Please make an effort because we have made a lot for MiMedx. Thanks Bill.

Sent from Norm's iPhone

On May 31, 2012, at 7:20 PM, Bill Taylor <btaylor@mimedx.com> wrote:

Norm,

I can talk with our attorney and try to find some language to help you better position your relationships in Memphis. But please remember, as I told you a few times, after Kevin's contract runs out, he will no longer be a distributor, but he will be able to sell whatever inventory he has left for another 180 days. We can't make statements outside our legal agreement with him. Also, regarding exclusivity in Memphis, we also talked that we can't do that. Others have the ability to sell EpiFix, such as Systagenix. Additionally, we have other contracts that pre-existed yours and Kevin's that are still in place. So we can't make a statement saying you are exclusive.

Bill

Bill Taylor
President & COO
MiMedx Group, Inc.
678-575-8418 cell
Sent from my iPad

On May 31, 2012, at 11:58 AM, "Norm LaChapelle" <normlachapelle@yahoo.com> wrote:

Bill,

You should have received copies of both contracts...please send back my copies when you get a chance. I also need a letter stating that MSB is the exclusive distributor in the Memphis area for MiMedx products. Kevin Jones is going to have a new tissue out in the next 60 days and I would like to lock down Memphis with no confusion of who is selling this product..

Regards,

Norm LaChapelle
President/CEO
Mid South Biologics.
msbiologics@yahoo.com
901-216-5295

This email message and any attachments are for the sole use of the above-named intended recipient(s). This email and any attachments are confidential and proprietary to MiMedx Group, Inc. and may also contain certain privileged attorney-client information. This information is intended only for the use of the individual entity or intended recipient addressed above. You are not to use, disclose, distribute or disseminate this email by any means without the expressed permission of MiMedx Group, Inc. If you are not the intended recipient, or the employee or agent responsible for delivering this email to the intended recipient, you are hereby notified that any use, disclosure, printing, copying, distribution or dissemination by any means of this email or any attachments is strictly prohibited. If you have received this email in error, please immediately notify the sender by telephone at (678) 384-6720 or by reply email and delete this email and any attachments and destroy all hard copies. Thank you.

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CONSULTING AGREEMENT

THIS AGREEMENT by and between MiMedx Group, Inc., a Florida corporation whose mailing address is 60 Chastain Center Blvd., Suite 60, Kennesaw, GA 30144, hereinafter referred to as "Company", and Mid South Biologics, LLC, a Tennessee limited liability Company whose mailing address is 7785 Hunters Run Drive, Germantown, TN 38138, hereinafter referred to as "Consultant."

WHEREAS, Company is engaged in the marketing and licensing of certain medical devices, as well as products processed from human amniotic tissue (collectively, "Products"); and

WHEREAS, Company desires to engage Consultant to provide sales support for Company's Products in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, it is agreed as follows:

1. Appointment. Company hereby appoints Consultant as an authorized, non-exclusive independent Consultant to promote the Products provided by Company ("Products") to prospective customers previously approved in writing (which may be an e-mail) by Company (each, a "Prospect" and collectively, the "Prospects") during the Term (as hereinafter defined).
2. Acceptance of Appointment. Consultant hereby accepts appointment as an authorized non-exclusive independent Consultant to promote the Products to the Prospects. In addition to introducing Prospects, Consultant will support Company in the sales process as reasonably requested by Company. Such support shall include, without limitation, attending sales presentations and assisting in preparing presentations when requested by Company.
3. Referral fees. For each Prospect with which the Company enters into an agreement for the sale of Products, Consultant shall be entitled to a referral fee equal to a percentage of Gross Sales of Products to such Prospect for a period to be agreed by the parties and set forth on Exhibit A hereto, provided that in some cases, referral fees shall only be payable on Gross Sales of Products to a Prospect that are subsequently resold by a specified sales agent or sub-distributor as set forth on Exhibit A. Exhibit A shall be amended by agreement of the parties to reflect the agreement with respect to each new opportunity. "Gross Sales" shall mean the gross amount actually collected by Company from sales of its Products, less the mount of any taxes, credit for returns, transportation costs and the like.

Referral fees on payments received during any month shall be paid within twenty (20) days following the end of such month. If any monies on which referral fees are paid are

Consultant-Referral Fee Agmt-Mid South Biologics



subsequently refunded or credited back to the Prospect, the amount of such referral fees shall be credited against and deducted from future referral fee payments under this Agreement. If the referral fees for the month in which such overpayment is credited are less than the amount of the credit, Consultant will refund the difference to the Company within thirty (30) days of the Company's request. Company reserves the right, in its sole discretion, to change its product offerings from time to time and to decline to accept any agreement or order for Products. The provision of Products by Company shall be at prices and on terms and conditions established by Company and Company shall have the right from time to time, in its sole discretion and without notice, to establish, modify and amend such prices and other terms and conditions.

4. Confidentiality. In the performance of the Agreement, each party may have access to confidential information belonging to the other party, including, without limitation, pricing, and the identity of the respective parties' subcontractors, suppliers and customers. The parties agree, during the Term of this Agreement and for a period of three (3) years thereafter, to (i) keep all such information of the other party confidential; (ii) not copy, publish or disclose to others any such confidential information of the other party without the other party's prior written consent; (iii) return any confidential information belonging to the other party to such other party upon request and (iv) use such information only for the purposes of this Agreement.

5. Independent Contractor. This Agreement shall not create a partnership, joint venture, agency or similar relationship between Company and Consultant. Consultant shall be an independent contractor. Consultant shall be solely responsible for all state and federal income taxes, F.I.C.A. and unemployment taxes for Consultant and Consultant's employees and Company shall not be required to withhold or pay any such taxes. Consultant shall have no authority to enter into any agreement or make any representation, commitment or warranty binding upon Company or to incur any obligation or liability on behalf of Company.

6. Expenses. Consultant shall bear any and all costs or expenses incurred by Consultant in the performance of this Agreement, including, but not limited to, travel, vehicle insurance and telephone expense.

7. Assignment. The rights and duties of Consultant under this Agreement are personal and may not be assigned or delegated without prior written consent of Company.

8. No Authority to Extend Warranties, Etc. Consultant is not authorized to extend any warranty or guarantee or to make representations or claims with respect to Company's Products without express written authorization from Company.

9. Indemnity.

a. Consultant Indemnity. Consultant shall indemnify and hold Company harmless from any and all third party claims or liability attributable to the negligent,

intentional or other acts of Consultant or Consultant's employees, agents or representatives.

b. Company Indemnity. Company shall indemnify and hold Consultant harmless from any and all third party claims or liability attributable to the negligent, intentional or other acts of Company or its employees, agents or representatives. In no event, however, will Company have any liability (pursuant to this indemnity clause or otherwise) to Consultant for lost referral fees or business due to Company's performance or failure to perform in connection with the provision of Products or the Prospect's dissatisfaction with the Products for any reason whatsoever.

10. Non-compete and Non-solicitation.

a. Non-compete. During the Term of this Agreement and for one (1) year thereafter, Consultant shall not, directly or indirectly, provide sales support services to an entity or enterprise whose products compete with the Company's Products.

b. Non-solicitation of Prospects. During the term of this Agreement and for one (1) year after expiration of the Residual Period (as defined in Section 11), Consultant shall not, directly or indirectly, solicit, call upon, communicate with or attempt to communicate with any Prospect with which Consultant had contact in the last year of the Term of this Agreement for the purpose of marketing or selling products that compete with the Company's Products.

11. Term. The term of this Agreement (the "Term") shall commence on the Effective Date. Either party may terminate this Agreement upon thirty (30) days' written notice to the other party. Upon termination the provisions of this Agreement, the provisions hereof that are intended to survive termination or expiration of this Agreement shall so survive. Termination of this Agreement shall not terminate the Company's obligation to make payments to Consultant with respect to Gross Sales of Products to Prospects to which the Company had sold Products during the Term of this Agreement for the full twelve (12) months after the initial sale of Products to such Prospect. Any period after the end of the Term of this Agreement in which Company is still obligated to make payments to Consultant is hereinafter referred to as the "Residual Period."

12. Limitation on Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER ON ANY CLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing limitations of liability shall not apply to the parties' indemnification obligations under Section 9 hereof, or to the breaches of Section 4 or Section 10 hereof.

13. Governing Law. This Agreement and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the State of Georgia.

Consultant-Referral Fee Agmt-Mid South Biologics

P/N

14. **Force Majeure.** No party will be in default of this Agreement for failures or delays in performance resulting from strikes, riots, lockouts, fires, floods, acts of God, civil or military authority, epidemics, or other disasters, or events or acts which are beyond the reasonable control of such party.

15. **Notices.** Any notice under this Agreement shall be deemed given on the first business day following the sending of any such notice via nationally recognized courier service to the address for the receiving party set forth above. Notices to Company shall be sent to the attention of the General Counsel.

16. **Entire Agreement.** This Agreement contains the entire agreement between the parties and any representation, promise or condition not incorporated herein shall not be binding upon either party. No amendment to this Agreement shall be binding on either party unless signed by both parties. This Agreement may be signed in one or more counterparts, each of which shall constitute an original, but all of which, taken together shall constitute one agreement. A faxed copy or photocopy of a party's signature shall be deemed an original for all purposes.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the 1 day of May, 2012 ("Effective Date").

"COMPANY"
MiMedx Group, Inc.

By Eric T. Gray
Its President & COO

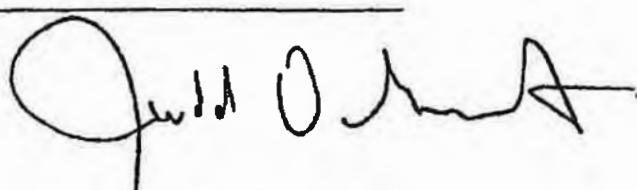
"Consultant"
Mid South Biologics, LLC

By Norm LaChappelle
Its President

If Consultant is not an individual, the principal of Consultant must agree to the following:

As an inducement to MiMedx Group, Inc. to enter into the above agreement, the undersigned, Norm LaChappelle, hereby agrees to abide by the provisions of Section 4, 10 and 13 of the above agreement as though he/she were the Consultant thereunder.

IN WITNESS WHEREOF, the undersigned has signed his name below as of the day and year first above written.

 5/1/2012 -
Consultant-Referral Fee Agmt-Mid South Biologics

REFERRAL FEES

1. Prospect: AvKARE, Inc.

Referral Fee: 3% of (i) the first \$10 Million of Gross Sales of Products to such Prospect during the first 12 month period commencing with the initial sale of Products to such Prospect and (ii) the first \$10 Million of Gross Sales of Products in each of the subsequent two 12 month periods.

2. Prospect: Medicraft Clinical Services, Inc. or Biocraft, LLC

Referral Fee: 5% of Gross Sales of Products to the Prospect during 2012, provided that a referral fee shall only be payable with respect to Gross Sales of Products that were resold in by Ron or Thaddeus Marascalco.

Archived: Wednesday, August 09, 2017 2:35:19 PM

From: Leana Moss

Sent: Tue, 13 Mar 2012 15:36:37 +0000
Received: from BY2PRD0410MB376.namprd04.prod.outlook.com ([169.254.9.86]) by
BY2PRD0410HT002.namprd04.prod.outlook.com ([10.255.83.37]) with mapi id 14.16.0123.000; Tue, 13 Mar 2012 15:36:37 +0000
From: Bill Taylor To:
"normlachapelle@yahoo.com" CC: Bill Taylor Subject: Consulting agreement Thread

To: normlachapelle@yahoo.com

Cc: Bill Taylor

Subject: Consulting agreement

Importance: Normal

Attachments:

LaChapelle Consulting-Referral Agreement 031312.pdf

Norm,

As per our conversation last week, attached is the consulting agreement. Please take a look at it and let's talk in the next few days to fill in the blanks and address any other comments that you may have.

Thanks,
Bill

Bill Taylor
President and Chief Operating Officer
Office 678-384-6721
Cell 678-575-8418
Private Fax: 678-802-2860

MiMedx Group, Inc.
60 Chastain Center Blvd., Suite 60
Kennesaw, GA 30144
btaylor@mimedx.com
www.mimedx.com



EXHIBIT 1

MMX000068

CONFIDENTIAL

CONSULTING AGREEMENT

THIS AGREEMENT by and between **MiMedx Group, Inc.**, a Florida corporation whose mailing address is 60 Chastain Center Blvd., Suite 60, Kennesaw, GA 30144, hereinafter referred to as "Company", and **Mid South Biologics, LLC** a limited liability corporation, whose mailing address is 7785 Hunters Run Drive, Germantown, TN 38138 hereinafter referred to as "Consultant."

WHEREAS, Company is engaged in the marketing and licensing of certain medical devices, as well as products processed from human amniotic tissue (collectively, "Products"); and

WHEREAS, Company desires to engage Consultant to provide sales support for Company's Products in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, it is agreed as follows:

1. Appointment. Company hereby appoints Consultant as an authorized, non-exclusive independent Consultant to promote the Products provided by Company ("Products") to prospective customers previously approved in writing (which may be an e-mail) by Company's President & Chief Operating Officer (each, a "Prospect" and collectively, the "Prospects") during the Term (as hereinafter defined).
2. Acceptance of Appointment. Consultant hereby accepts appointment as an authorized non-exclusive independent Consultant to promote the Products to the Prospects. In addition to introducing Prospects, Consultant will support Company in the sales process as reasonably requested by Company. Such support shall include, without limitation, attending sales presentations and assisting in preparing presentations when reasonably requested by Company.
3. Referral fees. Consultant shall be entitled to a referral fee equal to _____ percent (____%) of Gross Sales of Products to such Prospect during the first _____ (____) months after the initial sale to such Prospect. "Gross Sales" shall mean the gross amount actually collected by Company from sales of its Products, less the mount of any taxes, credit for returns, transportation costs and the like.

Referral fees on payments received during any month shall be paid within twenty (20) days following the end of such month. If any monies on which referral fees are paid are subsequently refunded or credited back to the Prospect, the amount of such referral fees shall be credited against and deducted from future referral fee payments under this Agreement. If the referral fees for the month in which such overpayment is credited are less than the amount of the credit, Consultant will refund the difference to the Company within thirty (30) days of the Company's request. Company reserves the right, in its sole

discretion, to change its product offerings from time to time and to decline to accept any agreement or order for Products. The provision of Products by Company shall be at prices and on terms and conditions established by Company and Company shall have the right from time to time, in its sole discretion and without notice, to establish, modify and amend such prices and other terms and conditions.

4. Confidentiality. In the performance of the Agreement, each party may have access to confidential information belonging to the other party, including, without limitation, pricing, and the identity of the respective parties' subcontractors, suppliers and customers. The parties agree, during the Term of this Agreement and for a period of three (3) years thereafter, to (i) keep all such information of the other party confidential; (ii) not copy, publish or disclose to others any such confidential information of the other party without the other party's prior written consent; (iii) return any confidential information belonging to the other party to such other party upon request and (iv) use such information only for the purposes of this Agreement.

5. Independent Contractor. This Agreement shall not create a partnership, joint venture, agency or similar relationship between Company and Consultant. Consultant shall be an independent contractor. Consultant shall be solely responsible for all state and federal income taxes, F.I.C.A. and unemployment taxes for Consultant and Consultant's employees and Company shall not be required to withhold or pay any such taxes. Consultant shall have no authority to enter into any agreement or make any representation, commitment or warranty binding upon Company or to incur any obligation or liability on behalf of Company.

6. Expenses. Consultant shall bear any and all costs or expenses incurred by Consultant in the performance of this Agreement, including, but not limited to, travel, vehicle insurance and telephone expense, unless otherwise agreed in writing and in advance by the Company's Chief Operating Officer.

7. Assignment. The rights and duties of Consultant under this Agreement are personal and may not be assigned or delegated without prior written consent of Company.

8. No Authority to Extend Warranties, Etc. Consultant is not authorized to extend any warranty or guarantee or to make representations or claims with respect to Company's Products without express written authorization from Company.

9. Indemnity.

a. Consultant Indemnity. Consultant shall indemnify and hold Company harmless from any and all third party claims or liability attributable to the negligent, intentional or other acts of Consultant or Consultant's employees, agents or representatives.

b. Company Indemnity. Company shall indemnify and hold Consultant harmless from any and all third party claims or liability attributable to the negligent,

intentional or other acts of Company or its employees, agents or representatives. In no event, however, will Company have any liability (pursuant to this indemnity clause or otherwise) to Consultant for lost referral fees or business due to Company's performance or failure to perform in connection with the provision of Products or the Prospect's dissatisfaction with the Products for any reason whatsoever.

10. Non-compete and Non-solicitation.

a. Non-compete. During the Term of this Agreement and for one (1) year thereafter, Consultant shall not, directly or indirectly, provide sales support services to an entity or enterprise whose products compete with the Company's Products.

b. Non-solicitation of Prospects. During the term of this Agreement and for one (1) year after expiration of the Residual Period (as defined in Section 11), Consultant shall not, directly or indirectly, solicit, call upon, communicate with or attempt to communicate with any Prospect with which Consultant had contact in the last year of the Term of this Agreement for the purpose of marketing or selling products that compete with the Company's Products.

11. Term. The term of this Agreement (the "Term") shall commence on the Effective Date. Either party may terminate this Agreement upon thirty (30) days' written notice to the other party. Upon termination the provisions of this Agreement, the provisions hereof that are intended to survive termination or expiration of this Agreement shall so survive. Termination of this Agreement shall not terminate the Company's obligation to make payments to Consultant with respect to Gross Sales of Products to Prospects to which the Company had sold Products during the Term of this Agreement for the full twelve (12) months after the initial sale of Products to such Prospect. Any period after the end of the Term of this Agreement in which Company is still obligated to make payments to Consultant is hereinafter referred to as the "Residual Period."

12. Limitation on Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER ON ANY CLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing limitations of liability shall not apply to the parties' indemnification obligations under Section 9 hereof, or to the breaches of Section 4 or Section 10 hereof.

13. Governing Law. This Agreement and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the State of Georgia.

14. Force Majeure. No party will be in default of this Agreement for failures or delays in performance resulting from strikes, riots, lockouts, fires, floods, acts of God, civil or military authority, epidemics, or other disasters, or events or acts which are beyond the reasonable control of such party.

15. **Notices.** Any notice under this Agreement shall be deemed given on the first business day following the sending of any such notice via nationally recognized courier service to the address for the receiving party set forth above. Notices to Company shall be sent to the attention of the General Counsel.

16. **Entire Agreement.** This Agreement contains the entire agreement between the parties and any representation, promise or condition not incorporated herein shall not be binding upon either party. No amendment to this Agreement shall be binding on either party unless signed by both parties. This Agreement may be signed in one or more counterparts, each of which shall constitute an original, but all of which, taken together shall constitute one agreement. A faxed copy or photocopy of a party's signature shall be deemed an original for all purposes.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the _____ day of _____, 2012 ("Effective Date").

"COMPANY"
MiMedx Group, Inc.

"Consultant"
Mid South Biologics, LLC

By _____
Its _____

By _____
Its: President

If Consultant is not an individual, the principal of Consultant must agree to the following:

As an inducement to MiMedx Group, Inc. to enter into the above agreement, the undersigned, Norm LaChapelle, hereby agrees to abide by the provisions of Section 4, 10 and 13 of the above- agreement as though he/she were the Consultant thereunder.

IN WITNESS WHEREOF, the undersigned has signed his name below as of the day and year first above written.

Archived: Wednesday, August 09, 2017 2:35:11 PM

From: Norm LaChapelle

Sent: Thu, 26 Apr 2012 15:46:23 +0000
Received: from BY2PRD0410HT002.namprd04.prod.outlook.com (10.255.83.37) by
BY2PRD0410HT005.namprd04.prod.outlook.com (10.255.83.40) with Microsoft SMTP Server (TLS) id 14.16.143.4; Thu, 26 Apr 2012 15:46:22
+0000
Received: from mail63

To: Bill Taylor; Pete Petit; Mike Carlton; Judd Grisanti

Subject: Atlanta Meeting

Importance: Normal

Gentleman,

I was wondering if it would be possible to have a meeting with myself and Judd ? We are very excited to be working with you and AV Kare this year. We would like to discuss our override and some minor issues that have occurred lately and to move forward to a very prosperous and sound business relationship. Please let me know your schedule as I will be out of town May 3 - 9.

Sincerely,

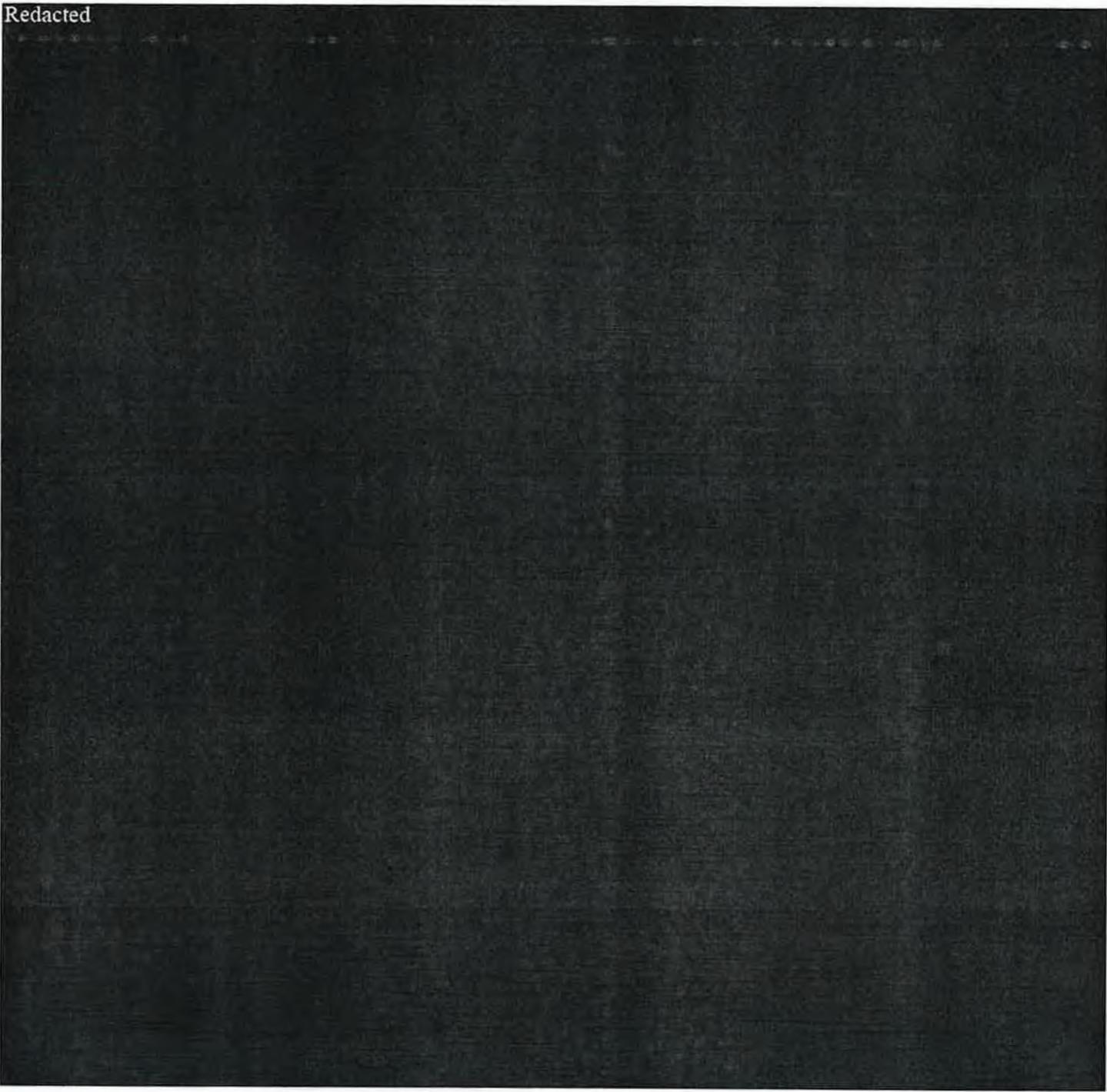
Norm LaChapelle
President/CEO
Mid South Biologics.



EXHIBIT 1

MMX000063

Redacted



From: Mike Carlton <mcarlton@mimedx.com>
Date: April 27, 2012, 9:24:04 AM CDT
To: Norm LaChapelle <normlachapelle@yahoo.com>,
"bcochrane@gmail.com" <bcochrane@gmail.com>
Cc: Judd Grisanti <juddgrisanti@gmail.com>
Subject: RE: Consulting agreement

The value could be huge, but a lot of unknowns. What if this drives \$20 million in sales, even 2% becomes an annuity of \$400,000. When you mentioned 10% I suggested 5% and referenced overrides are single

digits. I think the higher % can be the override for Ron/Thad as the dollars will be well under AvKare. For how long? Lifetime? I think the contract is written for 3 years. Also, you'll be paid for the accounts you cover (like Memphis etc.) and those dollars aren't small. Lastly, your MiMedx stock position can be addressed too. To me, this program will crank out a nice check for you guys, let's have a beer!

From: Norm LaChapelle [<mailto:normlachapelle@yahoo.com>]
Sent: Friday, April 27, 2012 10:02 AM
To: bcochrane@gmail.com; Mike Carlton
Cc: Judd Grisanti
Subject: Fwd: Consulting agreement

Mike ! I knew this would happen is he serious ? Value and Effort ? A lot of effort went into this and the Value is the biggest possible revenue contract to date. This is not a 3 % deal and a little stock. 5% for the life of contract and stock is not unreasonable...

Sent from Norm's iPhone

Begin forwarded message:

From: Bill Taylor <btaylor@mimedx.com>
Date: April 27, 2012 8:35:11 AM CDT
To: Norm LaChapelle <normlachapelle@yahoo.com>
Subject: RE: Consulting agreement

Norm,
I'm working on it with Pete. I will say that 5-8% is not reasonable for this kind of contract. The compensation needs to be commensurate with the value and effort provided. Making an introduction is definitely worth an override, but it needs to be in a realistic range for a realistic period of time. I've asked Pete what he would like to propose to you, and as soon as I hear back from him, I'll let you know.

Bill

From: Norm LaChapelle
[<mailto:normlachapelle@yahoo.com>]
Sent: Thursday, April 26, 2012 6:13 PM
To: Bill Taylor
Subject: Re: Consulting agreement

Bill,
Can we get the contract done
tomorrow for our override ? I wanted
to drive up but not sure if that's possible ? We are very
excited about working with AV kARE and MiMedx and
would just like to get contract behind us. Can we agree
on 8% for the life of the contract ?

Norm

Sent from Norm's iPhone

On Mar 13, 2012, at 10:36 AM, Bill Taylor
btaylor@mimedx.com wrote:

Norm,
As per our conversation last week,
attached is the consulting
agreement. Please take a look at it and
let's talk in the next few days to fill in
the blanks and address any other
comments that you may have.

Thanks,
Bill

Bill Taylor
President and Chief Operating Officer
Office 678-384-6721
Cell 678-575-8418
Private Fax: 678-802-2860

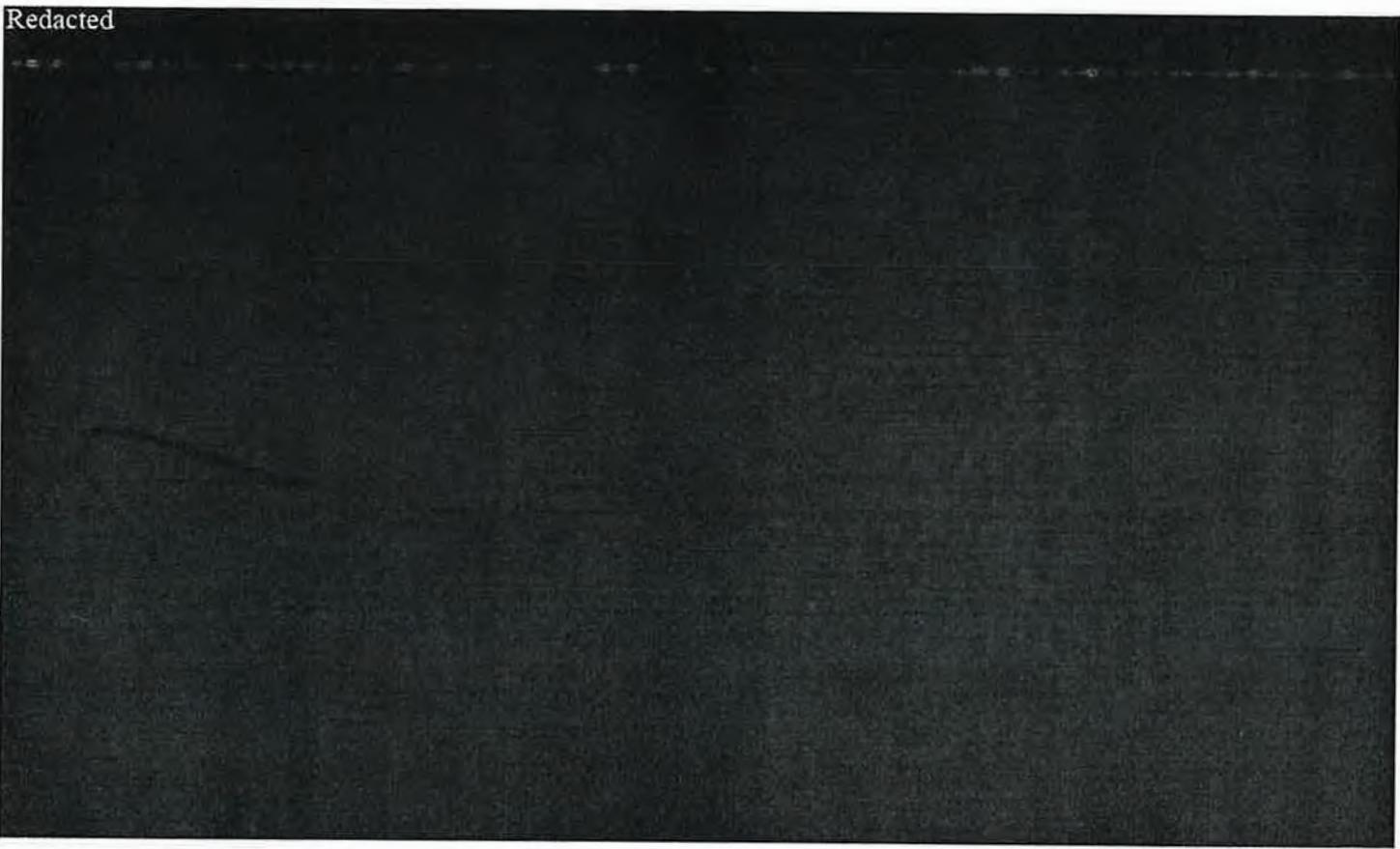
MiMedx Group, Inc.
60 Chastain Center Blvd., Suite 60
Kennesaw, GA 30144
btaylor@mimedx.com
www.mimedx.com

<LaChapelle Consulting-Referral
Agreement 031312.pdf>

3

I4H<♦Q♦♦♦q♦0♦♦D♦♦5♦-♦-

Redacted



From: juddgrisanti@gmail.com
Date: June 16, 2014, 2:11:17 PM CDT
To: Judd D Grisanti <judd.grisanti@facebook.com>
Subject: Fwd: Agreement attached

Sent from my iPhone

Begin forwarded message:

From: mcarlton@mimedx.com
Date: May 17, 2012, 10:37:58 AM CDT
To: "Judd Grisanti" <juddgrisanti@gmail.com>
Subject: Re: Agreement attached
Reply-To: mcarlton@mimedx.com

Personally I wish some things we're different from the beginning. It's hard to play the Led Zeppelin album backwards!

Sent from my Verizon Wireless BlackBerry

From: Judd Grisanti <juddgrisanti@gmail.com>
Date: Thu, 17 May 2012 09:04:24 -0500
To: mcarlton@mimedx.com <mcarlton@mimedx.com>
Subject: Re: Agreement attached



OK. THANKS. FOR THE POSITIVE REMARKS.
THAT IS FINE .I WILL GET NORM TO SINGEN THE CONTACT.
Sent from my iPhone

On May 17, 2012, at 8:55 AM, mcarlton@mimedx.com wrote:

Judd, the 3% deal was Pete (Bill was at 2% which for most brokered deals bringing companies together is standard). Also, 3 years ties to AvKare's contract per Norm's request. This should be a nice check for initiating and helping save the deal. As for Ron, 5% for '12 and if you want '13 it goes to 3%, no problem per Bill. I'm in the middle of all this, Bill is the guy.
Sent from my Verizon Wireless BlackBerry

From: Judd Grisanti <juddgrisanti@gmail.com>
Date: Thu, 17 May 2012 08:07:16 -0500
To: Mike Carlton<mcarlton@mimedx.com>
Subject: Fwd: Agreement attached

Mike , Please take a minute and look over my reply back to Norm. Regarding AVKARE , Ron M. Over-Ride contract and advise. Thanks
Judd Grisanti

Sent from my iPhone

Begin forwarded message:

From: Judd Grisanti
<juddgrisanti@gmail.com>
Date: May 17, 2012 7:42:05 AM CDT
To: Norm LaChapelle
<normlachapelle@yahoo.com>
Subject: Re: Agreement attached

NO. NO. ON BOTH

1. AVKARE.- WE WANTED. 4%. ALL THE WORK. EVERYTHING THAT IT TOOK TO MAKE THIS HAPPEN. WHEN AVKARE WALKED AWAY. FROM THE AGREEMENT. JUDD G. HAD TO ERASURE THAT MIMEDX.(EPIFIX) WAS THE BEST OUT IN THE MARKET. NOTHING COULD COMPARE. JUDD SOLD THEM ON HIS PASSION OF THE PRODUCT. EPIFIX.

ALSO. PRICING. : MIMEDX IS PROFITING MORE ON THE AVKARE FSS. CONTRACT. DOLLARS. THAN IN THE

COMMERCIAL SIDE. HAVE THEM.
REVISIT. THE PROFIT MARGINS.

IF 3%, THEN NO CAP ON GROSS. WHY?
EVERYONE DOES WELL.
IF 3%, AND CAP ON GROSS. THEN HOW
ABOUT SOME. CASH

MID SOUTH BIOLOGICS. JUDD G. HAS
PUT IN A LOT OF TIME EFFORT AND.
MONEY INVESTED IN TO THIS
PARTNERSHIP. WITH AVKARE TO GET
THEM TO A KNOWLEDGE THE VALUE
THAT EVERYONE BRINGS TO THE
AGREEMENT.

*
2 RON M - THE WHOLE STORY WITH.
THIS. !!!! UNDER MINDING MID
SOUTH BIOLOGICS. THE VISIT TO
MIMEDX. WITH. RON. THE. TIME SPENT
AND MONEY TO BRING HIM ON BOARD
FROM THE VERY FIRST TIME WE HAVE
SHOWN HIM THE PRODUCT. THE
SAMPLES MID SOUTH BIOLOGICS. PAID
FOR. TRAINING HIS SON THAD BRONG
HIM ON BOARD. PAYING HIM. THEN
RON. RETURNING. 30 DAY OLD
INVENTORY.
AND. DID THIS OUT OF SURE GREED.
MIKE C. SAID. HE EVEN THOUGHT THAT
WAS FAIR. . EVEN FOR TWO YEARS.
NOT JUST. 1 YEAR.,
2012. 2013. .

AND. BOTH SHOULD BE. RETRO BACK
TO THE BEGING OF THE FIRST OF. MAY
1 2012.

3. TERRITORY. CLARITY.

4 COPY. PETE. MIKE. EVERYONE.
WHEN U SEND THE REPLY. .

Sent from my iPhone

On May 16, 2012, at 8:46 PM, Norm
LaChapelle
<normlachapelle@yahoo.com> wrote:

Sent from Norm's
iPhone

Begin forwarded
message:

From:
Bill
Taylor
<btaylor@mim.edu>
Date:
May
16,
2012
11:01:0
9 AM
CDT
To:
"Norm
LaChap
elle
(normlachapelle@yahoo.com)"
<normlachapel@yahoo.com>
Cc: Bill
Taylor
<btaylor@mim.edu>,
Mike
Carlton
<mcarlton@medx.com>
Subject
:
Agreement
attach
d

Norm,
Attache
d
please
find the
referral
fee
agreem
ent. I
am
sending
via fed-
ex this
evening
2
original
s. Pleas
e sign
both,
and
return
one to
me.

Please
let me
know if
you
have
any
questio
ns or
comme
nts.

Thanks,

Bill
Taylor
Preside
nt and
Chief
Operati
ng
Officer
Office
678-
384-
6721
Cell
678-

575-
8418
Private
Fax: 67
8-802-
2860

MiMedx
Group,
Inc.
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Chastain
Center
Blvd.,
Suite 60
Kennesa
w,
GA 301
44
baylor
@mime
dx.com
www.mi
medx.co
m

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MiMed
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Inc. If
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employ
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agent
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copyin
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distrib
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by any
means

of this
email
or any
attach
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strictly
prohibi
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you
have
receive
d this
email
in
error,
please
immed
ately
notify
the
sender
by
telepho
ne at
(678)
384-
6720
or by
reply
email
and
delete
this
email
and
any
attach
ments
and
destroy
all
hard
copies.
Thank
you.

Archived: Wednesday, August 09, 2017 2:36:18 PM

From: Norm LaChapelle

Sent: Mon, 21 May 2012 07:50:33

To: Bill Taylor; pete.petit@thepetitgroup.com; Mike Carlton

Cc: Judd Grisanti

Subject: MSB Contract

Importance: Normal

Bill and Pete,

I spoke with Judd this week and we are both in agreement with the contract except the 10 million dollar cap. We feel that if it goes over that mark than its a winning situation for everyone. Plus the fact that we kept the same pricing that Judd negotiated with AvKare to make even more profit. Last we would like some revenue that is negotiable to salvage the time and expenses it took over this 7 month period to get this deal done. As you know it will take some time to achieve revenue goals. So in conclusion no cap on our 3% and A check made out to Mid South Biologics as a sign of good faith for our hard work in achieving what could be the biggest revenue potential contract to date.

Best Regards,

Norm LaChapelle
President/CEO
Mid South Biologics.
msbiologics@yahoo.com
901-216-5295

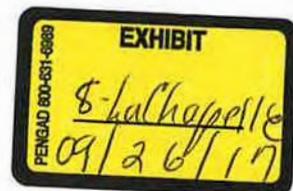


EXHIBIT 1
MMX000118

Archived: Wednesday, August 09, 2017 2:35:21 PM

From: Norm LaChapelle

Sent: Thu, 31 May 2012 10:58:36

To: Bill Taylor; pete.petit@thepetitgroup.com

Subject: Contract and MSB Letter

Importance: Normal

Bill,

You should have received copies of both contracts...please send back my copies when you get a chance. I also need a letter stating that MSB is the exclusive distributor in the Memphis area for MiMedx products. Kevin Jones is going to have a new tissue out in the next 60 days and I would like to lock down Memphis with no confusion of who is selling this product.

Regards,

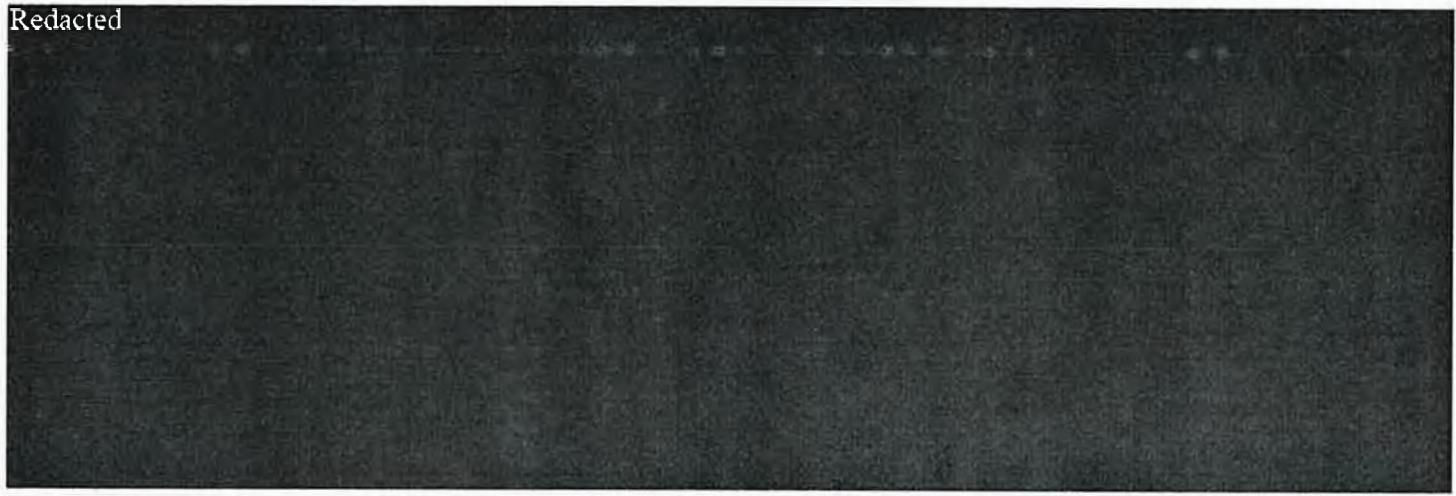
Norm LaChapelle
President/CEO
Mid South Biologics.
msbiologics@yahoo.com
901-216-5295

CONFIDENTIAL



EXHIBIT 1
MMX000069

Redacted



From: mearlton@mimedx.com
Date: June 18, 2012, 9:26:41 PM CDT
To: "Norm LaChapelle" <normlachapelle@yahoo.com>
Cc: "Judd Grisanti" <juddgrisanti@gmail.com>
Subject: Re: End of quarter
Reply-To: mearlton@mimedx.com

Very few sales so far through AvKare. You'll be given the reports each quarter (program only started in May). Actually, I was curious if MSB needed any product these days for MSB Memphis?

Sent from my Verizon Wireless BlackBerry

From: Norm LaChapelle <normlachapelle@yahoo.com>
Date: Mon, 18 Jun 2012 19:18:41 -0700
To: Mike Carlton<mearlton@mimedx.com>
ReplyTo: Norm LaChapelle <normlachapelle@yahoo.com>
Cc: Judd Grisanti<juddgrisanti@gmail.com>
Subject: End of quarter

Mike,

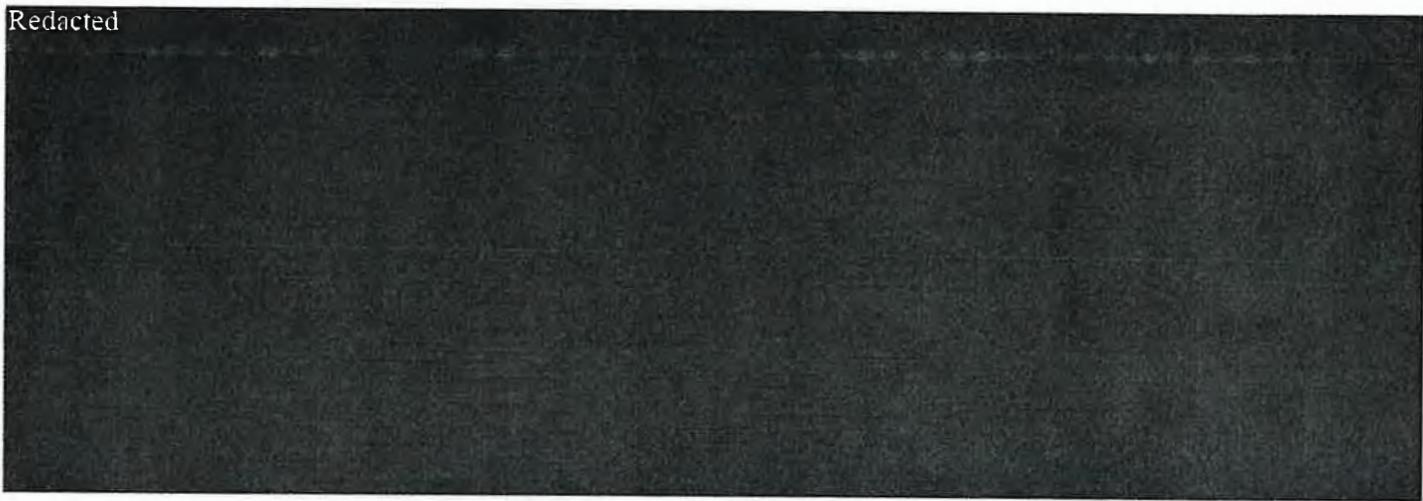
Who do I need to speak to find out what MSB is due for payment with AVKARE deal and Marascalco ?
June 30 was when quarter ends. Thanks

Norm LaChapelle
President/CEO
Mid South Biologics.
msbiologics@yahoo.com
901-216-5295



EXHIBIT 1

Redacted



From: mcarlton@mimedx.com
Date: August 14, 2012, 9:11:44 AM CDT
To: "Norm LaChapelle" <normlachapelle@yahoo.com>
Cc: "Judd Grisanti" <juddgrisanti@gmail.com>
Subject: Re: AVKARE
Reply-To: mcarlton@mimedx.com

Can't open this via Crackberry, in a meeting now with Mark Diaz and Bill Taylor. They tell me the check is ready but there is a balance on your account which absorbs it. Numbers for Q3 are going to be extremely high, estimated \$1.5 million and climbing. You guys get 3% each qtr from what I can tell (if it's 45 days we need to figure out how to do that). Can talk after lunch.

-----Original Message-----

From: Norm LaChapelle
To: mcarlton@mimedx.com
Cc: Judd Grisanti
ReplyTo: Norm LaChapelle
Subject: AVKARE
Sent: Aug 14, 2012 10:05 AM

Message truncated due to size.
Sent from my Verizon Wireless BlackBerry



Archived: Tuesday, August 08, 2017 4:44:15 PM
From: Judd Grisanti
Sent: Thu, 16 Aug 2012 13:18:37
To: Jacki Bugg
Cc: Mike Carlton; Norm LaChapelle; John Cranston
Subject: Account Balance
Importance: Normal

Jackie,

Thanks for your help today. Just trying to clear up our account balance with Mimedx, but there seems to be a error in Mid South Biologics Accounting . I spoke to Mike Carlton on this issue and that our Avkare (FSS , over-ride at 3%) Had been applied to our account receivable. When I do the Check and Balance it doesn't balance out .

Mimedx Balance 19,300

MSB Check 8,000

Mimedx Balance 11,300

MSB Check 6,000

Mimedx Balance 5,300

So I'm showing a balance of \$5,300.00 , I cant find where the AvKare commission (I Don't know the dollar amount, ?) was applied to our account. Could you please advise me on this issue. Mid South Biologics is looking forward on clearing this issue up and getting our balance to zero dollars.

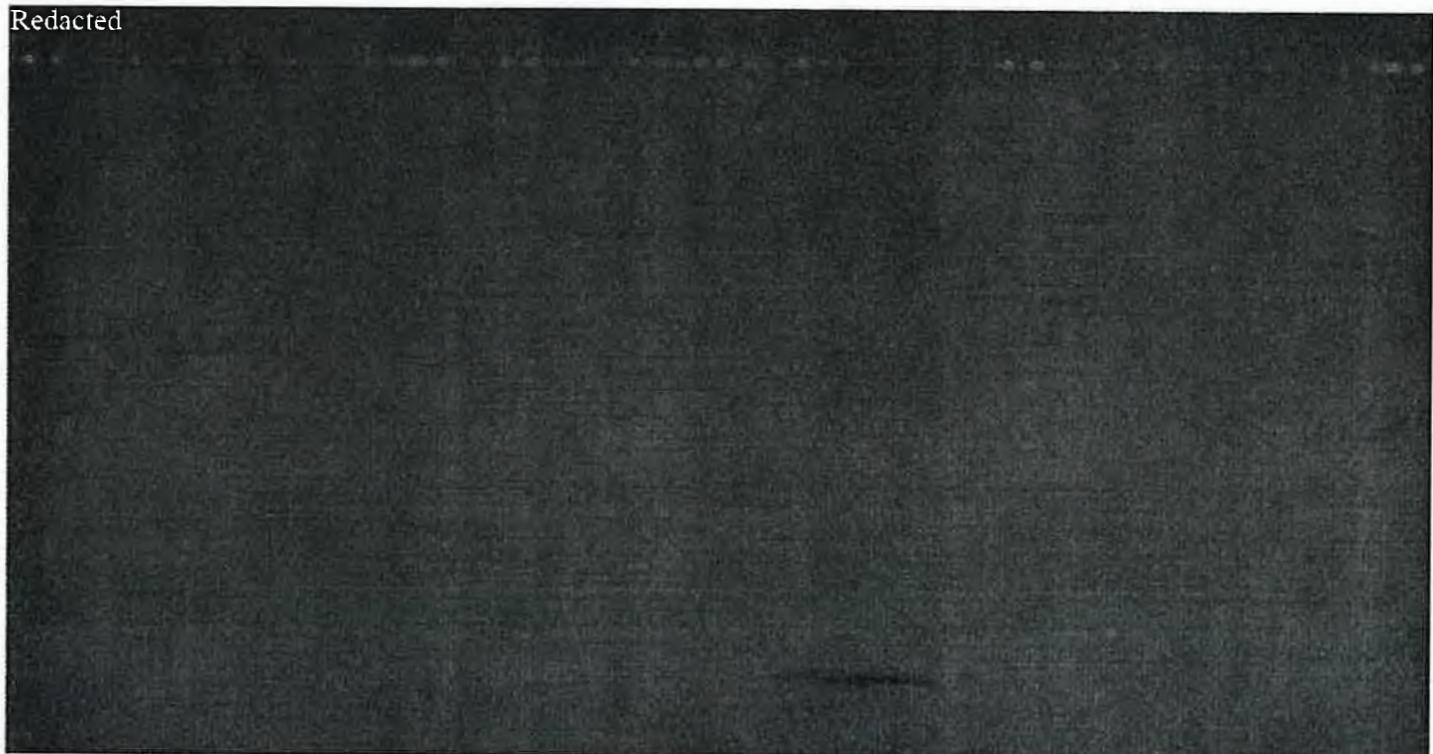
Please provide a spreadsheet of the commission rate of products sold on the FSS with AvKare to date. This will help us keep more accurate accounting.

Thanks Again

--
Judd D. Grisanti
Mid South Biologics
Grisanti Consulting
Memphis, TN 38111
www.juddgrisanti.com
901.359.3039



Redacted



On Friday, October 26, 2012 8:30 AM, JS BEVILL <jsbmsbiologics@yahoo.com> wrote:

Mark,

I HAVE INCLUDED A COPY OF THE PART OF OUR CONTRACT THAT SETS FORTH WHEN OUR OVERRIDE IS TO BE PAID, FOR YOU TO REVIEW.

First issue is that the contract clearly states "referral fees on payments received will be issued with in 20 days after the end of such month", based on payments received through the end such month by MiMedx from Avkare. There is nothing in the contract about quarterly payments.

Second, We expect MiMedx to follow through with there contractual obligations to the letter. At this point, you have provided nothing to verify these numbers, either for the AvKare contract or the override of "coastal biologics(which no payment has been paid as of 10/26/2012.

As the great Ronald Reagan once said "trust but verify" and at this point MiMedx has not done anything to justify any trust from Mid South Biologics, be it dragging out payment or refusing to supply information that this payment is supposed to based on. A little cooperation, with the guys who got this you the AvKare contract, would be appreciated and is expected. We do not want this three year agreement to be filled with nothing but suspicion, headache and attorneys.

J. Scott Bevill, Operations Manager
Mid South Biologics
901-619-5724
JSBMSBIOLOGICS@yahoo.com

From: Mark Diaz <mdiaz@mimedx.com>
To: JS BEVILL <jsbmsbiologics@yahoo.com>; Norm La Chapeille <normlachapelle@yahoo.com>



Sent: Thursday, October 11, 2012 10:33 AM

Subject: RE: AvKare Payment

Scott,

The check for the commissions is being mailed tomorrow through our standard check run. We have a lot of commissions and overrides to process and we cannot interrupt personnel for one account. Also, information between Avkare and MiMedx is confidential. We will pay the override quarterly per our agreement. Reporting is not a requirement.

The following is being paid:

Regards,

Mark Diaz

Vice President, Sales Administration

Office 678-384-6720 | Fax 678-802-2860 | Cell 678-523-4418

MiMedx Group, Inc.

60 Chastain Center Blvd., Suite 60

Kennesaw, GA 30144

mdiaz@mimedx.com

www.mimedx.com

From: JS BEVILL [mailto:jsbmsbiologics@yahoo.com]

Sent: Friday, October 05, 2012 1:08 PM

To: Mark Diaz; Norm La Chapelle

Subject: Re: AvKare Payment

Mark,

Thank you for getting back to me so quickly today. Here is the information Norm and I are looking to get twice a month:

1. What are total sales thru the end of the previous month?
2. What has been paid by AvKare and what is still owed for each month?
3. Norm and I would like to receive this information around the middle and end of each month. Is this possible? We feel pretty sure you guys track this type of information daily and don't think it would be too much trouble or too much to ask considering it determines MiMedx's contractual obligation to MSB.
4. According to our contract on the 20th of each month we are to receive payment, it necessary for planning purposes that I am not left in the dark on the above information or are we to be to just guess until the check actually makes it to the office.
5. I'll assure neither Norm or myself, enjoy feeling like we are having to jump through all of these hoops to get information that determines our compensation, lets you and I put our heads together and come up with a simple spread sheet and be done with all the emails and move on other more pressing issues I know we all need to deal with daily rather than wasting time with this issue anymore.

Mark - I would like to thank you for your help and assistance in dealing with this matter so quickly.

Sincerely,

J. Scott Bevill, Operations Manager
Mid South Biologics
901-619-5724
JSBMSBIOLOGICS@yahoo.com

Total AvKare Sales paid	1,352,872.55	Sales Paid by Awkare
Mid-South Biologics override rate		3%
Payment due:	40,586.18	
A/R deduction per August 17, 2012 email:	(5,305.00)	
Payment due:	35,281.18	

Archived: Tuesday, August 08, 2017 4:45:16 PM

From: JS BEVILL

Sent: Wed, 19 Jun 2013 11:26:00

To: Mark Diaz; Jacki Bugg; Bill Taylor; Norm La Chapelle

Subject: Re: AvKare/Stock Options/Marascalco

Importance: Normal

Mark - I am not implying anything! I was just wondering how they are staying in business and why MiMedx hasn't made a change . . . MiMedx has and is seeing fit to make a lot of changes in our "territory" and we have sold a lot more than Marascalco's, just seems odd that's all.

Sincerely,

J. Scott Bevill, Operations Manager
Mid South Biologics
901-619-5724
JSBMSBIOLOGICS@yahoo.com

From: Mark Diaz <mdiaz@mimedx.com>
To: JS BEVILL <jsbmsbiologics@yahoo.com>; Jacki Bugg <jbugg@mimedx.com>
Cc: Norm La Chapelle <normilachapelle@yahoo.com>; Bill Taylor <btaylor@mimedx.com>
Sent: Wednesday, June 19, 2013 11:05 AM
Subject: RE: AvKare/Stock Options/Marascalco

Scott,

Please do not imply we are hiding sales. We are very transparent. Coastal Biologics is not a stocking distributor. All sales are direct and they are paid commission on consigned inventory so we know the end point sale. According to the sales report I receive and the commissions we pay them, they have one account. The 5% we have paid for those sales in 2012 fulfills our obligations. We are a public company and treat our sales figures seriously. If there is an error we will certainly correct it, however below is a cut/paste directly from our 2012 sales report. Per my earlier email we are processing the final December sale.



Mark

From: JS BEVILL [mailto:jsbmsbiologics@yahoo.com]
Sent: Wednesday, June 19, 2013 12:00 PM
To: Mark Diaz; Jacki Bugg
Subject: Fw: AvKare/Stock Options/Marascalco

CONFIDENTIAL



EXHIBIT 1

MMX000041

Mark and Jacki -

So let me get this right, according to the information provided to MSB by MiMedx, The Marascalco's, a customer of ours, that MiMedx saw fit to allow to go around us to purchase product directly from MiMedx only did 25k in sales the last half to 2012? This is the same customer that purchased OVER \$58K in product in the first 4 - months of 2012 thru MSB before he was given the ability to purchase tissue from Mimedx.

Please forgive me but I find it hard to believe that the total sold by the Marascalco's was only 25k in the last 8 months of the year. Why are they still able to be the distributor for MS?

Sincerely,

J. Scott Bevill, Operations Manager
Mid South Biologics
901-619-5724
JSBMSBIOLICS@yahoo.com

From: Mark Diaz <mrdiaz@mimedx.com>
To: JS BEVILL <jsbmsbiologics@yahoo.com>; Jacki Bugg <jbugg@mimedx.com>; Norm La Chapelle <normlachapelle@yahoo.com>
Sent: Wednesday, June 19, 2013 10:41 AM
Subject: RE: AvKare/Stock Options/Marascalco

Scott,

Per the Referral Fees exhibit in the consulting agreement, the 5% fee for Ron and Thad ended on December 31, 2012. Accounting has determined there was one final sale in 2012 we just got paid and the amount due is \$59.75. This payment concludes this portion of the contracted commitment. All other payments for Ron/Thad sales have been fulfilled.

Regards,

Mark

From: JS BEVILL [mailto:jsbmsbiologics@yahoo.com]
Sent: Tuesday, June 18, 2013 11:36 AM
To: Mark Diaz; Jacki Bugg; Norm La Chapelle
Subject: Re: AvKare/Stock Options/Marascalco

Mark and Jacki,

Once again Mark I have attached the appropriate section of the contract to this email. The effective date was May 1, 2012 and the only reason sales numbers were not included last May . . . there were none.

I look forward to review Marascalco sales number when you have them available for review.

Sincerely,

J. Scott Bevill, Operations Manager
Mid South Biologics
901-619-5724
~~CONFIDENTIAL~~
JSBMSBIOLICS@yahoo.com

EXHIBIT 1

MMX000042

From: Mark Diaz <mdiaz@mimedx.com>
To: Norm LaChapelle <normlachapelle@yahoo.com>; JS BEVILL <jsbmsbiologics@yahoo.com>
Cc: Jacki Bugg <jbugg@mimedx.com>
Sent: Tuesday, June 18, 2013 10:15 AM
Subject: RE: AvKare/Stock Options/Marascalco

Hi Norm,

I do not calculate the commissions/overrides anymore. I am copying Jacki.

The first invoice to AvKare was June 12, 2012. Our contract with Mid-South calls for a 3% commission on all revenue to AvKare starting on June 12, 2013. This will be due on the first \$10mm in sales between June 12, 2013 and June 11, 2014. I believe we started accruing for year 2 on June 12th for the Avkare override.

Mark

From: Norm LaChapelle [mailto:normlachapelle@yahoo.com]
Sent: Tuesday, June 18, 2013 11:10 AM
To: Mark Diaz; JS BEVILL
Subject: AvKare/Stock Options/Marascalco

Mark,

Our AvKare payment is due June 20,2013 along with the 5% override on gross sales generated by Thad and Ron Marascalco. To date, I have only received one payment of \$ 1080.00 on the Marascalco override. Can you give me an update on these two issues.

Norm LaChapelle
Mid South Biologics.
msbiologics@yahoo.com
901-216-5295

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EXHIBIT 1

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Archived: Tuesday, August 08, 2017 4:44:55 PM

From: Bill Taylor

Sent: Tue, 23 Jul 2013 15:21:53

To: John Cranston; Jacki Bugg; Mark Diaz; Mike Carlton

Cc: Bill Taylor

Subject: MidSouth Overrides

Importance: Normal

All,

Please direct any and all correspondence relating to commission overrides on Mid-South Biologics directly to me. If anyone from Mid-South contacts you, please direct them to contact me or forward them directly to me immediately.

I just got off the phone with the folks at Mid-South and told them they are not to speak to anyone but me and that if they do we will terminate their contract.

Thanks,

Bill

*****Please Note New Address and Office Phone**

Bill Taylor

President and Chief Operating Officer

Office 770-651-9103 | Cell 678-575-8418 | Fax 770-590-3569

MiMedx Group, Inc.

1775 West Oak Commons Ct. NE

Marietta, GA 30062

btaylor@mimedx.com

www.mimedx.com

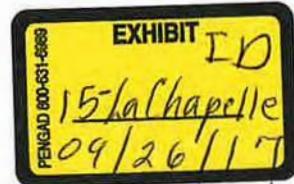
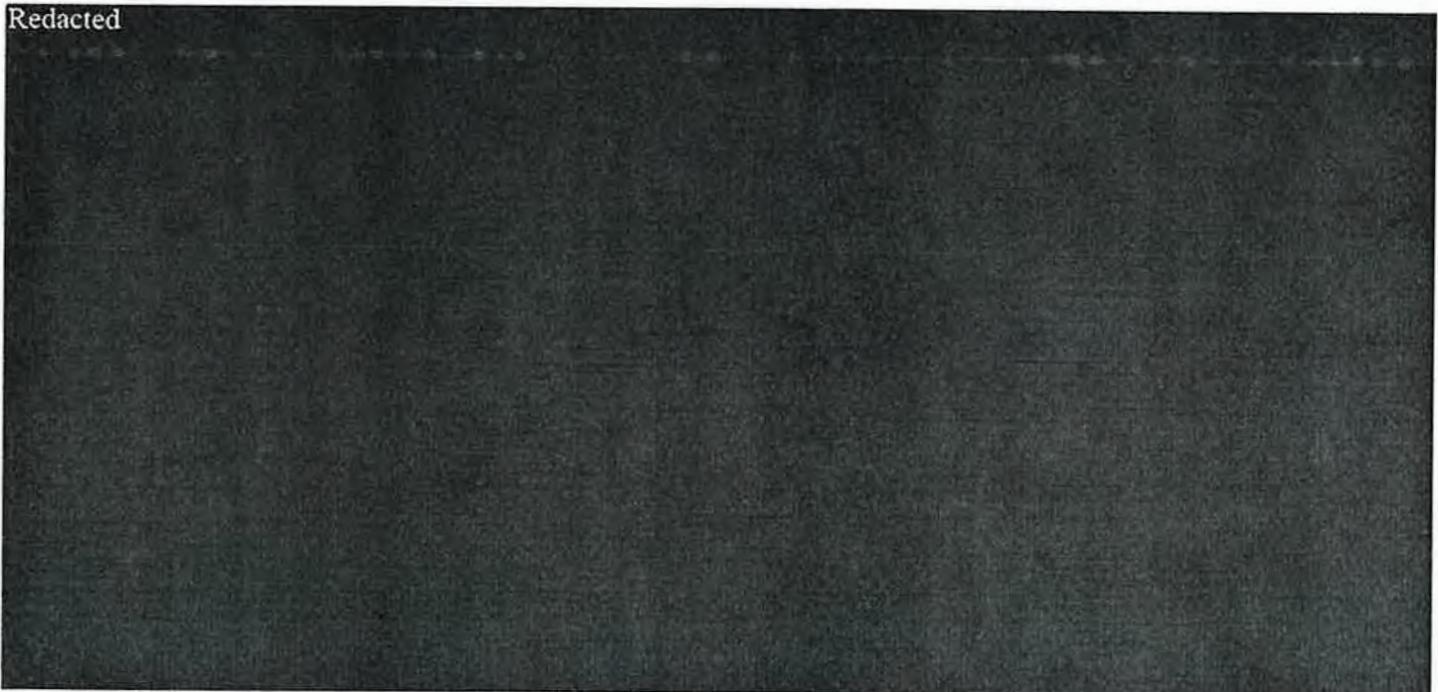


EXHIBIT 1

MMX000026

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Redacted



On Monday, March 24, 2014 11:12 AM, Norm LaChapelle <normlachapelle@yahoo.com> wrote:

Mike,
waiting on you guys to change agreement to say that we can't be terminated in 30 days and also
what
percentage does MSB get after all accounts are signed up to order from you.

Norm LaChapelle
Mid South Biologics.
msbiologics@yahoo.com
901-216-5295

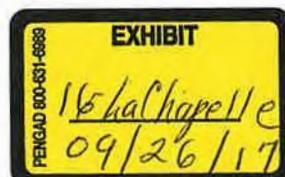
On Monday, March 24, 2014 10:48 AM, "jsbmsbiologics@yahoo.com" <jsbmsbiologics@yahoo.com> wrote:

Sent via the Samsung Galaxy S® III mini, an AT&T 4G LTE smartphone

----- Original message -----

From: Mike Carlton
Date: 03/24/2014 10:35 AM (GMT-06:00)
To: JS BEVILL
Cc: Bill Cochrane ,Mark Diaz ,Jeff Schultz ,Jeff Chavies ,Tony Thompson ,Mike Fox ,John Schmidt
Subject: RE: new order: po# MIDSOUTH3.24.14

We discussed changing the agreement to agency starting April 1, this will be the final order for MSB under the old agreement. Looks like this might be another Urology graft. Please call with questions,



Michael W. Carlton
Senior Vice President, Global Sales
Office 678-384-6728
Cell: 678-596-3100

MiMedx Group, Inc.
1775 West Oak Commons Ct. NE
Marietta, GA 30062 USA
mcarlton@mimedx.com
www.mimedx.com

From: JS BEVILL [mailto:jsbmsbiologics@yahoo.com]
Sent: Monday, March 24, 2014 10:52 AM
To: Customer Service
Subject: new order: po# MIDSOUTH3.24.14

Please ship 15 - AAS-5460, for Thursday delivery at our office at:

Mid South Biologics
3059 Forest Hill Irene, Suite 102
Germantown, TN 38138

Please confirm with fedex tracking number.

Sincerely,

J. Scott Bevill, Operations Manager
Mid South Biologics
901-619-5724
JSBMSBIOLOGICS@yahoo.com

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Archived: Tuesday, August 08, 2017 4:44:48 PM

From: Jacki Bugg

To: Bill Taylor

Subject: MidSouth Biologics

Importance: Normal

Bill,

I just wanted to let you know that I just got off the phone with an extremely irate Scott at MidSouth Biologics. He basically berated and "yelled" at me for 15 mins regarding their commission check. He said that per their contract, the new cycle began on May 1st. I was given the instruction of June 12th per John Cranston's email: "The first invoice to AvKare was June 12, 2012. Our contract with Mid South calls for a 3% commission on all revenue to AvKare starting on June 12, 2013. This will be due on the first \$10mm in sales between June 12, 2013 and June 11, 2014. Please be sure to start accruing as of this date."

But I am also aware of the Advance Deposit agreement. As far as I know, this has not been signed. If it has, we have not seen a check from them yet either.

Scott was threatening with letters and lawyers and going directly to you. I just wanted to give you a heads up and to let you know that I really didn't appreciate his tirade.

Thank you,

Jacki Bugg

Sr. Accountant

Office 770-651-9182

MiMedx Group, Inc.

1775 West Oak Commons Ct NE

Marietta, GA 30062-2254

ibugg@mimedx.com

www.mimedx.com

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EXHIBIT 1
MMX000022

Case 2:17-cv-02028-JTF-tmp Document 7 Filed 01/13/17 Page 10 of 17 PageID 21

DELIVERED ORDER FORM

Redacted



**3059 FOREST HILL IRENE
GERMANTOWN, TN 38138
PHONE (901) 216-5295**

FAX FILLED OUT COPY TO 901-309-3381

ACCOUNT SOLD TO:

ADDRESS:

St. Francis Hospital

PHONE #:

DATE	6/16/14
PO #	
DOCTOR	Redacted
PATIENT	
TOTAL	\$ 2,645.00

COMMENTS:

ADDITIONAL COMPANY AND PRODUCT INFORMATION IS AVAILABLE AT OUR WEBSITE: MIDSOUTHBIOLOGICS.COM

NO RETURNS UNLESS PRODUCT PACKAGING ARRIVES DAMAGED FROM SHIPPING

MID SOUTH BIOLOGICS PARTICIPATES IN FDA APPROVED TRACKING SYSTEMS SET IN PLACE BY OUR SUPPLIERS. IT IS SOLE RESPONSIBILITY OF THE HOSPITAL OR SURGERY CENTERS TO FOLLOW THROUGH WITH THE FDA REQUIRED FINAL STEP IN THE TRACKING OF TISSUE BASED BIOLOGICS. IF THERE ARE ANY QUESTIONS, YOU MAY CONTACT MID SOUTH BIOLOGICS AT 901-309-3381.

MID SOUTH BIOLOGICS 3059 FOREST HILL IRENE GERMANTOWN, TN 38138 901-309-3381



Case 2:17-cv-02028-JTF-tmp Document 1 Filed 01/13/17 Page 1 of 9 PageID 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION**

MID SOUTH BIOLOGICS, LLC,

Plaintiff,

v.

No. _____

MIMEDX GROUP, INC.,

Defendant.

JURY TRIAL DEMANDED

**COMPLAINT FOR BREACH OF CONTRACT, UNJUST ENRICHMENT, AND
CONVERSION**

Comes now Mid South Biologics, LLC (“Mid South”), by and through its counsel, and for its cause of action against Defendant MiMedx Group, Inc., respectfully states the following:

PARTIES AND JURISDICTION

1. Mid South is a limited liability corporation organized and existing under the laws of the State of Tennessee.

2. MiMedx Group, Inc. (“MiMedx”) is a corporation organized and existing under the laws of the State of Florida with its principal place of business in Georgia and can be served by serving its registered agent for service of process, Alexandra Haden, 1775 West Oak Commons Ct., Marietta, GA 30062.

3. This Court has jurisdiction over this cause of action pursuant to 28 U.S.C. § 1332 as the parties are citizens of different states and the amount in controversy exceeds \$75,000.00.

4. Venue is proper in this Court pursuant to 28 U.S.C. § 1391.



STATEMENT OF FACTS

CONSULTING AGREEMENT

5. MiMedx is a developer, manufacturer, and marketer of regenerative biomaterial products and bioimplants processed from human amniotic membrane.

6. MiMedx is a publicly traded company that generated total revenues of approximately \$7.8 million in 2011, \$27.1 million in 2012, and \$59.2 million in 2013.

7. Mid South is a privately held company that provides distribution and consulting services relating to human cell and tissue based allograft procedures in Shelby County, Tennessee and surrounding areas.

8. Beginning in July 2011, Mid South provided such services to MiMedx pursuant to written agreements between Mid South and MiMedx.

9. On or about May 1, 2012, Mid South and MiMedx entered into a Consulting Agreement ("Consulting Agreement"). A true and correct copy of the Consulting Agreement is attached hereto as **Exhibit 1**.

10. Paragraph 13 of the Consulting Agreement provides that it shall be "governed by, construed and enforced in accordance with the laws of the State of Georgia."

11. Under the Consulting Agreement, Mid South agreed to promote MiMedx products (the "Products") to prospective customers ("Prospects"), and MiMedx agreed to pay Mid South a referral fee based on the gross sales of Products to Prospects.

12. Paragraph 3 of the Consulting Agreement provided that the calculation of Mid South's referral fee is based on a percentage of gross sales of the Products to each Prospect.

13. In this regard, Paragraph 3 of the Consulting Agreement states, in relevant part:
For each Prospect with which [MiMedx] enters into an agreement for the sale of Products, [Mid South] shall be entitled to a referral fee equal to a percentage of

Gross Sales of Products to such Prospect for a period to be agreed by the parties and set forth on Exhibit A hereto Exhibit A shall be amended by agreement of the parties to reflect the agreement with respect to each new opportunity.

14. As explained in paragraph 3 of the Consulting Agreement, Exhibit A to the Consulting Agreement, titled REFERRAL FEES, specifies the amount and duration of the referral fees that Mid South is entitled to receive for each respective Prospect.

15. One of the Prospects that is identified in Exhibit A to the Consulting Agreement is AvKARE, Inc. ("AvKARE").

16. As specified in Exhibit A to the Consulting Agreement, MiMedx agreed to pay Mid South a referral fee relating to MiMedx's sales to AvKARE as follows:

Referral Fee: 3% of (i) the first \$10 Million of Gross Sales of Products to such Prospect during the first 12 month period commencing with the initial sale of Products to such Prospect and (ii) the first \$10 Million of Gross Sales of Products in each of the subsequent two 12 month periods.

17. Accordingly, the Consulting Agreement required MiMedx to pay Mid South a referral fee of up to \$300,000 per year for a three year period.

18. Pursuant to paragraph 3 of the Consulting Agreement, the referral fees payable to Mid South are due within twenty (20) days following the end of each month.

19. Consistent with the terms of the Consulting Agreement, Mid South marketed MiMedx's Products to AvKARE which resulted in an agreement between AvKare and MiMedx and AvKARE's purchase of Products in May 2012.

20. During the first year, the twelve month period following May 2012, AvKARE purchased over \$10 million in Products from MiMedx.

21. As required by the Consulting Agreement, MiMedx paid Mid South \$300,000 in the first year, twelve month period beginning in May 2012, as Mid South's referral fee for the AvKARE account.

22. During the second year, the twelve month period beginning in May 2013, AvKARE again purchased over \$10 million in Products from MiMedx.

23. As required by the Consulting Agreement, MiMedx paid Mid South \$300,000 in the second year, the twelve month period beginning in May 2013 as Mid South's referral fee for the AvKARE account.

24. On information and belief, in years 2012 and 2013, AvKare purchased \$10,000,000 early in the twelve month period, well before the expiration of twelve months.

25. AvKARE continued to purchase Products from MiMedx in the third year, which is the 12 month period that began in May 2014.

26. Upon information and belief, AvKARE has purchased or will purchase over \$10 million in Products from MiMedx during the twelve month period beginning in May 2014.

27. Accordingly, Mid South is entitled to receive a referral fee in the amount of \$300,000 from MiMedx.

MiMEDX'S BAD FAITH BREACH OF THE CONSULTING AGREEMENT

28. Pursuant to the Consulting Agreement, MiMedx is obligated to pay Mid South a referral fee for sales during the twelve month period beginning in May 2014.

29. Despite the terms of the Consulting Agreement, MiMedx has failed and refused to pay Mid South the referral fee for the twelve month period beginning in May 2014.

30. In fact, MiMedx sent a letter to Mid South dated May 15, 2014 in which MiMedx stated, among other things, that it was terminating the Consulting Agreement effective June 16, 2014 ("Notice of Termination Letter"). A true and correct copy of the Notice of Termination Letter is attached hereto as **Exhibit 2**.

31. MiMedx remains obligated to pay Mid South the referral fee for the third and final twelve month period pursuant to the terms of the Consulting Agreement.

32. Despite its obligation, MiMedx has failed to make any payments to Mid South for the twelve month period beginning in May 2014.

33. MiMedx advised that it will not pay Mid South the referral fees owed beyond the June 16, 2014 termination date for sales occurring in the twelve month period that began in May 2014.

34. MiMedx is in breach of the Consulting Agreement based on its refusal to pay Mid South the referral fee.

35. MiMedx's denial of Mid South's right to the referral fee constitutes a bad faith refusal to perform under the Consulting Agreement.

36. MiMedx obtained the full benefit of Mid South's services in brokering MiMedx's relationship with AvKARE.

37. In fact, MiMedx's total revenue has grown exponentially as a direct result of its sales to AvKARE. Indeed, in 2013, sales to AvKARE represented 56% of MiMedx's total revenue.

38. In a bad faith attempt to avoid its obligation to compensate Mid South as required by the Consulting Agreement, MiMedx unilaterally terminated the Consulting Agreement.

39. MiMedx's termination of the Consulting Agreement does not nullify its obligation to compensate Mid South for the services rendered by Mid South.

40. Mid South has suffered damages and continues to suffer damages as a result of MiMedx's breach.

MISAPPROPRIATION OF MID SOUTH'S VENDOR CREDENTIALS

41. All persons or entities that provide goods or services to Saint Francis Hospital – Memphis (“St. Francis”) or to otherwise transact business with St. Francis must be properly licensed and credentialed with St. Francis.

42. Mid South is a licensed and authorized vendor for St. Francis.

43. Upon information and belief, MiMedx is not an authorized vendor for St. Francis.

44. Beginning on June 16, 2014, the effective date of MiMedx’s termination of the Consulting Agreement and Distribution Agreement with Mid South as detailed in the Notice of Termination Letter, MiMedx misappropriated Mid South’s vendor credentials for Saint Francis for the purpose of continuing to sell its Products to St. Francis.

45. For example, from June 16, 2014 to June 27, 2014, MiMedx used Mid South’s vendor credentials to consummate at least eight separate transactions with St. Francis in total amount of \$21,560.00. During this time MiMedx was not an authorized vendor for St. Francis. A true and correct copy of Delivered Order Forms relating to these eight transactions are attached hereto as **Exhibit 3**.

46. Upon information and belief, MiMedx similarly misappropriated Mid South’s vendor credentials to make additional sales to St. Francis.

47. Mid South was not compensated by MiMedx for the use of its vendor credentials.

48. MiMedx’s retention of the amounts it received through the unauthorized use of Mid South’s vendor credentials is unjust and inequitable.

COUNT I – BREACH OF CONTRACT

49. Mid South restates, realleges, and incorporates by reference the allegations in paragraphs 1 through 48.

50. Mid South has made demand upon MiMedx for payment of the amounts owed pursuant to the Consulting Agreement.

51. MiMedx has failed and refused to pay the amounts owed to Mid South under the Consulting Agreement.

52. Under Georgia law, the duty of good faith and fair dealing is implied in every contractual agreement.

53. MiMedx breached the implied duty of good faith and fair dealing as a result of its conduct detailed herein with respect to the Consulting Agreement.

54. Mid South is entitled to a judgment against MiMedx for breach of the Consulting Agreement and damages in an amount to be proven at trial.

55. Pursuant to O.C.G.A. § 13-6-11, Mid South is further entitled to an award of its litigation expenses, including attorneys' fees, as a result of MiMedx's bad faith with respect to the Consulting Agreement.

COUNT II – UNJUST ENRICHMENT

56. Mid South restates, realleges, and incorporates by reference the allegations in paragraphs 1 through 55.

57. MiMedx unjustly obtained revenues by misappropriating Mid South's vendor credentials with St. Francis.

58. MiMedx's retention of the revenues it received as a result of this misappropriation is unjust and inequitable.

59. Accordingly, under the doctrine of unjust enrichment, MiMedx must compensate Mid South for the unauthorized use of its St. Francis vendor credentials.

60. Mid South is entitled to damages under the doctrine of unjust enrichment in an amount to be proven at trial.

COUNT III - CONVERSION

61. Mid South restates, realleges, and incorporates by reference the allegations in paragraphs 1 through 60.

62. MiMedx misappropriated Mid South's vendor credentials with St. Francis for its own use.

63. MiMedx then used Mid South's vendor credentials for its own profit and to the detriment of Mid South.

64. Mid South is entitled to damage as a result of MiMedx's unlawful conversion of its St. Francis vendor credentials in an amount to be proven at trial.

WHEREFORE, PREMISES CONSIDERED, Mid South prays for the following relief:

1. Issue proper process requiring MiMedx to respond to the Complaint within the time allowed by law;
2. That this case be tried before a jury;
3. Grant a judgment in favor of Mid South against MiMedx for each of the claims asserted herein;
4. Award Mid South damages against MiMedx for breach of contract in the amount of \$300,000.00, plus interest, and additional damages as may be proven;
5. Award Mid South damages against MiMedx in an amount to be proven at trial for unjust enrichment and conversion;
6. Award Mid South litigation expenses, including attorneys' fees, against MiMedx pursuant to O.C.G.A. § 13-6-11; and
7. Award such other and further relief, both general and specific, to which Mid South is entitled.
8. Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff hereby requests a trial by jury for all issues so triable.

Respectfully Submitted:

/s/ Paul C. Peel

Paul C. Peel (BPR No. 19536)
Farris Bobango Branan, PLC
999 South Shady Grove – Suite 500
Memphis, TN 38120
Phone: 901-259-7100
Fax: 901-259-7150
Email: ppeel@farris-law.com

Attorneys for Mid South Biologics, LLC

Case 2:17-cv-02028-JTF-tmp Document 7 Filed 01/13/17 Page 8 of 17 PageID 19



May 15, 2014

Via Federal Express

Mid South Biologics, LLC
7785 Hunters Run Drive
Germantown, TN 38138
Norm LaChapelle

Re: (1) Distributor Agreement between MiMedx Group, Inc., and Mid South Biologics, LLC, effective July 1, 2013; and (2) Consulting Agreement between MiMedx Group, Inc. and Mid South Biologics, LLC, effective May 2012

Mr. LaChapelle:

This letter serves as notice of termination of the above-referenced agreements.

In regards to the above-mentioned Distributor Agreement, pursuant to Section 15.1 thereof, the termination will be effective June 16, 2014.

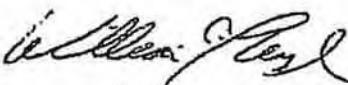
I want to take the opportunity to remind you of the provisions of Section 2.3 (No Conflicts) of the Distributor Agreement, which prohibits Mid South Biologics, LLC from selling, licensing or distributing Competing Products for six (6) months after termination. Additionally, I want to remind you of the obligation to maintain confidentiality as agreed to in Section 17 (Confidentiality and Proprietary Rights) of the Agreement, which survives the termination of this agreement.

In regards to the above-mentioned Consulting Agreement, pursuant to Section 11 thereof, the termination will be effective June 16, 2014.

Again, I would like to remind you of the provisions of Section 10 (Non-compete and Non-solicitation) of the Consulting Agreement, both of which survive for one (1) year after termination, and the obligation set forth in Section 4 (Confidentiality), which survives for three (3) years after termination of this agreement.

Thank you for your service to MiMedx.

Sincerely,


William C. Taylor
President and COO

AmnioFix EpiFix

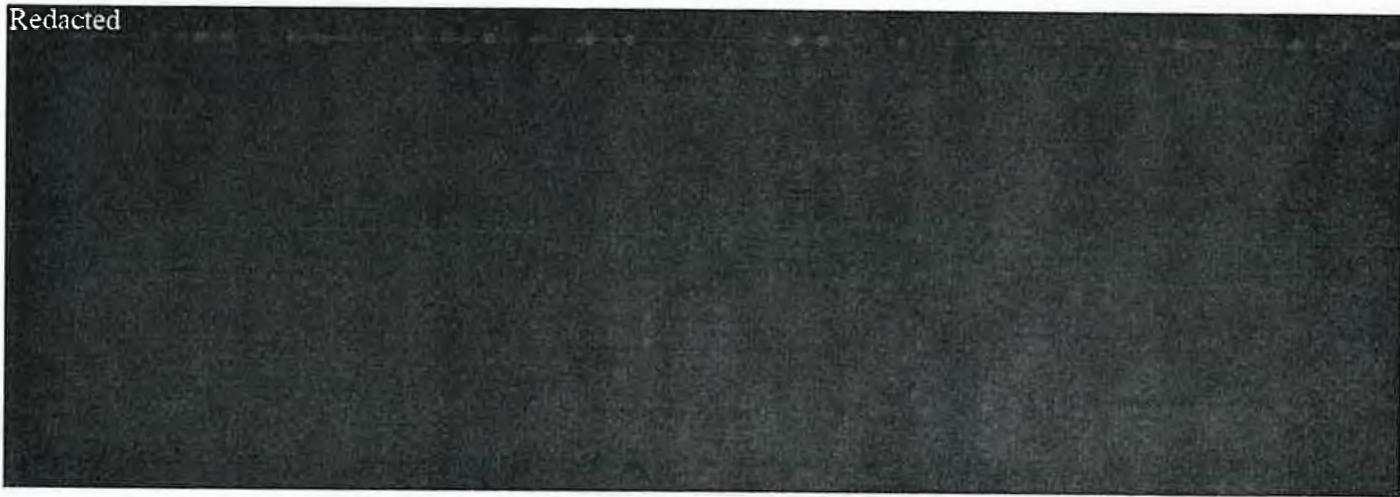
Innovations In Regenerative Biomaterials

MiMedx Group, Inc. | 1775 West Oak Commons Ct NE | Marietta, GA 30062 | 770.651.9100 | Fax 770.238.6395 | www.mimedx.com



EXHIBIT 1

Redacted



From: Norm LaChapelle <normlachapelle@yahoo.com>
Date: May 19, 2014 at 10:13:17 AM CDT
To: "btaylor@mimedx.com" <btaylor@mimedx.com>, "pete.petit@thepepitgroup.com" <pete.petit@thepepitgroup.com>
Subject: Mid South Biologics
Reply-To: Norm LaChapelle <normlachapelle@yahoo.com>

Bill,

I received my letter of termination this weekend and was hoping that we could resolve this where both parties can prosper. All I was asking was to receive credit from 3 existing surgeons. As you know Jeff Chavies came on as a Wound Representative in the Memphis Territory that I wasn't informed of... I spoke with Mike Carlton and was told not to worry and to work with him. Jeff signed an agreement with MSB and was paid a commission for everything except Wound Care to protect MSB and MiMedx and to retain surgeons under MSB umbrella in case of any unforeseen circumstances. I spent over a year to get MiMedx into every hospital and Surgery center in the Mid South. I introduced Mr. Chavies to all my contacts and informed them that he was working with MSB and that he was my representative... he was then able to have access to these facilities and not be blocked out. In August of 2013 I was informed that I needed to purchase 25k in product and pay Jeff 13% to keep my Distributorship ...we agreed on 15k and were back on track until recently. I agreed to all the terms and was waiting on an agreement which stated that I would get credit from existing surgeons and have the 30 day termination taken out ...we were then going to get all surgeons to buy direct from MiMedx and work our territory. I have always been a team player and have been with you since conception.

Regards,



Norm LaChapelle
Mid South Biologics

Redacted



From: Norm LaChapelle <normlachapelle@yahoo.com>
Date: May 21, 2014, 8:56:49 AM CDT
To: "juddgrisanti@gmail.com" <juddgrisanti@gmail.com>
Subject: Fw: Fwd: MSB MiMedx agreement
Reply-To: Norm LaChapelle <normlachapelle@yahoo.com>

Please show this to our lawyer...it clearly states that Avkare deal is totally separate. Also states that Jeff Chavies was hired for wound care and nothing else.

Sent from my iPhone

Begin forwarded message:

From: juddgrisanti@gmail.com
Date: July 1, 2013, 7:53:28 PM CDT
To: Norm LaChapelle <normlachapelle@yahoo.com>
Subject: Fwd: MSB MiMedx agreement

Sent from my iPhone

Begin forwarded message:

From: "Mike Carlton" <mcarlton@mimedx.com>
Date: July 1, 2013, 12:35:53 PM CDT
To: "Norm LaChapelle" <normlachapelle@yahoo.com>,
"Judd Grisanti" <juddgrisanti@gmail.com>, "Bill Cochrane"
<bcochrane@mimedx.com>, "Mark Diaz"
<mdiaz@mimedx.com>, "Brent Miller"
<bmiller@mimedx.com>
Cc: "Jeff Chavies" <jchavies@mimedx.com>



Subject: Re: MSB MiMedx agreement
Reply-To: mcarlton@mimedx.com

Guys, I just spoke Bill Taylor about the new issues. Consulting agreement for the AvKare over-ride is a separate issue, not connected. For the AmnioFix agreement, stocking is the easiest option due to MSB vendor status in these hospitals but for Jeff Chavies cases, MiMedx needs to pay Jeff through payroll. A report will need to be generated to pay Jeff each month. MSB will add this payment to their orders and we will pay Jeff accordingly. Bill is speaking to our CFO Mike Senken now, stay tuned.

Sent from my Verizon Wireless BlackBerry

-----Original Message-----

From: "Mike Carlton" <mcarlton@mimedx.com>
Date: Mon, 1 Jul 2013 13:50:39
To: Norm LaChapelle<normlachapelle@yahoo.com>; Judd Grisanti<juddgrisanti@gmail.com>; Bill Cochrane<bcochrane@mimedx.com>; Mark Diaz<mdiaz@mimedx.com>; Brent Miller<bmiller@mimedx.com>
Reply-To: mcarlton@mimedx.com
Cc: Jeff Chavies<jchavies@mimedx.com>
Subject: MSB MiMedx agreement

Guys, we need to work out this contract issue quickly, therefore, I wanted to set expectations. First of all, thank you for hanging in there with us for 2 years, ups and downs, but a huge upside remains. Going forward we have two options, both for AmnioFix products. Both options maintain MSB's consultant status as a distributor in good standing to receive AvKare over-ride commissions; Option #1. Sales agency consignment (already sent) where we ship/invoice and pay 25% commissions (Bill T agreed to an extra 5% on cases Jeff Chavies is doing with his Uro group). Option #2. Stocking agreement renewed with MSB (still need to send) and this provides the additional points and maintains MSB as the vendor in St. Francis and Baptist. Both options place Jeff Chavies outside MSB and there would be no over-ride on Jeff's cases with option #2. Both agreements are non-exclusive and in both cases, we will be quoting our list price for AmnioFix which will need an adjustment (good news for the hospital). A comment on Jeff Chavies, he was hired for commercial wound care and also covers the VA. His Uro sales are transparent and were communicated immediately. We do not need conflicts and desire to provide solutions here, not challenges. Thanks, Mike
Sent from my Verizon Wireless BlackBerry

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION**

MID SOUTH BIOLOGICS, LLC,)
)
)
Plaintiff,)
)
)
v.) **No. 2:17-cv-02028-JTF-tmp**
)
)
MIMEDX GROUP, INC.,)
)
)
Defendant.)

**PLAINTIFF'S RESPONSES TO DEFENDANT'S FIRST SET OF
INTERROGATORIES AND FIRST REQUEST FOR PRODUCTION OF DOCUMENTS**

Plaintiff, Mid South Biologics, LLC ("MSB"), responds to the First Set of Interrogatories and First Request for Production of Documents served by Defendant, MiMedx Group, Inc. MSP responds as follows:

GENERAL OBJECTIONS

1. MSB generally objects to each Interrogatory and Request for Production of Documents (collectively, the "Discovery Requests") propounded by Defendant, MiMedx Group, Inc. ("MiMedx"), to the extent that it seeks the disclosure of information that would violate rights of privacy and other statutorily or judicially recognized protections and privileges, confidentiality agreements or court orders restricting dissemination of information, or result in disclosure of materials prepared in anticipation of litigation or confidential settlement discussions or conduct. MSB will identify and produce this information subject to a mutually-agreed protective order.

2. MSB bases its responses and objections upon currently known and available information. MSB reserves its right to amend, modify, or supplement any objection or response stated herein. MSB further states that it does not undertake any duty to amend, modify, or supplement the objections or



responses stated herein, except that MSB will amend or supplement its responses pursuant to the duties imposed by Federal Rule of Civil Procedure 26.

3. MSB does not waive or intend to waive, but rather intends to preserve and is preserving, the following: (1) all objections as to competency, relevancy, materiality and admissibility; (2) all rights to object on any ground to the use of any of its responses herein or documents in any proceeding, motion, hearing, or the trial of this or any other action; and (3) all rights to object on any ground to any further discovery involving any of the Discovery Requests.

4. MSB objects to each Discovery Request to the extent that it seeks information protected by the attorney-client privilege or work product doctrine. Privileged information responsive to any Discovery Request is not provided. MSB does not waive and intends to preserve the attorney-client privilege, the work product doctrine and every other privilege with respect to all information protect by any of such privileges.

5. All of these General Objections apply to each numbered response below as if fully set forth therein unless otherwise specified.

6. A replication or statement in whole or in part of any one or more of the foregoing objections is not intended to waive and does not waive an objection not otherwise stated.

Subject to the foregoing general objections and qualifications and to any specific objection made below, MSB objects and responds to MiMedx's First Set of interrogatories and Requests for Production of Documents as follows:

RESPONSES AND OBJECTIONS TO INTERROGATORIES

INTERROGATORY NO. 1: Identify the persons affiliated with MSB who were involved in the decision to enter into the Consulting Agreement and, as precisely as possible, state the role of each such person in that decision.

RESPONSE: MSB objects to Interrogatory No. 1 to the extent it is overbroad, unduly burdensome and seeks information neither relevant nor proportional to the needs of the

case. Subject to and without waiving the foregoing objections and the General Objections, MSB identifies Norm LaChapelle and Judd Grisanti, both of whom were signatories to the Consulting Agreement on behalf of MSB.

INTERROGATORY NO. 2: Identify the owners of MSB, including their specific ownership interest in MSB, and the date on which that ownership interest was acquired.

RESPONSE: Since he founded MSB in 2000, Norm LaChapelle has been its sole owner.

INTERROGATORY NO. 3: Identify any lawsuit or judicial proceeding (whether civil, criminal, or administrative) to which MSB has been a party in the last seven (7) years, including the following information: (a) the names of each party to the action; (b) the caption and case number of the action; (c) the court or tribunal in which the action was pending and the date it was filed; (d) the nature of the action; (e) the disposition of the action; and (f) the lawyers who represented each party.

RESPONSE: MSB objects to Interrogatory No. 3 to the extent it is overbroad, unduly burdensome and seeks information neither relevant nor proportional to the needs of the case. MSB further objects to the extent that this Interrogatory seeks information beyond the scope of MSB 's business and to the extent that it seeks information relating to MSB's present and former agents, representatives, present and former affiliates, employees, investigators, accountants, attorneys, and each person or entity acting or purporting to act on its behalf. Subject to and without waiving the foregoing objections and the General Objections, MSB has only been a party to this proceeding and its predecessor case. The predecessor case was filed in Shelby County Chancery Court and was removed by MiMedx to initiate this proceeding.

INTERROGATORY NO. 4: State the basis of your allegation that MiMedx breached a contract between MiMedx and MSB as described in the Complaint, including the following: (a) all facts upon which you rely to support the allegations; (b) the identity of each person, firm or corporation that has knowledge of such facts; and (c) the identity of any documents relating to such facts.

RESPONSE: MSB objects to Interrogatory No.4 to the extent it is overbroad, unduly burdensome and seeks information neither relevant nor proportional to the needs of the case. Subject to and without waiving the foregoing objections and the General Objections, MSB states that:

(a) MiMedx breached the Consulting Agreement by refusing to make all referral payments due under the Consulting Agreement. The terms of the Consulting Agreement unambiguously provide that MiMedx would pay MSB 3% of the first \$10 million in sales for each of the following 12 month periods: (i) May 1, 2012- April30, 2013; (ii) May 1, 2013-April30, 2014; (iii) May 1, 2014-April30, 2015. MiMedx, however, has only paid the referral fee for the first two 12 month periods and has refused to make payments during the third.

(b) MSB cannot identify all persons or corporations with knowledge of the facts, but identifies the following as having knowledge of such facts: Norm LaChapelle, Judd Grisanti, Scott Bevill and personnel from MiMedx including, but not limited to, Pete Petit, Billy Taylor, and Mike Carlton. MSB also identifies any and all persons identified by MiMedx in this case.

(c) The Consulting Agreement, documents reflecting MiMedx's sales to AvKARE, MiMedx's public filings, emails produced herewith between persons affiliated with MSB and persons affiliated with MiMedx, the May 15, 2014 letter from William Taylor to Norm LaChapelle purporting to terminate the Consulting Agreement effective June 16, 2014 and

communications between counsel for the parties. MSB also identifies any and all documents identified by MiMedx in this case.

INTERROGATORY NO. 5: State the basis of your allegation that MiMedx has been unjustly enriched as described in the Complaint, including the following: (a) all facts upon which you rely to support the allegations; (b) the identity of each person, firm or corporation that has knowledge of such facts; and (c) the identity of any documents relating to such facts.

RESPONSE: MSB objects to Interrogatory No. 5 to the extent it is overbroad, unduly burdensome and seeks information neither relevant nor proportional to the needs of the case. Subject to and without waiving the foregoing objections and the General Objections, MSB states that:

(a) MSB obtained vendor credentials which permitted it to sell products at St. Francis Hospital in Memphis. During the tenure of the relationship between MSB and MiMedx, MiMedx did not obtain separate vendor credentials, but sales of MiMedx products were done through MSB's credentials. On June 16, 2014, MiMedx terminated all relationships with MSB, however, MiMedx continued to use MSB's vendor credentials without approval so that MiMedx could continue to sell products to St. Francis Hospital.

(b) MSB cannot identify all persons or corporations with knowledge of the facts, but identifies the following as having knowledge of such facts: Norm LaChapelle, Judd Grisanti, Scott Bevill, Jeff Chavies, MiMedx personnel. MSB also identifies any and all persons identified by MiMedx in this case.

(c) Invoices attached to Complaint. MSB also identifies any and all documents identified by MiMedx in this case.

INTERROGATORY NO. 6: State the basis of your allegation that MiMedx engaged in unlawful conversion as described in the Complaint, including the following: (a) all facts upon which you rely to support the allegations; (b) the identity of each person, firm or corporation that has knowledge of such facts; and (c) the identity of any documents relating to such facts.

RESPONSE: MSB incorporates its response to Interrogatory No. 5.

INTERROGATORY NO. 7: Identify any damages that you are claiming against MiMedx, and state manner and calculation that you used to arrive at the claimed amount.

RESPONSE: MSB's exact damages have yet to be determined, however, MSB generally seeks the following damages and other recovery:

- MiMedx's Breach of Consulting Agreement
 - Unpaid referral fee for third 12 month period (3% of first \$10 million in sales by MiMedx to AvKARE): \$300,000.
 - Interest at Tennessee post judgment rate (5.25%) from the date that each payment was due until paid, which cannot be determined with certainty until MiMedx has produced documents reflecting its sales and receipts to AvKARE.
- MiMedx's Conversion and Unjust Enrichment.
 - MSB is unable to calculate at this time, but intends to seek a percentage of the gross sales derived by MiMedx's unauthorized use of Mid South's vendor credentials.
- In addition to the damages set forth above, MSB seeks an award of its costs, expenses and attorneys' fees.

INTERROGATORY NO. 8: Identify any persons affiliated with MSB who were involved in the negotiation of the Consulting Agreement and, as precisely as possible, state the role of each such person in the negotiation.

RESPONSE: MSB objects to Interrogatory No. 8 to the extent it is overbroad, unduly burdensome and seeks information neither relevant nor proportional to the needs of the case. Subject to and without waiving the foregoing objections and the General Objections, MSB states that to the extent that there were "negotiations," the persons affiliated with MSB involved in those negotiations were Norm LaChapelle and Judd Grisanti. The negotiations were limited to discussions regarding the percentage and duration of the referral fee payments that MiMedx would pay to MSB, after which MiMedx presented a written contract to MSB and demanded that it be signed.

INTERROGATORY NO. 9: Identify any persons affiliated with MSB who were involved in the drafting of the Consulting Agreement and, as precisely as possible, state the role that each such person played in the drafting.

RESPONSE: None. The Consulting Agreement was drafted by MiMedx.

INTERROGATORY NO. 10: Identify any persons affiliated with MSB who communicated with MiMedx concerning the terms of the Consulting Agreement and, as precisely as possible, state the nature of those communications.

RESPONSE: MSB objects to Interrogatory No. 10 to the extent it is overbroad, unduly burdensome and seeks information neither relevant nor proportional to the needs of the case. Subject to and without waiving the foregoing objections and the General Objections, MSB states that communications between MSB and MiMedx concerning the terms of the Consulting Agreement were primarily between Norm LaChapelle and Mike Carlton. The primary topic of

those discussions was the percentage and duration of the referral fee payments that MiMedx would pay to MSB. Other persons involved include Judd Grisanti, Scott Bevill, Bill Cochrane, William Taylor and Pete Petit. Around May 1, 2012, MiMedx presented a written contract to MSB and demanded that it be signed.

INTERROGATORY NO. 11: Identify any persons affiliated with Saint Francis with whom you discussed any of the allegations in the Complaint.

RESPONSE: None.

INTERROGATORY NO. 12: Identify any persons affiliated with AvKare with whom you discussed any of the allegations contained in the Complaint.

RESPONSE: None.

RESPONSES AND OBJECTIONS
- TO REQUESTS FOR PRODUCTION OF DOCUMENTS AND THINGS

REQUEST NO. 1: Please produce all non-privileged documents and ESI identified in each of your responses to the above Interrogatories.

RESPONSE: Subject to and without waiving any of the General Objections, MSB will produce documents responsive to this Request.

REQUEST NO. 2: Please produce all non-privileged documents and ESI relied on, reviewed in, or employed in formulating your answers to the above Interrogatories.

RESPONSE: Subject to and without waiving any of the General Objections, MSB will produce documents responsive to this Request.

REQUEST NO. 3: Please produce all non-privileged documents and ESI that comprise or refer to internal communications concerning the May 1, 2012 Consulting Agreement between MSB and MiMedx.

RESPONSE: Subject to and without waiving any of the General Objections, MSB will produce documents responsive to this Request.

REQUEST NO. 4: Please produce all non-privileged documents and ESI that comprise or refer to communications with MiMedx concerning the May 1, 2012 Consulting Agreement between MSB and MiMedx.

RESPONSE: Subject to and without waiving any of the General Objections, MSB will produce documents responsive to this Request.

REQUEST NO. 5: Please produce all non-privileged documents and ESI that comprise or refer to communications between Saint Francis and MSB concerning the May 1, 2012 Consulting Agreement between MSB and MiMedx or any of the allegations contained in the Complaint.

RESPONSE: Subject to and without waiving any of the General Objections, MSB will produce documents responsive to this Request.

REQUEST NO. 6: Please produce all non-privileged documents and ESI that comprise or refer to communications between AvKare and MSB concerning the May 1, 2012 Consulting Agreement between MSB and MiMedx or any of the allegations contained in the Complaint.

RESPONSE: Subject to and without waiving any of the General Objections, MSB will produce documents responsive to this Request.

REQUEST NO. 7: Produce all drafts, prior versions, revisions, etc., of the Consulting Agreement, whether prepared, maintained or communicated internally by MSB or transmitted to MiMedx.

RESPONSE: There are no documents responsive to this request in the possession, custody or control of MSB.

REQUEST NO. 8: Please produce all documents and ESI that comprise or refer to communications between you and any other third-party that is, anyone other than MiMedx, MSB, Saint Francis and AvKare concerning the May 1, 2012 Consulting Agreement between MSB and MiMedx.

RESPONSE: In addition to the General Objections stated above, MSB objects to the request as seeking documents protected from disclosure by the attorney-client privilege and the attorney work product doctrine. Subject to and without waiving any of the foregoing objections or the General Objections, MSB states that there are no documents responsive to this request in the possession, custody or control of MSB.

REQUEST NO. 9: Please produce all documents and ESI that comprise, refer to or otherwise pertain to any internal communications concerning the termination of the May 1, 2012 Consulting Agreement between MSB and MiMedx.

RESPONSE: In addition to the General Objections stated above, MSB objects to the request as seeking documents protected from disclosure by the attorney-client privilege and the attorney work product doctrine. Subject to and without waiving any of the foregoing objections or the General Objections, MSB states that it will produce documents responsive to this Request.

REQUEST NO. 10: Please produce documents and ESI sufficient to reflect the gross amount of payments that you received from MiMedx related to products sold to AvKare on a monthly basis for the period May 1, 2012 through May 31, 2015.

RESPONSE: Subject to and without waiving any of the General Objections,

MSB will produce documents responsive to this Request.

REQUEST NO. 11: Please produce documents and ESI reflecting MSB's calculation of referral payments due to MSB on a monthly, quarterly and annual basis during each year in which MSB claims that it is/was entitled to payment from MiMedx.

RESPONSE: Subject to and without waiving any of the General Objections,

MSB will produce documents responsive to this Request.

REQUEST NO. 12: Please produce documents and ESI sufficient to reflect, on a monthly basis, all referral payment that MSB received from MiMedx under the Consulting Agreement dated May 1, 2012.

RESPONSE: Subject to and without waiving any of the General Objections,

MSB will produce documents responsive to this Request.

REQUEST NO. 13: Please produce all documents and ESI supporting your contention that MiMedx lacks vendor status at Saint Francis Hospital.

RESPONSE: There are no documents responsive to this request in the possession, custody or control of MSB.

REQUEST NO. 14: Please produce all documents relating to the damages that you allege in the Complaint.

RESPONSE: In addition to the General Objections stated above, MSB objects to the request as seeking documents protected from disclosure by the attorney-client privilege and the attorney work product doctrine. Subject to and without waiving any of the foregoing objections or the General Objections, MSB states that it will produce documents responsive to this Request.

REQUEST NO. 15: Please produce all documents and ESI reflecting MiMedx's alleged sales of products at Saint Francis through MSB's vendor status on or after June 16, 2014.

RESPONSE: See documents attached to the Complaint.

REQUEST NO. 16: Please produce all documents and ESI referenced in MSB's Rule 26(a)(1) Disclosures.

RESPONSE: Subject to and without waiving any of the General Objections, MSB will produce documents responsive to this Request.

Respectfully Submitted:

/s/ Paul C. Peel

Paul C. Peel (BPR No. 19536)
Farris Bobango Branan, PLC
999 South Shady Grove – Suite 500
Memphis, TN 38120
Phone: 901-259-7100
Fax: 901-259-7150
Email: ppeel@farris-law.com

Attorneys for Mid-South Biologics, LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served upon the following counsel of record by U.S. mail and electronic means to the Clarence Wilbon, 6075 Poplar Avenue, Suite 700, Memphis, TN 38119 and clarence.wilbon@arlaw.com, this 10th day of July 2017.

/s/ Paul C. Peel _____

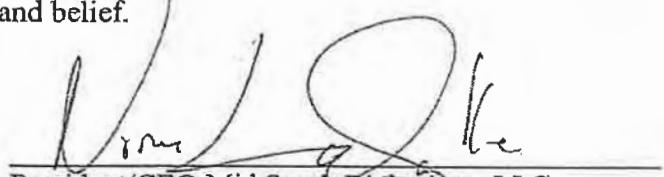
VERIFICATION

STATE OF TENNESSEE

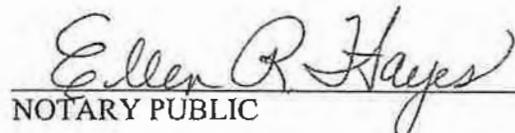
COUNTY OF SHELBY

I, Norm LaChapelle, being sworn, say:

1. I am the authorized representative of Plaintiff, Mid South Biologics, LLC, for the purpose of responding to these interrogatories and for the purpose of making this verification.
2. I have read these Interrogatories, and the foregoing responses are true and correct to the best of my knowledge, information, and belief.


President/CEO Mid South Biologics, LLC

Sworn to and subscribed before me this 11th day of July 2017.


NOTARY PUBLIC

My commission expires:

4/26/2020

