

Ghildarducci tight lipped; creamery accountant talks

Former CEO Rich Ghildarducci invokes the Fifth; accountant Frank Gloeggler answers questions at deposition for six-and-a-half hours

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The deposition of former Humboldt Creamery CEO Rich Ghildarducci last Thursday took just 45 minutes. The next day, the creamery's accountant, however, talked for six-and-a-half hours.

What was learned from the two depositions held late last week in San Francisco? Obviously, not much from Ghildarducci, who claimed the Fifth Amendment during the entire course of questioning by attorney Gail Greenwood on behalf of the Unsecured Creditors Commit-

tee.

Accountant Frank X. Gloeggler, however, was more forthcoming, although those in attendance at the deposition told *The Enterprise* that his testimony was "extremely dry."

The creamery's Acting CEO Len Meyer said he received a transcript of the deposition and that it "could be any interview with an auditor about any business.

"Did you test this? Were you physically there? Did you issue a full audit?" said Meyer, describing the questions asked of the Fortuna accountant, who he believed had been auditing the cream-

ery's books for a dozen years. Gloeggler's answers to the questions were in the positive. He also said, according to Meyer, that he received data from more than one source.

"He said he received account sheets from six people and worked with a variety of employees," said Meyer, adding that the accountant also confirmed that "most of his interactions were with Rich."

Meyer said obvious is the weakness in the creamery's audit practices.

"The deposition seems to point out someone who is trying to do their

job and trying to follow the rules to do a reasonable job, but still missing some very significant things," said Meyer, noting that the creamery kept the same accounting firm over the years and ignored "pretty standard practices to switch auditors from time to time."

He also noted that audits were not delivered to the board of directors in recent years, a fact confirmed by *The Enterprise* with several creamery board members.

In attendance at the deposition on behalf of the unsecured creditors were Steve Will of Steve Will's Trucking Company and

Ray Gutierrez of California Dairies, Inc.

Gloeggler's attorney, Paul Fife of San Francisco, said he or his client couldn't comment to *The Enterprise* on the testimony since accountants "can't comment on clients' business affairs.

"I can tell you he was helpful and answered all the questions regarding the audits through 2007," Fife told *The Enterprise* on Tuesday. "But, he couldn't provide information on 2008 since he did not audit them."