

## WITNESS STATEMENT

**DATE:** September 10, 2013

**TIME:** 10:15 a.m.

**INTERVIEW OF:** Mr. James L. Singleton, DOB: [REDACTED]  
Cell #: [REDACTED]

**INTERVIEW BY:** Detective Kenneth Buonaiuto  
Rhode Island State Police Financial Crimes Unit

**LOCATION:** Daniel McKinnon, Esquire  
Law Offices of McKinnon & Harwood  
1168 Newport Avenue  
Pawtucket, Rhode Island 02861

**SUBJECT:**

1. Q. Mr. Singleton, could you state your full name and spell your last, please?

A. James L. Singleton, S-i-n-g-l-e-t-o-n.

2. Q. And your date of birth?

A. [REDACTED]

3. Q. Do you have a cell phone number to provide us?

A. [REDACTED]

4. Q. And Mr. Singleton, where are you employed at this time?

A. I am the President and CEO of the Providence Performing Arts Center in  
downtown Providence.

5. Q. Okay. And if I can digress for a minute: the interview is being conducted by Corporal Ken Buonaiuto and Detective Jim Brown, and also present at the interview is Mr. Singleton's attorney,

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Daniel McKinnon. And you said you're - you're employed by Providence Performing Arts. And - and what was your title?

A. **President and CEO.**

6. Q. Okay. And in addition to Providence Performing Arts, were you ever employed or did you ever have the opportunity to sit on a board for the Rhode Island Economic Development Corporation?

A. **Y- Do you mean the one I was on? Yes.**

7. Q. Yes.

A. **Yes, I -- Yes.**

8. Q. Okay. And that was a Board member?

A. **Mm hmm.**

9. Q. Any idea on the timeframe, can you recall the timeframe, or are you presently on the Board?

A. **No.**

10. Q. Okay.

UNIDENTIFIED SPEAKER:

11. Q. That's - that's the answer, no.

A. **No.**

**(Laughter)**

DETECTIVE CORPORAL BUONAIUTO:

12. Q. And do you recall the timeframe that you sat on the Board?

A. **Carcieri was governor, and then it would have been - so probably the last two years of his term and the first year of Chafee's term, that's ...**

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13. Q. Okay. So - so you were on the Board for three years?

A. Yeah, two-and-a-half. Yeah. I mean --

14. Q. Okay.

UNIDENTIFIED SPEAKER:

15. Q. That's your best estimate?

A. Yeah, it's just an estimate. But that certainly could be documented by Board

Minutes I'm sure.

DETECTIVE CORPORAL BUONAIUTO:

16. Q. Okay.

A. Yeah. Two to three years.

17. Q. And if you can explain as a member of the Board, what is the Board's purpose, what is - what is their - their job description, or what - what is the purpose of the Board?

A. Well, in - And since I also have - PPAC has a board similar to what the - the EDC. In this case, the governor chaired the Board and made up of a very diverse set of individuals of which, you know, staff would bring recommendations, policy decisions, opportunities, talk about, you know, directions that they should go, and the Board would vet and discuss those and make decisions and recommend back to the staff.

18. Q. Okay. And when you first became a Board member, do - do you remember who was on the Board, particular names?

A. Our chair person was Carciari.

19. Q. Mm hmm.

A. As vice-chair was Al Verrecchio (phonetic). Donna Capello from Verizon, Cheryl Snead from Banneker, - I'm trying to walk around the room -- Shivan from FM Global. I'd - I'd

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kill his last name if I tried to pronounce it.

20. Q. We had a hard time with it also too.

A. Yeah. He's a big-time guy. People don't realize what a big-time guy he is.

21. Q. Very impressive.

A. Oh no, he's - he's a sharp guy. I'm trying to think who - who else.

22. Q. Stephen Lane?

A. Is he? Yes. Stephen was there. Oh, Paul Choquette - how can I forget Paul. Paul Choquette.

23. Q. Karl Wadensten?

A. Karl, yes. And then there was a guy from Pa- from Central Falls who I can't remember. Maybe he was a new appointee.

24. Q. From - from Collette Tours?

A. No, Collette Tours was - I know who you're talking about, tall thin guy, Irish guy.

25. Q. Yeah.

A. He was a guy from Central Falls was -- the, the guy trying to save the library up there. I wrote him a personal check for it. I can't remember his name. But anyway, --

26. Q. Okay.

A. So um --

27. Q. So did you come at the same time as Mr. Verrecchia and those?

A. No, Al had been on that Board for a number of years, I think.

28. Q. He was.

A. Yeah.

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29. Q. Okay.

A. **I was an appointee of Carcieri though.**

30. Q. Carcieri though.

A. **Yeah.**

31. Q. Right. Okay. So but you were - you were on the Board for a couple of years while Governor Carcieri was still in office.

A. **At least his last year.**

32. Q. At least his last year.

A. **L- At least --**

33. Q. Like I said, the majority of those members were appointed by Governor Carcieri in his v- in his very last year. So January of 2010 --

A. **Mm.**

34. Q. -- through December 2010, which was like his last year in office was when they were appointed. So you - you were on the Board prior to that you think, or the - at least another year?

A. **No.**

35. Q. No.

A. **No. I was part of that --**

36. Q. Okay.

A. **-- that kind of, reorganization and --**

37. Q. Okay. All right. So you - Does January 2010 sound like a time when you were sworn in? Maybe you were appointed by the governor late 2009, but 2010, does that? I don't want to put words in your mouth about it...

A. **Yeah, I can't - You know, it's been--**

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38. Q. Okay.

A. -- too long ago.

39. Q. All right.

A. **But (indiscernible / cross talk)**

40. Q. But you came on with those ...

A. **It was part of that new set of people.**

41. Q. Okay.

A. **I - I had no existence prior to that.**

42. Q. Okay. All right. And at some point in time, did the talk about 38 Studios, the coming 38 Studios and Curt Schilling come to the Board for any particular reason?

A. **Yes.**

43. Q. Okay. And could you explain that?

A. **Um ---**

**ATTORNEY MCKINNON:**

44. Q. Excuse me. Do you know what he means when he says, can you "explain that" coming to the - before the Board?

A. **Well, --**

45. Q. You understand what--

A. **Yeah, I mean, uh I - I would imagine that - that - that they were discussing funding, not only 38 Studios, there were funds that were provided - And you got to remember, 19 - what's it, 2008 / 2009, it was - it was a very grim time: it was back when the world was trying to end and they were --**

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**DETECTIVE CORPORAL BUONAIUTO:**

46. Q. Mm hmm.

A. -- trying to promote new business development, and there were a lot of projects brought before the Board to do that, and Schilling's was one of those.

47. Q. Okay. And - and who brought it to the Board?

A. I don't really recall that.

48. Q. Was it - Do you - do you remember if it was EDC employees? Was it Curt Schilling's company himself, employees of his company? What is a third party that you remember?

**ATTORNEY MCKINNON:**

49. Q. And - and I don't mean to interrupt you, but you already said you don't know. I don't want you to guess.

A. Yeah.

50. Q. I--

A. Yeah.

51. Q. -- want you to answer him if he knows (phonetic), but I don't want you to guess.

A. As I was telling Dan, one of the dilemmas I have, and, is that, you know, and - and you could certainly verify this by checking those, --

52. Q. Mm hmm.

A. -- a lot of those meetings, you know, I was probably sporadic in my attendance, so.

53. Q. Okay.

A. Irregular maybe is a better word.

54. Q. Right.

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A. So.

55. Q. Okay.

A. Yeah. So that - Yes. But I - No, I don't recall.

56. Q. You don't recall? Okay. But let me - Actually, let me see if I can maybe recall - help you recall your memory just a little bit. I have three presentation, and these are PowerPoint presentations.

A. Yeah.

57. Q. One is actually put together by a company called Strategy Analytics, which is the one there in the darker cover; there's a second one here, 38 Studios title that was put together by Wells Fargo; and then there's a third here that talks about the video gaming industry, and it appears that this one was put together by the Rhode Island EDC. Do you remember --

A. Hold on for one second. Let me see what the date of this one is. This one - The other two are dated June 14th I see, and they got a (indiscernible / cross talk) --

58. Q. Yeah, this was around --

A. ... around July 26th (phonetic) --

59. Q. This one's July 26th.

A. All right.

60. Q. So these two were presented -- Well, these two --

A. These two --

61. Q. -- were dated --

A. June 14th.

62. Q. -- June 14th, --

A. Yup.

63. Q. -- 2010; this one, July 26th, 2010. If you - if you want to take a minute. You can take--

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A. **Sure.**

64. Q. -- as much time as you want.

ATTORNEY MCKINNON:

65. Q. (Indiscernible) Have you ever seen them before?

DETECTIVE CORPORAL BUONAIUTO:

66. Q. Are - are these - Right, are these presentations that were presented to the Board, or - or to you when - when you were present at the Board meetings?

A. **Hmm. I remember there being presentations. Whether it was exactly these ones, I, you know, --**

67. Q. Okay.

A. **-- I wouldn't - I wouldn't say yes or no.**

68. Q. Okay. Do - do you remember what 38 Studios or members of EDC were bringing to the Board as far as what was 38 Studios looking for, do you remember that?

A. **They were looking for funding.**

69. Q. Okay. Do you remember a dollar amount on what they were looking for?

A. **I think it was 75 million dollars.**

70. Q. Okay. And, now I don't know the process of - of the EDC itself, but, --

A. **But when I say 75 million dollars, that was where it ended up. I don't know what the initial discussion was, whether there was dollars in between, but that's what --**

71. Q. But as a Board member, that's what you remember as --

A. **Correct.**

72. Q. -- they were coming for 75 million dollars. And ultimately it appears that that's what the

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EDC approved or the EDC Board approved was a 75 million dollar loan?

A. Yes, but I can't - I can't recall, but there might have been - there, you know, it might have been where they asked for more than that and it was--

73. Q. Right.

A. -- negotiated back. But that discussion didn't happen at my level --

74. Q. Okay.

A. -- you know, not - I don't know what the initial conversation --

75. Q. All right.

A. -- with the staff was.

76. Q. And didn't you participated in the vote?

A. Yes.

77. Q. Okay.

A. That meeting I was at.

78. Q. Okay.

A. Heh heh.

79. Q. And you voted in favor, is that -

A. Yes.

80. Q. -- is it correct? And - and what - what did you think 38 Studios was going to get?

A. What did I think?

81. Q. As far as a dollar amount.

A. Seventy-eight million -- 75 million dollars, you know, probably less, you know, ...  
you know, some fees.

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82. Q. Okay. And - and --

A. Yeah.

83. Q. -- any idea what those fees ...? You know, did you have an idea in your head, you know, through your business experience, okay, we have an - a loan; there's a closing; there are going to be some closing fees you would assume involved, did you have any sort of a figure in your head or was - or was any number thrown out to you by any other Board member or anybody else within the EDC or any other third party that, all right, it's a 75 million dollar loan, but ultimately they're going to net x-amount because of fees and whatever else that might be involved?

A. No.

**DETECTIVE BROWN:**

84. Q. Was the State going to take any back?

A. The State held some reserve, but I can't -- I knew there was some reserve take-back.

**DETECTIVE CORPORAL BUONAIUTO:**

85. Q. Okay. And you knew--

A. Yeah.

86. Q. -- that prior or after the vote?

A. No, I - I - by - I know there was a reserve now after the - all the press came out, --

87. Q. Right.

A. -- obviously, --

88. Q. Right.

A. -- you know, so I'm trying to divorce from what I've read--

89. Q. Right.

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A. -- in the last six months. But I knew there was a - there was a reserve that if they defaulted for a certain period of time that it was paid for, but I - no, can't pin it. At the time I don't remember it being an exact number.

90. Q. Okay. So at - so prior to the vote you knew there was going to be some sort of reserve,--

A. Reserve.

91. Q. -- but you don't recall right now if you knew a dollar amount.

A. Yeah.

92. Q. Did you have any idea like a, you know, percentage-wise, were you thinking, --

A. No.

93. Q. -- you know. Okay. Now what - Now knowing that, yourself or anybody on the Board, was there a concern that maybe there wouldn't be enough of money for this company to be successful? Because they're asking for 75 million, there - you know that there are going to be some closing costs, and then you - and you know that there's some sort of reserve, was there any discussion --

ATTORNEY MCKINNON:

94. Q. (Indiscernible utterance)

DETECTIVE CORPORAL BUONAIUTO:

95. Q. -- on anybody's part?

ATTORNEY MCKINNON:

96. Q. Excuse me, I don't mean to ...

DETECTIVE CORPORAL BUONAIUTO:

97. Q. Yeah.

ATTORNEY MCKINNON:

98. Q. I don't know if he said they were asking for 75 million, I think he said he doesn't know

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what was going on before, but 75 --

**DETECTIVE CORPORAL BUONAIUTO:**

99. Q. Right.

**ATTORNEY MCKINNON:**

100. Q. -- million was the number that eventually was arrived at.

**DETECTIVE CORPORAL BUONAIUTO:**

101. Q. Right. Okay. So --

**ATTORNEY MCKINNON:**

102. Q. I do not -- I don't think they were - I don't - We - he hasn't said --

**DETECTIVE CORPORAL BUONAIUTO:**

103. Q. Yeah.

**ATTORNEY MCKINNON:**

104. Q. -- what they were asking for, that's above his pay grade.

**DETECTIVE CORPORAL BUONAIUTO:**

105. Q. Right.

**ATTORNEY MCKINNON:**

106. Q. Yeah.

**DETECTIVE CORPORAL BUONAIUTO:**

107. Q. Okay. So the - the - what was brought to the Board was an a- an approval or a disapproval of a 75 million dollar loan.

A. Yeah.

108. Q. Okay. So there was some closing costs involved and then some sort of --

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**A. And there was some reserve held.**

109. Q. Reserves. Did you have any idea of like the percentage or were you concerned --

**A. Nah.**

110. Q. -- concerned that - was there anybody's concern or was it --

**A. That discussion --**

111. Q. -- thought about --

**A. That discussion never happened.**

112. Q. Okay.

**A. That was never - There - there was never, at least to my knowledge, any meeting I was at saying, you know, that - what you're - (indiscernible) that - that did not happen.**

113. Q. Okay.

**A. At least the meetings I was at.**

114. Q. All right. So there was no discussion on how they were going to fill the hole if --

**A. No.**

115. Q. -- if they were going to get 75 million, but they were--

**A. Mm.**

116. Q. -- really not going to net that. Okay. (Brief pause) Do you - do you remember specifically who on EDC, as far -- as far as employees, who - I think you might have answered it already -- but who spoke with the Board regarding this? And we're to assume that it was somebody from EDC that - that brought this to the Board, or asked for a vote. Is - is - is that the process, somebody from EDC, an employee of EDC would bring all matters to the Board?

**A. Yeah, I mean eh. Like even in my organization, usually it's the chief executive officer or the, I don't know what, uh, Keith's uh - what - what's Keith's last name?**

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117. Q. Stokes.

A. Stokes.

118. Q. Stokes.

A. I don't remember what his title was, but I - I - I imagine it came - you know, the - the discussion was led by him and staff.

119. Q. Do you remember him standing in front of the Board bringing it to the staff?

A. No, I - I don't. It might have been one of the - I mean, he obviously was involved in the discussion, but--

120. Q. Right.

A. -- whether he brought it specific or not, I don't recall.

121. Q. The executive director - I mean Assistant Director, Michael Saul?

A. He was involved in the discussion. But once again, because I think he was like the business, what I would call the - the c- CFO type --

122. Q. Mm hmm.

A. -- the business man, but I don't know if he's the one that brought it or not.

123. Q. Okay.

A. They vetted it I'm sure, internally.

124. Q. Right.

A. Uh -

125. Q. Right.

A. And uh --

126. Q. Curt Schilling, did he speak with the Board?

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**A. He did, but I wasn't there at the meeting: I don't think that he spoke.**

**ATTORNEY MCKINNON:**

**127. Q.** Excuse me. Are you saying did he speak with the Board--

**DETECTIVE CORPORAL BUONAIUTO:**

**128. Q.** At that meeting.

**ATTORNEY MCKINNON:**

**129. Q.** -- at the time it was first presented?

**DETECTIVE BROWN:**

**130. Q.** Correct.

**ATTORNEY MCKINNON:**

**131. Q.** Okay. Because--

**DETECTIVE CORPORAL BUONAIUTO:**

**132. Q.** Right.

**ATTORNEY MCKINNON:**

**133. Q.** -- it's - it's a timeline. Because I know that--

**A. Yeah.**

**DETECTIVE CORPORAL BUONAIUTO:**

**134. Q.** Right. And well ... it looks like there were at least two Board meetings that 38 Studios was addressed: one was June 14th, 2010; the other one was July 26th, 2010, and I have meeting Minutes here if - if you want to take a peek just to kind of refresh your memory. But it seems like those were the two main --

**A. Yeah.**

**135. Q.** -- meetings where presentations were done to - to inform the Board, and some of those

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presentations were directly regarding 38 Studios and what they were looking for, and the others were like the Strategic Analytics was more about the gaming industry as a whole, and the pros and cons, and the risks and - and rewards of possibly bringing it to Rhode Island.

ATTORNEY MCKINNON:

136. Q. Excuse me one second. You said you have Minutes--

DETECTIVE CORPORAL BUONAIUTO:

137. Q. I do.

ATTORNEY MCKINNON:

138. Q. -- of those two meetings?

DETECTIVE CORPORAL BUONAIUTO:

139. Q. Right.

ATTORNEY MCKINNON:

140. Q. Do - do they have the attendants?

DETECTIVE CORPORAL BUONAIUTO:

141. Q. They do, yes.

ATTORNEY MCKINNON:

142. Q. Was Mr. Singleton at both of those meetings?

DETECTIVE CORPORAL BUONAIUTO:

143. Q. I'm going to just review myself just to make ...

A. **What's the date again?**

ATTORNEY MCKINNON:

144. Q. Uh, June --

DETECTIVE CORPORAL BUONAIUTO:

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145. Q. June 14th ...

ATTORNEY MCKINNON:

146. Q. And July --

DETECTIVE CORPORAL BUONAIUTO:

147. Q. -- and July 26th.

A. It's been a long time.

148. Q. Yeah. And we realize that.

ATTORNEY MCKINNON:

149. Q. Yeah, that's why I just wanted to know if he - you know, he - if he wasn't even there --

DETECTIVE CORPORAL BUONAIUTO:

150. Q. Right.

ATTORNEY MCKINNON:

151. Q. -- it, it would really throw everything off kilter.

DETECTIVE BROWN:

152. Q. I believe the July one, the second one was when the actual vote was taken.

ATTORNEY MCKINNON:

153. Q. I know--

(INDISCERNIBLE)

154. Q. -- he was there then.

A. That was where I voted.

ATTORNEY MCKINNON:

155. Q. This one?

DETECTIVE CORPORAL BUONAIUTO:

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156. Q. Right.

A. **I think I've seen that.**

157. Q. Right. In the June 14th you were not present. And --

A. **(Indiscernible)**

158. Q. -- from what I understand on the June 14th one, there was a discussion about the - the legislation that had passed with the 125 million dollars for the Jobs Creation. Wells Fargo did their presentation. So it was - it was - these two presentations were actually done on a day that you were absent --

A. **Yes.**

159. Q. --the (indiscernible) and the - the Strategic one.

A. **And this was done the day they passed it.**

160. Q. Okay. And you - So that's the one you remember -

A. **(Indiscernible)**

161. Q. Okay. Right. Okay. Did --

A. **And I know just for the record it's the July 26th, 2010, presentation you're speaking about.**

**DETECTIVE BROWN:**

162. Q. Yes.

**DETECTIVE CORPORAL BUONAIUTO:**

163. Q. That's correct. The, the one that's - looks like it was published or written by Rhode Island EDC.

A. **Yes.**

164. Q. All right.

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**A. And Curt was probably at that meeting.**

**ATTORNEY MCKINNON:**

**165. Q.** Don't speculate. (Laughing)

**DETECTIVE CORPORAL BUONAIUTO:**

**166. Q.** Okay. But you're saying that you don't remember seeing him and that's why you're -  
Okay.

**A. Yeah, I don't remember seeing him.**

**167. Q.** Okay. Okay. And you - So you - you remember on the - I think you said earlier that you  
remember that on - at least on the day that you were there, the 75 million dollar number was the one  
that the Board was being advised about. Is that correct?

**A. Mm.**

**168. Q.** Okay. All right. In - in hindsight, and I know it's hindsight, and we don't - we don't like to  
Monday morning quarterback, but do - do you feel in hindsight that the Board was misled or  
misinformed or intentionally not provided with all the information that we know now is out there?

**A. Um--**

**169. Q.** And this is an opinion --

**ATTORNEY MCKINNON:**

**170. Q.** Well, can we go off the record?

**(AUDIO INTERRUPTION)**

**A. That's good.**

**171. Q.** Okay.

**A. Actually, and I was telling Dan this earlier, I mean it's always, you know, flattering  
to serve on a board with, you know, the status of the people who were on that Board -- I mean,**

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I'm just the arts guy -- and it's also can be intimidating to serve on the Board that the governor chairs. But to the governor's credit, and for the members of the Board at the level they were and are who served on this Board, the dialogue and the discussion was very open and very honest and very, you know, it wasn't, you know, it wasn't like, you know, we gotta push this thing, you know, it - So I never and nowhere in any of the discussions did I ever feel that any of that ever took place.

**DETECTIVE BROWN:**

172. Q. And when you say "governor," are you talking about Carcieri?

A. Carcieri.

173. Q. Okay.

A. And to D- you know, to Governor Carcieri's credit, he was very, you know, what, you know, he was like trying to admis- elicit, you know, from Board members, what, you know, what could go - you know, he - he was, you know, he was digging like you would like a corporate CEO, he wasn't there trying to quote unquote "get the deal done." So --

**DETECTIVE CORPORAL BUONAIUTO:**

174. Q. Right.

A. And that, you know, candidly, as a, you know, as a Board member, and the - the lesser of a lot of people in the room, that gave me some comfort that it was, you know, it - it was all, you know, being vetted and done correctly.

175. Q. Okay. And -

A. Yeah.

176. Q. -- so were you as a Board member relying on the EDC and its employees to - to - to

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bring any pros or cons to you?

**A.** Well, like in my business, you know, there's risk and there's, you know, you have to control that relative risk, and so - But - and but I do think to the - to - to the people in the room that they were aware and made aware through - through the Board members that there would be risk, and - and - and - and, you know, like any business venture, and - and so you would rely - you relied on them to inform you that, yes, and, you know, the - the plusses and the minuses.

**177. Q.** Mm hmm. And how would you - how would you personally rate that - that risk, what did - what did you feel as a risk, like 50/50 that this wouldn't work, a, you know, a uh 70/30?

**A.** You're talking at the time of the vote.

**DETECTIVE CORPORAL BUONAIUTO:**

**178. Q.** At the time of the vote. What - How - how did you personally feel? Did you feel like, all right, look, because the State is in such dire straits, I'm - I'm - I'm - I'm willing to take, you know, vote yes and - and even though the risks are higher than normal, you know, I'm willing to do it because of this or that or - or did you feel comfortable that, you know, the risk is kind of mitigated and really it's, you know, it's 80/20, 80-percent chance that this place - this is going to be a success and it's going to be a great thing for Rhode Island, or how did you personally feel?

**A.** Since - Since I bought shows for a living and take risks, it's - it's - it's one of those things where if the show doesn't sell, it's always the - the marketing, and if it does sell, it's the show.

**ATTORNEY MCKINNON:**

**179. Q.** Well, that's the difference between lawyers: if we win the case it's a -

**A.** That's it.

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180. Q. -- good case; if we lose, it's 'cause we're bums. Ha ha ha ha ha ha ha.

A. Yeah. So um the - the - the one thing that, and this is - I can only speak personally - I think the one thing that the - the logic behind the - the - the - the investment per se in the company was that it would provide a - an anchor for a cluster of an industry in downtown in the State of Rhode Island. It wasn't a one-off. That - that was - that was the - the base of what kind of got me across the goal line. Because, like I say, I am in the risk business and I understand risk. And so I think that's what gave me some comfort as where - as for -- as where, you know, it was 50/50, 70 I - you know, I - I didn't really think about it at - at that level, I thought about it if not what it would accomplish in the next six months, but what it would accomplish in the next six years. And that w- And, and it would spin off other industries; you could, you know, have synergy with RISD, you know, you - Like that - that was where my--

181. Q. Right.

A. -- mind was. And I don't know how other - Did the other Board members echo that same thing?

182. Q. Similar.

A. Yeah.

183. Q. Similar.

A. That was kind of the lo--

184. Q. Yeah.

A. That was my logic that got me there.

185. Q. Right.

A. And, you know, like you say, '08 / '09, whenever it was, --

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186. Q. Mm.

A. -- the world was trying to end. So --

187. Q. Right.

A. -- it was a - it was a completely different economic environment.

188. Q. So the risk - the risk that you may have been willing to take back then, you know, it might have - it is safe to say it was a whole lot higher than maybe you would have taken today or --

A. Oh, I --

189. Q. -- back when the economy was booming?

A. - I wouldn't say. You know. It just--

190. Q. Yeah.

A. -- depends on, you know, the attractiveness of the -- of the opportunity. But I - I think at least from my sense, that was what got me comfortable with - with my vote.

191. Q. Okay. Did you have an understanding specifically about the gaming industry of the risk level just in general, --

A. Uh -

192. Q. --or how would you interpret your - your understanding of the risk?

A. The risk of the gaming indus... Well, um, since I'm way past that point in my life of playing video games, pro-

193. Q. Well based on the information that you received at that --

A. Yeah.

194. Q. -- Board meetings or through the EDC.

A. I think it - You know, uh, the - I think it was communicated there was risk there.

Now, you know, hindsight's always 20/20, you know, obviously, you know, it - it obviously didn't turn out well, but I think that it was communicated there was risk. Unfortunately, you know, the things that were hoped for didn't come about.

195. Q. Okay.

DETECTIVE BROWN:

196. Q. I just have one question. We - I know you had said the 75 million wasn't agreed upon. Si- From that time, and going forward, you know, you said you - you've read in the last six months, did you or have you since become aware that they actually didn't get 75 million dollars; that they - that they actually only got around 51 million dollars? Have you since, from the reading of the, you know, the - the publicity and and the civil suit now, have you since become aware that they actually only got 51 million dollars of the 75 million dollars that...?

A. **Not the number, but I know - I - I know that they got less than 75 million dollars.**

197. Q. Do you think - I'm not speculating - but that wasn't, and it seems pretty - it says that that wasn't properly maybe told to the Board. Do you think - do you think - I know you can only speak for yourself; not - not the other Board, but if you had known or you'd been told specifically at a Board meeting or in Minutes that listen, they - they are asking for seventy - or, not asking, they are - we agreed to give them 75 million dollars, but in actuality they're only get 51 million dollars, do -

ATTORNEY MCKINNON:

198. Q. Not - not - not to help you phrase the question, but to - to see if I can get what you're trying to ask him: when you cast the vote, did you believe they were going to receive 75 million dollars?

DETECTIVE BROWN:

199. Q. Cor- correct. And - and - and if you had known that it was only 51 million dollars, do you

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think that would have changed your vote ...?

**ATTORNEY MCKINNON:**

200. Q. Would you have changed your vote? Okay. Fair question.

A. Well, I - I would have assumed that the people who were doing - the EDC, who was doing the deal, knew - they knew what the amount, so they had made a business decision --

201. Q. Right.

A. -- that that worked within the parameters of their business plan, so, you know, that - that would have been the route I would go in. I was looking after the best interest of the State, so in my mind, the State as giving somebody 75 million dollars, all the - the spaghetti in between was - but it was a committment from the State for 75 million dollars. So I wasn't really looking at it as a committment for 50, ... looking at it as the interest of the State, where the State was on the hook for 75 million dollars. And I would have assumed that they knew they were going to get a I- some figure less than that, and that worked in their business model projections.

**DETECTIVE CORPORAL BUONAIUTO:**

202. Q. So you didn't see any of their business model projections.

A. If, if they were shown, I wasn't there.

203. Q. Okay. Okay.

A. Yeah.

204. Q. I - I had one here I just want to show it to you, --

A. Yeah.

205. Q. -- just to - just to be sure.

A. Don't - I don't recall it.

(BRIEF PAUSE / PAPERS RUSTLING)

A. Nn.

206. Q. Do you - do you remember seeing that document, specifically? And it's titled --

A. (Indiscernible)

207. Q. -- "38 Studios LLC Financial Projections" --

A. April --

208. Q. -- preliminary draft?

A. April 1, I guess, 2010. Am I correct, that's April 1, 2010?

209. Q. That's correct.

A. Okay.

DETECTIVE BROWN:

210. Q. Was this presented at a Board meeting?

ATTORNEY MCKINNON:

211. Q. That's what he's asking you, --

DETECTIVE CORPORAL BUONAIUTO:

212. Q. I'm asking you,--

ATTORNEY MCKINNON:

213. Q. -- have you seen it. (Laughing)

A. I - I don't recall. No.

DETECTIVE CORPORAL BUONAIUTO:

214. Q. Okay.

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**A. It's been almost four years ago, I don't recall.**

**215. Q.** Okay. No, not ... maybe not recalling that specific document, do you - but do you remember seeing any - anything as detailed as that regarding their financial projections?

**A. I don't recall, to be honest with you.**

**216. Q.** Okay. Okay. Because within that document it does show a 75 million dollar - I don't know if the proper word is capital coming in, but they do show 75 million dollars coming in first as a lower figure that they ultimately had gotten. And because they factually didn't get 75 million dollars, --

**A. Mm hmm.**

**217. Q.** -- had you known this, would this -- is this - was this a m- would this have been a major stumbling block for the - for you or as a Board member or the Boar- I mean, I know you can't speak for the Board itself, but had you yourself, would you have stopped and said hey, wait a minute, their projection says they need 75 million dollars, or it shows 75 million dollars, but they're not getting 75, they're getting a whole lot less, let - let's put the brakes on this.

**A. I would have probably asked the question, what's the - what's the ramification of their business plan.**

**ATTORNEY MCKINNON:**

**218. Q.** And do you know officer, who made the decision that they wouldn't get the 75 and they got the 50, the one that Detective Brown spoke about?

**DETECTIVE CORPORAL BUONAIUTO:**

**219. Q.** Well, from what we understand as part of the legislature is that, you know, that when money is released from that there is a - a portion that is held as a reserve, regardless of whether it's 38 Studios or any other company that gets it.

**A. Mm hmm.**

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**DETECTIVE BROWN:**

**220. Q.** Yeah, I believe it's statutory they were saying I think --

**A.** And where's - where's that 24 million now?

**DETECTIVE CORPORAL BUONAIUTO:**

**221. Q.** That's a good.

**DETECTIVE BROWN:**

**222. Q.** That's a very good question.

**A.** That's why we're here. Okay. Ha ha ha. ...

**DETECTIVE CORPORAL BUONAIUTO:**

**223. Q.** No. No, I don't -

**A.** Okay. I know. I --

**224. Q.** No, I don't want to mislead you -- No, I don't want to mislead you,--

**A.** Right, I under--

**225. Q.** -- there's --

**A.** Right. I know.

**226. Q.** -- there's not --

**A.** I know.

**227. Q.** -- there's not a missing, you know, --

**A.** Right.

**228. Q.** -- 20-something million dollars, no.

**A.** I know that.

**229. Q.** The --

**DETECTIVE BROWN:**

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230. Q. What we've learned is - is --

A. Yup.

231. Q. -- since it is statutorily when they created this Jobs Creation Act, that there had to be a reserve.

A. So if they missed a payment they could pay --

**DETECTIVE CORPORAL BUONAIUTO:**

232. Q. Right.

A. -- your bonds.

**DETECTIVE BROWN:**

233. Q. I believe so.

A. Yeah.

234. Q. Right. It seems like we - you know, there may be some question on what percentage was going to be in the reserve, who knew what percentage was going to be in the reserve, did they tell everybody else what percentage was going to be in reserve, --

A. Okay.

**DETECTIVE CORPORAL BUONAIUTO:**

235. Q. I mean, again, here's the big question is did they represent something at the Board in order to get a - a positive vote in their favor that really wasn't the truth, is ...

A. No, they -- Curt Schilling's operation of Studio 38, who is "they?"

236. Q. Anybody.

A. Who's "they?"

237. Q. Anybody.

A. That's a hard answer.

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238. Q. Yeah. Right.

DETECTIVE BROWN:

239. Q. Stokes, --

DETECTIVE CORPORAL BUONAIUTO:

240. Q. Anybody.

DETECTIVE BROWN:

241. Q. -- Saul or the EDC.

A. Okay.

DETECTIVE CORPORAL BUONAIUTO:

242. Q. Anybody, did - Was the Board misre- provided false information in order to vote yes on this when in fact they - they obviously they needed 75 million, or at least that's what they were asking for, but they really didn't get it, was the Board misled? Do you feel like you were misled into - in, into a - a yes vote when in fact, you know, had you known it was much a lower figure, you would have realized as a businessman, hey, this isn't going to work and it's doomed to fail, why am I going to give 'em - why am I going to give them 51 million dollars when they really need 75 to - to be successful? I guess that's the - the big question.

A. Mm. Yeah, I would expect if this was presented it was probably presented when that was done at the meeting I probably wasn't at.

243. Q. Okay.

A. That would be my gut thought, or, you know. I - But if, you know, if the projections would have said they were getting 75 and - and it was netting down for a lot less than that, it certainly would have prompted not only myself, but, you know, a lot of smart people in the room to ask that question I would think.

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244. Q. Okay.

A. I mean.

245. Q. And is there anything else that we haven't spoke about that you think is important that you want to --

A. No.

246. Q. -- put on the record with us, or? Okay.

DETECTIVE BROWN:

247. Q. All set?

DETECTIVE CORPORAL BUONAIUTO:

248. Q. All right.

A. Did I - did I match up with about everybody else? (Laughing)

DETECTIVE CORPORAL BUONAIUTO: That concludes the interview; it is 10:45

a.m.

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STATEMENT TAKEN BY:

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WITNESSED BY:

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