

In The Matter Of:

COPY

*In re: Dollar General Corp. Shareholder Litigation*

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*Cal Turner, Jr.*  
*May 6, 2008*

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VJ VOWELL  
AND  
JENNINGS

IN THE SIXTH CIRCUIT COURT FOR DAVIDSON COUNTY, TENNESSEE

IN RE DOLLAR GENERAL

FILED )

OCT 16 2008 )

RICHARD W. HOOKER, Clerk  
By *[Signature]* Deputy

Master Docket No. 07MD1

(Consolidated Action)

Judge Brothers

DEPOSITION TRANSCRIPT OF CAL TURNER, JR. AND THE EXHIBITS THERETO

FILED UNDER SEAL PURSUANT TO PROTECTIVE ORDER OF THE COURT  
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IN THE SIXTH CIRCUIT COURT  
FOR DAVIDSON COUNTY, TENNESSEE

IN RE DOLLAR GENERAL  
CORPORATION SHAREHOLDER  
LITIGATION

)  
) Master Docket No  
) 07MD-1  
) (Consolidated Action)  
)  
) Class Action  
)  
) Judge Thomas Brothorn  
)  
)

THE VIDEO DEPOSITION OF

CAL TURNER, JR.

Taken on Behalf of the Plaintiffs

May 6, 2008

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(10) JASON POWERS, The Videographer

(11)  
(12)  
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<p>(1) The video deposition of CAL TURNER,  (2) JR. taken on behalf of the Plaintiffs at 9:29  (3) a.m. on the 6th day of May, 2008 at Neal &amp;  (4) Harwell, PLC, 150 Fourth Avenue North, Suite 2000,  (5) Nashville, Tennessee, for all purposes under the  (6) Tennessee Rules of Civil Procedure.  (7) The formalities as to notice,  (8) caption, certificate, et cetera, are waived. All  (9) objections, except as to the form of the  (10) questions, are reserved to the hearing.  (11) It is agreed that Rhonda S. Hornung,  (12) being a Notary Public and Court Reporter for the  (13) State of Tennessee, may swear the witness, and  (14) that the reading and signing of the completed  (15) deposition by the witness are not waived.  (16)  (17)  (18)  (19) . . .  (20)  (21)  (22)  (23)  (24)  (25)</p>	<p>(1) PROCEEDINGS  (2)  (3) THE VIDEOGRAPHER Here begins  (4) Volume 1, Videotape Number 1, in the deposition of  (5) Cal Turner, Jr., In Re Dollar General Corporation  (6) Shareholder Litigation, in the Sixth Circuit Court  (7) for Davidson County, Tennessee. The master docket  (8) number is 07MD-1. Today's date is the 6th of May,  (9) 2008. The time on the video monitor is 9:29 a.m.  (10) The video operator today is Jason Powers with  (11) Vowell &amp; Jennings Counsel, please identify  (12) yourself and state whom you represent.  (13) MR. JOHNSTON This is Doug  (14) Johnston on behalf of the plaintiffs.  (15) MR. HARRIS John Harris  (16) representing the plaintiffs.  (17) MR. RILEY And my name is Steve  (18) Riley and I represent Dollar General and KKR and  (19) with me today is Susan Lanigan, who's the general  (20) counsel for Dollar General.  (21) MR. DIETZ This is Wally Dietz,  (22) and I represent the individual defendants.  (23) MR. TREY HARWELL Trey Harwell  (24) on behalf of Cal Turner.  (25) MR. AUBREY HARWELL Aubrey</p>
<p>(1) Harwell on behalf of Cal Turner  (2) THE VIDEOGRAPHER Thank you  (3) The court reporter today is Rhonda -- Rhonda  (4) Hornung of Vowell &amp; Jennings. Would the reporter  (5) please swear in the witness.  (6) CAL TURNER, JR.  (7) was called as a witness, and after having been  (8) first duly sworn, testified as follows  (9) EXAMINATION  (10) BY MR. JOHNSTON  (11) Q. Mr. Turner, my name is Doug Johnston,  (12) and I represent the plaintiffs in this matter  (13) that's been brought against the board of Dollar  (14) General. We're here to ask you some questions  (15) about what you may know regarding this case.  (16) If at any point you need to take a  (17) break, just let me know and I'll be happy to let  (18) you break any time you need. Occasionally as we  (19) go through this you may hear objections from one  (20) or more of the lawyers, objections to the form of  (21) the question, that sort of thing. Those in no way  (22) alter your responsibility to answer the question,  (23) if you can, to your best ability as truthfully as  (24) you know how.  (25) If at some point I ask you a</p>	<p>(1) question that you don't understand, just let me  (2) know that and I will attempt to put it in a form  (3) that you do understand. As you can see, the court  (4) reporter is taking down everything that is said in  (5) here and there's a videographer. There is video,  (6) all of the proceedings here.  (7) And I think everyone who either  (8) reads the transcript or sees this will assume that  (9) if you have answered a question that I have asked,  (10) that you've understood it and that you've  (11) attempted to answer it as truthfully as you know  (12) how. So it's important that you correct me if I'm  (13) asking something that is unintelligible, which  (14) happens occasionally.  (15) Let me just start by letting you  (16) talk a little bit, and what I'm going to ask you  (17) about is the -- the family -- the Turner family's  (18) history with Dollar General. And I don't want you  (19) to spend a long time on this, but if you can just,  (20) by way of introduction, explain your family's  (21) background with Dollar General.  (22) A. I will attempt to be brief. Our  (23) history with Dollar General began in October of  (24) 1939 when the company was founded by my father and  (25) grandfather, and my involvement with the company</p>

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<p>111 full time began in 1965. I became president in 121 the early '70s and CEO in 1977, and I'm not sure 131 of the actual date of my retirement. I think it 141 was 2003. I'm not sure.</p> <p>151 Q. It seems to me that I recall seeing 161 something that indicated that you had retired as 171 of April of 2003 or thereabouts. Does that 181 sound -- that sounds about right?</p> <p>191 A. That sounds right.</p> <p>201 Q. Now, during the period of time from 211 1965 onward did you serve on any other boards 221 beyond Dollar General?</p> <p>231 A. Yes.</p> <p>241 Q. Has that been off and on over that 251 period of time?</p> <p>261 A. Somewhat off and on.</p> <p>271 Q. What other boards have you served on?</p> <p>281 A. I served on the boards of First 291 American, Shoney's, Thomas Nelson. I've served on 301 many not-for-profit boards and Dollar General's 311 board. I think that's pretty much it.</p> <p>321 Q. Have you had any official involvement 331 with the company since your retirement? For 341 example, chairman emeritus or something along 351 those lines.</p>	<p>311 A. The only official involvement I have 321 had with the company since retirement has been as 331 chairman of the Dollar General Literacy 341 Foundation.</p> <p>351 Q. And what is that?</p> <p>361 A. It is the company's foundation for 371 philanthropy in support of literacy.</p> <p>381 Q. You give money to schools or 391 individuals or how does that work?</p> <p>401 A. The foundation gives money in support 411 of the economic illiteracy of the Dollar General 421 customer.</p> <p>431 Q. Okay.</p> <p>441 A. Not in support of the illiteracy but an 451 attempt to overcome that illiteracy. We don't 461 support the -- well, you understand.</p> <p>471 Q. I understood -- I understood that the 481 first time.</p> <p>491 A. I thought -- I realized I didn't say 501 that exactly correctly.</p> <p>511 Q. Let me go back and ask you about 521 roughly the period of time that you were 531 concluding your service on the board. And let me 541 just be clear about this. When you retired in 551 2003, were you -- in addition to being -- were you</p>
<p>111 president and chairman?</p> <p>121 A. At the time of my retirement I was not 131 CEO and I retired -- I think my title at the time 141 was chairman. I believe I'm right --</p> <p>151 Q. All right.</p> <p>161 A. -- about that.</p> <p>171 Q. And I've already asked you this, but 181 just to be sure, you did not retain any honorary 191 title or anything like that as chairman emeritus 201 or anything of that type?</p> <p>211 A. No.</p> <p>221 Q. Okay. As to the members of the board 231 at the time that you retired, had you participated 241 in recruiting any of those people?</p> <p>251 A. Yes. Yes, I had.</p> <p>261 Q. Who were some of those that you 271 recruited who were serving on the board as of the 281 time that you retired in 2003?</p> <p>291 A. I recruited the majority of the 301 directors. Neil Purcell is the one exception that 311 comes to mind.</p> <p>321 Q. I'm going to go through some of the 331 board members that were on the board at -- as of 341 the date that the complaints were filed in this 351 case who may or may not have been the same board</p>	<p>111 members that were in place when you retired, and 121 I -- I recognize that, but let -- let me just go 131 through these and ask you about them individually. 141 Did you have a hand, for example, in recruiting 151 Gordon Gee?</p> <p>161 A. Yes.</p> <p>171 Q. Tell me about that. How did you do 181 that?</p> <p>191 A. How did I do the -- can you -- can you 201 be a --</p> <p>211 Q. Yeah.</p> <p>221 A. -- little more specific about --</p> <p>231 Q. For example, I heard one story once, 241 not related to you or your company, where the 251 chairman of this particular board was on a fishing 261 trip and out off the coast on the -- in the 271 Atlantic and there was another guy on the fishing 281 trip that he didn't know and they got to talking 291 and over a few beers he decided this guy was a 301 great businessman and he recruited him to come on 311 his board. That's the kind of thing I'm asking 321 about.</p> <p>331 A. Well --</p> <p>341 MR RILEY: Object to the form of 351 the question.</p>

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<p>111 A. Okay. But I proceed?</p> <p>112 Q. (By Mr. Johnston) Yes.</p> <p>113 A. Perhaps this will help. I was -- as a</p> <p>114 trustee of Vanderbilt University, I was on the</p> <p>115 search committee which placed Gordon Gee, and I</p> <p>116 was impressed with his credentials and felt that</p> <p>117 he would be a good addition to our board and asked</p> <p>118 him to serve.</p> <p>119 Q. Is Mr. Gee still on that board, to your</p> <p>120 knowledge, or not?</p> <p>121 A. I think not.</p> <p>122 Q. Is there a particular reason why you</p> <p>123 think not?</p> <p>124 A. Well, Dollar General is now a private</p> <p>125 company and there's a -- there's a different board</p> <p>126 entirely, I think.</p> <p>127 Q. Okay. Barbara Bowles?</p> <p>128 A. Yes.</p> <p>129 Q. Did you have a hand in recruiting her?</p> <p>130 A. Yes, I did.</p> <p>131 Q. Tell me about that.</p> <p>132 A. Barbara Bowles has financial and</p> <p>133 investment expertise and is a very savvy person</p> <p>134 whom I met through Barbara Nuckles and recruited</p> <p>135 to the board.</p>	<p>111 Q. Okay. Tell me about Barbara Nuckles.</p> <p>112 Did you have a hand in recruiting her, too?</p> <p>113 A. I did. Barbara Nuckles was the first</p> <p>114 female exec -- director of Dollar General,</p> <p>115 strongly recommended by a director at the time,</p> <p>116 Wallace Rasmussen, and that was the -- the</p> <p>117 sponsorship that resulted in her becoming a</p> <p>118 director.</p> <p>119 Q. Okay. What about David Bere'?</p> <p>120 A. I did recruit David Bere'. I have</p> <p>121 known David Bere' for many years, having attempted</p> <p>122 to recruit him to the management of the company</p> <p>123 about 15 years ago unsuccessfully, and we've</p> <p>124 stayed in touch. He's -- he's a very fine</p> <p>125 business executive, and I positioned him on the</p> <p>126 board in my belief that there needs to be that</p> <p>127 kind of management prowess on your board. And</p> <p>128 that's pretty much it --</p> <p>129 Q. Okay.</p> <p>130 A. -- for David Bere'.</p> <p>131 Q. What about Reginald Dickson?</p> <p>132 A. Reginald Dickson I got to know in my</p> <p>133 service on the board of First American. He was</p> <p>134 also a director of First American. And I</p> <p>135 experienced him as a director as one of his peers</p>
<p>136 and recruited him to Dollar General's board.</p> <p>137 Q. I think you've already told me that you</p> <p>138 did not have a hand in recruiting Mr. Purcell, is</p> <p>139 that -- that's correct?</p> <p>140 A. Right.</p> <p>141 Q. Do you know who did or how he came to</p> <p>142 be on the board?</p> <p>143 A. I learned of his coming on the board</p> <p>144 from David Perdue, who was the CEO at the time,</p> <p>145 and -- and I believe David recruited him.</p> <p>146 Q. Okay. James Robbins?</p> <p>147 A. Yes. Jim Robbins was with Coopers &amp;</p> <p>148 Lybrand in Louisville, Kentucky and worked on the</p> <p>149 audit of Dollar General many years ago, many years</p> <p>150 ago, and he -- he retired from -- he retired, and</p> <p>151 I felt that he would be an excellent accounting</p> <p>152 expert to serve on the board. I did recruit him.</p> <p>153 Q. And Richard Thornburgh?</p> <p>154 A. No. I don't -- I don't -- Richard</p> <p>155 Thornburgh I haven't even met, I don't think.</p> <p>156 Q. Okay. Yeah. He did -- he came on the</p> <p>157 board after you had retired?</p> <p>158 A. Yes.</p> <p>159 Q. What about David Wilds?</p> <p>160 A. David Wilds I recruited to the board.</p>	<p>136 I've known David Wilds for a long time and believe</p> <p>137 in his maturity and -- and expertise as a</p> <p>138 director.</p> <p>139 Q. How did you get to know Mr. Wilds?</p> <p>140 A. I first knew David Wilds as a fellow</p> <p>141 pledge to Beta Theta Pi at Vanderbilt in 1968, and</p> <p>142 I was impressed that he didn't drink as much as</p> <p>143 some of the others.</p> <p>144 MR. AUBREY HARWELL: I don't</p> <p>145 think it's appropriate to discuss the others,</p> <p>146 whether they drank a lot or not.</p> <p>147 THE WITNESS: I am willing.</p> <p>148 MR. JOHNSTON: We'll hear about</p> <p>149 that later.</p> <p>150 Q. (By Mr. Johnston) What about Denny</p> <p>151 Bottorff?</p> <p>152 A. Denny Bottorff I recruited -- I've</p> <p>153 known Denny for a number of years, and he has -- I</p> <p>154 was impressed with his leadership as CEO of First</p> <p>155 American, on whose board I served.</p> <p>156 Q. And David Perdue. Did you have a hand</p> <p>157 in recruiting Mr. Perdue?</p> <p>158 A. I was on the search committee that</p> <p>159 positioned David Perdue at Dollar General. Yes.</p> <p>160 I did have a hand in that.</p>

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111 Q Okay. Does -- during the time that you  
121 were there, say the last several years, four or  
131 five years that you were on the board, was there a  
141 particular process that the company used to  
151 locate, identify and recruit new board members?

161 A I'm not familiar with the process by  
171 which the last two directors were recruited to the  
181 company. My -- my acquaintance is -- is more  
191 historical in the process, and there was -- there  
201 was less process and more informality to the  
211 positioning of directors in the history of the  
221 company than I'm -- I'm guessing exist today. I  
231 don't know the process, though.

241 Q Okay. Since you have retired in 2003  
251 up to the present, have you attempted to keep up  
261 with what's going on with Dollar General, staying  
271 in touch with board members, that sort of thing?

281 A My answer is essentially no to that. I  
291 believe that a CEO when he retires, particularly  
301 with the long-standing tenure of me as CEO, that  
311 he needs to go away. And that has been my  
321 posture.

331 Q Have there been particular areas --  
341 well, let me go back and do it -- ask this.  
351 Certainly because of your family's history and I

111 would assume sort of a -- maybe a personal  
121 relationship that you have with that company, have  
131 you -- have you tried to stay up on what they're  
141 doing and kind of watch them the way a parent  
151 might a child that's gone off to live their life,  
161 that sort of thing?

171 MR. RILEY Object to the form of  
181 the question.

191 A. As -- as a big shareholder, I followed  
201 the company from the public domain probably with  
211 more interest than the typical shareholder,  
221 reading the -- the reports, the annual reports,  
231 the quarterly reports, listening to some of the  
241 quarterly conference calls.

251 But, again, my determination was to  
261 separate myself from the company. So that was  
271 my -- there were social occasions when -- when I  
281 would see a director and just ask how things are  
291 going, that kind of thing. But no official  
301 presence. No real inquiry from the former CEO  
311 about the company's events and plans and so forth.

321 Q. (By Mr. Johnston) By former CEO, you  
331 mean --

341 A. I, as former CEO.

351 Q. I see. Right. Okay.

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111 A. Again, was determined to go away.

121 Q. In that period between your retirement  
131 in 2003 and today, have you been provided at any  
141 point nonpublic information about the company?

151 A. I need some clarification --

161 MR. AUBREY HARWELL: We'll take a  
171 brief break.

181 A -- about that.

191 MR. JOHNSTON: Okay. That's  
201 fine.

211 THE VIDEOGRAPHER: Stand by,  
221 please. Going off the record. The time is 9:50  
231 (Recess.)

241 THE VIDEOGRAPHER: Back on the  
251 record. The time is 9:56.

261 Q. (By Mr. Johnston) I was asking you  
271 before we took our break if you had been provided  
281 at any point from the time that you retired onward  
291 any nonpublic information about the company.

301 A. To my knowledge, I have not been  
311 provided any nonpublic information. I did seek  
321 some clarification about the investment  
331 information I got from KKR for the basis of  
341 deciding whether to invest in the private Dollar  
351 General. I don't know whether that was public or

111 not.

121 Q. This would have been in the period late  
131 spring, early summer of 2006?

141 A. No.

151 Q. I mean -- I'm sorry. 2007?

161 A. Yes.

171 Q. Okay.

181 A. Toward the very end of the -- the deal.

191 Q. June or --

201 A. Just --

211 Q. -- thereabouts?

221 A. Well, I think -- it must have been in  
231 June. It was late in the -- the KKR purchase of  
241 the company.

251 Q. Now, Mr. Turner, I know you have a  
261 reputation as a nice guy, and occasionally I'm  
271 going to ask you questions that may elicit answers  
281 that you might think would undercut that. But I'm  
291 going to have to do that anyway. So let me just  
301 ask you --

311 A. You have to interfere with my being a  
321 nice guy?

331 Q. No. No. I don't have to do that at  
341 all.

351 A. Oh, okay.

<p style="text-align: right;">Page 21</p> <p>121 Q. And certainly don't intend to. Do you 122 have any thoughts about the way that the company 123 was run after you left, good or bad?</p> <p>124 MR RILEY I'm going to object 125 to the form of the question</p> <p>126 A I can't imagine that any CEO would 127 retire from a company and have complete 128 concurrence with everything that happened after 129 he'd been gone after 37 and a half years with the 130 company. So the answer is I accepted the fact 131 that I would not agree with everything that was 132 done. A part of my leaving was knowing I wouldn't 133 agree with everything that was done after I left.</p> <p>134 Q (By Mr. Johnston) Are there any 135 particular decisions that were made, for example, 136 by Mr. Perdue that you, looking back on -- you 137 disagreed with?</p> <p>138 A Yes, there were. And I expressed my 139 disagreement to Mr. -- to David Perdue. When the 140 company began, I learned -- when I learned in the 141 conference call for the year -- and that's the 142 first time I learned of the change of the company 143 going back into advertising -- I expressed to 144 David Perdue my disagreement with that, having 145 been one of the things that we accomplished in the</p>	<p style="text-align: right;">Page 22</p> <p>111 past, to largely eliminate advertising</p> <p>112 Q Okay. For those of us who aren't 113 familiar with what you're talking about, can you 114 expand on that? What -- what decision about going 115 back into advertising -- what do you mean by that?</p> <p>116 A I took great pride in Dollar General's 117 having been perhaps the only retailer to abandon 118 what I considered to be the drug of advertising in 119 an attempt to enhance value to our customer and 120 that in the years of abandoning advertising Dollar 121 General had achieved great same-store sales 122 performance, and it was one of my particular proud 123 strategic accomplishments. Therefore, I objected 124 to David Perdue when he eliminated that.</p> <p>125 Q Okay. Any other particular issues that 126 you can recall that you disagreed with?</p> <p>127 A I didn't -- I had specifically 128 advocated that the culture of the company in the 129 family environment we worked hard on be 130 maintained, and I didn't have any specific 131 observations for David Perdue about how he was not 132 doing that, but I just -- it's a point I 133 emphasized over and over, that the culture of the 134 company was a very important asset to be 135 cultivated and maintained by the CEO.</p>
<p style="text-align: right;">Page 23</p> <p>111 Q Mr. Perdue is no longer there, correct?</p> <p>112 A That is correct.</p> <p>113 Q Do you know why it was that Mr. Perdue 114 was not kept on as CEO?</p> <p>115 A That was a board decision that I was 116 not involved in. So I -- I can't -- I have no 117 comment on that to offer.</p> <p>118 Q Okay. During calendar year 2006 there 119 was a strategy -- that's my word -- developed that 120 was nicknamed Project Alpha. Are you, as we sit 121 here today, familiar with that Project Alpha?</p> <p>122 A I'm not -- no. I am not familiar with 123 Project Alpha. I have heard something about it, 124 but the answer is I'm definitely not familiar with 125 it.</p> <p>126 Q What is your understanding of what 127 Project Alpha is or was?</p> <p>128 A And I'm not even sure I'm right in this 129 answer, but I think it was purging old inventory 130 and perhaps packaways in the company. That had 131 been discussed in some of the conference calls, 132 and I believe that was what Project Alpha was 133 about.</p> <p>134 Q Okay. I've seen a number of different 135 documents, e-mails, that sort of thing, of various</p>	<p style="text-align: right;">Page 24</p> <p>111 people allegedly speaking authoritatively and 112 others speculating about the amount of the company 113 that you, Cal Turner, owned as of shortly before 114 the company went private last year. Can you just 115 tell us what the percent ownership was or -- or 116 roughly your percentage of ownership?</p> <p>117 A I might be embarrassed that I don't get 118 this right myself, but I think -- I think the 119 entire Turner ownership, all of the Turner -- 120 various Turner pockets would amount to about 11 121 percent, I think.</p> <p>122 Q Okay. And --</p> <p>123 A I'm not a good numbers person.</p> <p>124 Q When you say "all of the Turner 125 pockets," you're talking about yourself and other 126 members of your family?</p> <p>127 A Siblings and their direct holdings or 128 foundations, trusts. For a simple family we're 129 pretty complex.</p> <p>130 Q Do you know the percentage that you 131 personally owned?</p> <p>132 A No. I think it may have been about 5 133 percent, but I'm not sure. I did -- that I -- you 134 mean that I -- I own zero now.</p> <p>135 Q I understand. I'm talking about right</p>



<p style="text-align: right;">Page 25</p> <p>111 before it went --</p> <p>121 A Yes.</p> <p>131 Q Okay.</p> <p>141 A I think it may have been about five</p> <p>151 Q I have seen some documents that</p> <p>161 indicated that you owned roughly 37 percent Is</p> <p>171 that --</p> <p>181 A Yeah</p> <p>191 Q -- sort of in that ballpark?</p> <p>201 A There, I glorified it in my mind</p> <p>211 Sorry It probably was 34 percent</p> <p>221 Q In spring and summer of 2006 were there</p> <p>231 occasions when you met -- you, personally, met</p> <p>241 with members of private equity firms to discuss</p> <p>251 any ideas you might have on the company going</p> <p>261 private?</p> <p>271 A Yes.</p> <p>281 Q What can you tell us about that?</p> <p>291 A What can I tell you about that?</p> <p>301 Q Let me -- let me -- let me ask you some</p> <p>311 more specific questions than -- than just that</p> <p>321 general one. That wasn't a very good one I'll</p> <p>331 confess What specific private equity firms did</p> <p>341 you meet with?</p> <p>351 A I met with KKR when David Perdue</p>	<p style="text-align: right;">Page 26</p> <p>111 sponsored my meeting with KKR I had a meeting</p> <p>121 with Texas Pacific Group and Blackstone</p> <p>131 Q Now, the meeting with KKR that was set</p> <p>141 up by Mr Perdue occurred in late September, early</p> <p>151 October of that year Is that roughly correct?</p> <p>161 A I think it is</p> <p>171 Q The meetings with Blackstone and Texas</p> <p>181 Pacific were much earlier than that; is that true?</p> <p>191 A I don't know what you mean by "much</p> <p>201 earlier," and I'm not sure, but they were earlier</p> <p>211 in --</p> <p>221 Q Months</p> <p>231 A -- the year Yes Yes Months</p> <p>241 earlier in that -- some months earlier in that</p> <p>251 year</p> <p>261 Q All right. Those meetings -- were</p> <p>271 those meetings with Blackstone and Texas Pacific</p> <p>281 arranged by you?</p> <p>291 A No</p> <p>301 Q How were they arranged?</p> <p>311 A They were arranged by my New York-based</p> <p>321 counsel.</p> <p>331 Q Your New York-based counsel?</p> <p>341 A Uh-huh</p> <p>351 Q Okay. Was this done at your request --</p>
<p style="text-align: right;">Page 27</p> <p>111 A Yes</p> <p>121 Q -- as opposed to a request from</p> <p>131 someone, for example, at Texas Pacific or</p> <p>141 Blackstone?</p> <p>151 A Yes</p> <p>161 Q And what was your purpose in arranging</p> <p>171 these meetings?</p> <p>181 A My purpose was to educate Cal Turner</p> <p>191 about what might be about to occur concerning</p> <p>201 Dollar General.</p> <p>211 Q What did you -- what did you -- what do</p> <p>221 you mean now when you say "to educate Cal Turner</p> <p>231 about what might occur"?</p> <p>241 A Dollar General was mentioned in, I</p> <p>251 believe, a Forbes article as one of the most</p> <p>261 likely companies for an LBO. And I, who had been</p> <p>271 very separate from the company, felt that I needed</p> <p>281 to be more cognizant of what might happen because</p> <p>291 of our family's financial position in the company</p> <p>301 and I wanted to understand how these things work</p> <p>311 and what might be involved in Dollar General that</p> <p>321 our family would need to respond to</p> <p>331 Q So are you saying then that these were</p> <p>341 really sort of educational meetings for you? Is</p> <p>351 that --</p>	<p style="text-align: right;">Page 28</p> <p>111 A Yes</p> <p>121 Q -- what you're -- okay.</p> <p>131 A Yes, they were</p> <p>141 Q Were you -- did you have any -- at the</p> <p>151 time that you were meeting with either Blackstone</p> <p>161 or Texas Pacific did you have any thoughts or</p> <p>171 desires of being involved in taking -- helping to</p> <p>181 take the company private yourself?</p> <p>191 A I was curious about that prospect of my</p> <p>201 having some involvement. I did communicate to</p> <p>211 them that I was doing my investigation as a</p> <p>221 shareholder, not as a would-be CEO to come out of</p> <p>231 retirement.</p> <p>241 I did not want to do that and -- yet</p> <p>251 I wasn't sure of what the long-standing Turner</p> <p>261 investment and management in the company would</p> <p>271 mean to them if -- if any of them were interested</p> <p>281 in acquiring the company.</p> <p>291 There was a lot I did not know, and</p> <p>301 I did not like to remain in ignorance when my</p> <p>311 family's very large investment in a company might</p> <p>321 come into play</p> <p>331 Q Sure. Okay Given your -- your</p> <p>341 history and intimate involvement with the company</p> <p>351 for as long as you had it, you obviously were</p>

<p style="text-align: right;">Page 29</p> <p>121 aware of their rates of growth while you were 122 there, that sort of thing Were -- did any of 123 these discussions with Texas Pacific or Blackstone 124 touch on your ideas on what you anticipated the 125 growth rate of the company to be going forward? 126 A We had discussions about the prospects 127 for the company I did not have any specific 128 growth rate numbers to project. I did have my 129 long-standing enthusiasm for the growth prospect 130 of this niche of retailing, and I spoke about that 131 generally without any specifics I wasn't 132 grounded in the company enough to have specifics 133 for discussion So it was more of a global 134 discussion of the company and its prospects than 135 it was any -- any specifics 136 Q What were your thoughts on the -- the 137 growth prospects for the -- that niche? 138 A The niche served by Dollar General is 139 an underserved niche in retailing of which there 140 are few, in my opinion. And, therefore, the -- 141 the growth prospects are good when the low-income 142 and fixed-income customer of Dollar General is 143 well served by the small stores operated by Dollar 144 General 145 Q. I would think -- I don't know But I</p>	<p style="text-align: right;">Page 30</p> <p>111 would think that -- that firms like Texas Pacific 112 and Blackstone would have been very interested in 113 some of your ideas on what -- how you saw that 114 niche, as you've called it, growing in the future. 115 Did -- did that kind of thing come up in these 116 discussions? Were you talking about it to that 117 extent? 118 MR RILEY Object to the form of 119 the question 120 A. I attempted to characterize the 121 discussion with -- with my previous answer. If -- 122 if you could be more specific, maybe I could be 123 more responsive 124 Q (By Mr. Johnston) Well, okay 125 Let's -- let's try this Do you know the -- for 126 example, the average growth rate over the period 127 of time that you were involved in Dollar General 128 for -- for the company? Not the niche, but the 129 company -- 130 A Well -- 131 Q -- itself? 132 A -- we went through different stages of 133 growth 134 Q. Right And that's why -- you're always 135 going to have downturns and then some that are way</p>
<p style="text-align: right;">Page 31</p> <p>121 up, but -- 122 A Yes. Over -- over my entire career in 123 the company I believe the growth rate would have 124 been in the high teens of sales and earnings, 125 percent growth 126 Q. In -- in part, that had to do with the 127 company's ability to grow by adding stores Is 128 that -- would that be true? 129 A By adding stores and by increasing 130 same-store sales as well. 131 Q. In your discussions with either Texas 132 Pacific or Blackstone, were -- did those 133 discussions ever touch on the possibility of 134 Dollar General becoming an acquirer? 135 A An acquirer of other -- 136 Q Of other companies in -- within that 137 niche 138 A Well, my answer is no with Blackstone 139 and Texas Pacific Group, and I'm not sure about -- 140 whether we discussed that at KKR. I'm not sure 141 There may have been some mention of it there. 142 Q. But in the -- in the earlier two they 143 were basically -- again, going back and 144 reiterating what you've just told us, this was for 145 your educational purposes, to learn about this</p>	<p style="text-align: right;">Page 32</p> <p>111 process and what the Turner family's involvement 112 and/or investment might be? 113 A What's -- what's involved when a 114 company like Dollar General is the object of an 115 LBO and an attempt to learn from some 116 practitioners of buyouts all that I could just to 117 understand what might be about to happen 118 Q Did you have more than one meeting with 119 either of these entities? 120 A. I had only one meeting with Blackstone, 121 and I had more than one meeting with the either 122 two 123 Q KKR being the second one and -- and 124 Texas Pacific? 125 A Yes. 126 Q Okay Let's just -- let me just focus 127 on Texas Pacific Were these any -- how many 128 meetings did you have with them altogether 129 roughly? 130 A I believe I had two with Texas Pacific 131 Q Two total or two follow ups? 132 A Two meetings. 133 Q Two meetings The second meeting -- 134 was that one requested by you or by them? 135 A The second meeting was one that we</p>

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<p>122 mutually agreed to have I'm not sure if I called 123 it or they did 124 Q Do you remember anything in particular 125 about the second meeting? 126 A Yes 127 Q What can you tell me about the second 128 meeting? 129 A The second meeting was at a meeting 130 room of Signature in Nashville, I believe, at 131 which time a representative of Texas Pacific Group 132 and KKR interviewed someone who I thought would be 133 a good CEO candidate for Dollar General for them 134 to consider 135 Q And who was that? 136 A He was Doug McMillon, who was the CEO 137 of Sam's Club, Wal-Mart. 138 Q How had you gotten to know 139 Mr McMillon? 140 A I -- I met him over the telephone, 141 picked up the phone and called him, introduced 142 myself That was the initial meeting 143 Q And what was the purpose in your doing 144 that? 145 A He was regarded by others I knew in 146 retailing as being a real effective leader in</p>	<p>111 retailing, a good merchant and a good person with 112 people, a good manager of people. And I wanted to 113 get acquainted with him because in my years of 114 recruiting from Wal-Mart I had not been impressed 115 with executives from that company as a prospect 116 for our company, but I had heard good things about 117 him and thought he might be an exception and might 118 be a good candidate. 119 Q And that -- you were right in your 120 hunch, I take it? 121 A Yes Yes, I was. I was right 122 Q Was this meeting in the same general 123 time frame that we're talking about, the late 124 spring, early summer of 2006? 125 A Yes 126 Q And so this meeting then with -- you 127 say Texas Pacific and KKR -- 128 A Uh-huh 129 Q -- together, and you? Was Mr McMillon 130 there in person? 131 A Yes 132 Q And the purpose then was to introduce 133 them to a person that you thought would be a good 134 candidate for a CEO in the event that one or both 135 of them decided to take Dollar General private; is</p>
Page 35	Page 36
<p>111 that -- 112 A Yes 113 Q Okay At any point in this general 114 period did you meet with anyone associated with 115 Bank of America? 116 A Yes. 117 Q Do you remember who you met with? 118 A A whole bunch of them in New York. The 119 meeting was one that my attorney convened just for 120 discussion about LBOs and those kinds of things 121 There were a bunch of them 122 Q This was another of your educational -- 123 A Yes, it was 124 Q -- things? Let me show you a document 125 that is Bates marked CT0005 through CT0011 It's 126 entitled, "Illustrative Going Private Analysis." It's 127 and it has the Bank of America logo on it Is 128 this -- is this a document that you received in 129 the meeting that you've just described to me? 130 A I think so I think so 131 Q In going through this, do you know 132 where the -- where Bank of America obtained some 133 of the numbers that it used in making some of its 134 projections? 135 A My understanding is this is all public</p>	<p>111 information Dollar General is a public company 112 This is all published stuff. 113 Q On the page -- it has a page -- it 114 looks like a 16 at the bottom, and it's Bates 115 marked CT0007 Do you see that page? 116 A Yes 117 Q And at the bottom of that page there 118 are some -- there's some handwriting? 119 A Yes. 120 Q Is that your hand- -- 121 A That looks like my handwriting. Yes 122 Q Can you tell us what that says? 123 A Well, it says 4.75 billion of debt 124 Half would be fixed. Half floating 125 Q All right. Now, where -- 126 A I'm reading what it says. 127 Q One -- it looks like one-half 128 something -- 129 A One-half fixed. One-half float 130 Q I see Float Fix, float. And then 131 4.75 B That's billion? 132 A Billion 133 Q Debt. All right. And then below that? 134 A Well, what I read here is, "Market will 135 lend."</p>

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<p>111 Q That was a substantially different 121 market then than there is now. 131 A Yeah I don't -- I'm not -- I'd have 141 to talk to the person who wrote that to see what 151 he meant there I'm sorry My memory isn't the 161 best, but ... 171 Q. And next to that then -- what is that, 181 400? 191 A 400 million of cash flow and then 201 something about, it looks like, to pay on the 211 debt 221 Q. Okay. And why was this important 231 enough to you to scribble this down on this page? 241 What was it telling you? 251 A Well, the -- some of the numbers about 261 how financing of an LBO would -- would go and 271 some -- some conjecture about how that would work 281 at Dollar General. 291 Q And why was this, in particular, 301 important to you? 311 A. To understand how an LBO of Dollar 321 General might work. 331 Q Were there any particular numbers that 341 were included in the projected figures that you 351 disagreed with, thought were unrealistic, anything</p>	<p>111 like that, as you went through them? 121 A No I didn't consider myself 131 enlightened enough to -- to know That was, 141 again, just a learning drill 151 MR JOHNSTON All right Let's 161 mark that as Exhibit 1, please 171 (EXHIBIT 1 WAS MARKED ) 181 A. This is an extra 191 Q (By Mr Johnston) I'm not sure why 201 that's on there. Earlier I read the Bates 211 numbers, but CT0011 is simply another cover page 221 Okay We've talked about meetings then with Texas 231 Pacific, with Blackstone, with KKR and with Bank 241 of America By the way, the document that we've 251 just marked as Exhibit 1 dealing with the Bank of America presentation is not dated Do you remember roughly when that occurred? Let -- let me ask it this way Would it have been closer to the time that you were meeting with Blackstone and Texas Pacific or closer to the time that you were meeting with KKR and Mr Perdue? A Closer to the former Q. Okay. A The time of meeting with Blackstone</p>
<p>111 Q. Do you recall whether or not you may 121 have met either with the Apollo Group or with 131 Credit Suisse First Boston or both? 141 A Yes I recall that I did not 151 Q Did not meet with them? 161 A I did not 171 Q. Either one of them? 181 A Yes I did not meet with either one of 191 them. I'm trying to answer the question 201 Q I understand. I do understand Do you 211 know a person by the name of David Frank? 221 A. Yes. 231 Q Is he at Credit Suisse? 241 A. I knew him when he was there That 251 goes back to my time. Sorry I messed up the microphone. I knew him when he was, I believe, at Credit Suisse serving with Andy Taussig years ago Q. Did you -- did you meet or talk with Mr Frank during the summer of 2006? A I did not meet with him. I think he initiated the phone call, and I responded by being nice I don't remember anything -- particular substance I mean, there was -- there was no -- my impression was that he was fishing around, and I wasn't interested in fishing</p>	<p>111 Q. Fishing around for what? 121 A Well, he was -- he was -- I think -- I 131 think he had left that -- that firm and gone with 141 another firm and everybody was -- seemed to have 151 interest in LBO deals, and I owed him a telephone 161 response So I talked to him, but I don't 171 remember anything of substance in our 181 conversation 191 Q Okay Do you need to take a break, 201 sir? 211 A No I was just frowning -- 221 Q. Okay 231 A -- because I was thinking It hurts my 241 head -- 251 Q You -- A -- to think Q You warned me on the front end that if you had a pained look on your face, that I should let you -- let you take a break. A That was it That was it I was trying to recall the conversation. Q Okay That's fine So this was kind of, in your words, a fishing expedition on their part to see what, if any, interest you might have in their potential or possible LBO deal for Dollar</p>

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<p>(11) General Is that a fair summary of what you've (12) said? (13) A I think that's a fair summary Yeah (14) Q Any follow up on that at all? (15) A I don't think so (16) Q Okay. Just the -- as far as you can (17) recall, as we sit here today, there was the single (18) call that you returned to Mr Frank and had this (19) discussion? (20) A. That's -- that's what I remember I (21) didn't express much interest, as I recall (22) Q Did you have any discussions with any (23) of the Dollar General board members regarding any (24) of the meetings that you were having, other than (25) the KKR meeting set up by David Perdue, that is (26) with Bank of America, Texas Pacific, Blackstone or (27) this phone call with Mr Frank? (28) A Yes (29) Q. Who did you have such discussions with? (30) A With David Wilds. (31) Q Now, this is -- this is -- what I'm (32) asking doesn't have anything to do with the KKR (33) meeting. I'm asking separately from that, just (34) putting that one aside for the moment Just these (35) with Texas Pacific, Bank of America, Blackstone</p>	<p>(11) and Mr. Frank (12) MR RILEY What's the premise of (13) the question, Doug? (14) MR JOHNSTON Hold on I'm (15) getting ready to get there (16) Q. (By Mr. Johnston) And I'm just asking (17) you whether or not you had any discussions with (18) any Dollar General board members regarding any of (19) those conversations or meetings (20) MR RILEY: I'm going to object (21) to the form of the question. I don't quite (22) understand it It was long and disjointed I'm (23) not sure it's intelligible, as you described it, (24) at the beginning of the deposition. (25) A. So the question is whether I had any (26) discussions with the Dollar General director (27) concerning the -- please -- (28) Q (By Mr Johnston) Any of those (29) meetings (30) A Any -- (31) Q Any of those first meetings that we've (32) talked about -- (33) A Yes. (34) Q -- other than the KKR one -- (35) A The answer is yes</p>
<p>(11) Q. All right. And who did you have those (12) discussions with? You said Mr. Wilds (13) A David Wilds (14) Q. Anybody else? Mr. Bottorff, for (15) example. (16) A I don't think I had any discussions (17) with Mr Bottorff I did have discussions with (18) Mr. Wilds. (19) Q All right And would that have been -- (20) just tell me what you remember about discussions (21) with Mr Wilds regarding these meetings and (22) conversations (23) A David Wilds is in our family office and (24) has, as the director, experienced LBOs in other (25) companies And he has the responsibility of (26) advising our family on investment matters, and (27) he's a good friend. So I expressed to David my (28) need to get up to speed on -- on what might be (29) about to happen I had retained counsel separate (30) from any advice of David, but I wanted David to (31) know that I was kicking some tires so that he (32) could help me to do so more effectively (33) Q Okay I'm not sure that I'm (34) understanding what -- how you've just described (35) Mr Wilds He has -- you said he has an office in</p>	<p>(11) the Turner family offices? (12) A The family office. Yes And he gives (13) investment, estate planning advice to our family. (14) Q Okay Would it be safe to say that the (15) investment in Dollar General was the largest -- (16) A Absolutely the largest. (17) Q -- investment the Turner family had? (18) A. Yes. (19) Q All right So this was -- this was a (20) pretty -- (21) A. I tried to make it more than it was (22) when you asked me before (23) Q Okay And so Mr. Wilds then -- you (24) were specifically talking to him, not so much in (25) his capacity as a board member, but in his (26) capacity as an advisor to you and your family? (27) A Oh, yes. David Wilds absolutely (28) separates himself as the director from these (29) family matters (30) Q. Okay. Okay Let's now come forward (31) and let's talk about the -- that meeting with KKR (32) that you mentioned earlier What is your (33) understanding of how this meeting was arranged? (34) A Now, which meeting are you talking (35) about?</p>

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<p>111 Q. You -- you told me earlier about a 112 meeting that you had with David Perdue -- 113 A. Yes. 114 Q. -- and with members of KKR 115 A. Yes. 116 Q. Okay. That's what I'm talking about 117 A. Yes. 118 Q. And let me just -- was there more than 119 one such meeting? 120 A. No. 121 Q. Okay. What is your -- 122 A. Now, wait a minute. One such meeting. 123 There -- 124 Q. A meeting arranged by Mr. Perdue in 125 which KKR -- 126 A. No. There was only one. 127 Q. Okay. And this is -- again, this is 128 roughly in late September, early October of 2006, 129 correct? 130 A. I think so. 131 Q. Fall of 2006? 132 A. (Nodding head.) 133 Q. What is your understanding of how this 134 meeting was arranged? 135 A. David Perdue asked me to meet with</p>	<p>111 George Roberts of KKR. I told David Perdue that I 112 thought David Wilds should be included as lead 113 director of the board. David was the CEO, and I 114 was the former CEO, and I felt that David Wilds 115 should be included. And so David Perdue agreed to 116 include David Wilds, and George Roberts flew into 117 Nashville for the meeting and he brought with him 118 Mike Calbert, whom I met at that meeting. 119 Q. Did you know Mr. Roberts from before? 120 A. I don't think so, though I did learn 121 that he had been the very, very junior person at 122 Bear Stearns when Bear Stearns took Dollar General 123 public in 1968. I don't know that I met him back 124 then. 125 Q. Okay. 126 A. We both had more hair then and probably 127 didn't recognize each other this time. 128 Q. Okay. So it was Mr. -- Mr. Roberts, 129 Mr. Calbert, Mr. Perdue, Mr. Wilds and you? 130 A. Yes. 131 Q. Anyone else? 132 A. I think we had counsel there, I think 133 THE WITNESS. Were you there 134 Aubrey? No? 135 A. I don't remember who was -- oh, we --</p>
<p>111 we may have met here in this room, and I -- I 112 don't -- the key players in the meeting -- no 113 I'm sorry. As I recall, we met in this room 114 prevailing upon the low rent offer of Aubrey 115 Harwell. 116 Q. (By Mr. Johnston) And what was your 117 understanding as to why this meeting was taking 118 place? 119 A. David Perdue wanted to explore Dollar 120 General going private with KKR. 121 Q. Did you know before he approached you 122 regarding this meeting that Mr. Perdue had also 123 been visiting with private equity firms in the 124 summer of 2006? 125 A. Summer of 2006. 126 Q. Basically -- 127 A. I learned -- I learned at some point 128 that he had been doing that. I'm not sure of when 129 he had been doing it that I learned of. I'm sorry 130 for that convoluted answer. 131 MR. JOHNSTON. I'm advised that 132 we probably need to take a break to change the 133 tape. 134 THE VIDEOGRAPHER. Stand by, 135 please. This marks the end of Tape Number 1 in</p>	<p>111 the deposition of Cal Turner, Jr., Volume 1. 112 Going off the record. The time is 10:50. 113 (Recess.) 114 THE VIDEOGRAPHER. Back on the 115 record. Here marks the beginning of Tape 116 Number 2 in the deposition of Cal Turner, Jr., 117 Volume 1. The time is 11:06. 118 Q. (By Mr. Johnston) Mr. Turner, when we 119 went off the record and took our break, I was 120 asking you about the fall meeting with KKR that 121 you had that had been arranged by Mr. Perdue. And 122 I think the last question that I asked you was if 123 you knew that Mr. Perdue had also been out meeting 124 during the summer of 2006 with various private 125 equity firms. I think your answer was that at 126 some point you learned that that had been the 127 case. 128 A. Yes. 129 Q. Do you remember when it was that you 130 learned that? 131 A. Well, David Perdue told me that he had 132 been having meetings, and that was the part of 133 his -- of his saying that he wanted me to meet 134 with KKR because he had met with them. He had met 135 with some others, but he felt that KKR was a good</p>

<p style="text-align: right;">Page 49</p> <p>111 prospect for us and he wanted me to meet them.  121 Q Okay Did -- did Mr Perdue say  131 anything to you that indicated that he was aware  141 that you had been meeting with various private  151 equity firms?  161 A No.  171 Q Did you tell him that?  181 A No  191 Q Tell me what you remember about this  201 meeting with KKR with Mr Rogers and Mr Calbert  211 A Well, I was introduced to -- well,  221 actually to both, to George Roberts and certainly  231 for the first time to Mike Calbert I'm -- I'm  241 not sure if I'd ever met George Roberts before.  251 And I'm trying to remember how they sold  themselves in that meeting They had great  respect for Dollar General, said the politically  correct things to me  Q Like what?  A You know, the great -- something like,  The great company you and your father built or  that -- that sort of thing. They talked about  their retailing expertise, and George indicated he  was very sold on Mike Calbert, who headed the real  estate group at KKR And Dollar General was a</p>	<p style="text-align: right;">Page 50</p> <p>111 good prospect because of its cash-flow generation  121 and because of its -- its -- of the sector of  131 retailing that it was in made a good prospect.  141 And something -- I'm sorry I can't -- I'm  151 trying, but I can't remember any more specifics  161 right now  171 Q Okay That's fine Excuse me Did  181 they -- did either Mr Calbert or Mr Roberts say  191 to you that they thought that Dollar General was a  201 good prospect because it was undervalued, for  211 example?  221 A Yes The market -- that is the -- I  231 think the only scenario under which anyone would  241 ever entertain an LBO, that the value, the market  251 price of the stock plus premium that would be paid  over that represented a good deal for everybody  A good deal for the shareholders KKR would be  enthusiastic about the prospects of the company  once taken private  Q Did they give you any indication of a  price that they may have been looking at at that  point?  A I don't remember any specific price  I --  Q A range perhaps?</p>
<p style="text-align: right;">Page 51</p> <p>111 A They -- they spoke in terms of ranges  121 that -- and I don't remember the specifics of the  131 ranges, but -- but the -- they talk about other  141 deals and premiums and other deals and -- and some  151 of those premiums applied to Dollar General  161 represented good prospects for -- for everybody  171 Q Okay As a result of that first  181 meeting, what was your impression of the folks  191 from KKR?  201 A Well, you never have a meeting with  211 anybody in that field without being impressed with  221 them. That's their job. And in a very likeable  231 way I was -- I was favorably impressed with --  241 with George Roberts and with Mike Calbert  251 Of course, George did more of the  talking But, of course, I would be favorably  impressed with George Roberts when he talked about  the old days when Dollar General went public and  he was -- he carried the water for those who  really did the heavy lifting. He was the junior  man at Bear Stearns on the IPO  Q How long did the meeting last?  A Probably an hour and a half to two  hours It wasn't a long meeting  Q Did they provide you any documents like</p>	<p style="text-align: right;">Page 52</p> <p>111 the one we've already looked at from Bank of  121 America that we marked as Exhibit 1?  131 A I don't remember any documents.  141 Q Okay  151 A I just remember talk.  161 Q Now, you -- were you on your way out of  171 town or something at about that same time?  181 A I -- I had mentioned to David Perdue  191 ahead of the meeting that -- that I wanted to go  201 to our home in Colorado, and I had learned that  211 the KKR people were flying in from the West Coast  221 to Nashville and they were returning.  231 And I enjoyed saying to David  241 Perdue, The meeting may not allow for as much time  251 to get acquainted as I would enjoy having and  would you mind asking them if I could bum a ride  on their return to Colorado, if they wouldn't mind  just dropping me off, and then I could have some  further time with them  And, of course, David wasn't real  comfortable with my having time alone with them,  but I -- I thought it would be a good thing.  Q Why do you say that he -- of course, he  was not comfortable with your having time alone?  A A CEO needs to be in control and so --</p>

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111 he certainly would not be in control  
 121 Q. Did he -- did he ask you if you would  
 131 tell him what happened later on or anything like  
 141 that?  
 151 A. No, he didn't.  
 161 Q. You, in fact, did fly out there to  
 171 Colorado with them?  
 181 A. Yes.  
 191 Q. They dropped you off, right?  
 201 A. Yes.  
 211 Q. And who was on the plane? You,  
 221 Mr. Calbert and Mr. Roberts?  
 231 A. Yes.  
 241 Q. The three of you?  
 251 A. The three of us. Nice big plane.  
 261 Q. And --  
 271 A. Maybe we should -- no. Never mind.  
 281 Q. Was there any -- any more in-depth  
 291 discussion about the possibility of an LBO going  
 301 private, numbers, anything like that?  
 311 A. Yes. There was discussion, but I -- I  
 321 wanted to talk about the company with them, and  
 331 that's what I did. Just -- the -- I wanted them  
 341 to understand the niche and how the company had --  
 351 in its past had really come alive in pursuing that

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111 not being happy with some of the things that were  
 121 going on under him  
 131 Q. Did you get any feedback from anybody  
 141 about your meeting, whether they were favorably  
 151 impressed with you, any follow up, that sort of  
 161 thing?  
 171 A. Well, they were -- I think they perfect  
 181 the talent of giving you nonspecific affirmation  
 191 They -- they liked me. Of course. And I liked  
 201 them. But there -- there weren't very many  
 211 specifics.  
 221 Q. But I guess what I'm asking is. Did --  
 231 did you get any feedback from anyone else where  
 241 they -- somebody came to you, Mr. Perdue, for  
 251 example, and said, you know, Gosh, George and Mike  
 261 were really impressed and they really want to  
 271 follow up on this or anything like that? Just  
 281 feedback from some other source, good or bad.  
 291 A. I don't remember any.  
 301 Q. Did Mr. Perdue ever request that you  
 311 meet with any other private equity firm?  
 321 A. Not that I recall.  
 331 Q. After that meeting with KKR that had  
 341 been arranged by Mr. Perdue, did you have any  
 351 other private meetings with any members of any

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111 niche. It involves a people-centered culture  
 121 because retailing is about people and that in its  
 131 past Dollar General had done very well by paying  
 141 great attention to the customer and not so much  
 151 attention to the competition and we had done some  
 161 extraordinary things like the advertising I  
 171 previously mentioned. And the return for the  
 181 shareholders had been great. I just -- I wanted  
 191 some time to -- to grandstand with them about what  
 201 I thought had made the company great.  
 211 Q. You mentioned to us earlier that in one  
 221 of your discussions with one of the other private  
 231 equity firms you had used that as a -- as a way to  
 241 introduce this Mr. McMillon to them. In -- in  
 251 your private time with Mr. Calbert or Mr. Roberts  
 261 did you ever discuss or broach the subject of who  
 271 might be a good CEO if the company were taken  
 281 private?  
 291 A. I'm not sure we talked about who might  
 301 be the CEO when the company went private so much  
 311 as -- I did tell them that I was not in favor of  
 321 some of the things David Perdue was doing and I --  
 331 and I mentioned the things that I had mentioned to  
 341 David that I wasn't happy about. And so there was  
 351 some discussion of David within the context of my

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111 private equity firm?  
 121 A. There were no meetings with any other  
 131 private equity firm that I had. The meeting that  
 141 I mentioned with KKR and Texas Pacific Group and  
 151 Doug McMillon, that happened after -- afterward,  
 161 of course. That was another meeting. Are you  
 171 asking --  
 181 Q. What I'm asking is. After that meeting  
 191 occurred in the fall --  
 201 A. Yes.  
 211 Q. -- with KKR, then you flew out to  
 221 Colorado, did you have any other private meetings  
 231 with any members of any other private equity  
 241 firms, any -- Blackstone or Texas Pacific or Bain  
 251 or anyone else?  
 261 A. I didn't have any meetings with any  
 271 other firm than -- than KKR, and the only  
 281 exception that I recall is the meeting I mentioned  
 291 with KKR and Texas Pacific Group --  
 301 Q. Right.  
 311 A. And Doug McMillon.  
 321 Q. Now, after that meeting with KKR, did  
 331 Mr. Calbert or Mr. Roberts or both try to keep in  
 341 touch with you, just touch base with you  
 351 periodically by phone or even in person?



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111 A Yes  
 112 Q Would they do this more or less  
 113 regularly, once a week, once a month or was it  
 114 just happenstance?  
 115 A I don't remember a pattern, but Mike  
 116 Calbert was clearly assigned the responsibility of  
 117 staying in touch with me.  
 118 Q Okay Now, were there any other -- was  
 119 there anybody else from any of the other private  
 120 equity firms that you met with that you felt had  
 121 been assigned to follow up with you?  
 122 A This would be going back in time now,  
 123 but there was a meeting with Texas -- there was a  
 124 follow-up meeting with Texas Pacific Group at the  
 125 Denver airport --  
 126 Q Okay  
 127 A -- before all of this that we have  
 128 discussed  
 129 Q Okay Just --  
 130 A I don't remember when, but it was  
 131 before that  
 132 Q Was this a lengthy meeting? Was it --  
 133 A I had a get-acquainted meeting with  
 134 the -- the retail representatives of --  
 135 representatives of Texas Pacific Group at the

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111 homework for me and -- but this was strictly for  
 112 me that he was doing this  
 113 Q Okay Do you know approximately when  
 114 this document would have been created and  
 115 presented to you?  
 116 A No, I don't No, I don't.  
 117 Q Would it --  
 118 A It's in all of this -- while all of  
 119 this was going on sometime obviously  
 120 Q Is it your best estimate that this was  
 121 sometime -- this document was created sometime in  
 122 2006?  
 123 MR. DIETZ Objection to form  
 124 A I would guess this would be in 2007  
 125 Q (By Mr Johnston) Oh, okay. And why  
 126 do you say that?  
 127 A Well, I'm filling in. It mentions a \$2  
 128 purchase price of Dollar General. That --  
 129 Q \$22?  
 130 A Of \$22 I'm sorry So it must have  
 131 been --  
 132 Q Okay  
 133 A -- close to the -- to July of 2007 when  
 134 the deal happened  
 135 Q All right. Well, all right Let me

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111 Denver airport, just an initial get-acquainted  
 112 meeting And I've forgotten her name and his  
 113 But male and female representatives of Texas  
 114 Pacific Group  
 115 Q Okay Let me show you another  
 116 document. This is a three-page document with  
 117 Bates Number CT0177 through CT0179 It consists  
 118 of some numbers and bars and it has some  
 119 handwriting on the first page. Are you familiar  
 120 with this document, sir?  
 121 A Well, I think I am. It's signed by  
 122 Wayne That would be Wayne Anderson in our family  
 123 office  
 124 Q And who is Wayne Anderson?  
 125 A Wayne Anderson is in our family office  
 126 What do you mean "who is he?" He -- he works on  
 127 investments and analysis and that kind of thing  
 128 Q Okay  
 129 A He's a nice fellow --  
 130 Q I'm sure that he is  
 131 A -- let the record --  
 132 Q Does he work with Mr. Wilds? Is he --  
 133 does he work for Mr Wilds in that capacity?  
 134 A He does on other things. He didn't on  
 135 this He was -- he was -- he was doing some

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111 ask you about that because, as it said, it does  
 112 use the \$22 figure, but then it also gives you --  
 113 oh, I see -- the following two pages for higher --  
 114 higher than \$30 as IPO prices.  
 115 A And that it's brought public in five --  
 116 I'm just reading Yeah  
 117 Q I think I see what this document is,  
 118 but why don't you just tell us what this is  
 119 A I think -- I think Wayne is trying to  
 120 analyze potential return if -- if the company goes  
 121 private at 22 and comes public in subsequent years  
 122 at a \$30 initial public offering price He's just  
 123 doing some for instance --  
 124 Q Okay.  
 125 A -- analysis  
 126 Q And as far as you can tell from looking  
 127 at this then, this, you believe, was created  
 128 sometime closer to the June, July 2007 period?  
 129 A I think so Yes  
 130 Q All right At any point in this entire  
 131 process from the time in 2000- -- the spring,  
 132 early summer of 2006 all the way through to the  
 133 period in 2007 after the deal was announced were  
 134 you ever requested to sign a confidentiality  
 135 agreement of any kind?

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<p>111 A. When are you asking? At what time?</p> <p>121 Q. I mean -- I'm going from roughly May or</p> <p>131 June of 2006 all the way around to July or so of</p> <p>141 2007.</p> <p>151 A. I remember back, I believe, in '06 --</p> <p>161 and I'm not sure of the time -- when David Perdue</p> <p>171 received my memo of objection to the change of</p> <p>181 strategy, that he asked to show me information and</p> <p>191 for me to sign a confidentiality agreement, and I</p> <p>201 refused to do it. I did not want -- I didn't want</p> <p>211 to be privy to that. I wanted my objection of his</p> <p>221 change of strategy to stand as it was, and I</p> <p>231 didn't want -- and I didn't sign</p> <p>241 Q Okay. But that --</p> <p>251 A. That's back in '06.</p> <p>261 Q. And had nothing whatsoever to do with</p> <p>271 any -- anything to do with any private equity</p> <p>281 firm?</p> <p>291 A No This was just my objection to what</p> <p>301 was going --</p> <p>311 Q I understand.</p> <p>321 A -- on in the company</p> <p>331 Q That's the only time that you can</p> <p>341 recall that you were requested to sign a</p> <p>351 confidentiality agreement?</p>	<p>111 A. I don't know if I signed the</p> <p>121 confidentiality agreement or if it were a part of</p> <p>131 the process of getting some investment information</p> <p>141 from KKR in order to decide whether -- about --</p> <p>151 about the prospects of being an investor in the</p> <p>161 deal or not That's the only thing that occurs to</p> <p>171 me as the occasion of a confidentiality agreement</p> <p>181 perhaps.</p> <p>191 Q Okay. But as we sit here, you're</p> <p>201 not -- you don't remember one way or the other?</p> <p>211 A No.</p> <p>221 Q Is that fair?</p> <p>231 A No And I'm trying, but I don't</p> <p>241 Q That's okay As of early October of</p> <p>251 2006 after you had your initial meeting with the</p> <p>261 KKR people and you had been -- let's set this up</p> <p>271 You'd had a series of meetings in -- several</p> <p>281 months before this with various private equity</p> <p>291 firms to educate yourself about this going private</p> <p>301 type of transaction and how they might view Dollar</p> <p>311 General and what impact that may have on you, that</p> <p>321 sort of thing I believe that's kind of what</p> <p>331 you've told us so far Is that fair so far?</p> <p>341 A Yes Yes</p> <p>351 Q And then you had the meeting with KKR</p>
<p>111 that was set up by Mr Perdue in which you met for</p> <p>121 an hour and a half or two and then flew privately</p> <p>131 with Mr. Roberts and with Mr Calbert As a</p> <p>141 result of your educating yourself as a result of</p> <p>151 meeting with KKR on that occasion, would you say</p> <p>161 in October or so of 2006 that you were generally</p> <p>171 favorable to the idea of a going private</p> <p>181 transaction or unfavorable or something else?</p> <p>191 MR. RILEY. Object to the form</p> <p>201 A I would say that I was generally</p> <p>211 favorable</p> <p>221 Q (By Mr. Johnston) At that point there</p> <p>231 hadn't been any specifics regarding your</p> <p>241 involvement or not; is that fair?</p> <p>251 A. That's fair</p> <p>261 Q Did you, personally, have any</p> <p>271 discussions with any other board member other than</p> <p>281 Mr Perdue or Mr. Wilds about the KKR meeting,</p> <p>291 again, for example, Mr Bottorff? And I'm not</p> <p>301 necessarily -- let me explain I'm not</p> <p>311 necessarily trying to pick on Mr Bottorff because</p> <p>321 I've asked that I'm just making some -- maybe</p> <p>331 some assumptions. Since he's local and you're</p> <p>341 local it might be easier, but I don't know that to</p> <p>351 be the case</p>	<p>111 A. There was limited discussion with</p> <p>121 Mr. Bottorff, and that's the only other director</p> <p>131 communication of that sort I can remember.</p> <p>141 Q. What sort of communication or limited</p> <p>151 communication did you have with him?</p> <p>161 A It seems that Denny was assuring me --</p> <p>171 Q Denny, Mr Bottorff?</p> <p>181 A Denny Bottorff was assuring me that the</p> <p>191 board was going to go through a process and the</p> <p>201 end result would be getting the best possible</p> <p>211 price for the shareholder that the board could</p> <p>221 get</p> <p>231 Denny Bottorff is a process thinker</p> <p>241 and implementer and he wanted me to have his</p> <p>251 assurance that there would be a process and the</p> <p>261 board would do its darndest to get a good price</p> <p>271 for the shareholders That was their</p> <p>281 responsibility</p> <p>291 Q As the -- the process developed -- and</p> <p>301 you've already told us that Mr. Calbert was, in</p> <p>311 your words, obviously assigned to communicate with</p> <p>321 you. Were there -- were there any other meetings</p> <p>331 beyond the first one that you had with Mr Perdue,</p> <p>341 Mr. Wilds and KKR in which you met with a</p> <p>351 representative of KKR in the presence of some</p>

<p style="text-align: right;">Page 65</p> <p>111 other board member?</p> <p>121 MR DIETZ. Objection to the</p> <p>131 form</p> <p>141 A. No. Not that I recall.</p> <p>151 Q. (By Mr Johnston) Did Mr Calbert keep</p> <p>161 you apprised as to what was going on between KKR</p> <p>171 and the board?</p> <p>181 A. Well, I wasn't sure. He acted as if he</p> <p>191 were doing that from time to time. I don't know</p> <p>201 if he was keeping me fully apprised or not</p> <p>211 Q. Why do you say that?</p> <p>221 A. Well, that was -- it seemed to me to be</p> <p>231 part of his job to keep some communications link</p> <p>241 with me, and I -- I have no way of knowing whether</p> <p>251 he kept me fully apprised or not. Sometimes --</p> <p>261 sometimes people tell you just part. I didn't</p> <p>271 know if he was telling me all or whatever. I</p> <p>281 don't know if I was fully apprised.</p> <p>291 Q. Do you remember any of the specifics of</p> <p>301 what was going on at least as they were reported</p> <p>311 to you by Mr Calbert?</p> <p>321 A. Well, can you be more specific about</p> <p>331 what you're asking?</p> <p>341 Q. Well --</p> <p>351 A. I mean --</p>	<p style="text-align: right;">Page 66</p> <p>111 Q -- I really can't be because I don't</p> <p>121 know what it was that he was reporting to you or</p> <p>131 how he was communicating to you</p> <p>141 A. Well, Mike Calbert wanted to visit with</p> <p>151 me about the company and how things were going,</p> <p>161 and he came -- he came to see me in -- at my home</p> <p>171 in Parker. I remember it well because he</p> <p>181 complained about my overcooking the steak. But I</p> <p>191 was hosting. And he was -- he was talking about</p> <p>201 his excitement for Dollar General. It's a great</p> <p>211 company.</p> <p>221 He acted interested in my ideas</p> <p>231 about the prospects for the company and how it</p> <p>241 should be managed and so forth. Just -- it was a</p> <p>251 combination of staying in touch and -- and just</p> <p>261 talking about the business and it was -- it was a</p> <p>271 good social occasion.</p> <p>281 Q. In any of his conversations with you</p> <p>291 did he discuss with you anything that he may have</p> <p>301 known or heard about regarding this Project Alpha</p> <p>311 that we mentioned earlier?</p> <p>321 A. I don't remember his specifically doing</p> <p>331 that. I think he most likely did because the</p> <p>341 inventory issues of the company were clearly</p> <p>351 something that was being worked on and he was</p>
<p style="text-align: right;">Page 67</p> <p>111 studying the company. I don't remember any</p> <p>121 specific comments about Project Alpha from -- from</p> <p>131 Mike Calbert, though.</p> <p>141 Q. What sorts of things did Mr Calbert or</p> <p>151 Mr Roberts tell you that KKR -- what sort of</p> <p>161 policies that KKR might want to implement in order</p> <p>171 to -- for them, KKR, to make money if they, in</p> <p>181 fact, took Dollar General private?</p> <p>191 A. Well, they talked about some retail</p> <p>201 management issues. They talked about improved</p> <p>211 sourcing of product. Some of the -- Mike Calbert</p> <p>221 had retailing background, and he felt that Dollar</p> <p>231 General could benefit from some of the fundamental</p> <p>241 things he'd experienced in other retail companies,</p> <p>251 and one of them was the sourcing of the product,</p> <p>261 better --</p> <p>271 Q. Sourcing, like from a particular</p> <p>281 country or wherever?</p> <p>291 A. Asia. You know -- yeah. Off-shore</p> <p>301 sourcing ability of Dollar General. And we talked</p> <p>311 about -- not with complete agreement, about markup</p> <p>321 issues. I -- I didn't feel good about the company</p> <p>331 being financially engineered by get in there and</p> <p>341 mark the product up more, charge the customer more</p> <p>351 for the product because we can, that sort of</p>	<p style="text-align: right;">Page 68</p> <p>111 thing. That -- that was one point of disagreement</p> <p>121 that we had. Mike -- well, we talked generally</p> <p>131 about management of the company. That -- when --</p> <p>141 when you're buying a company or thinking about it,</p> <p>151 as he was, then you think about the management you</p> <p>161 have in the company and what you would do after</p> <p>171 you buy it, and he -- he was interested in any</p> <p>181 ideas that I would have about that.</p> <p>191 Q. And did you share some with him?</p> <p>201 A. I shared -- I didn't know management</p> <p>211 that well, but I -- I shared the fundamental</p> <p>221 merchandising philosophy that we had had in the</p> <p>231 company out of my fear that there had been some</p> <p>241 departure from that with new merchandising staff</p> <p>251 that had been brought into the company.</p> <p>261 I didn't know the management very</p> <p>271 well. I hadn't -- I hadn't met most of the new</p> <p>281 players in the company. So I wasn't able to opine</p> <p>291 on them as much as -- as I would talk about what I</p> <p>301 thought the various "theys" should be doing, the</p> <p>311 merchant "theys," the operator "theys" should be</p> <p>321 doing. And Mike was interested in learning all he</p> <p>331 could from me and he didn't have to stay very long</p> <p>341 in order to do that.</p> <p>351 Q. Okay. Did you get a sense of any</p>

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<p>111 particular board members that were in favor of 112 moving ahead with a going private transaction? 113 A. No. I don't recall. No. 114 Q. Did you get a sense that there were any 115 board members that were just opposed to a going 116 private transaction? 117 A. I got a sense that some of the -- that 118 there was the impression that some of the board 119 members were too interested in staying on the 120 board and collecting their fees than they would be 121 in the company going private and they'd lose their 122 directorship, and it wasn't -- it was a comment 123 about some of them. It was not this one or this 124 one or this one. 125 Q. I understand. How did you get that 126 sense? 127 A. Well, the comment was made, I believe, 128 by Mike, just -- 129 Q. By Mr. Calbert? 130 A. Mike Calbert. I believe. I believe. 131 Q. Did you disagree with him, agree with 132 him? 133 A. I did neither. I had no basis for 134 agreeing or disagreeing. 135 Q. There was no particular communications</p>	<p>111 with you by any board member saying they really 112 liked this idea or that they really did not, is 113 that fair? 114 A. No. No. 115 Q. Okay. I've asked the question several 116 times in different ways. But what I'm getting 117 here, I think, is that throughout this process you 118 did not have regular communications with any of 119 the board members regarding the going private 120 transaction. 121 A. That's true. 122 Q. Would -- would there be an exception 123 for Mr. Wilds, who was also, as you've indicated 124 to us, serving in kind of a dual role? 125 MR RILEY. Object to the form. 126 A. David Wilds was the one interface of 127 the board with our family because he worked with 128 our family, but David Wilds is one of the most 129 ridged communicators you can ever imagine. He has 130 the talent for disclosing absolutely zero of 131 what's really going on. 132 And I had enough discussion with KKR 133 to know something was going on. So there was some 134 mention of it from time to time with David 135 without -- out my learning anything about what the</p>
Page 71	Page 72
<p>111 board said or what the board was doing or 112 anything. 113 Q. (By Mr. Johnston) Do you recall 114 whether or not you ever expressed some concern 115 about Mr. Perdue's motives? 116 A. His motives? 117 Q. Motives. Yes, sir. 118 A. I don't remember expressing any opinion 119 about his motives. 120 Q. That seems to suggest that you perhaps 121 had some comments regarding some other aspect of 122 Mr. Perdue's approach or behavior. 123 A. Well, I've already indicated my 124 disagreement with -- with his change of strategy 125 in the company. 126 Q. I've -- I've seen some e-mails, I think 127 e-mails, or some documents somewhere, in the 128 massive material that we've been provided in which 129 Mr. Perdue has been referred to as an absentee CEO 130 in part because he seemed to always be on the golf 131 course. Did you have any opinions about 132 Mr. Perdue in that regard? 133 MR DIETZ. Objection to the 134 form. 135 A. I -- I heard -- I didn't have any</p>	<p>111 opinion about that. If by "opinion" you mean my 112 own knowledge of what he was doing or wasn't doing 113 or how much golf he was playing or wasn't 114 playing -- there was a lot of -- of hearsay about 115 David Perdue being a great golfer, and I have a 116 natural bias against golf and management because 117 golf takes too much time and management should 118 take a lot of time. So people aren't above making 119 comment to this avowed nongolfer about the 120 excellent golfer who is now CEO of the company. 121 MR RILEY. Hey, Doug, can you 122 give us a little evaluation about where you are? 123 It's noon. Are you about through? 124 MR JOHNSTON. I don't have a 125 whole lot -- do you want to go off the record here 126 just for a second? 127 THE VIDEOGRAPHER. Stand by, 128 please. Going off the record. The time is 11:57. 129 (Lunch recess.) 130 THE VIDEOGRAPHER. Back on the 131 record. The time is 12:52. 132 Q. (By Mr. Johnston) Mr. Turner, I'm 133 going to show you a document that is a copy of an 134 e-mail from Mr. Calbert to Mr. Roberts that 135 purports to discuss a conversation that he had</p>

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<p>113 with you. I just have a few questions about it</p> <p>114 While you're looking at that and I'm</p> <p>115 passing this out, let me also mark the previous</p> <p>116 document, CT0177 through 179, as Exhibit Number 2</p> <p>117 (EXHIBIT 2 WAS MARKED.)</p> <p>118 A. Okay.</p> <p>119 Q (By Mr Johnston) Now, let me just</p> <p>120 state on the front end, Mr. Turner, I'm assuming</p> <p>121 here that some of this is just Mr. Calbert's take.</p> <p>122 But I do need to ask and make sure about that.</p> <p>123 In the -- in the second line here</p> <p>124 he's telling Mr. Roberts that the board has formed</p> <p>125 this committee by -- headed up by Denny Bortorff</p> <p>126 and he's got in parentheses "Cal's buddy" Is</p> <p>127 that something that you related to him or is that</p> <p>128 something that he's just inferring from whatever?</p> <p>129 A I think it's something he's inferring</p> <p>130 Q. Did you ever tell Mr. Calbert, to the</p> <p>131 best of your recollection, that Mr. Bortorff was</p> <p>132 your buddy?</p> <p>133 A I told him that I had known Denny for a</p> <p>134 long time. I told him that Denny Bortorff is a</p> <p>135 great director and that we were fortunate to have</p> <p>136 him on the board. He may have -- he may have</p> <p>137 asked how long I've known Denny, and I have known</p>	<p>111 him for a long time. I've been on his board.</p> <p>112 Q. Mr. Calbert is not really familiar with</p> <p>113 Nashville and its small-town propensities?</p> <p>114 A. No.</p> <p>115 Q. Would he?</p> <p>116 A. No.</p> <p>117 Q. Further -- further on down it says --</p> <p>118 there's a line here that says, "Cal thinks the</p> <p>119 board is gradually waking up." Is that something</p> <p>120 that you told to Mr. Calbert?</p> <p>121 A. I don't remember that.</p> <p>122 Q. Do you have any -- do you have any idea</p> <p>123 what he was making reference to?</p> <p>124 A. Well, I can -- I can read into this,</p> <p>125 but I don't -- I don't have any recollection of</p> <p>126 what he was talking about.</p> <p>127 Q. What are you reading into it?</p> <p>128 MR. RILEY: I'm going to object</p> <p>129 to the form of the question, asking the witness to</p> <p>130 speculate about what's in somebody else's mind.</p> <p>131 MR. DIETZ: Same objection.</p> <p>132 A. Okay. Well, this is probably more than</p> <p>133 I should do, but it -- it seems something is</p> <p>134 getting started.</p> <p>135 Q. (By Mr Johnston) What do you mean?</p>
<p>136 I'm sorry. I don't understand.</p> <p>137 A. The board has formed a -- I'm</p> <p>138 reading -- I'm reading the memo. I'm not telling</p> <p>139 anything that I really know. I don't know that it</p> <p>140 makes sense for me to speculate on that.</p> <p>141 Q. The next line says, "Cal thinks the</p> <p>142 board isn't completely comfortable with the motive</p> <p>143 of Perdue." Is that something that you may have</p> <p>144 discussed with Mr. Calbert?</p> <p>145 A. I didn't -- I don't remember there</p> <p>146 being a question of motive of David Perdue. There</p> <p>147 was, in my mind, reason for question about the</p> <p>148 management based on the performance.</p> <p>149 Q. What do you mean about that, by that?</p> <p>150 A. Well, the -- the company -- it seemed</p> <p>151 to me that company potential wasn't being realized</p> <p>152 under the leadership of David Perdue.</p> <p>153 Q. And you base that on its performance?</p> <p>154 Is that what you're --</p> <p>155 A. Uh-huh.</p> <p>156 Q. And is that because they had not met</p> <p>157 the plan for the previous two fiscal years?</p> <p>158 A. I wasn't privy to their plans. All I'm</p> <p>159 doing is taking my perspective about the prospects</p> <p>160 of that company and my observation of the public</p>	<p>136 numbers and the conference calls when they were</p> <p>137 talking about the prospects, and in the conference</p> <p>138 calls you hear what the analysts are asking and</p> <p>139 you hear the answers and you get a sense of how</p> <p>140 things are going relative to quote, "expectation."</p> <p>141 Wall Street has an expectation, the board</p> <p>142 Everybody should -- should have an expectation.</p> <p>143 But this -- that CEO, this former CEO, was reading</p> <p>144 between the lines a lot. He didn't have -- didn't</p> <p>145 have the specifics on it.</p> <p>146 Q. When you are making reference to the</p> <p>147 former CEO, you're talking about --</p> <p>148 A. This one. This one right here. This</p> <p>149 one right here.</p> <p>150 Q. See, because --</p> <p>151 A. Yeah.</p> <p>152 Q. -- we're really talking about two of</p> <p>153 them right now, right?</p> <p>154 A. Yeah.</p> <p>155 Q. Mr. Perdue being a former and you being</p> <p>156 a former.</p> <p>157 A. Yeah.</p> <p>158 Q. Okay.</p> <p>159 A. I have a perspective as the former CEO</p> <p>160 of the company.</p>

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120 Q Sure.

121 A I've been there for so long

122 Q Did you receive any indications from

123 any board members that one or more of them were

124 not completely comfortable with Mr. Purdue's

125 motives for presenting this going private plan?

126 MR. RILEY: Doug, would you

127 restate that question for me? I just -- I

128 misheard it.

129 MR. JOHNSTON: Can you read it

130 back for me, please?

131 (The requested portion of the

132 record was read by the reporter.)

133 A I don't remember any.

134 Q (By Mr. Johnston) Okay. The very next

135 sentence in that -- in this memo says, "He" --

136 meaning you, I think -- "said the comment has been

137 made a few times that there wasn't any mention of

138 the shareholders in the proposal Purdue made." Do

139 you remember saying anything like that to

140 Mr. Calbert?

141 A Let -- let me read this.

142 Q Sure.

143 A Excuse me.

144 Q Do you see right in the middle of the

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145 I can't

146 Q. Okay. The next sentence from -- from

147 there says, "I reiterated to Cal we really wanted

148 to do something with him on this opportunity and

149 saw great value in him having a role."

150 As of November of 2006 had you had

151 discussions with Mr. Calbert or anyone,

152 Mr. Roberts or anyone else there, regarding a

153 possible or potential role for you in a going

154 private transaction?

155 A Yes. And that is part of the

156 discussion with the former CEO. It seemed to me

157 that it's what they usually do. The former CEO

158 long standing of a company -- you can pretty well

159 feature the conversation, and the right politic

160 comment from Mike Calbert was forthcoming about

161 wanting my involvement, and I even then sensed

162 that it was the right political statement for him

163 to make.

164 Q You haven't said this, but I will

165 They were buttering you up?

166 A Yes.

167 Q Did you mind it?

168 A Well, butter is appealing --

169 MR. RILEY: Excuse me. I'm going

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170 page there?

171 A "Has been made a few times. There

172 wasn't any mention" -- I'm sorry. I don't

173 remember that. I don't know how I could have even

174 had any observation of -- of what David Purdue did

175 or didn't say about shareholders at a meeting.

176 That doesn't -- that doesn't sound right to me.

177 Q Okay. Is it possible that you may have

178 heard something close to this through Mr. Wilds?

179 A. It's -- it's possible. Yes.

180 Q. The second to the last paragraph says,

181 "It sounds like Purdue is losing some credibility

182 with the board." To your knowledge, in or around

183 November of 2006 was Mr. Purdue losing credibility

184 with the board?

185 A. Mike Calbert -- and you can feature

186 this in the conversation -- would impose his

187 opinion to me, and I may have gotten -- "is losing

188 some credibility with the board."

189 The only thing I can think of is

190 that the performance of the company was lagging

191 and that there wasn't comfort with the CEO in that

192 situation. I don't know. I can't recall any

193 comments about Purdue's credibility with the

194 board. No. The -- no, I can't. I'm trying, but

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195 to object to the form of the question.

196 A Well, I can tell you that I was

197 cognizant of what was happening, and I was

198 coaching myself. You know, this --

199 Q (By Mr. Johnston) I understand. Okay.

200 Once again, I've asked this question in other

201 forms, in other ways. But just in the period

202 between September of '06 to January of '07 were

203 you engaged in any conversations with any other

204 private equity firms beyond KKR?

205 A. There may have been some follow-up

206 phone tag with Bank of America, but nothing really

207 discussed that I can think of.

208 Q. This won't take but a second, I don't

209 think.

210 MR. JOHNSTON: First of all,

211 let's make that Exhibit Number 3

212 (EXHIBIT 3 WAS MARKED.)

213 Q. (By Mr. Johnston) Let me hand you

214 another e-mail. Now, again, understanding this is

215 not coming from you. It's just sort of about you

216 coming from other people. Mr. Calbert is saying

217 that he's spoken with someone at -- at TPG. Is

218 that your understanding that's Texas Pacific

219 Group?

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111 A Yes I assume it is.  
 121 Q And it said, "They" -- meaning TPG --  
 131 "have been having conversations with Cal I will  
 141 brief you on verbally." Do you recall -- does  
 151 that refresh your recollection as to whether or  
 161 not you had any conversations in this general time  
 171 period?  
 181 A We have talked about these  
 191 conversations.  
 201 Q Okay  
 211 A They had been and -- but I don't  
 221 remember conversations with TPG in the period of  
 231 time you mentioned.  
 241 Q That I was talking about Right  
 251 A Yes.  
 261 Q And the reason I -- I pulled this out  
 271 is because it's dated in January of '07  
 281 A That's --  
 291 Q They may -- they may --  
 301 A "Had" is past tense Past, past tense  
 311 Q Okay  
 321 MR JOHNSTON We'll make that  
 331 the next numbered exhibit  
 341 (EXHIBIT 4 WAS MARKED )  
 351 Q (By Mr Johnston) Let me show you

111 another e-mail This is also from Mr Calbert.  
 121 MR AUBREY HARWELL: Doug, we  
 131 need one more.  
 141 MR JOHNSTON Did I mark that  
 151 last e-mail as an exhibit? If not, let me do it  
 161 now. Yeah Okay I thought I did.  
 171 Q (By Mr. Johnston) Again, understanding  
 181 this is coming from Mr Calbert and not from --  
 191 directly from you, let me ask you about the  
 201 comment he makes about what you expect and what  
 211 you think. "He said" -- "he said he thinks the  
 221 board will do the, quote, 'right thing,' unquote."  
 231 Do you recall having such a  
 241 conversation with Mr Calbert sometime in the  
 251 January 4, 2007 period?  
 261 A I don't recall it  
 271 Q Do you remember telling Mr Calbert at  
 281 any point about your thoughts that the board would  
 291 do the, quote, "right thing"?  
 301 A I've -- I've said that about the Dollar  
 311 General board many a time, and it seems reasonable  
 321 that I would have said that, but I don't -- I  
 331 don't remember it  
 341 Q I think you've already told us what you  
 351 thought the right thing and what -- what you

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111 thought the board would do in terms of what the  
 121 right thing was, I think, in your earlier  
 131 testimony Let me ask you about the next sentence  
 141 in there It says, "Perdue is still in the dark."  
 151 Do you know what he's making reference to there?  
 161 A No, I don't.  
 171 Q Okay  
 181 MR JOHNSTON. Let's make that  
 191 the next numbered exhibit, please. Is that 5?  
 201 Let me -- I do have one --  
 211 (EXHIBIT 5 WAS MARKED )  
 221 Q (By Mr Johnston) He's saying in that  
 231 e-mail to Mr. Roberts that he -- that you are  
 241 telling him that -- that your -- you believe that  
 251 the board is going to make a decision on moving  
 261 forward  
 271 A Is that what it says?  
 281 Q The sentence says, the third sentence,  
 291 "Cal expects a decision" --  
 301 A "Expects a decision" Okay  
 311 Q -- "to be made on moving forward."  
 321 And, again, understanding that this is coming from  
 331 him, not directly from you Do you recall telling  
 341 Mr Calbert that you expected that the board was  
 351 going to take some action regardless of whether it

111 was moving forward or any other kind of action?  
 121 A I don't recall telling him that.  
 131 Q Let me just ask you not necessarily to  
 141 concede anything, but just assume with me that you  
 151 did tell him that What would have been your  
 161 source of information that you would have relied  
 171 on in making such a comment, assuming it was made?  
 181 MR DIETZ Objection to the  
 191 form  
 201 MR RILEY Ditto Same  
 211 objection  
 221 A Well, I'm answering what my source of  
 231 information might have been? Is that the  
 241 question?  
 251 Q (By Mr. Johnston) Yes.  
 261 A Well, it might have been David Wilds,  
 271 but that would only have been about a meeting. It  
 281 would not have been about the sum and substance of  
 291 the meeting because I didn't get any disclosure of  
 301 that sort ever from David Wilds  
 311 Q Okay Any other possibles?  
 321 Mr Bortoff?  
 331 A Of course, the -- the only other  
 341 possible that comes to mind is Denny Bortoff.  
 351 There could possibly have been, but I don't think

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<p>111 so But you're asking about possibles</p> <p>121 Q I understand that I'm going to show</p> <p>131 you another e-mail We're going to jump back into</p> <p>141 December of '06</p> <p>151 A Okay</p> <p>161 Q He starts out by saying he had both</p> <p>171 lunch and dinner with you that day and then that</p> <p>181 he spent six hours in stores with Stonie O'Briant</p> <p>191 Who is Stonie O'Briant?</p> <p>201 A Stonie O'Briant was one time the head</p> <p>211 merchant, the executive vice-president of</p> <p>221 merchandising At one time he was over stores,</p> <p>231 but primarily merchandising was his area</p> <p>241 Q Did -- did you have a hand in putting</p> <p>251 Mr Calbert and Mr O'Briant together for this</p> <p>261 meeting or series of in-store meetings?</p> <p>271 A Yes, I did.</p> <p>281 Q He's got in here several bullet points</p> <p>291 that are his, quote, "takeaways," unquote Let me</p> <p>301 just ask you about each one of those. And I'm</p> <p>311 really just asking your thoughts on them The</p> <p>321 first one is that "Perdue has created a very</p> <p>331 political, divisive and autocratic management</p> <p>341 environment. He is known as the, quote, 'absentee</p> <p>351 CEO,' unquote, as he is out playing golf</p>	<p>111 frequently.* Any part of that come from you?</p> <p>121 A No.</p> <p>131 Q The second one -- and I think the rest</p> <p>141 of these really have to deal with the specifics of</p> <p>151 the -- of Dollar General, not so much</p> <p>161 personalities</p> <p>171 "The move to national brands out of</p> <p>181 private label is all Perdue and not embraced by</p> <p>191 the organization" Is that one of those areas in</p> <p>201 which -- with which you had disagreement with</p> <p>211 Mr Perdue?</p> <p>221 A This I didn't essentially know anything</p> <p>231 about This -- that Stonie O'Briant</p> <p>241 observation -- Stonie O'Briant observation</p> <p>251 Q Okay. About the national brands versus</p> <p>261 private label?</p> <p>271 A (Nodding head)</p> <p>281 Q What about the next one regarding the</p> <p>291 EZ store initiative?</p> <p>301 A Well --</p> <p>311 Q Is that one you were familiar with?</p> <p>321 A The EZ store initiative was talked</p> <p>331 about a lot in the company when it had the</p> <p>341 conference calls and everything, and I interpret</p> <p>351 this to be Stonie O'Briant's observation about EZ</p>
<p>Page 87</p> <p>111 store in the company I wasn't privy to that</p> <p>121 Q What is the EZ store initiative?</p> <p>131 A It's just as he mentioned. A</p> <p>141 consultant recommended and -- and then implemented</p> <p>151 initiative to make unloading the trucks and</p> <p>161 stocking the shelves more efficient</p> <p>171 Q Okay. The next one regards</p> <p>181 out-of-stock issues, poor merchandise assortment</p> <p>191 and standards below Family Dollar Is this an</p> <p>201 area that you -- where you were critical of the</p> <p>211 then current management?</p> <p>221 A No I had made a point of -- of</p> <p>231 staying out of the stores. It was just too</p> <p>241 painful, as a former CEO, for me to go into the</p> <p>251 stores. So I wasn't in touch with the condition</p> <p>261 of the stores and had, in fact, encouraged Mike</p> <p>271 Calbert to visit stores with Stonie O'Briant so he</p> <p>281 could get someone who could interpret to him the</p> <p>291 stores</p> <p>301 Q Okay.</p> <p>311 A Cal Turner was not the right one</p> <p>321 Q And the last one then, "Store labor has</p> <p>331 been cut too deep," did you know anything about</p> <p>341 that?</p> <p>351 A. No.</p>	<p>Page 88</p> <p>111 Q. The next paragraph, I think, is where</p> <p>121 he's talking about Mr. McMillon, and we've --</p> <p>131 A Yes</p> <p>141 Q. -- already talked about that?</p> <p>151 A Yes</p> <p>161 Q. And then finally it says, "Cal also</p> <p>171 wants to know the specifics of our partnership and</p> <p>181 his expected involvement" Did they provide you a</p> <p>191 response to that any time close to the time we're</p> <p>201 talking about in this e-mail mid December of '06?</p> <p>211 A. The only response I can recall their</p> <p>221 providing was some hypotheticals about CEO</p> <p>231 compensation that might elicit interest of this</p> <p>241 Sam's Club person, Doug McMillon.</p> <p>251 Q Okay.</p> <p>261 A. Not specifics of my involvement at all</p> <p>271 Q. Okay</p> <p>281 A. No.</p> <p>291 MR. JOHNSTON: Let's mark that as</p> <p>301 Exhibit 6.</p> <p>311 (EXHIBIT 6 WAS MARKED.)</p> <p>321 THE VIDEOGRAPHER: Excuse me,</p> <p>331 Counsel We need to change tapes, please</p> <p>341 MR JOHNSTON Okay</p> <p>351 THE VIDEOGRAPHER: This marks the</p>



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111 end of Tape Number 2 in the deposition of Cal  
112 Turner, Jr., Volume 1. Going off the record. The  
113 time is 1:21.  
114 (Recess.)  
115 THE VIDEOGRAPHER: Back on the  
116 record. Here marks the beginning of Tape Number 3  
117 in the deposition of Cal Turner, Jr., Volume 1.  
118 The time is 1:25.  
119 Q (By Mr. Johnston): Mr. Turner, were you  
120 advised by anybody on the board or anyone, for  
121 that matter, as to when the formal due diligence  
122 began and ended for KKR?  
123 MR. RILEY: Object to the form.  
124 A: I don't think so.  
125 Q (By Mr. Johnston): Okay. Throughout  
126 the first quarter of calendar 2007 was Mr. Calbert  
127 continuing his communications with you and  
128 discussions and touching base with you and that  
129 sort of thing?  
130 A: There was continuation of discussion,  
131 yes, or touching base, rather.  
132 Q: Yeah. And we just looked at the e-mail  
133 that was in mid-December of 2006 in which they  
134 were indicating that you were asking about what  
135 they thought your involvement was going to be and

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111 it but not wanting to do it and only for a short  
112 period of time to --  
113 A: Yes.  
114 Q: Okay. In some of the paperwork that I  
115 have seen there is an indication by Mr. Calbert  
116 and some others on the part of KKR that -- that  
117 they were concerned -- that may be too strong of a  
118 word, but concern is the one I'll use -- that --  
119 that your involvement would be limited to being a  
120 seller unless Mr. Perdue was terminated or fired  
121 as CEO. Was that anything that you ever discussed  
122 with Mr. Calbert or Mr. Roberts or anyone else  
123 with KKR?  
124 A: Well, that -- that's not like me, to  
125 say -- to make any demand of that sort. They knew  
126 that I wasn't pleased with the change of strategy  
127 under David Perdue and that it would, therefore,  
128 follow that I wouldn't support that same strategy  
129 if the company went private.  
130 But I had -- I had very little  
131 communication with David Perdue, and I just heard  
132 stuff about him as you always do about any CEO.  
133 But I don't recall ever saying, "He's got to go if  
134 I'm going to do anything." I don't recall that  
135 much discussion about my doing something anyhow.

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111 could they provide you some specifics  
112 During the first quarter of 2007,  
113 did you get any better idea of what it was that  
114 they were wanting you to do in the way of  
115 participation?  
116 A: No. No. I did not.  
117 Q: Did anyone from KKR broach the subject  
118 of you coming out of retirement to rejoin the  
119 company in the role of CEO?  
120 A: Mike Calbert asked me and was -- I  
121 don't remember -- I think it was when he was in  
122 Denver with me -- if I would consider that.  
123 Q: Do you remember roughly when that would  
124 have been?  
125 A: I'm not -- let's see. That must have  
126 been about a couple of months after I first met  
127 Mike and George in Nashville. So.  
128 Q: So the fall of 2006?  
129 A: Yes.  
130 Q: Latter part of 2006. And what was your  
131 response?  
132 A: I don't want to. I really don't want  
133 to. And only if it made sense for me to do it for  
134 an interim period of time.  
135 Q: By that you mean you were willing to do

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111 Q: Were you -- were you made aware that it  
112 was likely that Mr. Perdue would not be retained  
113 once the company went private at some point before  
114 Mr. Perdue was actually told?  
115 A: I heard disparaging comments on him,  
116 and it was easy enough to read between the lines.  
117 But I don't recall being told that he was going to  
118 be canned.  
119 Q: What kind of disparaging remarks did  
120 you hear?  
121 A: Such things as Mike Calbert telling me  
122 that he'd made a point of calling every Friday to  
123 talk to David Perdue and -- and he could never  
124 find him at work. You know, that sort of thing.  
125 Q: Okay. Let me hand you another  
126 document.  
127 A: Good.  
128 Q: This is a multipage document containing  
129 mostly almost entirely -- entirely handwritten  
130 notes Bates marked CT0140 through 0143. And while  
131 you're looking at that, let me ask my -- ask my  
132 first question which is -- is this your  
133 handwriting?  
134 A: Yes. Okay.  
135 Q: Okay. The first page of this is -- I'm

<p style="text-align: right;">Page 93</p> <p>111 not sure what this was. It may have been a sticky 121 pad or something that they made a copy of Is the 131 handwriting on that page as well as the rest of 141 the document all yours? 151 A Yes 161 Q What -- is this a -- just a piece of 171 paper that was stuck to the front of this or -- 181 A I don't know I don't know 191 Q. Do you know whether they go together? 201 A No. 211 Q All right Well, looking at just 221 what's on the first page then -- we'll take them 231 separately. Do you remember what -- was it you 241 taking notes in a phone conversation or something? 251 A These are my notes There -- there was a question posed See the Q? And I don't know what the question was, but the answer is not meaningfully more or maybe See, that's -- that's -- Q Okay Well, you've answered my first question, which is What was the question? A What was the question? I don't know what the question was And from the sketchy answer I can't fill it in either Q. Do you know who it was that was asking</p>	<p style="text-align: right;">Page 94</p> <p>111 the question? 121 A. No, I don't 131 Q Did this come from a telephone 141 conversation that you had or do you remember? 151 A I don't know 161 Q. Do you remember anything about taking 171 these notes? 181 A No, I don't 191 Q Looking down through it then, sorting 201 fact from fiction, do you know what that's about? 211 A No. 221 Q Tight -- 231 A Tight G -- 241 Q. -- G plan 251 A. -- plan Q Do you know what that's making reference -- they're your notes. A G plan. Q. Nothing? A No Q. Then "equity concerns " Any recollection about what that means? A No Q "Litigation, CEO"? A. No Two hundred million. I'm just</p>
<p style="text-align: right;">Page 95</p> <p>111 coming down with you. 121 Q Right 131 A "Two hundred million stake equal " 141 Q. "Same as others, no strings attached, 151 \$300 million total " Is this -- is this a 161 discussion, this part of it, a discussion about 171 what your possible role would be in investing in a 181 going private deal? 191 A Not my role in investing, but the 201 amount of investment that might be available, I 211 think, is what this is. 221 Q Okay. But the bottom line is you're 231 not sure because we don't remember where -- 241 A No 251 Q -- this came from? A I'm not sure Q. All right And -- and then turning over to the last three pages of this one document. You don't know whether the first page is related to the second -- second part of it, these three? A No, I don't Q Okay And I take it you wouldn't know -- the second page is dated 4/17/07 You don't know whether the first page is close in time to that or not?</p>	<p style="text-align: right;">Page 96</p> <p>111 A. No 121 Q. All right What do you remember about 131 the circumstances of these notes? What -- was 141 this a telephone conversation that you were having 151 with Mr Calbert? 161 A. I believe so 171 Q Is it generally your habit to take 181 extensive notes like this in -- 191 A No 201 Q. It's not So this would have been 211 something out of the ordinary? 221 A. Yes 231 Q And why in particular did you feel the 241 need to take notes on this particular occasion? 251 A Mike Calbert had been -- had sort of dropped off the face of the earth as to any communication Q He wasn't calling you every week anymore? A No. No There had been a big void of communication And our family as a potential investor was getting no information, no information at all So I wanted -- I have other family interest to -- I had other family interest to advise about what was coming down the pike with</p>

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<p>(11) Dollar General. So I made notes  (12) Q When you say "other family," you're  (13) talking about the --  (14) A Turner family  (15) Q -- trust and the foundation?  (16) A. Yeah Yes What --  (17) Q Right.  (18) A There are other Turner decision makers  (19) than Cal Turner, Jr. about this investment  (20) prospect And to add -- it was irritating that we  (21) had offers from Goldman Sachs to invest in a  (22) Dollar General deal, and we had no information  (23) forthcoming from KKR, and there had been these  (24) discussions So when I finally talked to Mike  (25) Calbert, I made notes  (26) Q What -- what do you mean when you say  (27) that it was irritating that you had information  (28) from Goldman Sachs?  (29) A Well, Goldman Sachs is the middleman  (30) and the investment is not -- is not the same with  (31) the middleman as it is with KKR, and I had had  (32) discussions with Mike Calbert of KKR But the  (33) discussions lapsed And then when I finally  (34) talked to him, I made these notes  (35) Q Okay The first several lines here of</p>	<p>(11) these notes -- is this just information that  (12) Mr Calbert was relating to you?  (13) A. Yeah I was just trying to remember  (14) I just wanted to be able to remember this  (15) conversation This is his start-off apology  (16) Q. Right  (17) A You know, haven't been avoiding you.  (18) Q Hadn't been avoiding you. He has been  (19) avoiding everybody, something like that?  (20) A I don't know -- I don't quite remember  (21) what the parentheses "everybody" means  (22) Q He's indicating down there that there's  (23) a \$1 billion demand for seven to \$800 million in  (24) supply And explain what he's saying to you  (25) there  (26) A Well, to me it's pretty  (27) self-explanatory Equity is syndication process  (28) is complete And he -- he is saying there's this  (29) much demand, investment demand, and he has this  (30) much supply It's oversubscribed.  (31) Q So is he telling you there that you may  (32) not be able to get as much as you want?  (33) A He's -- he's just telling me how good  (34) the deal is going  (35) Q Okay. Now, there's an arrow that goes</p>
<p>(11) up to the --  (12) A How well the deal is going. Excuse me.  (13) I'll have to correct my grammar  (14) Q I just moved right along  (15) A Okay  (16) Q I wasn't going to say anything  (17) There's an --  (18) MR. RILEY: is sounded right to  (19) you  (20) MR JOHNSTON Absolutely  (21) Q. (By Mr Johnston) There's an arrow  (22) there that points to -- from Q D.P. "Probably  (23) presented well" up to "management presentation "  (24) A Yeah Yeah I asked -- because I  (25) thought David Perdue probably would have presented  (26) well, you know  (27) Q In -- in his --  (28) A David Perdue is the management making  (29) the presentation  (30) Q In New York regarding the --  (31) A. The company  (32) Q -- the company and its prospects and  (33) all of that Is that your understanding?  (34) A. Yes  (35) Q Okay</p>	<p>(11) A David Perdue presents well  (12) Q And -- and the question, "D.P. probably  (13) presented well," was that your question --  (14) A Yes  (15) Q -- to him?  (16) A. Yeah Yeah How did -- how did he do?  (17) Q And then the answer there, A, is  (18) Mr. Calbert's response to you?  (19) A. Yes.  (20) Q His observations?  (21) A Yes.  (22) Q Okay A few lines down it says,  (23) "Trying to figure out timing with him He doesn't  (24) have a clue " What does that mean?  (25) A Well, I think this means that he is --  (26) he is thinking about what to do with Perdue and  (27) that Perdue and his ego doesn't -- doesn't imagine  (28) that -- that he wouldn't stay on as CEO and -- and  (29) Mike Calbert is trying to figure that out  (30) Q Further on down where it says, "A shot  (31) at new CEO on board," the next line, "Can D Bere'  (32) hold this together" -- is that Mr. Calbert asking  (33) you your opinion --  (34) A Yes  (35) Q -- or is that you asking Mr Calbert</p>

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<p>121 his opinion as to Mr Bere'?</p> <p>122 A That's Mr Calbert asking my opinion</p> <p>123 Q And your response there is yes?</p> <p>124 A Yes</p> <p>125 Q Okay. And then the last paragraph</p> <p>126 seems to be what you've just told us a few minutes</p> <p>127 ago about him calling and a lot of broken glass</p> <p>128 between him being Perdue and management?</p> <p>129 A Uh-huh</p> <p>130 Q And then the -- "are you willing to run</p> <p>131 this on an interim basis," is that you asking that</p> <p>132 question --</p> <p>133 A No</p> <p>134 Q -- or is that Mr Calbert asking you</p> <p>135 whether you were willing to run it?</p> <p>136 A No. This -- I believe this is Mike</p> <p>137 Calbert asking David Bere'.</p> <p>138 Q. Oh, I see</p> <p>139 A Call Bere' -- let's see I believe --</p> <p>140 I believe that is a conversation between Calbert</p> <p>141 and Bere'</p> <p>142 Q Okay. The first line in the second</p> <p>143 page of this CTO142 "If Perdue had ego in check</p> <p>144 and willingness to let you mentor " Is that you,</p> <p>145 you, Mr Cal Turner, Jr., mentor, or what is --</p>	<p>111 what's the context of this statement?</p> <p>112 A I'm having a hard time remembering</p> <p>113 who -- who that is I know it's Perdue. But</p> <p>114 if -- let's see. Are you willing -- on this -- on</p> <p>115 an interim basis "If Perdue had ego in check and</p> <p>116 willingness to let you mentor." There are</p> <p>117 different players here, and I'm not sure who the</p> <p>118 "you" is, whether it's -- whether it's Calbert to</p> <p>119 mentor Perdue or Bere' to -- I can't imagine -- I</p> <p>120 don't know, I don't know I'd have to speculate</p> <p>121 Q. Was Mr -- just as a -- your general</p> <p>122 feeling from this conversation that you had, was</p> <p>123 Mr Calbert trying to feel you out to see how</p> <p>124 readily you would be willing to jump in, not in</p> <p>125 any official role, but as a mentor to a new CEO,</p> <p>126 i.e., Mr Bere' or someone?</p> <p>127 A No I don't -- he was not doing that</p> <p>128 at this time</p> <p>129 Q. Okay Was there ever a point when --</p> <p>130 when Mr Calbert discussed any role like that with</p> <p>131 you?</p> <p>132 A The one time in Colorado when he asked</p> <p>133 me if I would come in, come back as CEO if I</p> <p>134 needed -- if I were needed.</p> <p>135 Q. And that's when you burned the steaks?</p>
<p>111 A It probably is when I burned the</p> <p>112 steaks But that's -- that's the only time I</p> <p>113 remember having that discussion.</p> <p>114 Q. Then there seems to be a discussion</p> <p>115 about the legal aspects of the transaction Is he</p> <p>116 saying between now and July I'll be deposed? Is</p> <p>117 that -- or is that you -- that you're going to be</p> <p>118 deposed or can you tell?</p> <p>119 A. It's referenced to him</p> <p>120 Q That he's going to be deposed. And</p> <p>121 then the next line, "inside" -- why don't you just</p> <p>122 read that I'm having some trouble reading all of</p> <p>123 what you've written there Is that "inside"?</p> <p>124 A Yeah "Between now and July I'll be</p> <p>125 deposed," and I believe these are the issues that</p> <p>126 would be involved in his being disposed, deposed.</p> <p>127 Excuse me</p> <p>128 Q That this was an inside deal and</p> <p>129 that --</p> <p>130 A. Uh-huh.</p> <p>131 Q -- the company, KKR -- excuse me -- did</p> <p>132 not pay enough for the company?</p> <p>133 A. And this was his apology for neglecting</p> <p>134 our communication.</p> <p>135 Q. I see.</p>	<p>111 A He had to take some heat from me for</p> <p>112 being unresponsive, the very idea of our getting</p> <p>113 information from Goldman Sachs and we can't</p> <p>114 even -- and there's no communication with you</p> <p>115 And this was his response to that.</p> <p>116 Q So he's saying here that he doesn't</p> <p>117 want to be -- when he gives his deposition, he</p> <p>118 doesn't want to be burdened with having had</p> <p>119 conversations with you about your role and that</p> <p>120 sort of thing Is that what this is about?</p> <p>121 A. Yeah And clearly he had no burden</p> <p>122 Whenever that would happen, he wouldn't have any</p> <p>123 burden because there wasn't communication</p> <p>124 Q I see The next line, I think, says,</p> <p>125 "My call that I could not meet on numbers " What</p> <p>126 does that mean?</p> <p>127 A He wouldn't -- it was Mike Calbert's</p> <p>128 call. He wouldn't meet with us to give us</p> <p>129 investment numbers that we deserved</p> <p>130 Q I see</p> <p>131 A He was not responsive</p> <p>132 Q. Okay You had been asking for those --</p> <p>133 A Yes</p> <p>134 Q -- and saying you were interested in</p> <p>135 them. They weren't --</p>

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111 A Yes  
 121 Q -- giving it to you and he's telling  
 131 you that that was his call.  
 141 A Yeah You've sold to other people  
 151 and -- and we don't even have any information We  
 161 have nothing, no information  
 171 Q Okay And then -- then -- so was it  
 181 your impression that he was apologizing to you for  
 191 this?  
 201 A Yes  
 211 Q Okay Then the next thing, "Hugely  
 221 valuable to talk about what to do with company and  
 231 who to be the CEO." What is he saying there?  
 241 A Well, he was -- he was trying to mend  
 251 fences with me because I was -- I was disappointed  
 261 in the absence of communication with him  
 271 Q Okay. So he's telling you that it's  
 281 valuable for him to talk to you -- valuable to him  
 291 to talk to you about what to do with the company  
 301 and who would be a good CEO and that sort of  
 311 thing?  
 321 A Yeah. He's working on his politics  
 331 some more.  
 341 Q He's doing that, getting back into it?  
 351 A Yeah

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111 Q Okay Then on the next page --  
 121 A Is there another page?  
 131 Q One more  
 141 A Oh  
 151 Q All right And he starts, "Going  
 161 forward A week away from D Perdue and starting  
 171 search." So he's telling you there that Perdue  
 181 has probably got another week in office and then  
 191 they're going to tell him in -- or another week  
 201 before he knows how long he's going to stay in  
 211 office and then they're going to start --  
 221 officially start a search. Now, by this point you  
 231 had already talked to them about this  
 241 Mr McMillon, correct?  
 251 A Uh-huh  
 261 Q It says, "You determine" -- I think --  
 271 "level of investment even without involvement"  
 281 Is he saying you, Cal Turner, Jr., determine your  
 291 level of investment?  
 301 A Yeah. Yes. Strictly as an investor.  
 311 Without Cal Turner involvement Just as a -- as a  
 321 pure investor  
 331 Q Okay Just to be clear, we're talking  
 341 about Cal Turner involvement It's not Cal Turner  
 351 involvement investing in the company It's Cal

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111 Q And then -- okay. Then you've got  
 121 "2nd, Your involvement" -- that's you, Cal  
 131 Turner's, involvement --  
 141 A Yeah  
 151 Q -- "is subject to the CEO we find"?  
 161 A Uh-huh  
 171 Q "The first objective, the absolute best  
 181 CEO, your role subject to the buy in of that CEO"  
 191 I'm not sure that I follow that, but I think I do.  
 201 But maybe if you can explain it, I'll understand  
 211 it better  
 221 A There is -- there is a different  
 231 communication here than the earlier political  
 241 communication of my involvement with the company  
 251 Now, any Cal Turner, Jr involvement hinges on  
 261 this other guy That's what he's saying here  
 271 Q Okay So other than being a seller,  
 281 your role in the company is going to be subject to  
 291 the new guy they pick Is that -- that what he --  
 301 A Uh-huh  
 311 Q Okay  
 321 A Yes.  
 331 Q Is that the first time that you had  
 341 heard that?  
 351 A I think so.

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111 Turner's involvement as a mentor or helping the  
 121 new CEO in some way or helping to strategize for  
 131 the near term or even the long term for the  
 141 company?  
 151 A Yes. It's without -- without that.  
 161 Q Right  
 171 A A pure investment decision  
 181 Q All right Then -- then he says, "The  
 191 timing is on our" -- their -- "side with  
 201 plaintiffs" Did he explain to you what he meant  
 211 by that?  
 221 A If he did, I don't remember it.  
 231 Q Then the next sentence there says,  
 241 "David Wilds is a real problem." Why would David  
 251 Wilds be a real problem?  
 261 A Well, I never did agree with him that  
 271 David Wilds was a real problem  
 281 Q Did he explain to you why he thought --  
 291 A The -- David Wilds had two hats to  
 301 wear Advisor to the Turner family and lead  
 311 investor -- lead director of Dollar General And  
 321 this is Mike Calbert making that comment, which  
 331 clearly was not the case, because David Wilds so  
 341 consistently built that wall between us so that  
 351 David Wilds, the director, I didn't communicate

<p style="text-align: right;">Page 109</p> <p>111 with</p> <p>112 David Wilds, the advisor to our</p> <p>113 family as potential investors, I did communicate</p> <p>114 with and I think Calbert is talking about the</p> <p>115 perception of a problem there. But I knew,</p> <p>116 because it was David Wilds he was talking about,</p> <p>117 that there was no problem of that sort</p> <p>118 Q How did you leave it at the end of this</p> <p>119 conversation?</p> <p>120 MR RILEY Object to the form.</p> <p>121 A I don't --</p> <p>122 MR RILEY I'm not sure what</p> <p>123 you're talking about.</p> <p>124 A Well, let me -- let me read the rest</p> <p>125 I think the last paragraph gives all the</p> <p>126 indication that I would have about how it was</p> <p>127 left</p> <p>128 Q (By Mr. Johnston) That is that -- that</p> <p>129 Mr. Calbert was going to get back with you on an</p> <p>130 amount that the Turner family interests would be</p> <p>131 allowed to invest?</p> <p>132 A As a pure investment</p> <p>133 Q. Right. Did you have a time frame for</p> <p>134 when he was going to do that or provide that for</p> <p>135 you?</p>	<p style="text-align: right;">Page 110</p> <p>111 A. No. I think he kept that to himself</p> <p>112 Q Now, at some point earlier in that</p> <p>113 document it indicates that there's maybe 200</p> <p>114 million that they were talking about. At some</p> <p>115 point was there discussion about your investment</p> <p>116 at a substantially higher level than that, 400 or</p> <p>117 500 million?</p> <p>118 A. Well, I had learned that somehow or</p> <p>119 other there had been that kind of allotment, that</p> <p>120 that much had, it seemed to me, arbitrarily been</p> <p>121 made available. There had been no discussion of</p> <p>122 it.</p> <p>123 And considering that our family</p> <p>124 owned a lot more than that, I was concerned about</p> <p>125 whether enough had been allotted. I didn't yet</p> <p>126 know of the total family interest in -- in it, but</p> <p>127 there could conceivably have been more interest,</p> <p>128 investment interest, in our family than the 200</p> <p>129 million that they were allotting</p> <p>130 So that was the only discussion</p> <p>131 of -- of there being more that I would bring up</p> <p>132 that would seem that there should be more</p> <p>133 available to our family</p> <p>134 Q. At a later time, at some point later on</p> <p>135 in the process in May or June of 2007, did you --</p>
<p style="text-align: right;">Page 111</p> <p>111 did you let Mr. Calbert -- did you tell</p> <p>112 Mr. Calbert that the family interests wanted to</p> <p>113 invest as much as four to 500 million in this</p> <p>114 deal?</p> <p>115 A. No. I just -- I said, we -- there</p> <p>116 might be interest --</p> <p>117 Q. I see</p> <p>118 A. -- in more than you have allotted, and</p> <p>119 I don't recall that I said 400 or 500. But it</p> <p>120 only seemed fair that the Turner family be</p> <p>121 allotted more than the 200 that he had talked</p> <p>122 about</p> <p>123 Q. And why do you say that?</p> <p>124 A. Because of how much we owned</p> <p>125 Q. Was there a time when anyone from KKR</p> <p>126 indicated to you that you would be allowed to</p> <p>127 do -- invest more than 200 million?</p> <p>128 A. I don't think so</p> <p>129 Q. Did Mr. Calbert get back with you at</p> <p>130 some point and let you know how much they were</p> <p>131 willing to provide you?</p> <p>132 A. I don't remember there being any</p> <p>133 indication of any more than this 200 to maybe 300</p> <p>134 million that's mentioned in this memo. I don't</p> <p>135 recall what follow-up communication he had, but I</p>	<p style="text-align: right;">Page 112</p> <p>111 do know that that's the total amount that was</p> <p>112 indicated to be available</p> <p>113 Q. During that period that we're talking</p> <p>114 about, which is generally April to -- through June</p> <p>115 of 2007, did anyone from KKR provide you figures</p> <p>116 showing their own projections over five, 10-year</p> <p>117 period for growth within the company?</p> <p>118 A. We finally had a telephonic</p> <p>119 presentation, and it was essentially the same</p> <p>120 information that Goldman Sachs had available to</p> <p>121 all the -- all their customers, their -- their</p> <p>122 projections and their scenarios, and -- and yet</p> <p>123 that came after the deal was well sold, and the</p> <p>124 amount of stock available was just 200 -- maybe as</p> <p>125 much as 300 -- million</p> <p>126 Q. You ultimately made the decision, you,</p> <p>127 Cal Turner, Jr. and the other Turner interests,</p> <p>128 ultimately made the decision to be a seller, not</p> <p>129 an investor; is that correct?</p> <p>130 A. That is correct.</p> <p>131 Q. And why were those decisions by</p> <p>132 yourself and, to the best of your knowledge, the</p> <p>133 other Turner interests made?</p> <p>134 A. Well, the -- the prospect of -- of my</p> <p>135 involvement in the company had waned and the</p>

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131 management of the company I wasn't sure that I  
132 wanted to be a part of and the \$22 a share was a  
133 darn good price, and it just made sense for me and  
134 my family to -- to take the \$22 a share and for me  
135 not to have any continued involvement.

136 Q You -- you mentioned just a few minutes  
137 ago the telephonic presentation, and I think your  
138 comment there was that the numbers were basically  
139 the same numbers that Goldman Sachs had been  
140 providing

141 A Yes

142 Q Goldman being the -- as you put it  
143 earlier, the -- the middleman --

144 A Uh-huh.

145 Q -- in the process Do you remember  
146 whether or not there were growth rates projected  
147 that exceeded the rate of inflation in those  
148 numbers?

149 A I don't remember the numbers, but --  
150 I'm sorry. I really don't remember the numbers  
151 What I remember from the numbers was my one  
152 important impression that they could enhance  
153 financial performance by increasing markup, and  
154 that made me uninterested in involvement with  
155 them I can remember that

111 Q Jacking up the price for your  
112 customers?

113 A Yes. Which is very unTurner like in  
114 managing that company.

115 Q Do you remember anything about the  
116 involvement in the presentation regarding internal  
117 rates of return?

118 A I'm sorry I don't I was always the  
119 CEO Never a CFO.

120 MR. JOHNSTON: Why don't we go  
121 off the record Let me have a few minutes to look  
122 at some other documents.

123 THE VIDEOGRAPHER Stand by,  
124 please. Going off the record. The time is 2:09.  
125 (Recess.)

126 THE VIDEOGRAPHER Back on the  
127 record The time is 2:17

128 Q. (By Mr Johnston) Mr Turner, I've  
129 just got a few last things I'm going to ask you to  
130 look at and identify But before I do that, I  
131 want to go back and revisit something we were just  
132 talking about before we took the break, and that  
133 is the -- the telephonic presentation that you  
134 talked about a little bit ago

135 You said that they -- KKR provided

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131 you basically the same numbers that you had gotten  
132 from Goldman Sachs which you had referred to a  
133 little earlier as the middleman Explain, if you  
134 would, please, for the record what you mean by  
135 Goldman Sachs being the middleman

136 A. They were allocated some stock from KKR  
137 which they marked up and sold --

138 Q All right

139 A -- to their customers.

140 Q And so were you contacted, you, Cal  
141 Turner, Jr and/or the Turner -- other Turner  
142 interest, by Goldman Sachs --

143 A. Yes.

144 Q -- to buy some of this?

145 A Yes

146 Q. Did you find that to be a little odd in  
147 that -- that you had been talking with Mr. Calbert  
148 all of this time about investing with them and  
149 here you're being contacted by Goldman Sachs?

150 A I found it annoying

151 Q That's fair

152 MR. JOHNSTON Yeah And I'm --  
153 I'm reminded that I did not mark the last -- the  
154 handwritten notes that we went over as an exhibit  
155 So let's do that now as Exhibit Number 7

111 (EXHIBIT 7 WAS MARKED )

112 Q. (By Mr Johnston) Just a -- just a  
113 couple of last things to tie some things up. Let  
114 me hand you another document that is handwritten  
115 notes

116 MR. JOHNSTON And so I don't  
117 forget, let's just go ahead and mark this as  
118 Exhibit 8

119 (EXHIBIT 8 WAS MARKED )

120 A. Okay

121 Q (By Mr. Johnston) This document --  
122 first of all, is this your handwriting?

123 A Yes.

124 Q. This document goes back to the -- when  
125 we were talking about your educating yourself at  
126 the beginning of this deposition and you were  
127 talking about one of the people that -- or one of  
128 the entities you went to see was Bank of America  
129 and they gave this presentation Is this set of  
130 notes from that presentation?

131 A Yes

132 Q And is it, as you have -- as you've  
133 said earlier, this is them educating you as to how  
134 the process works?

135 A Yes

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<p>121 Q. All right. Then the other document --</p> <p>122 yes. Thank you -- I want you to look at that</p> <p>123 We'll go ahead and mark it as Exhibit 9.</p> <p>124 (EXHIBIT 9 WAS MARKED)</p> <p>125 A. Golly.</p> <p>126 Q. (By Mr. Johnston) While you're looking</p> <p>127 at this, can you just tell me -- is that your</p> <p>128 handwriting?</p> <p>129 A. That's my handwriting.</p> <p>130 Q. Okay.</p> <p>131 A. I didn't know I wrote so much.</p> <p>132 Q. The first question is. Do you remember</p> <p>133 the date that this --</p> <p>134 A. No. My father told me always to put a</p> <p>135 date on the top of every piece of paper, and</p> <p>136 I'm -- I'm sorry, Daddy. I didn't do it. I hear</p> <p>137 ya.</p> <p>138 Q. Do you know approximately when this</p> <p>139 would have been, reading the document?</p> <p>140 A. Well, I think they had not yet met Doug</p> <p>141 McMillon. So I -- this was reasonably early in</p> <p>142 our discussion, I guess.</p> <p>143 Q. Well, let's --</p> <p>144 A. I don't know -- I don't know when. I'm</p> <p>145 sorry. I don't know when.</p>	<p>151 Q. Let's -- there's a -- there's a couple</p> <p>152 of things that -- let me point out to you in that</p> <p>153 regard. First of all, the very first couple of</p> <p>154 lines, "KKR signed with debt arranged. Road show</p> <p>155 not a big deal but Perdue locked in on. Only --</p> <p>156 but only 300 million in equity arranged." That</p> <p>157 sounds like it must have been --</p> <p>158 A. Yeah.</p> <p>159 Q. -- after the deal was announced.</p> <p>160 A. It does sound that way. Yeah.</p> <p>161 Q. But before, you know, July or so. So</p> <p>162 it was sometime in April or May perhaps?</p> <p>163 A. Perhaps.</p> <p>164 Q. And then at the very end of it on the</p> <p>165 third page there's some discussion about 200</p> <p>166 million to 250 million desired by your group, et</p> <p>167 cetera. So you're in that period when you're</p> <p>168 talking about the amount that you're going to roll</p> <p>169 over into this if you are going to. So probably</p> <p>170 then we're talking about springtime, perhaps early</p> <p>171 summer of 2007. Would that be fair?</p> <p>172 A. I would say so. More likely spring.</p> <p>173 Q. Okay.</p> <p>174 A. Late -- late spring.</p> <p>175 Q. Now, are these notes that were taken</p>
<p>181 contemporaneous with a phone call or meeting or is</p> <p>182 it -- or is it a set of notes that you sat down</p> <p>183 and wrote after a conversation or meeting?</p> <p>184 A. I sat down and wrote these notes after</p> <p>185 some conversation because the -- the lines are too</p> <p>186 filled in for it to have been taken during a</p> <p>187 conversation.</p> <p>188 Q. Do you know who the conversation was</p> <p>189 with?</p> <p>190 A. No.</p> <p>191 Q. The very first two lines, "Good dash</p> <p>192 Bere" -- I don't know if that's Trehle or Trehle.</p> <p>193 A. Trehle.</p> <p>194 Q. And then Lanigan.</p> <p>195 A. Uh-huh.</p> <p>196 Q. Is that Ms. Lanigan?</p> <p>197 A. That's the good talent. That's the</p> <p>198 good -- I'm glad -- I saw that. I thought --</p> <p>199 Q. And then -- then below that there's a</p> <p>200 dash and then Perdue. I don't know how to</p> <p>201 pronounce that.</p> <p>202 A. Oh, yeah. I know what you're talking</p> <p>203 about now.</p> <p>204 Q. All right. What are we talking about?</p> <p>205 A. Well, we're talking about the good on</p>	<p>211 the first line and the questionable on the second</p> <p>212 line.</p> <p>213 Q. The questionable being Mr. Perdue?</p> <p>214 A. Uh-huh.</p> <p>215 Q. Who is -- how do you pronounce that</p> <p>216 name?</p> <p>217 A. Kathleen Guon.</p> <p>218 Q. Guon? And who is she?</p> <p>219 A. She was head of -- is head of store</p> <p>220 operations.</p> <p>221 Q. And then Bewley?</p> <p>222 A. Head merchant.</p> <p>223 Q. And --</p> <p>224 A. And Challis Lowe is the head of HR</p> <p>225 Challis, whom I really didn't know and hadn't met.</p> <p>226 Q. Okay. And why -- why was this at the</p> <p>227 top of this page? What -- what did this have to</p> <p>228 do with whatever this conversation was?</p> <p>229 A. I don't know -- I don't remember what</p> <p>230 it had to do with the conversation. I can tell</p> <p>231 what it's saying. There are two categories of</p> <p>232 management on Line 1 and Line 2, and I don't --</p> <p>233 but I don't remember how it relates to what was</p> <p>234 said.</p> <p>235 Q. Okay. A few lines down it says, "TPG</p>



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111 didn't get approval of investment committee Mike  
 112 Calbert sweating it George Roberts didn't lose  
 113 any sleep " What does that mean?  
 114 A. That's some after-the-fact information  
 115 about what happened.  
 116 Q Mike Calbert was sweating that they  
 117 might get the approval of the investment committee  
 118 and George Roberts didn't lose any sleep over it  
 119 one way or the other? What does that mean?  
 120 A Well --  
 121 MR RILEY. Object to the form  
 122 A. -- I believe what this is about is the  
 123 joint undertaking of KKR and TPG wound up being a  
 124 sole undertaking of KKR and Mike Calbert was  
 125 sweating it but not George  
 126 Q (By Mr Johnston) Okay, I don't want  
 127 to spend a long time on this But a few lines  
 128 down in the discussion where -- that starts out  
 129 "D. Perdue colon" --  
 130 A Okay How many lines?  
 131 Q And it -- "Mike C. has called him lots  
 132 in last two weeks (more than directors in a year)  
 133 asking, quote, 'Where were you last Friday and  
 134 diff story than, quote, 'shingles,' unquote to  
 135 D Wilds " What does that -- do you know what

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136 this means?  
 137 A. I don't remember the absence that is  
 138 being referenced, but I think there was a story of  
 139 David Perdue having shingles which came to David  
 140 Wilds and there was another story explaining  
 141 absence to Mike Calbert.  
 142 Q It was different from the one that  
 143 was --  
 144 A Different from the shingles  
 145 Q I see Okay Then below that,  
 146 "Perdue, colon, only two negative Turner remarks "  
 147 A Yeah  
 148 Q. "First meeting, question mark. I can't  
 149 take this much longer, et cetera " Do you know  
 150 what that's making reference to?  
 151 A That's in a first meeting between David  
 152 Perdue and one of those LPO -- LBO group, either  
 153 TPG or KKR. He just can't take the Cal Turner --  
 154 Turner stuff much longer I think is what that  
 155 means. And the second one --  
 156 Q Who can't?  
 157 A David Perdue Is what David Perdue  
 158 said in that meeting  
 159 Q I see  
 160 A "Perdue made only two negative Turner

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161 remarks "  
 162 Q I see. Okay  
 163 A And the second, "When Steve called to  
 164 inquire about investing in the deal "  
 165 Q Who is Steve T?  
 166 A That's my brother, Steve Turner  
 167 Q. Oh, Steve Turner I see And he was  
 168 calling who?  
 169 A I don't know anything about that  
 170 Q Okay  
 171 A That's -- I just -- I just took the  
 172 note I don't know whether that happened or  
 173 didn't happen.  
 174 Q All right Then Perdue essentially  
 175 being fired by his team S Lanigan most  
 176 negative." What does that mean?  
 177 A. Well, what it means is that the  
 178 decision to fire David Perdue was not considered a  
 179 KKR decision but rejection of Perdue by his team  
 180 Q On the next page -- you know, we don't  
 181 have to go through a lot of detail I just want  
 182 to be sure what this paragraph is really talking  
 183 about is Mr McMillon as a possible CEO or various  
 184 scenanos in which he might be -- might become  
 185 involved.

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186 A. Okay So what is the question?  
 187 Q Is this about Doug McMillon and --  
 188 A. Yes.  
 189 Q -- possible involvement as a CEO or --  
 190 A Yes.  
 191 Q. -- in some capacity? Okay The very  
 192 last sentence of the document, "Mike got new  
 193 perspective on my potential involvement " Can you  
 194 explain what that is in reference to, what you're  
 195 meaning?  
 196 A I'm sorry I don't remember what that  
 197 means  
 198 MR. JOHNSTON Mr Turner, I  
 199 think that's all the questions that I have I  
 200 appreciate very much your coming in today.  
 201 However, you've got all these other lawyers, and  
 202 I'm sure they want to spend at least as much time  
 203 as I did.  
 204 MR RILEY We don't have any  
 205 questions  
 206 THE VIDEOGRAPHER Everybody  
 207 stand by, please This concludes the deposition  
 208 of Cal Turner, Jr, Volume 1 Number of tapes  
 209 used was three Going off the record The time  
 210 is 2:37.

111 (Deposition adjourned at 2:37 p.m.)  
121 FURTHER DEPOSITION SAITH NOT.

141  
151 SWORN to before me when taken,  
161 May 6, 2008

171  
181 -----  
191 Rhonda S. Hornung, RPR  
Notary Public, Tennessee  
My Commission Expires 1/03/11

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111 ERRATA  
121 I, CAL TURNER, JR., having read the foregoing  
131 deposition, Pages 6 through 124, taken May 6,  
141 2008, do hereby certify said testimony is a true  
and accurate transcript, with the following  
changes, if any:

151 PAGE LINE SHOULD HAVE BEEN

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1201 CAL TURNER, JR.

1211 Notary Public  
1221 My commission expires: