

Audio of October 5 Meeting Knight/Grayson – Fort Lee, New Jersey

Liz: Okay, well --

Phil Knight: -- you're interest in resolving issues from, you know, what people say, write, do, it's really irrelevant. You've got two things you either want to do. You want revenge or you want money or both?

Liz: Well, revenge has nothing to do with this issue.

Phil: Well, sure it is.

Liz: You are holding money that belongs to myself and my --

Phil: I am not holding. Liz, I apologize for what's happened to you. I do not and never have personally garnered any benefit from the funds that you transferred.

Liz: I didn't transfer, my clients transferred it.

Phil: Okay. So I would like to help you, but they're not the funds that were transferred from your clients. You can consider them gone.

Liz: And why is that?

Phil: There is just no way for me or you in any -- in any way that would benefit us to go that route, only because I think it'll just lead to a dead end and the cost and the aggravation are just insurmountable. Well, it's not just an amount of money that you've referred to, it's multiples of that, okay. You know, you're not the only person that was caught up in this.

Liz: Caught up in what?

Phil: Well, you know, I guess everybody you've categorized me as a fiduciary, which I --

Liz: You categorized yourself as a fiduciary.

Phil: -- which I take responsibility for.

Liz: Fine, okay.

Phil: Okay. In turn, I rely on other people or relied on other people, okay. And, so, to that end that was my bad judgment, just as maybe it was your bad judgment, but what I am here to do is solve the problem. I am not going to be able to go and get anything as a result of that, the funds, the people. I mean it's just not going to go anywhere.

Liz: Right, let me see if I can recap here. You provided wire instructions to clients on where they should wire money?

Phil Knight: Correct.

Liz: Okay. And you also said that you wired money out of some place.

Phil: No, I requested wires to be sent.

Liz: Oh! I see.

Phil: You were the only one that told me that they weren't received. So, yes, there were suspicions that started at that time, even at my end, but you had told me the funds weren't received. They were telling me that they were sent, you know --

Liz: Who was telling you what was sent?

Phil: Well, the bank was telling me that they were sent.

Liz: What was sent? No --

Phil: That there was -- I forget what the amounts were, I think there was a wire for \$40,000.

Liz: So, the bank has lie -- you are telling me that the Bank of Bermuda --

Phil: No, the Bank of Bermuda is just an -- you know, when you give directions to a bank, if you're directly related to them they do it. I was doing everything through a fiduciary, okay; just as you were.

Liz: It's not what you said in your document?

Phil: Well, I don't know what document you are referring to?

Liz: The document that you signed with Larry Wolf, that document.

Phil Knight: Well, I don't recall when I signed it 00:03:09.

Liz: I do, because I have copies of it.

Phil: -- whatever you have, but I'm telling you what it is. I don't have any bank accounts in the Bank of Bermuda. I don't have any bank accounts offshore, at all, in my name.

Liz: No, they are on continental trust. I spoke with the bank yesterday, Phil

Phil: So, you know, but I can't give you access to that money.

Liz: Okay. So, let's see now. Let me see if I get it right. At one point, you said that you never received --

Phil: But I don't want to --

Liz: No, Phil (ph) just a second, because I have to see, I have got the whole, full picture here. At one point you said that you didn't have the money, because the government confiscated it, because it was related to online gaming, just a second.

Phil: Well, it was more than online gaming.

Liz: It was nothing, because it was before any issues were ever --

Phil: No, this was long after issues had started to --

Liz: No, it wasn't; it was in June and September and October had nothing to do with it.

Phil: I can't recall the timeframes, but I'm here to --

Liz: Let, me finish Phil.

Phil Knight: But I'm here to --

Liz: So what is your offer Phil, what are you saying?

Phil: Well, right now I can't do anything. I have an issue with the Canadian Government, which you're somewhat familiar with I guess.

Liz: You lied about that as well. You lied about that, when I said you got liens with the Canadian Government three years ago, you said, "I don't know what you're talking about. I don't know what you getting to --"

Phil Knight: Well, I have negotiations with them. What I have made -- I have made a resolution with them. They don't have any -- other than I agreed to notify them of **00:04:27**, travels I don't have any other issues with the Canadian Government on any other --

Liz: Phil, you know what --

Phil: So, as soon as I am done with that, I want to --

Liz: And when will that be?

Phil: -- sort this out with you.

Liz: And when will that be?

Phil: It would be February 1st.

Liz: I see. So and what's going to -- so, are you telling me that this money was never received in this bank. You told me this already that it's got stopped in New York that was the last story you told me.

Phil: Well, again, I can't do --

Liz: No, but you told me this Phil. You told me this on the phone.

Phil: I told you whatever I was told, okay. You know, I don't --

Liz: First that the government confiscated, that was one.

Phil: I've heard more stories than you. Whatever I've heard I've given to you.

Liz: So, let me ask you. But why is it that when I sent you an email begging, pleading, when attorneys came to you, why did you ignore all of that Phil?

Phil: Because I had other issues going on at that point.

Liz: Ah! So, it didn't matter, the \$353,000 was in your possession?

Phil: Liz there's a lot more money that was in my possession that I don't have any longer. So, you know, I guess in the scheme of things, you know, it wasn't -- it was the wrong thing to have done, absolutely and I'm apologizing to you and I want to sort it out with you.

Liz: And how --?

Phil: But if we can't, then we can't. And, you know, that's going to be your call.

Liz: Well, it's not going to be my call, because you have other people, you have the vendors and you have the clients who are all saying the same thing and you have said so many stories, the government confiscated that --

Phil: But the bottom line is, I want to make it right - -

Liz: And how are you making it right? What are you going to do, the \$353,000?

Phil: I have the ability to make money just as you do, okay. The problem is any money that I'm making right now is having to be paid to a third party, okay. And I have been doing it. I've negated the tax debt that I have. I'll have it fully completed before -- maybe before February 1st, but right now, 90% of what I make goes to pay a tax debt, which I am arguing, okay. The problem is -- you can find this quite as easily as anybody else. In Canada, you can argue your tax bill, okay. The problem is you have to pay it first and then you argue, okay. Down here, it's a whole different bag of wax (ph).

So, I have -- we are arguing it, it will go to court, it will be heard, I could win, I could lose, but in the meantime you have to pay. And the problem is, I guess, in the priority of life, they would come first. I mean, I'm not putting you second or last, it's just there are other people, you are not the only person and I've had the same story with them as I'm having with you right now. Now, if you want to go another route, go. It -- just all that will do is limit the ability for me to make money, it won't ignore it.

Liz: Really. Okay, so let's assume from a moment, Phil. Let's live in a perfect world. I just want to clear something up first and I just want --

Phil: There was one call I have to make --

Liz: Okay. And you could -- no, I don't want to hear about this. The last time we spoke, you told me that the money got stopped in New York, wait let me finish it off, got stopped in New York and it never reached your bank, that's what you told me.

Phil: Well, that's what I was told, so.

Liz: So, when was this? So, you were told this just a couple of weeks ago and you had --

Phil: No, I just told sometime ago, but it really --

Liz: Then why didn't you let me know that after you said the government confiscated it?

Phil: Well, that's what I was told was that the funds have been held by the government, but Liz, I really don't know. You know, the bottom -- at the end of the day, there is really no truth to it. I can't -- whatever story I'm telling you is going to be a story that I have been told, okay.

Liz: Well, I will tell you what. We have got records clearly indicating from the banks, four separate transactions that the money did -- oh excuse me, and you did also say that all money Great Britain Pounds came to the United States and that got confiscated as well.

Phil: Again, whatever I was told I told you.

Liz: You are in banking, Phil, you are a business man. Please don't tell me that you think the if Pounds come from --

Phil: Yeah, but I don't get into the nitty-gritty of this and that but anyways -

Liz: Anyway, I spoke with the bank and we know, because we have got verification and confirmation from four different transactions that the money did, in fact, reach this account. This is an account that you provided and said at one point --

Phil: No, I am not saying I didn't --

Liz: Okay.

Phil Knight: I just didn't get any kind of 00:09:12 those funds.

Liz: Okay. So, if you want to say that the money isn't there, you can either -- are you saying that it's not there? Are you saying that the money never hit this other account?

Phil: If you have information, you have more than what I have.

Liz: Well, here's what you can do, you can contact the bank and this is who you contact and you can get verification that the funds did, in fact, arrive. It will cost you \$10, that's what you do. So, why don't you do that, why don't we start there first, Phil, so that you can -- and that will happen within 48 hours of you notifying them. You pick up the phone, you tell them the different accounts, you ask for the statements of those tax periods or for those statement periods and then you send them a letter, its \$10 per statement. If they have to do research, its \$35 an hour, I'm sure you can afford that and then we will find out if those funds did, in fact -- and if you don't get that --

Phil: Why can't you do this?

Liz: Because I can't, it's not my account; I have no authority over it.

Phil: Well, I don't have any authority over it either, I don't have any --

Liz: Au contraire! To the bank attorneys. Au contraire! You do have -- then get the people who you say ripped you off, ask them to do it, why aren't you suing them, why aren't you going after them Phil?

Phil: Because there is no benefit to it, zero, none. I've looked at it; I've had the lawyers look at it.

Liz: Phil, you know what, if you cared about this Phil, you would have responded in all these years Phil.

Phil: You know what Liz; I got in to a period of time where there was other issues in my life that were more important.

Liz: More important than taking \$353,000.

Phil: It isn't just \$353,000.

Liz: Then what is it Phil?

Phil: It is a significantly greater amount of money.

Liz: All right. So, let's assume we live in a perfect world. Assuming we live in a perfect world, and February rolls around and you --

Phil: I think it'll be before February, but let's take February 1st.

Liz: All right. Assume that -- just assume for a moment. What are you proposing?

Phil: Well, here is what I've done with three other people, okay.

Liz: Wow!

Phil: That had money that I was administering, the same type of thing. First of all, I can't pay them anything right now, because where funds have to go and it's not a great amount, but what I have done is, is I've taken out insurance policies.

Liz: Go ahead.

Phil: Okay. So the first thing I'd be prepared to do is, is I'd be prepared to take out a life insurance policy with the benefit of your choice of insurance companies, you are the beneficiary of it, I pay the premiums, okay, until the funds are repaid. February 1st I will document to you a security for, at least, equal to the amount of funds that you are owed. We can work out the interest and whatever other things that you may have at that point

Liz: It's only 7.2 or 7.4 per annum.

Phil: Whatever, well you know we can talk about it.

Liz: 80%, okay go ahead assuming that, that was factual.

Phil: Some time around -- if it's before February 1st, it will be before February 1st, because I want to get this done and out of the way as quickly as you do. I will put security into your hands equal to the amount.

Liz: What do you mean security Phil?

Phil: Well, it'll be -- it'll be security in form of -- I guess, it'll be some type of -- it'll be something that you can equitize, let's put it that way, something that has value, but can't be sold as long as --

Liz: What do you mean equitize, I don't know this word, I am sorry.

Phil: Well, I have someone who will provide me with security. They don't want it sold, okay. Because they own it, but what they're prepared to do is put it up as security against me making certain payments to you.

Liz: Now what happens if you don't make the payments?

Phil: Well, then I guess you go ahead and do it whatever you are going to do anyways. But my intent is to make the payments and my intent is to make whole the people that got hurt through this fiasco.

Liz: Why, all of a sudden, now, are you doing this, Phil? Why are you all of a sudden coming to --?

Phil Knight: Well, because I can now get the light at the end of the tunnel. For the last year, I haven't done anything other than to make retribution to the **00:13:22**.

Liz: This happened four years ago Phil, what happened to the other three years Phil?

Phil: no excuse.

Liz: You just never thought it would all catch-up with you Phil?

Phil: No, it's not that --

Liz: That's it; you know what --

Phil: No, it's not a matter of catching up with me. I mean, I've paid my dues. I've done whatever I feel I need to do, you can prescribe whatever you like Liz, but I've taken account of the things that need to be taken accountable for with my family, with my friends, and with creditors, okay. It's the best that I can do. If it's not good enough, then you know what, you've just got the choice of what they want to do.

Liz: How is the Canadian Government going to feel that you took this money; you've signed a document that you took this money as a fiduciary? So, in the year 2006, you brought in \$353,000 that I am sure you never claimed in Canada.

Phil: Oh, yes I have now. What do you think the tax problem is a result of --?

Liz: Okay. So now -- so here's there contradiction, you are now saying that you claimed --

Phil: I didn't claim this particular money, because I didn't receive it personally.

Liz: Oh! I see. Oh! Oh! Yeah, yeah, good -- quick, quick on your feet Phil!

Phil: But I have disclosed any worldwide income what I have to the Canadian Government and that's what I'm paying my tax on, whether I received or not is really irrelevant.

Liz: We need something; we're going to need something now, some good faith, something to show that you are --

Phil: I just said to you. I will give you an insurance policy we can -- you name the insurance company.

Liz: So, what do I do? What do we do, come in and kill you in order to collect the insurance policy. I mean what good is this?

Phil Knight: 00:14:55 I guess the biggest risk is that if something does happen to me, than at least this gives you something, okay. If I could take security right now and give it to you, I could, but I don't have it. Anything that I have is encumbered, I can't sell anything that I may or may not have ownership on anything, because the proceeds of that go elsewhere. So it doesn't do you any good at all.

Liz: No, I can't imagine that the Canadian government, I mean I've got the U.S. Government who is one of the strictest as far as collecting taxes, okay. And they would never leave anyone penniless, so that they could --

Phil: I mean, I'm not left penniless, I just can't --

Liz: So then you do have some money?

Phil: I don't have any money, I have assets, but I cannot dispose of them until such time as this debt is paid to the US, to the Canadian Government. It's just the way it is. I had to sell my condo, because I had to make a lump-sum payment to get a deal with --

Liz: What condo, I thought it belonged to Deboer?

Phil: Which condo?

Liz: Which condo are you referring to?

Phil: Well.

Liz: Which one are you referring to Phil?

Phil: I've had a condo in Toronto for even 8- 10 years.

Liz: You told me five times since Sunday that you didn't own this, that you just rented it --

Phil: Well, it depends which one, you're talking about the one that I had with Doug Deboer.

Liz: Yeah.

Phil: No, I never owned that, he owned it or his partner owned it or something.

Liz: So which one did you sell Phil. 0:16:14

Phil Knight: Liz, it doesn't matter, it doesn't matter. I'm not here to discuss my assets or where they are, I'm simply here to tell you that if you want to get your funds back, I can do it. If you want to continue a witch hunt, maybe you will be more successful in talking --

Liz: Do not; do not accuse me of a witch hunt.

Phil: Well whatever it is --

Liz: Do not accuse me of a witch hunt Phil. You took money, you did not do what you were supposed to do with it, you ignored --

Phil: And I'm acknowledging it. Now I am here to sort it out.

Liz: You're acknowledging it, alright; you're acknowledging what, that you've got 353,000.

Phil: I don't have \$353,000.

Liz: It will be --

Phil: I never got possession of that money.

Liz: You know Phil at one point; you know what you said to me, when I was having -
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Phil: I may have said a ton of things a few years ago.

Liz: Let me tell you, Liz don't worry about, one of my clients said listen we're going to want this money back, because the laws are changing in November of that year, don't worry about it Liz, they'll never find the money, it'll be gone out of here, before it even gets there. So you were moving it around Phil, you were moving it around, so the Canadian Government is aware that this money, this 353,000 --

Phil: Oh, I don't know I just --

Liz: And if they saw the document that you said I acted as a fiduciary and we will start releasing this money and to --

Phil: There's nothing illegal about being a fiduciary.

Liz: You said you would release this money.

Phil: You know this doesn't constitute income, you know if -- listen --

Liz: When you don't return it, it constitutes income.

Phil: If I didn't get it, it doesn't constitute --

Liz: Then prove that you didn't get it, contact the bank.

Phil: Well, I'll contact the bank, I mean I would be very surprised if they're going to give me any information, because we tried once before, but

Liz: So now you are telling me that you're not Continental Trust?

Phil: No.

Liz: Then why would you give everyone this information and lead people to believe that this was you?

Phil: I never led anyone to believe that I was Continental Trust.

Liz: You certainly did. So you're going to --

Phil: I simply said it was --

Liz: I don't care what it is; show some good faith now because --

Phil: I just said to you, I can get you an insurance policy --

Liz: What good is an insurance policy, there is no cash in hand with an insurance policy.

Phil: Well, I don't know, I don't know. I cannot give you any cash as we sit here today.

Liz: So how do I know this is even going to happen Phil? --

Phil: I will document it if you like, I am telling you what I will do, okay. I can take out the insurance policy February 1st if not sooner, I will put equal value of this debt in your name what I -- how I would do it, I have to have somebody look at it because, you know, I'm owed money, so it may be a debt that someone else owes me and it will have to be collected.

Liz: So that's how you do it, you borrow from Peter -- you steal from Peter to give to Paul, well that's your modus operandi.

Phil: Well, no this is money that's been given to whether it could be a corporation, it could be -- you know, if you're open to the concept, I can refine it a little bit further, if you're not then it's been a nice day.

Liz: What do you mean refine it? We don't even know --

Phil: Well I am giving you a --

Liz: You walked in this room with nothing, not a document --

Phil: What I am supposed to bring?

Liz: You should have brought something that even at least prepared this for this, so when do we get a document on this Phil, six months from now?

Phil: No, I'll do it in the next week. I need to know what you are interested in doing.

Liz: I have a list of your documents first, before we ever agree to do anything, we need to see what the document say, because you change your verbiage every other time.

Phil: I just told you, I would get an insurance policy and put security that had value to the amount that you're owed. --

Liz: And how -- what happens if you don't -- security, so let's use the number as \$1, and let's assume for a moment that you don't pay then what's our recourse? The security isn't. --

Phil: I think you got the recourse anyway. I mean --

Liz: What's the recourse?

Phil: I don't know, you must have some idea of what the recourse is.

Liz: No Phil, what's the recourse? You're asking us and I stand here representing my clients and vendors, you're asking us to wait until maybe February or --

Phil: Or it might be earlier.

Liz: Okay sooner, until you pay a debt okay and at that point in time before that you're going to give us an insurance policy, so god forbid something happens to you, okay, ** that this amount plus whatever interest we decide upon is going to be settled, ** okay and then what's going to happen is that when you are finished paying the Canadian Government, ** you are then going to start making payments to myself which I could [** Phil Knight uh hum noting agreement]

Phil: Well, what you will be able to do is liquidate what I've given you as security.

Liz: What do you mean, liquidate what?

Phil: You will be able to liquidate something whether it's a bond, whether it's stocks, whether it's -- whatever it maybe --

Liz: Well how do we know the stock is going to be worth anything and --

Phil: Well that doesn't matter, as long as the agreement says that you can liquidate and until you have realized that amount of money what does it matter?

Liz: Well, that's why we need to see the documents; the lawyers are going to have to see this document

Phil: OK, that's fine

Liz: that you want to prepare and you know what upon advice that we see this document only then we make a decision what we're going to do with this, okay. This is not a witch hunt, this is --

Phil: Whatever it is, I mean you can categorize it whatever you want; this is not why I'm here, okay.

Liz: Yeah, right, sure.

Phil: It is not why I'm here. If it was up to me, I would have just said go do it, because there is nothing you can do to me that hasn't been done, okay or tried to have been done. So --

Liz: au contraire Phil?

Phil: Yeah, it's true. It's very true. That's why I said to you in the opening comment you either want funds or revenge or both maybe you'll do both.

Liz: I want funds, I don't want revenge, I don't believe in revenge.

Phil: Maybe you'll get through all of this and you'll still go ahead and do something, you know whatever -- you will do whatever you want to do.

Liz: If you read it Phil, you know what, yeah I tell you what, if you had the common decency to read it you would know that for four years I thought my life would go back to normal, because you would pay the vendors. I need you to pay one bill now; I need you to do it.

Phil: But I can't, where am I -- I've taken all the resources that I had, whether it's friends, family and otherwise to do what I needed to do, what is the amount that needs to be paid to the vendor?

Liz: \$26,000.

Phil: I mean, I can agree to do it, but I couldn't agree to do it today. I'm happy to do it --

Liz: They are going to put a judgment against me Phil, and once they do that it's over, that's it.

Phil: Why after four years of the judgment?

Liz: Oh, because we went back and forth in the courts. I said that they advised and you wrote this in your document.

Phil: Well why don't you bring me into the loop, I'll agree to pay them, but I can't do it today and that gives you a lot of --

Liz: They won't. I'll speak to the attorney and ask him.

Phil Knight: I mean I'm quite happy to --

Phone Ringing

Liz: Is that you Or me?

[Cross Talk 0:23:16 to 0:25:33]

Hello, Hi, how are you this morning. Good, good. Yeah, I think you'll probably see it tomorrow morning, but it wasn't what I was expecting either. / Okay. Alright. I'll call him as soon as I get done with what I'm doing. Well that's what it was supposed to be and then I saw this last night, so. Yeah! Okay! Yeah! Alright, sounds good. I'll take care of it after I get back. That'll be over 5-5:30. I don't know if that'll work. Let me call you when I get back home. That'll be probably about 7ish. Yeah, no I understand. Alright, well I hope all goes well. Thanks

Liz: I want to speak to the attorney and see if they are going to want something. They are going to something, some amount of money now and maybe they'll let you pay it off with the balance coming February, I don't know we'll see.

Phil: Well, it's just that, I think it will be earlier than that, that would be the outside date.

Liz: And I just want to understand these securities okay, bare with me, because this is new to me. You are telling me that you're going to give me securities equal to the amount of the principle, plus whatever interest we agree upon, am I correct?

Phil: Well let's deal on the principle amount we can sort out the interest you know once the principle is -- listen there's got be some interest paid on it, I don't know what's reasonable, but let's deal with the principle first of all.

Liz: Well, let's make it into one lump-sum and then pay it out over and then the initial amount will go towards the principle and the last payments will go towards the interest, fair enough?

Phil: Yeah, as soon as we determine what the interest is.

Liz: Okay, fine. Okay, you wrote 7.4% which I realize is ludicrous, okay now, I'm just speaking with the bank through the years, okay.

Phil: Well, it is based on what's gone on in the environment, maybe at that time it wasn't, but anyways.

Liz: Okay, so, and if you don't pay this with the security, how do we collect this money, start all over again. How do we collect it Phil, that's the issue?

Phil: Well, I don't think you'll have any -- you know once I get back into doing what I do or did and it is not taking from Peter to pay Paul, I guess we all see that as the same proverbial pot.

Liz: I don't see that in your part Phil, I don't feed out of that pot.

Phil: Wherever you make your money, from wherever anybody makes their money from --

Liz: God help me, if I fed out of that pot.

Phil: But the -- well when I say pot, I mean the economy.

Liz: Oh

Phil: I think you would be quite happy but we'll have to wait and see. There is another thing that I guess that got me to this point and it certainly wasn't this, the timing, you know. I called you before --

Liz: You never called me, I called you.

Phil: No, or you called me, whatever the end of 17th of August, 18th of August whatever it was.

Liz: I called you.

Phil: There is another Phil Knight who contacted me, oh I don't know, it was probably five months ago, because his name had been brought up on an Internet site and it was hurting his credit rating, it was hurting -- I said what do you want me to do about it, I said, you know someone has opened up a website under my name, they're posting stuff, which I can't do anything about and I'm not going to do anything about. So he has started a lawsuit and he has named me in it, because I wouldn't do anything about this website.

So, he has got some lawyer out of Virginia who I spoke with two weeks ago and here is another angle that I'm not looking for any benefit out of it, but these guys obviously know their stuff. They were able to get the person's name who opened up the website and we all know who that is, they've been able to get every -- they have been able to subpoena every person's name that has touched that website and they feel more than confident that they can pursue anyone who wrote a blog on those websites for slander or liable or whatever it maybe.

They need me to pursue that and I just said no I have no interest a I don't want to pay any money, I don't want to have any involvement with it. So he is willing to put up the funds to pursue these people, because he feels that he's been just by similarity of name, been damaged by this. So what I said to him last week was that I was going to meet with you and that if you were interested I would work with them to pursue these people who wrote whatever blogs and have never gone to the site and never read it, had people read things to me here and there. But they feel pretty strongly that there is some money through the litigation process against some of these bloggers.

So what I would say to you is that I'm prepared to -- if they're successful, because they will be ones funding it, that whatever is garnered from that is yours.

Liz: Phil, 0:30:52 I'm not looking to go on a witch hunt to hurt other people.

Phil Knight: Well, these other people are going to get hurt anyway.

Liz: How are they getting hurt?

Phil: Well, because people have written things that have no fact.

Liz: But they're no fact against who, against him?

Phil: Well, I don't know, I'm not a lawyer. I don't know all this --

Liz: Well, you know maybe you need to see -- first of all the last time I was on this site I noticed that there was a picture of you on this site, okay. There is -- it talks about Philip W. Knight that is in Ontario, Top Hat Investments, so how does that have anything remotely to do with this man?

Phil: Well, because his name just happens to be identical.

Liz: It has nothing to do with it.

Phil: Well, it does.

Liz: No it doesn't.

Phil: Well, it does. I don't know. I'm just being told this, okay. I don't know -

Liz: So how do I get involved in this? Help him hurt other people?

Phil: Well, you don't have to do anything, they've already done it, they've already got the names of everyone who has visited that site and posted a blog.

Liz: Oh great. Fine!

Phil: Okay, so you really don't have to do anything. But you hosted the site.

Liz: I hosted it?

Phil: Yeah. You hosted the site

Liz: Okay, I did?

Phil: Yes you did.

Liz: Go ahead.

Phil: You hosted the site. You registered that domain name under my name and paid for it.

Liz: Okay, if you say so.

Phil: Well, I don't say so. They faxed me the copy of the subpoena and what the website provided them as the person who took out this website.

Liz: Okay.

Phi: Okay, which I told them I knew who you were, and that was that.

Liz: Why don't you have them to call me?

Phil: Why would I have them call you?

Liz: Why would you even tell me that they're going to come after me or anyone?

Phil: They are not coming after you, I've said that there was no interest there. The interest is in the people who wrote the blogs. You know, there is nothing really illegal against someone--

Liz: There is nothing illegal about writing a blog, if it is true --Phil

Phil: Well, but the truth is it isn't true. Some of the blogs are not --

Liz: They have to prove it?

Phil: Well, that's what they'll do, you know I'll --.

Liz: But again what does it have to do with some man in Virginia when the man noted on that website is a Phil Knight of Canada.

Phil: Because there was a Phil Knight in the United States, he is out at California.

Liz Grayson: Yeah, there are multiple 0:33:01 Phil Knights.

Phil Knight: Well, there is a guy out of California that has a little bit of a woody on. 0:33:07, I can't tell you anymore about it, I don't know that much.

Liz: I thought you said he was in Virginia?

Phil: The lawyer is in Virginia.

Liz: Okay.

Phil: The lawyer is in Virginia, the person's in California.

Liz: Why would I -- so you want me to capitalize on them going --

Phil: No, I'm telling you that you know, you're interested in money, I'm looking at ways of getting you your money, I know how I can get it when I'm in a position to do it. But between now and then, there are other ways capitalizing on what other people did, where you would -

Liz: Because I'm not in the business of hurting other people.

Phil: Well, I, you know, whatever that, I wouldn't hurt --

Liz: Not in that business. Why don't you have them contact me if they want to pursue this okay, because where were you getting money from whatever they were doing, I don't understand.

Phil: I'm not; I've told them I don't want to have any part of it.

Liz: So why would they give me money for what they're doing. Why would they --

Phil: Like I said because they offered me, they offered me money as a -- if there is success in litigating against these people, because obviously they need me -- they wanted me to help to take the site down, I said well I can't help you to take the site down, it's rude, what it's got to do with me? You know it's got my name; it's got a picture of me, so what? I didn't have anything to do with putting it up.

Liz: I want the money, we all want the money from the entity that we trusted to give it to and that's you, how --

Phil: That's all -- that's how it is going to come from me, any other entities you're not going to find it. So you know they're not -- there is just not going to be any satisfaction there.

Liz: Okay, so let's go back, let's recap, so whatever this insurance policy is and then you --

Phil: No it's not whatever the insurance policy is, you pick the insurer and I am an insurable person, I'm healthy. I am -

Liz: But you said you had open heart surgery.

Phil: Well, no Bill told you I had an open heart surgery.

Liz: No you told Bill.

Phil: Did I? And why would I tell Bill that?

Liz: Because of the debt that you own him.

Phil: No, now, he's an interesting guy. He has told you that I've bought \$900 worth of shirts from him. He also told you that I owed him \$18,000. Why would a guy who --

Liz: I know 0:35:25.

Phil Knight: Would give me \$900 worth of shirts when I owe him \$18,000?

Liz: I asked that same question.

Phil: Yeah it just doesn't -- it doesn't all register to me. But anyway --

Liz: I think you know what, I think because you are so good at finding your victims that --

Phil: How would Bill be a victim of mine?

Liz: Just a second, because you according to him, okay. Let's assume for one moment that his story is correct, okay? According to him you bought clothes and you paid, and you paid, and you paid.

Phil: Six years ago.

Liz: Okay?

Phil: Six years ago I did buy me some clothes from him.

Liz: And you -- then you didn't pay and his thought was okay, well if I give him this, maybe he'll pay me back the money. How do I know what his thoughts are? You know what I'm not here to discuss Bill

Phil: Well, no but it obviously has -- you know and guys like Joe Gleason and some of these other people --

Liz: Who is Joe Gleason?

Phil: He is a guy that had given you some information. He -- you know, when I talked I just said Joe, I said I don't get this, but anyways and some of these people that were on the list --

Liz: What's the name, what's the other guy, Joe who?

Phil: Grearsen.

Liz: Grearson G-R?

Phil: O-S-E-N, Grearsen.

Liz: Who is Joe GR?

Phil: He lives in Florida. He's one of Bill's buddies.

Liz: I never spoke to a Joe Grosen.

Phil: No, he says, he says he has had numerous conversations with you guys.

Liz: Didn't you say it was Gleason?

Phil: No, Grearson, Grearson.

Liz: I don't know who this guy is.

Phil: Ask Bill. It's a friend of his. Anyway, you know these people would call me from time to time and tell me they'd had a conversation and --

Liz: So this guy Joe Grearen said that he had conversations with me? Really? I don't who he is, okay.

Phil: I have no idea.

Liz: Alright.

Phil: But even the list of people on the back of your letter, half those people I don't even know. Like you know --

Liz: Then why would they be in your Blackberry?

Phil: I have no idea. There were some -- there was a couple of girls on there that I have no idea.

Liz: You know what Phil you when you throw enough stuff up in the air some has to wind up in your lap. **0:37:28**.

Phil Knight: Oh shit always sticks to the wall. There is no --

Liz: Yeah, but there is always something that will stick to wall and as I said I beg to differ that you don't know these people. Beg to differ. They

Phil: Well, I can tell you there's three or four people on that list that I have no idea -
-

Liz: Well, you know what when they -- if in fact we went this route and they got that, they would say we don't know who this person is, they would throw it away. So what's the difference?

Phil: Well, I don't know, if I got something like that in the mail I'd want to read it.

Liz: Oh you didn't read it, you didn't read it when it was about you, why would you read it if it was about somebody else?

Phil: Oh stuff about other people always interests me.

Liz: Oh not about you. The trauma of financial rape doesn't interest you when it's written about you Phil, that's pretty sad, that's sad Phil.

Phil: It's your view of what happened.

Liz: No, it's not my view. .

Phil: I could write that same story about what happened to me, but no one would listen to it because I'm a man, right?

Liz: Now, it's a gender thing.

Phil: Well, sure, I think rape is a gender issue, absolutely, I think if a guy gets raped it's like well he probably deserved it and when a woman gets raped, it's a little different aspect, but uh that's just my opinion.

Liz: I see. So if an article is written about you, the trauma of financial rape and you don't take the time to read it to find out what it says and by the way there isn't one word on there that's not factual, it's been cleared by attorneys, okay. There isn't one word that isn't factual. So this isn't my version of the story, it is exactly what happened, okay? I think you know me long enough to know that I wouldn't jeopardize putting something like that in writing if it wasn't true.

Phil: Again it's about -- this is not --

Liz: I want to make sure Phil that isn't some hocus pocus and that I going to have to describe this to everybody else because if you're going to send.. What are your payments going to be once you start paying.

Phil: They're going to depend on I guess a number of things. I would hope that it would taken care of over the course of the year from February 1, 2011 to February 1, 2012.

Liz: And if not?

Phil: Then you have the options that you've always had. You know!

Liz: I don't know Phil, I don't know that they're not going to look at this as just another way of you pushing this off and --

Phil: Well there is no -- I don't think February 1st is pushing anything off, but I've told you what I could do in between. I'll see what I can do as far as this thing with your vendor, but I don't have \$26,000 today.

Liz: I will speak with the vendors, because this at this point in time Phil, they – while they will not, they don't care what the cost is to get this out if there isn't going to be consideration, because at this point in time to put this out on the market, between the PR Newswire and you know it's a \$0.11 to send it out to everyone and you are -- whatever, whatever. We are looking at maybe 15 grand, that's a drop in the bucket to them, okay. So, I think that they are more upset with the fact that some of the principles of the company did not know what happened until three months ago, what exactly would happen with their money and that I covered it and that I borrowed and blah, blah, blah and when they heard that, they were like "okay, what do we do?" And I'm like; okay here is the plan of attack. They're behind me 100% on this. So they are going to want some kind of -- to know today that there is some good faith and this isn't -- and something that you are pushing off right now -

Phil: I'm not pushing at it. If I could give you something today I would. I cannot give you anything today, because I don't have anything that I can give you, but I will have something I can give you and if they don't want to wait, they don't wait, I can't do anything about it. And then again, their course of action is just like everybody else's. You can't get blood from a stone.

Liz: The difference is Phil, the blood that they are trying to get was their blood, it's their blood that they put in your hands.

Phil: Well, and I understand that.

Liz: I remember your words exactly when I said "Phil, I have a mission". Oh what every man looks forward to is a woman giving him a mission. If this wasn't your account, you should have never taken it. You told me in a gazillion different ways about your offshore accounts.

Phil: Well, when you trust other people just as you trusted me. And that trust is broken, you know, there is an issue there, okay. I broke the trust and I apologize. I will sort it out with you; I will sort it out with your people. But in the priority of things, I have to deal with the tax issue first, you know, if it weren't there, then I guess we'd be talking about something else. The way things are going, it may be taken care of earlier, you know, just February 1st is kind of a -- it won't be any longer than that, because that's the deadline that I have with them, but --

Liz: Give it to me as a birthday present on the 6th

Liz: I don't know, let's see what they want to do and let's see what they want to do and see what they say, because it's not just in my hands, meaning it's just not only in my hands and I don't know if they are going to believe that someone who lives as you live with your landing strip.

Liz: Hello, oh, hi, how are you? Oh, okay, all right. Yeah okay. When did you guys decide that? Okay, yeah, thanks, I appreciate it. I don't know, it's a way out there, we'll see, I'm waiting, we will wait for him to give something in writing. He came,

you know, walked him with himself, nothing to backup what he is saying, so. Yeah, FYI, right. Okay, so I will give you a call after the meeting is over and then we will let him prepare something, send it and then they all can decide what they want to do. No, he is talking about no money now. All right, I will give you a shout later after this is over and then we can talk about it on a conference call, okay. All right, thanks, bye. I don't know if you heard the words that came out of the man's mouth?

Phil: No, I don't listen to other peoples' conversation.

Liz: That was a joke, Phil.

Phil: Well, I don't listen --

Liz: All right, so here's what I will do. I am not going to say no, I'm not going to say yes. I'm going to sit in the middle here and I'm going to say to you that put a proposal together, put something together in writing that everyone can look at, then it is going to have to be signed, notarized, signed, sealed and delivered. But I think the only concern that everyone is going to have is that, while February doesn't seem that far away, February is still going into 2011, which makes it five years since you took this money or as you say you directed money.

Phil: If I had taken them, and it was in my possession. I would be in a whole different conversation. The problem is I now have to make this money, to repay it, okay. So --

Liz: So, let me ask you. These people that you say now, this Continental Trust is no longer – it's not you, that's what you are telling me, all right. And they're saying that they never received this money, what are they saying?

Phil Knight: 45:16 the guy that I dealt with hasn't been around for years, so.

Liz: It doesn't matter, because these records are all on file.

Phil Knight: Well, I don't know. This is the first I never heard that I'm out 45:23, I'll give this to the guy. Believe me, I had people in Toronto all over this stuff three years ago and --

Liz: The onus lies with you to prove that this money did not go to the account. Wait just a second, Phil. I spoke with the bank yesterday. I spoke with legal.

Phil: but the problem is, it doesn't matter

Liz: You don't understand, the onus lies with you, so if you are telling me that these people are your rapists okay. Then at that point in time, then you need to go after them and tell them to prove that it never got there. No?

Phil: I wouldn't know. I don't have the resources to do it right now and I quote --

Liz: Oh, Phil. Look what it cost you Phil, look what it cost you.

Phil Knight: Well, I don't, I will see 46:08 what value this has--

Liz: Here is the number. I'm going to tell you right here, this is the number to call, right there.

Phil: But, I'm just saying, if you can get it, why haven't you gotten it.

Liz: I can't get, I can't get it.

Phil: Because those aren't my accounts -- they are not. I don't have --

Liz: Then why did you, why did you direct anyone.

Phil: Because it's just the same. I direct money all over the place. I had did for years with people, okay. So --

Liz: And you know that's so contrary.

Phil: Well it isn't It isn't You know, when you send money to a third party, no matter when you send it, it's to a third party.

Liz: November 10, 2009, you advised that the money was holding and is now in the hands of the Federal Court in New York City, that's what you told me.

Phil: That's what I was told, okay.

Liz: By whom.

Phil: Sigh

Liz: Okay Phil, I tell you what, write something up, because this is going to go round and round in circles here.

Phil: That's right --

Liz: Okay Phil, Write something up, why don't you just write something up and they would want to look at it, but I think they are going to want something in good faith upfront. I think that's what they're gonna wanted. All right, so --

Phil: The problem is that anything that I have right now, if I dispose of it, I have to make a payment. I have an \$18,000 plane that I spent nine years rebuilding, it is worth \$20,000. If I want to sell that today...

Liz: You can't, it belongs to the Canadian Government. You have no rights to sell it.

Phil: I'm sorry.

Liz: You have no right to sell it.

Phil: I have to give them 90% of the proceeds.

Liz: Absolutely, it's theirs, it's theirs.

Phil: So that is the problem with making a payment to you. Is that anything I attempt to sell, I have to make a payment --

Liz: What about your boat, why don't you sell your boat?

Phil: This is worth \$5,000. It's a \$5,000 boat. So, I sell it for \$5,000. I pay the government 4 and I give you \$1,000, what benefit does that have?

Liz: 90%, so they have seen all your -- what about the farm?

Phil: That just doesn't belong to me.

Liz: Ah, that what it says, one of the blogs says and this gentleman's farm.

Phil: It never has been, it was -- my grandparents had that farm, so --

Liz: Because you advised me in a meeting in New York exactly how to circumvent and make sure that nothing was in your name. I remember that discussion.

Phil: I don't remember that.

Liz: Oh, come on. You say -- you know what?

Phil: It never has been, so it's not circumventing. Circumventing is when you have something in your name and you change it, it's never been, okay. You know, whatever it's -- I'm not, believe me Liz. I made a disclosure to the Canadian Government. It was absolute, there is nothing, I'm sure they looked at farms, boats, cars, whatever it may be and I think they were pretty satisfied. So otherwise, I wouldn't be sitting here.

Liz: Well, the fact that they won't let you in the United States, in and out of United States, that may still --

Phil: No, they will allow me into the United States. It was an agreement that have with them that I would notify them of travel. I'm allowed to come into the United States. I just have to notify them. The problem with last week was the way I went about notifying them, okay was incorrect. That was my blunder. So unfortunately, I had to pay \$400 to get the lawyer to do it, and it was done and there was absolutely no problems at all. I'm not restricted from coming into the United States, but simply have to notify them of travel, departure and arrival; it is as simple as that.

Liz: OK. -- I think that at this point, Phil, the best thing for you to do is put something in writing. I'm going to speak to everyone this afternoon as you just heard, we will have a conference call.

Phil: Well, give me a list of who these other people are so that I know.

Liz: I'm not giving you a list of anybody.

Phil Knight: Well, I need to know who I am addressing.

Liz: You are addressing me.

Phil: Well, no. You just said there are some other people involved.

Liz: They are my clients.

Phil: How do I know that you are going to follow through with them?

Liz: When did you know me not to follow through?

Phil: Well, it is just a simple question.

Liz: You're not getting names.

Phil: Why wouldn't you disclose to me who you are talking to.

Liz: You are not getting their -- you know who they are. It's where the money came from.

Phil: I don't know where the money came from.

Liz: Well, you know what, shame on you, if you don't know Phil.

Phil: Well, I don't know.

Liz: You took the money, you gave instructions for money to be wired and you are telling me that you didn't know who it came from, when you later said, "Well, Liz the reason that I confiscated it because it came from gaming people".

Phil: No, I don't know who the sources of the money were.

Liz: It doesn't matter; I'm the one who is going to make the decision.

Phil: I know what bank accounts it came from, but I don't know who the actual people were, just the same as --

Liz: How do you know what bank accounts they came from Phil, if you never got it.

Phil: Because you told me, you gave me the information of where it was coming from.

Liz: I never gave you the information.

Phil: Yes you did.

Liz: No, I didn't Phil, you gave me wire instructions. Send it to me Phil. Why would I disclose -- I don't have my clients account numbers. Why would I tell you what was coming, I have no knowledge of this.

Phil: I believe you told --

Liz: I don't --

Phil: Well, I don't have --

Liz: What client would give me their bank account number when the wire was coming from them to us? Why would they give me?

Phil: I think it happened when we were looking for --

Liz: No, what happened was Phil that you were given the wire instructions to wire the money to Bauer that is what you were given. You were never given advertising; you were never given the banking instructions of my clients.

Phil: You could be right. I just remember there -- that I guess it was Bauer. There was a company that was -- and I sent those instructions on and that's when things started to unravel, because I was told money was sent. You were telling me that the client hadn't received it.

Liz: No, what happened was the client said they did receive it and then you -- and they made an error in their bookkeeping okay. And three months later, it was only three months later that I discovered that they put \$140,000 of credit, I mean with \$140,000 that was not mine. Okay, I'm like, "hey guys, this isn't my money". All right, but when you were asked --

Phil: Well, I didn't follow up on it, if it had -- do you recall you telling me that it had been received, but then several months later you did come back --

Liz: That's right. And you admitted this in your document that you signed, that yes, the money wasn't received, blah, blah, blah and I'm like okay. And I wrote you an email and said, "Phil, just take care of the money to Bauer, get this off my back". Because I had already taken care of all the other debts thinking that you were going to return the money. Okay, "Just take care of Bauer and get this off my back and we'll work out the rest, please do this. I'm happy to work out the rest with you". You ignored it Phil. You ignored it then. You ignored.

Phil: I know I ignored it. You know, what. As I said Liz, you know, whatever it's worth, whatever was going on at that time, you know --

Liz: You ignored, please, you ignored me on the phone, in hysterics, in hysterics, I was a wreck. My fingers were peeling; I was diagnosed with a form of cancer. There was so much going on in my life and the stress that this transaction caused. Now, I have no desire to get you Phil, because you know what, the universe will get you over and over and over. I know you don't admit that because you live in your own bubble. All right, but it will get you; I don't have to get you. But you are going to have to show me and everybody that this is real and that we are not putting something off until later. We want to know that it's real and I'm sure they are going to want, based on what you just said, they are going to want something that gives them some assurance that, that there is something today. That's what they're going to want.

Phil: Well, as I said, I mean what I could give them would be you know, a spit in the bucket because, as I have just said, I could sell -- I've got a 20-year-old boat which worth \$5000 or maybe \$6000 but nothing more.

Liz: Go sell the horses. They are not yours, -- why not the horses?

Phil: They aren't my horses; the horses are worth \$500. They're like dogs

Liz: Phil, so which story is correct? That these horses on the farm were your children's horses and the nanny's horses and that's why you don't want to get rid of them.

Phil: I don't have a nanny. --

Liz: They had a nanny when they were kids. Where we used to come, they used to ride the horses. You don't forget -- you forgot the stories you told me.

Phil: There was a girl from Germany who -- an au pair you're talking about.

Liz: Yeah.

Phil: That went to school. She wasn't a nanny.

Liz: Okay, Au pair all right. And these are the horses of your children and blah, blah, blah and now they are not your horses.

Phil: Two of them are.

Liz: Oh I see. Phil, come up with a proposal. When will we have it?

Phil: You can have the bloody horses. I don't think they even -- actually make a list of them.

Liz: We don't want the horses.

Phil: They are \$500 horses. Laughing...

Liz: You know and Plasma TV's and blah, blah, blah and your new girlfriend. You know, you are not exactly living a bad life Phil.

Phil: I didn't say I was. Did I say I was living a bad life? But I'm living a limited life right now. I don't live the life that I did and I don't ever expect to, because that wasn't necessarily me, but I am where I am and I will get where I need to be, if something changes and you guys want to do this, I mean that's your call.

Liz: So, you are telling us that there is the possibility that three months down the road that we would have to do this then, is that what you are saying?

Phil: No, I'm just saying that's always your recourse isn't it. You have whatever means that you want to use, if you felt you were going to get the collection of

money. If that's what it's about and that's why I said at the beginning of the conversation. If it's about the money, then money can be remade. If your ability to make money is taken away, then how would you expect me to do it?

Liz: You know what. When all of this was going on and you and I were still speaking. You knew that because they passed this UIGEA Act,

Phil: What's UIGEA Act?

Liz: Unlawful Internet Gaming

Phil: Oh! Okay.

Liz: They passed this that my business was dissolving in front of my eyes.

Phil: Well, I never knew what business you were in.

Liz: You knew -- don't even say that Phil. I have emails from you asking me to evaluate your poker software.

Phil: Yes, but no that was one portion what you -- or you were in marketing and you are in this -- I don't know exactly what you were --

Liz: You asked me to meet you in New York to meet the guys about poker. Don't tell me you didn't know what I was doing.

Phil: Liz, I don't know exactly what you do.

Liz: You did know Phil, that I was in Internet gaming, you knew that.

Phil: Yeah, absolutely, but I don't know what --

Liz: But you knew -- okay so you knew I was in Internet gaming, you knew I was in marketing. Is that what you just said? Yeah, okay so if they --

Phil: But I don't know what the marketing was, I mean, I don't think it was defined in specific to me.

Liz: Phil, we had enough conversations Phil that we talked about. We had a guy at meetings.

Phil: Really, if someone asked me what you did. I wouldn't know. I know that you were involved in Internet gaming.

Liz: If I close my eyes right now, you don't what color eyes I have. So please don't even talk about what you might. You don't hear anyone, because you live in your own little bubble. We know that, everyone knows that about you Phil.

Phil: Okay, whatever.

Liz: So, regardless of that you knew from me because I told you, listen, my entire industry is going away instantly. I'm watching it, because we were still talking in October, in November, in December. You even flew to New York. Do you remember, to give me, shall I go get it; this piece of paper with a Hushmail address on it. You flew to New York to silence me.

Phil: It wasn't never to silence you.

Liz: You flew to New York to make me feel good. "Oh Liz, I will take care of it, I will take care of it."

Phil: Well, I guess at that time I felt that I would be able to, you know, I wasn't and you know, here is where we are,

Liz: Phil, write a proposal. Send it over. We would want it by the end of week. I'm sure I speak for everybody, because everyone has had enough. We've waited years and years. I personally want it by the end of the week. If they say they want to wait a month, I don't want to wait a month. I want it by the end of the week. I want to know what you are going to do with this Bauer thing that's hanging over my head, okay and I think that they are going to want something upfront to show some kind of good faith.

Phil: Well, Bauer, Bauer has – you have litigation with him.

Liz: Got it.

Phil: Okay.

Liz: You got it.

Phil: They are out of New Jersey?

Liz: Yep.

Phil: I guess we'll have to see what the rest of it -- and maybe I can probably deal with something to do with Bauer in portions, but it will be dependent on what happens with the rest of the proposal I guess.

Liz: What is the proposal? I mean, again, how much are you going to start paying in February. --

Phil: Well, if everything went well, it could be paid in a month or two. If it doesn't --

Liz: If, you know, "if the dog didn't stop to pee, he would have caught the rabbit".

Phil: Yeah, it really depends on a number of things, but you know, Liz if I could have give you a definite date, I would, but that's not the business that I am in. That's not the way things work. I don't have \$350,000 that I can just write you a check on, so -

Liz: Find a way Phil, please.

Phil: I cannot find a way, I've used all the resources that I could have, okay, to do where I've gotten to today otherwise, I guess I could have claimed bankruptcy and you know, gone that road. I haven't, I have been dealing with each of the creditors that I have. The Canadian Government was first and foremost.

Liz: Well, Phil, the Canadian Government would not fall into bankruptcy, they are exempt from bankruptcy, so don't -- so what would it solve?

Phil: What do you mean they are not exempt?

Liz Grayson: They are exempt. You can't file bankruptcy and bring in US Government taxes. You cannot Phil, you cannot. I have got one of the best tax attorneys on the planet here.

Phil: Well, you better find a new tax attorney, because yes you can.

Liz: Well, I will ask him today.

Phil: Well, you have already asked him, you just said that you asked your best tax attorney.

Liz: I did, that's United States. I'm going to ask --

Phil: Oh United States I can't speak to, I have no idea. But in Canada once you're bankrupt, you're bankrupt and all your debts are dissolved. But it takes seven years now to --

Liz: For you to get your credit back.

Phil: Well, it's not just credit, it's just that for the first year of your bankruptcy, you have to pay them pretty well everything you make as well. So even in a bankruptcy, one year after your bankruptcy you have to pay them a large portion of whatever you --

Liz: Pay, who is them?

Phil: The government. If they were a creditor

Liz: Well, how would you have to pay them if you file for bankruptcy?

Phil: Because it's stupid. This is Canada. When you go bankrupt, you would think that it all ends there, but for one year after your bankruptcy, any money that you make, if the government is a creditor, they would get a large portion of that. That's just the way it is, I don't make the laws, I'm just telling you what I was told and that wasn't what I was planning on doing. I made my arrangements with them; I've lived up to them just as I'm going to live up with you. But I can't get out from underneath them until they are paid and I can't do anything -- you know I wish I could say I could sell something and pay you a portion of money, but right now if I did, if I sold a car or a boat or whatever and I don't own a car, I lease a car.

Liz: Oh.

Phil: If I sold the boat, I could do that. I could get you \$1,000. But it doesn't make any --

Liz: That's ridiculous.

Phil: It is ridiculous, that's the stupidity that I'm dealing with right now. So when you're asking me to take care of Bauer, I'm sitting here and I'm thinking what could I do, because I want to help you out. I want to get it resolved, but

Liz: It's more than Bauer

Phil: Well I understand, but --

Liz: Much more than Bauer?

Phil Knight: But you're saying Bauer now, the rest obviously is a different situation. As you just said a few minutes ago, you know Phil just help me out with Bauer, those were your **01:02:14** words three or four years ago and we could work out the balance. Well, we're doing the same thing now.

Liz: I've already paid Bauer 15 grand that I didn't have, that took from my lifestyle, okay. I already paid them. I wasn't even asking, you **01:02:32 took** 58,000; all I was asking you to do is pay them 40. And then work out the balance and plus all the others. Let me see I'll talk to Bauer today and see what they will accept, to make this go away, but I want to know --

Phil: Oh it's not a matter of making them go away, if you owe them \$35,000 that's what the amount is, I just -- I can't tell you today, I can give them \$35,000 or anything close to it, but if that's where you want me to first start providing money to, then that's fine. I mean that's your call.

Liz: So, let's assume for a moment, because I'm going to call Bauer this afternoon. They know about this meeting. What could you pay down now and how could you pay this?

Phil: I don't know, I really don't know as -- if you're asking me about right today, I'd really, I'd have to -- Sigh!

LONG SILENCE

Phil: Well, the only thing I can do, I mean, you know -- is gotten to where I have this tax issue, I can go back probably, but you know it's not something that's going to happen in a day or so, I mean -- I don't know what to say, I'll have to ask someone else to see.

Liz: When will you get back to me and let me know?

Phil: Well, I have got to drive seven hours. I'm not going to be able to talk to anybody until tomorrow.

Liz: I thought you had a driver

Phil: I have my sister's with me so --

Liz: By the way, condolences, I heard you had a sister that just passed away. Congratulations I hear you are a grandfather, is that true.

Phil: Twice. Public information.

Liz: Not public information, you can get it from public --

Phil Knight: 1:05:21

Liz: Where am I getting it --?

Phil: Are you throwing these things out just to remind me that you can follow me and see this and see that records --

Liz: No, Phil, you know what I did -- you know as one human being when you mentioned your sister, it triggered remembering that your other sister passed away. And so it was just a nice gesture to say, you know condolences on your sister's death. Okay and then I heard that you were a grandfather; I didn't hear that you were a grandfather twice and I just offered congratulations.

Phil: And I accepted it.

Liz: Okay, but -- so how did it get ugly?

Phil: Well, because it sounded as if you threw it out, it was like I got this, so I know about you and there's not much to hide, so --

Liz: Maybe it's all in the eyes of the beholder Phil, of how you -- that's your concept or your perception of someone extending a condolence or a congratulation.

Phil: No I probably will, yeah I probably a little --

Liz: Okay.

Phil: I'm probably a little bit more sensitive about it, about everything --

Liz: It was meant to as a condolence and congratulation. Anyway, because I'm a cancer survivor, so I realize that it's not an easy bout. All right, so I guess we wrap this up and say you're going to provide an insurance, I have to research insurance?

Phil: No, no, no, I just simply, out of comfort, if you wanted to pick an insurer, the insurance agent in the New Jersey area that if I could take out a new policy, but I can get one up in Canada and make you a beneficiary, but I just thought you may want me to take it through a U.S. Insurance Company?

Liz: I don't know the benefits or the facts --

Phil: Well, I don't know either, I just want to give you the -- I don't want to say to you here is what I'm going to do, here is what I'm going to do it with, because maybe it doesn't workout for you.

Liz: Okay.

Phil: But if it's -- I'm not asking you to do any research, it is just call your local insurance guy, your own life insurance, just call him and ask them if a Canadian wanted to take out an insurance policy with you as the beneficiary, what's the role? I haven't asked --

Liz: I can't believe that you would offer this. You know -- people always wonder how you are even walking around with all the things that people say on these blogs, assuming for a moment that they are factual. I mean --

Phil: But that's the point. We'll find out if they are factual or not.

Liz: Phil, you have got a track record that is just, it's scary.

Phil: If that were true why am I still walking around?

Liz: I don't know, no one can figure it out.

Phil: So it would --

Liz: But you know what because you are smooth Phil, because you're a perfect con man.

Phil: No, no, no, no .

Liz: Yeah, yeah,

Phil: If smooth was it, there are people that you know and I know that smooth doesn't get anywhere. So, if there was fact to all of that, okay, I wouldn't be walking around. That would be my answer to that.

Liz: All right, so, we'll go up the insurance policy and then we're going to Bauer, you're going to come back to me and let me know what you're going to do with Bauer, am I correct? What can we do at this point in time?

Phil: Yeah, yeah.

Liz: We're going to --

Phil: I mean as I said, that's going to take a bit of a -- that's going to take at least a week or so, because I'm going to have to --

Liz: Fine, that's fine --

Phil: Have a lawyer write a letter.

Liz: Lawyer writes a letter to who?

Phil: To Revenue Canada, you know, I'll have to see whether I can change the payment provision or you know I've gone far enough along with them that I think we've got some leeway, but I haven't; you know we're just staying on the course, doing what needs to be done and --

Liz: Okay. And then as far as the \$353,500 plus agreed interest, we're talking about payments starting in no later than February 2011? How do we --

Phil: Yeah and I hope as we get closer to that I'll be able to give you a more defined payment schedule, but no later than that there will be something that's worth at least equal to that put in your possession, how we'll do it, we'll have to work that out and we'll have to have somebody smarter than both you and I do that, but the reality is, you'll have something that is there of value. And then, we have to get into how it is liquidated and realized and accounted for.

Liz: I hear the words, **01:09:59** I do hear the words but I'm not sure if I totally understand this concept about security. So you are going to say that you owe me X, we all agree on the X, there are going to be securities that you are going to give me, okay that are equal to that X, but they are not, I can't liquidate them.

Phil Knight: Well, you can, but you will have to do it in a way, in whatever form that I'm able to liquidate them, because there are going to be assets of mine that I'll -- I would wouldn't want you just to turn around, it is like you and your business, you know what to do best and at what time to do it best, you'd have to, I am giving it to you, but then for you to fully realize it, you would have to work with me to make sure that you got the maximum benefit from it at that time that it was there because there is timing involved with it.

Liz: So you're talking about stock, bonds, securities. At this point of time your stocks and bonds and securities are--

Phil: I don't have any, I don't have any of this, I can--

Liz: So this security that you are going to give in February is--

Phil: That will be security that's released to me from third parties.

Liz: That owe you money?

Phil: Yeah.

Liz: Why are they going to pay you then and haven't paid you now?

Phil: Well, there is no reason for them to pay me now, you know, they just -- they didn't want to get caught up in the issues that I might have with the Canadian Government.

Liz: Fair enough.

Phil: Which is safe to say that it's money that's owed to me.

Liz: Okay, fair enough, okay fine, I mean again, I am not looking to delve into other people's financial issues or how they--

Phil: Yeah.

Liz: You know, I just want to know, you know that I can go back and say to everyone, yeah, you know, this has been resolved because it--

Phil: Hopefully it can be Liz, I mean--

Liz: What do you mean hopefully it can be, didn't you, aren't you working on--

Phil: I am hoping it can be, I mean not the money part of it, but I am hoping just that these people can resolve it, money--

Liz: Well, look Phil you know what, if anyone, anyone would have told me you would have done this, I would have bet anything that they were wrong.

Phil: Well, I guess when I look in the mirror I would've made the same bet, but--

Liz: I would have bet they were wrong Phil absolutely bet they were wrong. I feel as though that's why this article I got played, I feel as though you played, you befriended and you acted like you were going to help the business and stuff and the whole time there was a modus operandi, this was all--

Phil: You know, I can't tell you what the exact circumstances were at the time was Liz, but they're genuine now. And hopefully we can work it out.

Liz: Yeah.

Phil: If we can't, then we are going to be -- because something catastrophically has happened, which I don't envision.

Liz: And what might be catastrophic, what do you --

Phil: The world comes to an end, something outside of your world and my world. I don't have any people following me, threatening me, I've made whatever arrangements I have had to make, I actually have a very stable life right now, which is a good place to start from and that's what gives me the --

Liz: Why you saw Jesus, all of a sudden you are going to make it right with everybody Phil.

Phil: You know what, you mentioned something a few minutes ago about my sister. I lost someone else really dear to me last year --

Liz: You lost Tony.

Phil: Yeah, it just --

Liz: Tony was dear to you in 2006, in 2006, this was the year this all happened and this was a man that you considered a father, a brother, you know a friend so --

Phil: I still do.

Liz: Okay, but that didn't seem to change you.

Phil: Well, you know, listen, you know what, I can't even remember that that's the worst part of it, that's probably two or three years where, you know, if you've had to ask me a question I really honestly couldn't answer you, I really honestly couldn't answer, which is just sad --

Liz: What do you mean you couldn't answer, I don't understand?

Phil: Well, if you're asking me or you were canting things that happened in 2000 -- yes Tony died in October of 2006.

Liz: No, it's July.

Phil: No, he died in October.

Liz: He died, I was in, I was --

Phil: It was in the fall.

Liz: No, you know, Phil I was in Switzerland when he died, and I spoke to you from the terrace and you said that you were waiting for his son to come in, blah, blah, blah, blah, yeah.

Phil: Yeah, I thought it was in the fall, yeah I might be wrong again, but listen safe to say, there was a period of time where I guess like the lifestyle, the stress, whatever it is, but I mean I've -- I haven't found God because I am atheist but I have found something better so.

Liz: And what is that?

Phil: Myself.

Liz: You know Phil.

Phil: What I am capable of, I know what I am not capable of, I know who I am, I know what I am not, and that's all I can tell ya.

Liz: You know what I guess that's all anyone can ask for, but at some point Phil even though you know who you are, there are so many people that know you, just a minute Phil, let me finish, that know you as somebody else maybe because of the years that you just talked about that, that you don't know or were a blur, etcetera, etcetera.

Phil: I am not sloughing it off and saying that's an excuse, but you know these people that are out there, I wish I could say I was interested, so I'm really not --

Liz: I am not saying you should be, let me tell you something, maybe I live in a different place than you, but when someone says something derogatory about me, I want to make sure that, that I correct it, okay, if I can, all right.

Phil: But see these people have never come to me--

Liz: But Phil, there are so many people--

Phil: But they never come to me say to anything, like if someone said something derogatory to me, they should call me and say it on the phone or meet me in the street and say it, saying it on the Internet or saying it to a third party, or it's just like Bill, you throw something out to him because you know you are going to get something back, and it came back full circle, real quick didn't it.

Liz: I didn't get, I said to him exactly what I wanted you to hear, I--

Phil Knight: But the reality was, I mean, you know, then he, then it gets all turned around and he starts **1:16:52** to me about all these conversations, you know, the fact I wouldn't hold hands with you in France and I wouldn't do this, I am going like who would share this information, what value does that have.

Liz: What, I never said that.

Phil: He told me without a word of a lie that you told him that I wouldn't hold your hand in France and I thought --

Liz: No, here is what I said; now I'll tell you what I said--

Phil: But that's okay, okay whatever you said, whatever you said that's how it came back, okay. Do you see how things get distorted? He literally said to me that she told me you wouldn't hold her hand in France and at that point I just said Bill thanks for the call, I really don't want to hear anymore --

Liz: But here is the funny part of that, because then this man then wrote me, I never want to hear from you again, you are a two-face, blah, blah, blah, like why do I, you are the who called Phil Knight, why am I two-faced, that is not what happened--

Phil: But see you proved the point like he is now calling you two-faced, does he have any reason to do that? No.

Liz: No, I --

Phil: But he caught in a circle that he had no idea of what he was getting caught in, okay, and so this proves my point that I've just said to you, I can't stop what other people are going to say.

Liz: What he said was and I will say this, he is a ladies man, and I said, au contraire, I was away with this guy in France and I got to tell you, he ain't no ladies man, I was there with him for four days, he didn't as much as hold my hand.

Phil: Okay.

Liz: That is what I said, okay, that is what--

Phil: How we regurgitated it --

Liz: Okay, but it was like, he is a ladies man, okay I'm like I don't think so, all right.

Phil: Whatever the case may be --

Liz: Okay, so that is how it came back. --

Phil: So that's how it came back--

Liz: So how it came back? Okay that's how it came back, okay, he such a ladies man who's got all these women.

Phil: He obviously felt that and I don't know why, I mean I said to him afterwards, I said you are the one that walked into the open door, you can't--

Liz: He is the one who contacted; he is the one who contacted--

Phil: Exactly, so you can't, I said to him you can't, you can't take what you've done and turn it around and you will be the victim.

Liz: Oh! He was the victim--

Phil: Oh, He was a victim all of a sudden.

Liz: How is it, victim of me?

Phil: Yeah, that's the way you played it off to me.

Liz: Why was he the victim?

Phil: Well, because he had told you things that, you know, because they are true, Liz if I owe this guy \$18,000, you know, I guess people tend to say things that they believe, but I am glad that you put the dots together because I just thought why would anybody buy or allow--

Liz: I asked that question --

Phil: Someone it just doesn't make any sense--

Liz: I asked the question like I don't know like this guy owes you money why would you give him more shirts, I don't understand, why would you give him?

Phil: I don't have more shirts from him, so that's even the funnier part of it.

Liz: Alright. Take this Phil.

Phil: I don't need Liz, I really don't.

Liz: Ok. So you are going to deny?

Phil Knight: I don't either 1:19:47

Liz: So you are going to deny and --

Phil: No, it's not, I acknowledge that I had it read to me, I don't go to the mail and take up mail, okay, I don't pick up the phones, I don't have answering services, I don't need all that stuff anymore.

Liz: Let's recap. What are we doing now?

Phil: Well, I'm going to see what I can do about your client in the very short-term --

Liz: What client, he is a vendor. Vendor.

Phil: Yeah, your vendor. You are going to look into insurance down here. Otherwise, I can provide you with a life insurance policy from a Canadian; actually probably they are North American.

Liz: Probably, North American I'm sure --

Phil: Well, you know, I don't know, they are called Canada Life, but you know what, chances are, they could be owned by something else, I really don't know.

Liz: So, you don't want any of this paperwork showing what is owed? You don't want any of this?

Phil: No, I don't need anything. We can work out that when the time is right. -- but I will put something together.

Liz: Here at the --

Phil: And again, I'll have to get somebody to look at it as well.

Liz: To look at what?

Phil: Well, whatever I'm going to put together in a proposal to you, correct?

Liz: Yeah.

Phil: I'm going to have to have it looked at. You said you're going to have to have lawyers look at it. Dah, dah, dah. I mean, I'll just have to get a hold of Ken, the guy that I have been using and I'll try to -- I'll try him on the phone now.

Liz: And I really want it real clear about this security --

Phil: Yeah, no, no, it will be. That's where I will need them to – you know, I know what I want to do in my mind, how they do it legally, so that it satisfies you. We will let them sort that out.

Liz: Okay, but I want to make sure that we don't get to this stalemate Phil and --

Phil: Liz, I want to get it resolved. I'm not looking for a stalemate; I'm looking for a solution, so --

Liz: The stress that this has cost me is beyond human --

Phil: Mary, if you want to come around and pick me up. Yep! Okay. Oh all right, I don't know where that is --

Liz: Where is she, tell me where she is --

Unknown Speaker: 1:22:02

Phil: Okay, Yeah no, I can see the lights over there. Well, it's raining so you got to -

Liz: Wait, hold on, hold on! Why don't you just get my car and I will bring you to her.

Phil: Okay, I can get over there, if that's where you are.

Unknown Speaker: 01:22:20

Phil: Yeah, Borders, okay. All right --

Liz: Borders, no not Border, it can't be Borders, Oh yeah! Borders. 1:22:37 okay, fine.

Phil Knight: Okay, I can't see it from here –

Liz: I know where it is. I know where it is. I will bring you there.

Phil: It is down from Citibank? Okay.

Liz: I know where it is. I will bring you to Borders. 1:22:35 it will make it easier than kind of have to, because you've got to come up and round and whatever, whatever.

Phil Knight: Yeah, I didn't have, I mean I found it just on fluke, because I should have got the zip code from you.

Liz: Do you want this?

Unknown Speaker: 1:22:52

Phil Knight: Wow, this is one thing I don't miss is an office.

Liz: I don't have an office --

Phil: You know, I have never talk about money, you know, I look at the years of spending money in downtown Toronto in office space and no reason.

Liz: Thank you so much. We are all squared away, right.

Female Speaker: Yes.

Liz: Okay, fine.

Female Speaker: Do you need a receipt or something?

Liz: No that's fine. My American Express Card is good enough.

Female Speaker: Okay.

Liz: Oh Butter Cream. Oh your favorite Phil.

Phil: Thank you.

Liz: How's Matthew. Or do you think I am asking that for a devious reason.

Phil Knight: No, I wasn't implying 1:23:32. Growing Young Boy! Well, this is kind of confusing, so you don't have to --

Liz: Oh God I have never been here. See --

Phil: No because I think when I on, I think I came up through 1:23:53.

Liz: How about B? How do we get down to the parking lot?

Unknown Speaker: Where do you want to go? What level, there's different levels.

Liz: That's a good question. The level where the guard is 1:24:12.

Liz: Thank you.

Unknown Speaker: 1:23:34

Liz: Hold on, I don't know if they need something to get out.

Unknown Speaker: 01:24:51.

Liz: Hi. How do I get out, I don't need a card or anything to get out?

Unknown Speaker: No ma'am. You just got to sign here. Did you sign that right there?

Liz: Yep.

Unknown Speaker: Okay just one sign, your vehicle and Regis, that's all and you are all set, I will take care of this. Thank you sir. Okay, what was your name ma'am?

Liz: Right here.

Unknown Speaker: Okay, you are right here.

Liz: Right here. Liz Grayson.

Unknown Speaker: Okay, good I got you. Okay, thank you.

Liz: I can just drive out.

Unknown Speaker: Just drive right around the building ma'am.

Liz: Okay fine, thank you.

Phil: You go ahead. She parked over here. She walked over to borders. Right, I will just wait for you here. Okay.

Liz: Oh she walked over to Borders?

Phil Knight: Well, but you didn't park underneath. **01:25:39** Ok. I'll just wait here. Alright. Ok.. I'll just wait for you here.

Phil: She parked somewhere between here and there.

Liz: Does she know where?

Phil: She knows where, but she doesn't know where to describe it, so she is just going to walk over here --

Liz: Okay. Do you want to wait outside for her?

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