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2 UNITED STATES DISTRICT COURT
3 CENTRAL DISTRICT OF CALIFORNIA
4 WESTERN DIVISION
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7 AUTOALERT, INC.,)
8)
9 Plaintiff,)
10) Case No.
11 vs.) 8:13cv00657 SJO
12) (JPR)
13 DEALERSOCKET, INC.,)
14)
15 Defendants.)
16 -----)
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19
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21 VIDEO-TAPE DEPOSITION OF GARTH BLUMENTHAL
22 Irvine, California
23 Friday, November 8, 2013
24 Volume I
25

21 Reported by:
22 Shari Stellhorn
23 CSR No. 2807
24
25 Job No. 1761842A
PAGES 1 - 78

1 A No.

2 Q Do you know who -- any idea who prepared
3 it?

4 A I did not.

5 Q In the second Paragraph it says, "This will 02:40:10
6 be achieved by automating the process of obtaining
7 the value of the trade, finding the current payoff
8 balance, calculating the payments on a current like
9 model and returning the values with the priority on
10 deals that can be reproduced with little or no 02:40:36
11 payment difference"; do you see that?

12 A I do.

13 Q Is that the idea that you understood that
14 Mr. Cotton discussed with you when you had your
15 first meeting? 02:40:46

16 A That is a basic understanding of what it is
17 but on a huge database, because you could do this, I
18 guess, manually one by one by one, but in order to
19 achieve what we need and what they ultimately did,
20 it needs to be done across the whole database. 02:41:11

21 Q So when you say it could be done manually,
22 what do you mean?

23 A Just as they described there.

24 Q Someone could perform the process that
25 we've just read manually; right? 02:41:21

1 the obvious at the end, and that's not something
2 that a sales person can do.

3 Q Why not?

4 A You could never do it on even your own
5 individual database in an effective, organized 02:43:15
6 fashion.

7 Q Why not?

8 A It's too many different moving parts, too
9 complex. Somebody would have to be able to factor
10 in all the rates, the residuals, the payoffs, the 02:43:29
11 values, the mileage -- the current mileage, the
12 service history, any potential accidents. There are
13 so many moving parts, and that's just not possible
14 for any individual that I'm aware of.

15 Q Could it be done for just one vehicle and 02:43:48
16 one customer? When I say one vehicle, a customer
17 that is in a lease and they -- and the dealer or the
18 sales consultant wants to go through the analysis
19 you described, could that be done for one
20 customer -- 02:44:05

21 MR. JANKOWSKI: Objection --

22 BY MR. BRENNAN:

23 Q -- at a time?

24 MR. JANKOWSKI: -- vague and ambiguous.

25 THE WITNESS: Essentially it could be done 02:44:11

1 on a one off basis.

2 BY MR. BRENNAN:

3 Q And do you know whether any salesperson in
4 the industry had ever performed that sort of
5 determination or calculation before you had your 02:44:21
6 meeting with Mr. Cotton?

7 A That's impossible to answer for all the
8 salespeople in the industry.

9 Q Do you know whether -- to your knowledge,
10 had that ever been done by anybody before you had 02:44:33
11 your --

12 A On an individual basis?

13 Q Yes.

14 A Certainly, yes.

15 Q And when did you first become aware that 02:44:38
16 that sort of determination or calculation was being
17 performed?

18 A That type of calculation was probably being
19 done ever since I have been in the car business in
20 the United States since 1983 and obviously way 02:44:57
21 before me.

22 MR. BRENNAN: I'm going to ask the reporter
23 to mark as our next exhibit in order, I believe
24 No. 34, a document that has been labeled AA094879,
25 and, Mr. Jankowski, this has been marked as highly 02:45:28

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