

IN THE ESTATE OF * IN THE DISTRICT COURT
 *
IDA BALDWIN DENISON, * STONEWALL COUNTY, TEXAS
 *
DECEASED * 39TH JUDICIAL DISTRICT

**ORAL DEPOSITION OF
RON BASSETT
JUNE 23, 2008**

ORAL DEPOSITION of RON BASSETT, produced as a witness at the instance of the Plaintiff, and duly sworn, was taken in the above-styled and numbered cause on the 23rd day of June, 2008, from 10:30 a.m. to 1:50 p.m., before Tammy Harris, RMR, CMRS, in and for the State of Texas, reported by machine shorthand at Locke Lord Bissell & Liddell, LLP, 2200 Ross Avenue, Suite 2200, Dallas, Texas 75201, pursuant to the Texas Rules of Civil Procedure (and the provisions stated on the record or attached therein).

A P P E A R A N C E S

FOR THE PLAINTIFF BOB DENISON:

Mr. Lamar D. Treadwell
ATTORNEY AT LAW
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Santa Fe, New Mexico 87505

FOR JOHN WAYNE DENISON; HAMLIN NATIONAL BANK, N.A.; ISAAC M. CASTRO, ATTORNEY; AND JOHN AND JANE DOES:

Mr. Isaac M. Castro
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FOR THE INTERVENORS: BOONE PICKENS, DONALD AND JUDY CRADDUCK, PHILIP AND LIANNE PEARSON, AND 4848 ASPERMONT, LTD.

Mr. Paul S. Radich
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FOR THE WITNESS:

Mr. Michael V. Powell
LOCKE LORD BISSELL & LIDDELL, LLP
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Mr. Drew A. "Sandy" Campbell
8117 Preston Road, Suite 260
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ALSO PRESENT: Mr. Robert H. Holmes
ATTORNEY AT LAW
2616 Thomas Avenue
Dallas, Texas 75204

ALSO PRESENT: Mr. Taylor Brinkman

1 would be relying on this deposition for a factual matter
2 such as the jury.

3 MR. POWELL: Let me -- let me just respond to
4 that. We will -- you know, we're -- we're familiar with
5 the duty to supplement under the Rules and we'll comply
6 with that duty.

7 Q. (BY MR. TREADWELL) Now, in your appearing here
8 today, are you appearing on your own behalf or on your --
9 in your capacity as executive for BP Capital?

10 A. My understanding, I'm here as a representative of
11 Mr. Pickens.

12 Q. Okay. And of course, you realize that we're here
13 today concerning a transaction in which you represented
14 Mr. Pickens in the purchase of land in Stonewall County.

15 A. Yes, sir.

16 Q. Okay. Was that purchase a personal purchase on
17 behalf of Mr. Pickens or was that involving his company,
18 BP Capital?

19 A. It was personal.

20 Q. Okay. And do you hold an executive position in
21 his company, BP Capital?

22 A. Yes, sir. I'm part of the management team there.
23 We don't use titles, but -- in the company.

24 Q. All right. So you don't have a title that you
25 would put on your letterhead or a business card such as

1 Q. And have you purchased land before for Mr. Pickens
2 as an individual?

3 A. Yes, sir.

4 Q. How many times, if you can tell me?

5 A. Maybe three or four times.

6 Q. Would these have also been ranches?

7 A. Some of them were ranches, yes, sir.

8 Q. Is there any reason why Mr. Pickens had you act
9 for him under a power of attorney rather than him acting
10 for himself in this transaction?

11 A. Convenience. So he didn't have to make the trips.

12 Q. Well, were you making the entire decision to
13 purchase the ranch or did Mr. Pickens have any input into
14 that decision?

15 A. In this case, I made the entire decision with his
16 blessing. He knew I was looking at it, of course. And we
17 thought it was a good property and -- but the ultimate
18 price that we paid, the final bid was my decision.

19 Q. So you had a power of attorney to act on
20 Mr. Pickens' behalf and the leeway to make the decisions
21 to accomplish purchasing the property?

22 A. Yes, sir.

23 Q. Prior to purchasing this piece of property, had
24 you or Mr. Pickens ever engaged in any transactions with
25 Sam or Charles Middleton real estate brokers?

1 Q. Well, did the fact that it was being advertised as
2 a bank forced sale, raise in your mind that there could be
3 any problems with the title to the property?

4 A. No. I didn't have any question about that.

5 Q. Did you engage in any discussions before you
6 purchased the property with the Hamlin National Bank?

7 A. No, sir.

8 Q. At the time of the purchase of the property, did
9 you understand that the bank involved was the Hamlin
10 National Bank?

11 A. After the bidding was over, I actually met
12 somebody from the Hamlin National Bank.

13 Q. And do you recall who that person would have been?

14 A. Couldn't tell you his name. I don't remember.

15 Q. Do you recall whether it could have been Dwight
16 Griggs?

17 A. I couldn't -- I wouldn't speculate on the name. I
18 do remember that he was there with another individual.
19 They came over -- he came over and introduced himself and
20 told me that he and his partner were bidding on the ranch
21 as individuals, not for the bank, and they were planning
22 to do the same thing that Mr. Pickens was doing with it.
23 They wanted to buy it and break it up.

24 Q. So did you understand whether that other
25 individual was a shareholder or a director or an officer

1 of the bank, the one the banker referred to as his
2 partner?

3 A. No. He didn't identify him as anybody other than
4 a partner.

5 Q. Would you recognize these people if you were to
6 see them again?

7 A. I don't think so.

8 Q. And what else occurred in this conversation
9 between you and the banker and his partner at that time?

10 A. The partner, I had zero conversation with. I
11 didn't meet him. The banker just came over and introduced
12 himself and that was the sum substance of the whole deal.

13 Q. And you -- you understand or understood from that,
14 that he was the banker of the bank that had the note on
15 the property that was going to be cleared out by the sale?

16 MR. CASTRO: Objection, form.

17 THE WITNESS: I don't know about clearing it
18 up, but he -- he obviously was -- had told me he was the
19 banker.

20 Q. (BY MR. TREADWELL) Okay. And you understood that
21 to be that he was the banker of the bank that the
22 deposition notice, Exhibit One, referenced as being
23 involved in forcing the sale of the ranch?

24 MR. CASTRO: Objection, form.

25 THE WITNESS: He never mentioned forced

1 auction, but yes, I knew he was the banker for

2 Mr. Denison.

3 Q. (BY MR. TREADWELL) At least in your conversation
4 with him, that was the impression, I take it, that you
5 were left with?

6 A. Yes, sir.

7 MR. POWELL: I'm sorry. Objection. I didn't
8 know what "that was" in there. Objection to the form of
9 the question. It's vague.

10 Q. (BY MR. TREADWELL) So if I'm understanding you
11 correctly, Mr. Bassett, you got this deposition notice,
12 Exhibit One, which was notice of the sale of the ranch at
13 auction, like only one day before the auction was to
14 occur?

15 A. Yes, sir. That's -- that would be the indication
16 from the dates on here.

17 Q. Okay. Did you have to do anything to qualify to
18 appear at the auction and be able to place a bid?

19 A. Not that I recall, but I don't recall having to
20 have a letter of credit or anything there.

21 Q. Okay. Well, we'll get into some of that later.
22 Right now, I'm interested in what you're able to recollect
23 and then we'll go through some of these other documents.

24 Do you recall at what time the auction took place?

25 A. Well, it was around noon because they served lunch

1 there.

2 Q. Okay. And when you say "there," where was there?

3 A. In Aspermont at, you know, some sort of a public
4 building. I don't remember the specific building or what
5 it was called.



6 Q. Was it in the town of Aspermont?

7 A. Yes, sir.

8 Q. Okay. And so prior to showing up at the location
9 of the auction in the town of Aspermont, you had actually
10 gone out to the ranch and looked at it?

11 A. Yes, sir. We met with Mr. Middleton there early
12 and, you know, to the best of our ability, drove around
13 the boundaries that were prescribed on the ranch.

14 Q. So you viewed it by traveling in a vehicle?

15 A. Yes, sir.

16 Q. In looking at the ranch and thinking that you
17 would develop it by subdivision, can you elaborate on that
18 for me a little bit as to what would be involved in that
19 type of development?

20 A. We would look at a ranch primarily for access.
21 When you subdivide it or all parts of it, accessibly by
22 highway or by county road so that you don't have easements
23 to get to and from the various pieces of property, and
24 also availability of water and electricity. That would be
25 the primary things we'd -- we would look at.

1 you're looking for that add or decrease from the value
2 that you would pay?

3 A. Yes, sir, that would be fair. 

4 Q. And at the time you looked at it, did it have any
5 cattle being grazed on it?

6 A. I don't believe there were any cattle on the ranch
7 at that time, but I think there had been recently cattle
8 on there.

9 Q. When -- you and I might understand the term
10 "overgrazing," but some people on the jury may not. Could
11 you help me out with what you mean by that?

12 A. Well, it would mean the -- you know, the grass had
13 been grazed down to the point where it wouldn't sustain a
14 normal stocking rate or the normal number of cattle that
15 you might have on a ranch in that particular area.


16 Q. So you would see -- you would expect to see on a
17 ranch this size, grass growing at different heights; would
18 that be fair to say?

19 A. If it's been operated in a husband-like manner,
20 then you would expect to have good grass cover on all
21 parts of the ranch with enough grass to sustain the cattle
22 on a year-round basis.

23 Q. Were there any other signs of what you termed
24 "mismanagement" or that would lend itself to the condition
25 that you observed of the ranch as being run down?

1 MR. CASTRO: Objection, form.

2 MR. POWELL: Yeah. Objection to the form. I
3 don't know that he's used the word "mismanagement."

4 Q. (BY MR. TREADWELL) Okay. Let me rephrase that.
5 What other factors did you have in your mind when you were
6 saying that the ranch was -- I believe -- I don't remember
7 your exact term -- **run down condition**, I believe? 

8 A. Well, there -- you know, **the fences were not in**
9 **good repair. There was a fair amount of -- of junk, which**
10 **doesn't -- junk meaning discarded pieces of equipment and**
11 **you know, that -- that -- that doesn't affect the grazing**
12 **of the cattle, but it does affect the appearance whenever**
13 **you take somebody out and show them the place. That would**
14 **be the primary things I would say. Just general**
15 **appearance.**

16 Q. What about -- what about the conditions of the
17 roads, if there were any, on the ranch?

18 A. I -- I don't recall that we had any difficulty
19 getting around or anything on the roads, but --

20 Q. What about the condition of the stock tanks, if
21 there were any?

22 A. I think the stock tanks were -- whoever had done
23 those stock tanks had put them in good locations and they
24 all had adequate water in them, as I recall.

25 Q. What about the presence of any oil and gas wells?

1 Q. Did you know any of those other people at that
2 time?

3 A. No, sir.

4 Q. Okay. Have you subsequently learned who any of
5 those people may have been?

6 A. No, sir.

7 Q. Okay. The reason I ask that is I just wondered if
8 any of the people that you noted were bidding would have
9 become potential purchasers for you on down the road.

10 A. I met none of the other bidders before or after.

11 Q. So none of the subsequent purchasers --

12 A. Other than the two I've identified already that
13 were -- one -- one of the two. The banker came and
14 introduced himself to me and that's the only person I met.

15 Q. And you recall the banker there bidding against
16 you for the ranch?

17 A. He was the -- he and I were the last bidders. It
18 was actually -- I think his partner was the one doing the
19 bidding.

20 Q. Well, if a bank has an outstanding note on a piece
21 of property and they want to clear the loan on that, would
22 you have an opinion about whether they would want someone
23 there bidding in their loan?

24 MR. POWELL: Objection to the form of the
25 question.

1 MR. CASTRO: Objection, form.

2 THE WITNESS: I -- I really couldn't give you
3 an -- an opinion on it. I just know what the man told me;
4 that he was bidding on it for his personal use.

5 Q. (BY MR. TREADWELL) Did you meet Mr. Denison at
6 any time before or during the sale?

7 A. Which --

8 Q. John Denison, the actual owner or purported owner
9 of this property.

10 A. I met Mr. Denison at the sale. As I recall,
11 before it started, he introduced himself to me as we went
12 in, and his wife and children. I believe it was one or
13 two girls that he had there that I met as a family.

14 Q. Did he know you were there bidding on the property
15 for Mr. Pickens?

16 A. If he knew I was bidding on it for Mr. Pickens,
17 I'm not aware of that. He knew I was there to bid on it
18 so I can't answer.

19 Q. Do you recall filling out any written registration
20 that would have been presented to you at the auction by
21 Kruse International that we might not have here today in
22 these papers?

23 A. I don't recall filling anything out, but I would
24 be -- you know, you would expect that they would have some
25 registration for you.

1 Q. Did the bankers know at that time that you were
2 representing Mr. Pickens?

3 MR. POWELL: Objection, form.

4 MR. CASTRO: Objection, form.

5 THE WITNESS: I have no idea.

6 Q. (BY MR. TREADWELL) After you finished bidding on
7 the ranch, what occurred between you and the auctioneer at
8 that time for settling up the account?

9 A. We had some delay because Mr. Denison had a family
10 meeting where they -- and that took some time, about -- it
11 seemed like, you know, a half hour. I'm sure it wasn't
12 that long, but it seemed -- they had a rather lengthy
13 family meeting outside and came back in and announced that
14 they had -- had prayed about it and decided that they
15 would sell -- go ahead and accept the bid.

16 So once that was done, I can't remember
17 whether we had to -- when we signed the contract, whether
18 I left an escrow check with them for delivery at that time
19 or not, but I kind of think maybe we left a check with
20 them.

21 Q. And were the minerals offered after this family
22 meeting or right after you purchased the ranch as a
23 continuing part of the auction?

24 MR. CASTRO: Objection, form.

25 THE WITNESS: No. They were offered after

1 assume --

2 Q. Okay. If you would then, please for us, read that
3 for the record.

4 A. Okay. "District Court Cause Number 4222-A, styles
5 In the Estate of Ida Baldwin Denison, Deceased, a final
6 judgment and settlement agreement in the district court
7 case was reached. This was later appealed to the 11th
8 Court of Appeals. The final judgment and settlement
9 agreement was reversed and the case has been appealed to
10 the Texas Supreme Court."

11 Q. And what's the date of that letter, if there is a
12 date?

13 A. March 8, 2006.

14 Q. Do you know what happened in the supreme court on
15 March 3rd, 2006?

16 A. No, sir, I don't.

17 Q. Did you have any discussion with Mr. -- well, let
18 me rephrase that. Do you recall how Deposition Exhibit 51
19 came to be in your file?

20 A. This was sent to us from Mr. Middleton.

21 Q. And how do you know that?

22 A. Because he called me about it.

23 Q. Okay. And then did you ask him to send that to
24 you?

25 A. He sent it on to us. I don't know -- I'm sure I

1 know, a lawsuit on it. So I'd say yes, it probably did.

2 Q. (BY MR. TREADWELL) What, if anything, occurred
3 that allowed Mr. Pickens to go forward with the
4 transaction to Mr. Walker?

5 MR. CASTRO: Objection, form.

6 THE WITNESS: Well, so far as I know, they
7 issued a title commitment without any reference to the --
8 to the lawsuit.

9 Q. (BY MR. TREADWELL) So the title company
10 acknowledges that there's a lawsuit and yet they go ahead
11 and issue the title commitment, is your understanding,
12 without accepting the lawsuit as a defect to the title?

13 MR. CASTRO: Objection, form.

14 THE WITNESS: That would appear to be the
15 case, yes, sir.

16 Q. (BY MR. TREADWELL) Okay. Do you know how that
17 occurred?

18 A. No, sir.

19 Q. Do you know whether anyone on your behalf
20 contacted the title insurance company and asked them to
21 take off the reference to the lawsuit and issue the policy
22 without that as an exception?

23 A. I'm sure that -- that our attorney talked to them
24 about this exception.

25 Q. And when the exception was removed, the

1 transaction went ahead between Mr. Pickens and Mr. Walker?

2 MR. CASTRO: Objection, form.

3 THE WITNESS: Yes, sir. I mean, it was
4 closed to Mr. Walker's satisfaction.

5 Q. (BY MR. TREADWELL) Okay. And was there any
6 reduction in the price of the land because of this --

7 A. No, sir.

8 Q. -- lawsuit?

9 A. I don't think so.

10 Q. Did Mr. Walker have an attorney representing him
11 in this transaction?

12 A. I don't know.

13 Q. Do you recall whether Mr. Middleton, at this point
14 in time, did any investigating about the lawsuit on your
15 behalf?

16 A. I do not know.

17 Q. Do you know if Mr. Middleton did any investigating
18 about the lawsuit on behalf of Mr. Walker?

19 A. I don't know that either.

20 Q. Okay. And when I say "Mr. Middleton," was your
21 primary contact with Sam or Charles when you say that
22 Mr. Middleton called you about Mr. Walker calling him
23 about the lawsuit?

24 A. It would have been with Sam Middleton.

25 Q. As I understand it, Sam is the father of Charles?

1 think there was a copy. It may be in my file, but --

2 Q. (BY MR. TREADWELL) All right. Well, I might want
3 to refer to that and I think it's going to take me a
4 little bit of time to find it because I don't recall
5 seeing it.

6 MR. TREADWELL: And would this with a good
7 time to break for lunch?

8 MR. POWELL: That would be fine.

9 MR. TREADWELL: Okay.

10 (OFF THE RECORD: 12:16 P.M.)

11 (ON THE RECORD: 1:13 P.M.)

12 Q. (BY MR. TREADWELL) Mr. Bassett, prior to our
13 break for lunch, we were discussing the transaction from
14 Mr. Pickens to Mr. Walker. Do you recall when any
15 purchase agreement was signed between Mr. Pickens and
16 Mr. Walker for the sale of the \$4,000 part of the ranch?

17 A. I don't recall the specific contract date, but I
18 assume it was in early '06 because -- did we say earlier
19 that we closed it in March of '06 or something?

20 Q. I believe the facts already in the record to date
21 show that you closed on March 29th, 2006, so the contract
22 would have had to have been sometime before that, although
23 we don't have the contract, I believe, here today in front
24 of us.

25 MR. CASTRO: Objection, form.

1 11th District of Texas Court of Appeals. If you would
2 like to talk to David Dickerson, his number is
3 325-698-9195. Title company in Abilene."

4 Q. Okay. Did you ever talk to David Dickerson?

5 A. No, sir, not -- not in this regard, no, sir.

6 Q. Okay. Did you and David Dickerson ever exchange
7 any correspondences in relation to the ranch?

8 A. Not that I recall, no, sir.

9 Q. Okay. Do you know whether you had anyone on your
10 behalf or on behalf of Mr. Pickens communicate with David
11 Dickerson about the title to this property?

12 A. Anything that I would have received like this, I
13 would have passed off to Mr. Campbell who, you know,
14 could -- could have had some, but I don't know that.

15 Q. Okay. Do you know who David Dickerson is?

16 A. Yes, sir. He --

17 MR. POWELL: You've answered his question.
18 Do you have another question?

19 THE WITNESS: Okay. Well, I was just going
20 to say --

21 Q. (BY MR. TREADWELL) What is your understanding as
22 to who Mr. Dickerson is in relation to this transaction?

23 A. Well, he's -- he -- he is an attorney at the title
24 company in Abilene and the son of Dorothy Dickerson in
25 Aspermont.

1 Q. Okay. As I understand it, Dorothy Dickerson has a
2 son in Granbury named Andrew Ottaway who is an attorney
3 and -- she has a son-in-law, rather, and a son at the
4 title company in Abilene by the name -- the title company
5 is called Big Country Title and that son is David
6 Dickerson, but I don't believe he's an attorney. Is that
7 -- does that ring any bells with you?

8 MR. CASTRO: Objection, form.

9 THE WITNESS: No. I don't know that. I
10 just -- it just says, "Title company in Abilene, lawyer,"
11 on here so...

12 Q. (BY MR. TREADWELL) Okay. So you're -- you're
13 going strictly by what's represented there to you that
14 David Dickerson appears to you to be an attorney in
15 Abilene?

16 A. Yes.

17 Q. And that's written on Consolidated Abstract's
18 letterhead, is it not?

19 A. Yes, it is.

20 Q. Okay. Now, attached behind that fax to you is, in
21 fact, the next document, the Court of Appeals' decision in
22 the Ida Baldwin Denison Estate.

23 MR. CASTRO: Objection, form.

24 THE WITNESS: I mean, that's -- that's
25 what -- how it reads, yes, sir.