

RPTS KESTERSON

DCMN ROSEN

COMMITTEE ON OVERSIGHT AND  
GOVERNMENT REFORM,  
U.S. HOUSE OF REPRESENTATIVES,  
WASHINGTON, D.C.

INTERVIEW OF: DIXIE CARTER

Thursday, December 6, 2007

Washington, D.C.

The interview in the above matter was held at Room  
2157, Rayburn House Office Building, commencing at 1:04 p.m.

Appearances:

For DIXIE CARTER:

PLATO CACHERIS  
ATTORNEY AT LAW  
TROUT CACHERIS, PLLC  
1350 Connecticut Avenue, N.W.  
Suite 200  
Washington, D.C. 20036

JOHN F. HUNDLEY  
ATTORNEY AT LAW  
TROUT CACHERIS, PLLC  
1350 Connecticut Avenue, N.W.  
Suite 200  
Washington, D.C. 20036

For COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM:

BRIAN COHEN, SENIOR INVESTIGATOR AND POLICY ADVISOR  
SARAH DESPRES, SENIOR HEALTH COUNSEL  
SAM BUFFONE, STAFF ASSISTANT  
JENNIFER SAFAVIAN, MINORITY COUNSEL  
BENJAMIN CHANCE, MINORITY CLERK

Mr. Cohen. This is an interview of Dixie Carter conducted by the house committee on oversight and government reform. This interview is part of the committee's investigations into the use of performance enhancing drugs in professional wrestling.

Mr. Cohen. Ms. Carter, can you please state your full name for the record.

Ms. Carter. Dixie Carter Salinas.

Mr. Cohen. My name is Brian Cohen. I'm a member of the majority staff. Ms. Carter, you're represented by counsel. Can your counsel state your full names for the record as well?

Mr. Cacheris. Plato Cacheris and John Hundley representing Ms. Carter.

Mr. Cohen. Let's have the other people in the room identify themselves as well.

Ms. Despres. Sarah Despres with the majority staff.

Mr. Buffone. Sam Buffone, majority staff.

Ms. Safavian. Jennifer Safavian, Republican staff.

Mr. Chance. Benjamin Chance, Republican staff.

Mr. Cohen. Before beginning, I have a few standard instructions and explanations regarding the interview to go over. The reporter will be recording everything you say and will make a written record of the interview. As you give

answers, please give verbal, audible answers because the reporter obviously cannot record nods or gestures. I'm going to ask you questions on a particular subject matter. When I finish my questions on a specific matter, I'll turn to my colleagues and ask them if they have any additional questions. We'll make every effort not to take up any more of your time than we need to collect the information that we need. If you need a break at any time, please let us know and we can step out and take a couple of minutes to rest and relax. This is not a deposition. So you'll not be placed under oath. You're required by law, however, to answer questions from Congress truthfully. Is there any reason you're unable to provide truthful answers in today's hearing.

Ms. Carter. Absolutely not.

Mr. Cacheris. I understand we'll be given a copy -- access to the transcript to review when it is completed?

Mr. Cohen. Correct. You'll be invited in -- it is usually 2 or 3 days?

Mr. Buffone. Within a week.

Mr. Cohen. Within a week or so, we'll have the transcript and we'll invite you in to review it. You can't take it with you or make copies, but you can review it and make any changes.

Mr. Cacheris. We will probably do it after the

holidays if you don't mind, Brian.

Mr. Cohen. I think that will work okay.

Mr. Cacheris. That will work, won't it?

Mr. Cohen. I'm almost certain it will.

Mr. Cohen. I will be asking questions about several specific documents during today's interview. I'll ask that as we ask those questions, we also put those documents into the official transcript record. Do you have any questions before we begin?

Ms. Carter. No, sir.

Mr. Cacheris. What is the confidentiality of this transcript, Brian? It is obviously shared with all of you and your members, I guess.

Mr. Cohen. We as a committee, we always have the -- the committee always has the right to make these kind of interviews public. In this case, that is decided pursuant to committee rules. In this case, we have not made any decision.

Mr. Cacheris. No decision?

Mr. Cohen. That's correct.

Mr. Cacheris. Okay. All right.

#### EXAMINATION

BY MR. COHEN:

Q All right. We'll begin by asking some background questions about TNA wrestling and your role at TNA. First,

please state your current position for the record.

A I'm currently President of TNA wrestling.

Q And what are your responsibilities in that position?

A I'm ultimately responsible for everything that happens within the company.

Q How long have you been TNA president?

A I've been president since the spring of 2003.

Q And can you briefly describe your professional experience prior to your current job with TNA?

A Prior to TNA wrestling, I owned my own company in Nashville and moved there at 26 years old and started my own company in the music business and entertainment business and represented a variety of different music acts and worked in the motion picture industry some and represented a few athletes as well mostly in the marketing, PR and promotions side of the industry. But right before this, I was doing management, artist management as well.

Q Okay. If you could just give us a little slightly description of your roles and your day-to-day responsibilities within TNA.

A I was first brought in -- I was offered the opportunity to take a meeting with TNA wrestling, and quite honestly, I was not a fan of current wrestling products, but I knew it was a big business and so I took the meeting anyway, and was very impressed with the people that were

there and it seemed completely out of character from what my perception of the business was. And I took on TNA wrestling as a client and I handled their marketing, PR and promotions when I first started the company. It was a very, very small served, funded company and they lost its funding weeks after its first show quite honestly, and people only gave them weeks to survive anyway.

So it was right on time. And then I helped them find an investor which happened to be my family's company out of Dallas. It is an energy company and it was a completely nonstrategic investment for them but they felt like, you know, there was only one competitor in the industry and that there was an opportunity there. And so I continued on in that same role until the spring of 2003 when I was -- I moved into the presidency.

Q Okay. Can you walk us through the organizational structure of TNA Wrestling?

A Currently?

Q Uh-huh.

A Currently we finally had some dollars to hire some people to do some stuff. We have -- the company is -- it centers around the creative process. It is -- really, we're scripted television. And up until just recently and in our future plans for 2008, we've done nothing but be a television production company. We didn't tour. We held, on

average, three shows a month all for television purposes. So under that, the biggest part of our group would be the creative guys who write and script the television show. And then we have the production company who -- you know, the director, the producers and the truck and then those people. And these are all just day workers for us. But we do have a production crew that comes in on day of show.

And we have very bare, like, up until recently, one PR person, one marketing person that we just hired earlier this year. We have a licensing -- two people in licensing. We do our toys through Marvel, which does Spiderman and the Incredible Hulk. We have a video coming out in May of '08 with Midway. So that is a division that has grown with us through our television exposure. Then -- excuse me, one more, International. We take our domestic television show and then we license it internationally as well.

Q Okay. Can you describe the employment relationship between --

A The what relationship?

Q The employment relationship between your talent -- I'm going to ask this question in two parts. First, your creative talent. Is your creative talent, are they full-time staff or are they brought in on a --

A No. They are all independent contractors, but we do have a contract with them. Up until just recently, our



talent -- when we first started, they were on literally four weeks at a time and we only had a few of them because we didn't know how long we were going to stay in business. And then we signed more. But because we only worked with them -- if every single guy was on every show which would never happen anyway, the most they could work would be 36 times a year with us which was on average three times a month. But we did have them under contract just where they could not go work for the only competitor that we would care about, which would be the WWE, but we allowed them -- there is a multitude of other organizations, domestically and internationally, wrestling companies that they also worked for.

Q Okay. So to clarify, the employment relationship between the wrestling talent and TNA, the wrestlers are considered independent contractors?

A Correct.

Q But there is contractual provisions that --

A Just to prevent them from WWE.

Q And allow them to work with any other organization?

A Correct.

Q How many wrestlers do you currently have under contract?

A Currently we have between 50 and 60. We just signed a big two-hour television agreement with Spike TV which is

the biggest milestone in our companies history. So we have just recently acquired more talent to be able to fill from one hour to two hours worth of programming.

Q And what is the typical length of contract between TNA and its wrestlers?

A There is not one set one, but it is as least -- we try to on ones -- we would like to have longer relationships with, I believe it is one year with two one-year options. Some of them are under contract as show to show.

Q I was going to say, are there short-term contracts as well?

A Very much so, yes, sir.

Q Okay. And can you give us a sense of the pay structure for your talent? What are wrestlers typically paid and what is the range of salaries for your wrestlers?

A This is the confidential part, but -- the confidential part, but --

Mr. Cacheris. She feels it is confidential. So she'll tell you to answer your question.

Ms. Carter. I have no problem you knowing, but just the average wrestling fan.

Ms. Safavian. I don't think we're asking for any names of individuals.

Ms. Carter. No, but they'll know. They'll start off at --

BY MR. COHEN:

Q To clarify -- before you answer this question, I'll again reiterate what I told you at the beginning. The committee always reserves the right to make this material public. Of course, we'll take your considerations into account as we go through those deliberations.

A They are usually paid in -- between -- I'd say 90 percent of our talent are paid [REDACTED] per show. There are a few exceptions that are paid more than that, but that is the solid range.

Q Okay. And --

A And they're paid per appearance.

Q I was going to say the basis is per appearance.

A So it is not a lot of money. That's why we -- you know, they do work outside as well.

Q Okay. You had started to go over this a little bit. Can you walk us through TNA's current schedule, how your schedule is set up?

A Yes, absolutely. Up until October 4th, we had a one-hour show on Spike TV, and we deliver a 1 hour pay-per-view every month to, like, In-Demand and Direct TV and DISH, where you pay \$29 to get the show. On Spike TV, when we had one show, because we were operating in the red, we were taping two shows a day. We film at Universal Studios in Orlando. We were taping two shows a day. So we

would film two 1-hour shows. When we went to the 2-hour format on October 4th, we couldn't do 4 hours of taping in one day. So now we do -- if we have a pay-per-view, it is Sunday and then we'll tape Monday, Tuesday. So they go to Orlando and we'll tape Sunday, Monday, Tuesday there. And then we'll wait 2 weeks and then come back Monday, Tuesday. That's on average what we do.

Q So how many shows -- your typical wrestler, how many ~~shows~~ will they do in a given year?

A For us?

Q Uh-huh.

A The most they can do if they are on every single show and very few are on every single show would be 64 now.

Ms. Despres. A year?

Ms. Carter. Yes, ma'am.

BY MR. COHEN:

Q And typically on a given show what -- how many wrestlers -- I guess it is changing a little bit because you are going to 2 hours. But say a 2-hour show -- now you've got 50 to 60 on a contract. A typical 2-hour show, how many wrestlers will you use?

A A typical 2-hour show, you might have as many as 40, maybe a few more on the show where half of them or more than half may not wrestle, but they'd be used in the scripted story lines to further character development and things such

as that.

Q Okay. What is TNA's annual revenue?

A This year we should do -- it would be \$15 million.

And I would like to check that number. I'm not --

Q And can you walk us through the sources of that revenue?

A Absolutely.

Q Just in a general sense giving us how much they contribute to the company?

A Absolutely. The licensing fee from Spike is a majority of that. We have pay-per-view licensing and international licensing and then we have merchandise and toy sales and things such as that. And the first three would be the majority of our income, you know, pretty much evenly split. Maybe a little more in television rights.

Q Okay. And you've got no Live Gate component of your revenue? It is --

A Well, we've toured so few times, what we'd call a house show, which is a nontelevised show. It is something we want to do. Up until this point, we have been mostly a television production company, but we want to get out there and start touring. But you have to create the demand first. It is a very expensive business. So our goal in 2008 is to tour. And we have tested the waters in a few markets this year before we get out there next.

Q Okay. And with regard to your television ratings, what is TNA's prime demographic?

A We hope our prime demographic is men 18 to 34, but men 18 to 49 is really what Spike TV is looking for and what we have a tendency to deliver the highest demo in.

Q Okay. Are adolescent males and adolescents in general an important demographic for TNA?

A They are not at all to the network. Really they just look at that 18 to 49, really 25 to 34 is their key demo that they're going after, you know. But to us, we're kind of -- we call ourselves Shakespeare to the masses. So it is really -- you know, we pride ourselves on being a family friendly show. So we're trying to get the grandparents back to bringing their children. Where, you know, I would not let my children watch other product necessarily, we try to make it where, you know, it appeals to all ages.

Q How do you do that? What is your -- how would you describe the differences between say the WWE show and a TNA show?

A The pay-per-views have a rating of a TV 14. So your pay-per-views have a tendency to go a little bit more, be a little bit more violent in like a brutal type of match, like a cage match or you'll see things such as that. But on television, we bleep out our language. We film at Universal

Studios. We are a park attraction. So if that gives you any kind of guidelines of what we have to follow, that is pretty much -- that sums it up to me. It is us and Shrek and Dora and Twister. So there is a little of everything in there.

Mr. Cohen. I'm done with this set. Anybody else have anything you want to add?

EXAMINATION

BY MS. DESPRES:

Q Can I just go back to the demographics? One of your sources of revenue are toys?

A Uh-huh.

Q Can you describe what kind of?

A It is mostly collectibles, action figures. And I don't know if any of the men around this table admit to having any. But it is really -- it is more in the collectible side where guys keep the toys and they keep them in their boxes and then they increase in value and things such as that. They're not as much, you know, play toys as more collectible items.

Q And who is the target audience for those items?

A Well, collectibles are a much older demographic. I mean, they are probably -- I mean, they are more grown men. I mean, 20s, 30s, 40s, 50s even. Have you seen the 40-Year-Old Virgin with that man that has all the toys? I

mean, that is kind of -- that's our audience.

Q And what is the price point for those?

A It just depends. Some are, like, 9.99 and some get up to \$29. They are not real expensive because they collect in mass. I mean, those that collect have a tendency to get everything that is out there.

BY MR. COHEN:

Q Do you know what percentage of your viewership is in the 13 to 18 or --

A It would be 12 to 17.

Q Approximately?

A 10, 15 percent. And I'd really have to go back and check viewership. But I know that a majority of our ratings are 18 to 49. Actually our median age on our show since we started two hours I think is 39 years old. And that fluctuates each week a little bit especially since we're newer. Once it gets into more months, it will stay within a year or two.

Mr. Cohen. Okay.

Ms. Safavian. I don't have anything.

Mr. Chance. Nothing.

Mr. Cohen. All right. Next set questions is going to be on TNA's hiring practices.

Ms. Carter. Hiring, okay.

BY MR. COHEN:



Q How do you recruit talent for TNA?

A How do we recruit talent? There is a finite group of wrestlers that are out there. A majority of them work for the industry leader, obviously WWE. So you have two options when you're a company such as ours and that is to go over who is not currently under contract with them or to find new talent. And developing new talent does not obviously sell. You know, it is not real popular and it is not going to draw your ratings and it takes a while to develop. So now that we have hit our 5th year mark, we finally have a group of TNA talent that have started to gain in popularity. Most of them are in their late 20s, early 30s. We do have several other talent that have had -- especially early on in our days prior to me being president, just whoever was out there and available. And most everybody with a name has worked at a former organization whether it be WCW, which is no longer in business or WWF or WWE.

Q Do you -- just to clarify. You've got your stable of talent, the talent you mentioned that has been there for five years and it is starting to get its name. Those were -- that group came from --

A The new guys?

Q Yeah. Those were -- you hired those independently --

A People that we heard about on the independent circuit, somebody who happened to see somebody on a small show. And When I say small, it could be anywhere from 150 to 500 people at a bingo hall, a K.C. hall, something along those lines. But they're standouts. I mean, our guy that we have now came from -- one of our top guys who will win the heavyweight belt, it will be one of our first big made -- our own talent. He -- you know, we heard about him up in the ring of honor circuit up in Philadelphia. And you know here is a guy and he is big, and I don't mean muscular big, I just mean big and he moves like lightning and he is really great and you should check him out.

So we'd bring him in for a dark match, which means it is nontelevised put on before we go on to air just to see how he does in the ring in front of people. And then you give him a shot at losing on a show for a couple of times and then just see if they work. But the people who write the show and our director of talent relations, between them, they know every single wrestler personally that is out there. Because it is not that many people. So they've either worked with them in the past or have heard of them or know somebody who has.

Q Okay. And your second group of those that you have brought in that have worked for --

A Other organizations.

Q Other large organizations, what percent of your talent has come from other organizations?

A Right now -- this would be a guess without sitting in front of a talent roster -- 50/50.

Q Okay. And what kind --

A Which is something we're proud of because, I mean, we finally have gotten to a point where we can have that many of our own guys on the show.

Q What is turnover like? I mean, how typical -- a typical year, how many of your -- how much of your talent turn over?

A They don't quit, you know, because they're under contract. They -- it would just be if a character or a story line is not working out. We still have a lot of guys on our roster from the very first show. But there have been a lot that came on, especially in those early days from my understanding that just, you know, didn't have the talent, didn't work out, had -- a lot of these guys have a lot of baggage from pre-existing relationships with other companies and didn't fit the mold.

Q Okay. You had mentioned the baggage that some of your wrestlers bring. I think in the context of that kind of baggage, can you walk us through -- when you're considering whether to contract with a specific wrestler, what kind of factors do you take into consideration? How is

that decision made?

A Talent is very important. You know, we are about quality in the ring. Ours is not as much about, like, story lines and -- I mean, we do have story lines and character development, but it is not the -- the focus is not on that. Ours is mostly on the in-ring action. So they have to be -- you know, they have to be good wrestlers. They have to have a reputation of being easy to work with. We -- having a talent -- I mean, if you get 50 men in a room and a few women in a room at any time, it is hard and you want a happy environment, it is a challenge, especially when, you know, these guys have big egos and the whole thing. And we have from the very beginning made this kind of our law, that this is a team, you may consider it an individual sport, it is a team and you have to have the attitude of such. And then secondly, you know, where they are at. I mean, we have a lot of guys on our roster who are former addicts, you know, who have been addicted to pain medicine for obvious reasons. And some who have had substance abuse problems in the past, alcohol and, you know, who have cleaned up their lives and they are now in a different part of their life and are with us now. So we do consider, like, everything about them.

Q Okay. I was going to say specifically, do you provide guidance to your talent scouts regarding wrestlers who have known or suspected drug problems?

A I don't personally, because I don't know them personally. But they know. I mean, it is one of those -- it is an industry and it is a very unique industry. I don't come from this industry. I have not been a part of it very long. It is an extremely unique industry. These people know everything about everybody. And probably, because some of them I -- even employees worked with them at times when they knew what they were going through, or things such as that. So they are very aware.

Q And do you provide any guidance to your talent scouts that some of these issues may be red flags?

A Absolutely. We don't hire anybody who has a problem. And -- but we do hire people who are in remission, you know, or who have gone through therapy and have cleaned up their lives and, you know --

Q And how do you determine that they are -- that they're clean?

A Well, we've not tested them prior to them coming in. But we do know, you know. And we do know because these people have either been best friends with them for 10 years, 15 years and they don't hide it. You know what I'm saying? I mean, if people know that this person, you know, has been on the record of doing drugs and quit for years leading up to it or whatever.

Q What about steroids in particular? Do you provide

talent any -- I ask this question -- steroids -- to the extent someone has a problem with cocaine or painkillers, that is something that I think you're right, it can often be an open secret.

A Very much so.

Q And people know about it. Individuals who are taking steroids, they can be highly functional. It is not like someone who has an addiction to different drugs. How do you -- do you provide any specific guidance with regard to wrestlers who may be using steroids?

A In our drug policy, it says there is no steroid -- you know, steroids would be coupled under prescription medicine prescribed not by an appropriate physician.

Q Right.

A So that would fall under that. But you're right, I mean, that is the case. I mean, they would be fully functioning. I think the look of a wrestler is your number one ability to be able to look at somebody and tell. Our talent -- I brought them a few pictures. I don't know if you'd want me to show them.

Mr. Cacheris. Not now.

Ms. Carter. But our talent is -- they just look different. You know what I'm saying? I have never and would never and I profess to tell everybody that, you know, we just want healthy, clean athletes. We don't want

anything else. And you do not have to look like a cartoon character. As a matter of fact, that does not fit our mold for our company. And, you know, they -- so that's pretty much the case.

BY MR. COHEN:

Q And again, I don't want to harp on this issue over again. Do you provide any specific -- do you -- that kind of explanation you just provided me, do you provide that kind of explanation or guidance to your talent scouts?

A Absolutely, absolutely. I mean, I have people who have been on steroids in the past, some for extended periods of time, some to the point where they have no testosterone in their body at all now. They can't have children now. They have a variety of medical issues that this has caused. And not only has my director of talent relations but I've had direct conversations with these people saying this is not tolerated, it is not expected in this company, we want you to be around when you're 70, 80 years old. I know you, your family, your little kids and you need to make sure that you're under proper care and that you're completely taken care of.

Q To the extent that -- again, you mentioned the look being a big tip. To the extent that one of your talent scouts or anyone else with any organization has a suspicion that a wrestler may be using steroids, do you instruct the

talent to inform TNA management as they -- to the extent they provide a recommendation regarding picking up that particular wrestler?

A Absolutely. It is called -- the juice is what they call it. And they -- or the gas, or I think that is the other name that they typically call that. And -- like I said, they -- like this guy is on the gas, this guy is on the juice. You know, you wouldn't want him, he is -- that is not who you'd want.

Q So you have had those specific conversations?

A Absolutely.

Q Do your talent scouts provide written recommendations or --

A No.

Q -- suggestions for particular individuals?

A No.

Q It is all by word of mouth?

A It is -- I mean, the creative committee will call and say -- you know, either the talent relations man will come to creative and say these wrestlers are available or they've shown an interest in working here or the creative group that writes the shows will go to him and say, hey, we are interested in bringing in so and so. Within the last 6 months, we had a concern that there were two people that creative wanted to bring in, that we did not have a



knowledge of them, we did not have that personal, you know, working, personal relationship with them and wound up not bringing in one, brought in the other and we could tell -- we didn't even need to test. We could tell right away that he was not -- would not fit the mold and would not be able to pass a test. And he was not invited back after that time. It was a one-time offer to come in.

Q I see. Okay. That's actually a little bit to my next question. To the extent that there may be questions or rumors about a particular talent you're considering or your talent scouts have indicated that they have suspicions, do you conduct background checks or any other independent investigations that might provide insight into a particular wrestler's drug use?

A What we're starting to do is if there is any doubt on a wrestler, even if we feel like we know the situation, we are going to go -- we are in a position now where we're able to do it. We're going to test regardless. We're not just going to test anybody that comes in if there is no suspicion or doubt just to screen.

Q Those are future plans?

A Yes, correct. Actually we already have been doing that this summer, looking at people that we'd bring in. Actually there was a couple that we were going bring in that we said there would be testing and they wound up not coming

in.

Q So you started testing, screening this summer?

A No. We planned on it. We started talking about it and we even -- when there were a couple of new talent that we told if you were going to come in, we'd conduct a test in advance. Creative -- one didn't write one into it and the other one ended up going to Mexico instead, which could have been our answer right there.

Q Okay. Have you ever with regard to WWE talent that comes into the -- that comes into TNA, have you ever -- do you ask WWE if they've ever tested positive for drug use or if those wrestlers might have a drug problem?

A No. It is all public knowledge. We don't talk to the WWE. But it is public knowledge who is, you know, not failed -- who has failed a drug policy -- a drug test. Excuse me. There was one talent in particular that had a history of it. I don't know if they were ever, you know, under -- I don't know if WWE even had a drug policy back then. And it was a very famous charismatic guy, he had people, you know -- he knew everybody in our organization, he had been clean for over a year. This was all street drugs. He came in and was great for a long period of time and stumbled. And we had to suspend him and then we let him go. He never came back and worked for us again. Absolute right thing to do. Painful for when you don't have any

stars and you need one, but we didn't even question it.

Q Okay. When talent is hired at the time of hiring, for example, do you provide any education on the risk of drug use in general and steroid use in particular?

A Not at this we have not. We have just instituted about a year and a half ago a talent handbook that has some information in there. We are going to be -- you know, steroids, we do not believe, is a big problem within our company. But regardless of that, we are trying to start providing steroid -- not just that, but preventive medicine. We have started doing seminars on financial planning. I've got guys who have made millions of dollars in their lives who now don't have a penny to get to the next week. So there is a variety of when I say baggage that comes with this, it is far beyond drugs. It is, you know, not knowing how to manage your money, depression, bodies broken down and things such as that.

Q Okay. You've been pretty open regarding the fact that you have hired wrestlers with known or suspected drug abuse problems. Is it --

A In their past, correct.

Q In their past?

A Absolutely.

Q If you're considering a wrestler with a known or suspected drug abuse problem, is the hiring process any

different for those wrestlers than those with no known history of drug use?

A Well, the only difference would be that there is a conversation that happens with them that says there is no tolerance here and it will not be allowed and we expect you to keep, you know, the good work that you have done. I mean, honestly we are a company where we have tried to give people second chances because it is -- you know, it is a very different type of company. I mean, we were trying to let wrestlers know -- we've got a guy currently right now who was an alcoholic for many years and was sober for 4 or 5 and started drinking within the last two months. He was sent home immediately and told that his health and the health of his wrestlers was more important to us than anything and he'd be paid and his job is secure but he has to get help before he can come back.

Mr. Cohen. Okay. I'm going to -- before I get to the next set, I'll send it around and ask if anyone has any issues they want to raise.

Mr. Buffone. I want to clarify something.

EXAMINATION

BY MR. BUFFONE:

Q You said -- would any competent scout should be able to know the wrestling -- the wrestler they're recommending, they should know whether or not they're using illicit drugs?

Is that your opinion?

A They absolutely should be able to know that.

Q And they should be able to know if they're addicted to painkillers?

A They should know that.

Q And they should be able to know if they use steroids?

A They would probably know that.

Q So most any wrestling scout should be able to --

A Not just him personally. It's not like you can expect one guy to have all of that magic information. That would be absolutely incorrect information. What it is is you'd go and talk to that person's best friend, you would talk to the guy he has traveling with and you talk to other people who have been in that organization with him. You probably know family members that you'd consult with. But he is responsible for finding and culling all of that information together. But he himself would not know it.

Q But in the normal background check, that would go into any scout recruiting new talent, they should be able to find all that information and should know that before they would come and make the recommendation to TNA?

A Yes.

Q Whether or not that talent has that problem?

A Uh-huh. Correct.

Q Thank you.

BY MR. COHEN:

Q And to clarify, it sounds like you rely solely upon the information obtained by those talent scouts?

A Up until this time prior to hiring, correct. And in the future, like I said, if there is reasonable doubt, we'll do something. But if there is no reasonable doubt, there is no -- we don't believe there is any reason to test prior to hiring.

Q Okay.

Mr. Cohen. Do you guys have anything else?

Mr. Chance. You had mentioned in the beginning looking for talent. Was there any kind of perception that TNA might become sort of a safe haven for those have been else where, to come and work --

Ms. Carter. I think it is the exact opposite. I think it is -- we run a very tight close-knit ship. We run only a few shows a month and we keep a very, very tight leash on people. One little incident and people have been sent home, suspended or fired. And so I think it is the exact opposite.

BY MR. COHEN:

Q For the next round of questions, I'm going to present you with an August 9, 2007 e-mail from Andy Barton to you. This is -- we'll mark this as Exhibit 1. I'll mark

it for you.

[Carter Exhibit No. 1  
was marked for identification.]

BY MR. COHEN:

Q Take a minute to review it.

A I know it.

Q Who is Andy Barton and what is his responsibility at  
TNA?

A Andy is our senior vice president. He is responsible for licensing and international television distribution and has been -- I worked with him for many years leading up to this, so he is somebody I have most trust in and he has helped me research a lot on drug policy and other companies' drug policies and things such as that.

Q Okay. The e-mail refers to Terry. In reference to Terry, Mr. Barton writes, is his main job facilitating creative by getting talent creative wants on the TNA roster who do not -- I'm sorry. Let me start this again. In reference to Terry, Mr. Barton writes is his main job facilitating creative by getting talent creative wants on the TNA roster who do or might have drug problems or is his first obligation to tell you and Dean that a talent creative wants has a drug problem and we either shouldn't bring them in or test them in a meaningful way prior to his joining of the roster? Who is Terry and what is his responsibility at

TNA?

A Terry Taylor is director of talent relations. And this was the incident I actually referred to earlier from this summer when there were two talent that creative said that they'd like to bring in or needed for a show. And one -- there was a concern about one person because of his physical look and we did not have anybody -- you know, we just had no history, knowledge, no one had worked with him and he didn't know anything about him except the judgment that he was passing. The other one had a known substance abuse problems. We wound up not even attempting to bring him in. The other person is the one that we brought in and could just tell by looking at him since no one had seen him in a period of time that he did not fit what we'd want in that company and he was let go.

Q Okay.

A He wasn't really let go because he was never hired but he was not invited back after that show.

Q Okay. And the Dean in that e-mail is --

A Dean is Dean Broadhead, and he is our CEO. What Andy was bringing to my attention was the system that should be.

Q Okay. Did you reply to Mr. Barton's e-mail?

A I was on vacation when he sent it. So I probably called him back. And it wound up being that the one guy



didn't come in and we said we'll make a determination, you know, once we can see this guy and we did.

Q Okay. And did you reply to the specific question, to clarify the nature of Terry's job?

A Absolutely. That's why he is asking that, is that should he have just -- because talent wants somebody, you know, should he -- if he doesn't know that background with them, is he to do it anyway? And Andy was being -- Andy is our -- our police dog when it comes to this issue. So he is being maybe a little -- I don't know if flippant is the right word. But he was trying to let me know that if creative wants somebody who has by any chance some kind of baggage -- if we don't have the ability to test them out, what do we do.

Q Did you follow up on this e-mail in any other way?

A Well, one of the guys, like I said, we never invited in. And the other guy came for us to see him. And after that one appearance, he was no longer there.

Q Were you concerned -- Mr. Barton in that e-mail makes reference to confusion within -- it sounds like to some confusion within -- among individuals who are lower in the organization about where the organization should stand with regard to drug use. Were you concerned that this confusion existed?

A No. The problem lies with the head of talent,

creative Jeff Jarrett, not -- and Terry Taylor not being -- Terry is not his favorite person. He thinks he is -- you know, he is not a good agent on the show, he is laying out matches and things like that. So Terry is in essence scared of Jeff and I think he didn't know in this situation -- since creative wanted him and he didn't have the ability to give him an answer of what he should do.

Q Okay. Do you know if Mr. Barton provided an answer to Mr. Taylor about his concerns, a specific answer regarding --

A I believe it is the same thing I communicated to Andy. And at this point on August 9th, we had testing set up for steroids and drugs for September 10th. And if they were going to stay, they would be subjected to the testing within four weeks. So we knew that that was happening as well.

Mr. Cohen. Sam or Sarah, do you want to ask anything about this particular e-mail?

Ms. Safavian. Can I just follow up on what you mentioned about the testing that was beginning on September 10th?

#### EXAMINATION

BY MS. SAFAVIAN:

Q Did it happen?

A No, it didn't. We did it in advance of receiving

the letter from the committees and then were advised that we should just hold off on the testing in case we were given certain provisions that we'd need to provide. So we were told just to hold off until we heard back from Congress in case there were certain things that we needed to do differently.

Q With regard to your testing?

A With regard to testing, correct.

Q Had you notified the talent that there was going to be this testing on September 10th?

A Uh-huh.

Q So they were all aware that within a few weeks you were going to have the testing done?

A We set it up through -- we have an orthopedic surgeon on staff with us at every show and he had set it up through a hospital in Florida.

Q What did you end up telling the talent when you cancelled the testing?

A That it was just being postponed.

Q Was a new date ever scheduled?

A Well, we didn't hear back for me to come in and -- until just within the last week or two, I guess, when this offer -- when I was asked to come in. So we went ahead and just decided we couldn't wait. So we were just going to schedule it within January.

Q So it is next month?

A Yeah. We just decided to go ahead and not wait and if it wasn't right, then we'd redo it and fix it later.

Q And did you notify the talent about the new testing date?

A I don't know if they've been told or not yet.

BY MR. COHEN:

Q The reason that particular e-mail caught our eye was that several witnesses interviewed by our committee have described TNA as a refuge for WWE's failed drug users and as a safe haven for drug users. Are you concerned about this image?

A I don't think it is a correct image at all. I absolutely don't think it is. We have a lot of people who have past histories. There was a USA Today article in '94. And you know there are several of our guys interviewed for that that we offered up, come down, come see our show, come down and talk to these people. And they all had past histories with drug abuse and prescription medicine abuse.

Q Does image concern you?

A Image concerns me tremendously. I mean, we are -- we work very, very hard to be a different kind of wrestling company, to treat our wrestlers differently, to provide them a different lifestyle, to not put them on the road where they beat and batter their bodies so much that they have no

option but to turn to pain medicine. It is a huge problem. And we treat them with respect, which they've never gotten before. But we also hold them accountable. And it is not a safe haven. These guys are on a very short leash as far as it being a family friendly show what they can do in the ring and the image and perception of how they are. If they get into any kind of an altercation -- let's just say boys having fun in a bar fight, it doesn't matter -- it may not be on our clock and they may work for a lot of other people, but it will not be tolerated in our company.

Q So have you had instances where you've let wrestlers go because of those kind of indiscretions?

A Absolutely. Absolutely. Suspended, let off shows which means without pay. That is a form of suspension as well for a period of time and termination. And we've also had several wrestlers who we have allowed to go to rehab and have told them that their places were safe afterwards. But again most of this would be, you know, pain medication and some of them -- yeah, it is mostly pain medication or alcohol.

Q I was going to ask, have there been any specific cases where you've suspended or let wrestlers go because of issues with regard to steroids or performance enhancing drugs?

A No.

Mr. Cohen. I think that is the end on this set.  
Anybody else want to --

BY MR. BUFFONE:

Q You seem to be saying that you want to create a place that really says you don't -- you want a better kind of wrestler and a better kind of talent who really respects the rules and respects the laws and doesn't get in trouble. How does hiring Pacman Jones who was suspended by the NFL fit into that image?

A Well, you know, in this country, I believe you're innocent until proven guilty. And the last I checked, you know, most all of his incidents, several of them have been cleared during his tenure with us and even some since then. You know, he was available and we found a good program that was fun for him. And we really felt after talking to him at length, talking to his attorneys, talking to his agent and everything that -- we asked all those questions in advance and were told, you know, this is an issue that should be cleared up in the next period of time and, you know, if you want to use him, you can for that reason.

BY MR. COHEN:

Q One of your other big stars, Kurt Angle, has also been -- he is certainly suspected -- he has been -- media reports have indicated he is a suspected drug user at the very least.

A He has been very vocal about --

Q And can you tell us when you decided to hire him, was -- you have spoken about your concern about TNA's image and you're concerned about being a family friendly organization and presenting a family friendly show. What was your thinking with regard to bringing in Mr. Angle and how it would affect that image?

A Kurt has been very vocal in the media about his addiction to pain medicine. And he -- he was also very vocal about his inability to be given time off to rehab. And against the advice of doctors, he quit cold turkey. Prior to a match, I believe, or I believe prior to right after a big important match he had been off drugs for a period of time, very, very unhappy with his situation. And I hate speaking for somebody, but --

Q I asked.

A You did ask me. But he is the one to probably ask even more so. But he had been cleared for a long period of time. He -- we met with his attorney and his agents. He was under the care of a three legitimate doctors in the Pittsburgh area, all of which are highly reputable. One for preventative medicine, one for his broken neck and the other just general -- his general medicine and welfare I guess it is. And, you know, we felt like he had, you know -- he was in a completely different place.

Q Okay.

A And he has been very vocal since about the kind of life he led there. But he is a different kind of person. I mean, he takes responsibility. Just because he worked 300 days a year, he doesn't blame the company, which I don't believe he should because he chose to take the paycheck, you know. And -- but he has been very vocal about getting hooked on the medicine, his inability to rehab until he finally had to do what he --

Q Okay. Our next set is on TNA's testing and drug policies.

A Okay.

Q Your drug policy is laid out in your talent policies and procedures handbook. We'll mark this Exhibit 2.

[Carter Exhibit No. 2

was marked for identification.]

BY MR. COHEN:

Q I'm providing you with a copy. When was this policy developed?

A WWE came out with a general wellness policy maybe March 1st, maybe the last day in February of 2006 if my memory is right. And Andy forwarded it to me within a day. And we reviewed it and we decided that even though we were just running the three shows a day and these guys didn't work for us full-time, actually worked for everybody else



for a majority of the time, we needed to, you know, put together a formal document for them that laid out the dos and don'ts of what they had been told in bits and pieces. So we created this talent handbook of which a drug policy is included in that.

Q The next exhibit -- I'm going to present you with a March 12, 2006 e-mail from Kevin Day to you.

A Uh-huh.

[Carter Exhibit No. 3  
was marked for identification.]

BY MR. COHEN:

Q This e-mail is from Kevin Day to you, Andy Barton --

A Jeff Jarrett.

Q Jeff Jarrett and Steve Campbell, responding to the February 28th e-mail from Andy Barton. This we will mark as exhibit 3?

A So then they came out with that policy on February 27th. I was close.

Q In discussing the WW wellness policy, Mr. Day states I can like the substance of it, provided we apply our own discipline levels to it, it seems like a good policy to it.

It seems like a good policy. Are you familiar with the WW policy that Mr. Day liked?

A Correct.

Q The first draft of the policy presented to the

committee -- presented to our committee -- among the documents presented to our committee, the first draft of the policy was created on March 3rd, three days after Mr. Barton's original e-mail. When you initially drafted your wellness -- your talent policy, did you use that WW wellness policy as a guide?

A I think they looked at several different organizations' drug testing policies and made the determination -- I think, there was conversations back and forth about. You know, with us only working with these guys 3 days a month, what we can and cannot request of them. And it was determined that we wanted to create a full policy but we did not list out all the specific drugs. It was more just prescription drugs. We did not list every prescription drug made and things such as that. But it does, I think -- you know, it covers the basics of it.

Q Okay. With regard to your final policy -- and I apologize if I'm jumping around a little bit.

A That's okay.

Q I'll probably -- one key difference between the final policy and WWE's current policies, is that WWE's policies include provisions for support -- for drug testing for steroids while TNA's appear not to. Why is this the case? Why did you finally not to decide to include testing for steroids?

A Well, it is a prescription drug. I mean, that would be considered to mean a legal prescription drug.

Q So your understanding is that your current policy includes --

A Absolutely.

Q Specific provisions that would allow testing for steroids?

A Absolutely. For anyone to use prescription drugs illegally.

Q What was the specific rationale again for --

A Not listing it out?

Q It seems like a curious decision to me. If you wanted it to be clear to your wrestlers that they were included why not list them out?

A I just felt like -- I think everybody at the time felt like for a company of our size and where we were at and how many days a week these people were working for us, this was as comprehensive and included every single thing, the WWE's did without specifically spelling it out.

Q Did you, at any point, spell out to your wrestlers that steroids were covered under that policy?

A Absolutely. We went through this policy with them when they received the handbooks and, you know, everybody was told -- we walked through it, we walked through every one of these steps. And every wrestler that comes and signs

a contract with us gets this in advance and I believe has to sign it, that they reviewed it with us.

Q Okay. And did you -- when you gave them that policy, did you indicate there would definitely be tests at some point?

A At this point it was to reserve the right and we'll test if there was suspicion.

Q Okay.

A And since this has been enacted, we have had several suspensions and terminations and those that have been sent to rehab for drinking or things such as that. But no testing was quite honestly necessary because it was obvious.

Q Okay. So you've not conducted any tests under that current policy?

A No.

Q Okay. All right. I'm going to give you a March 24, 2006 draft of the policy. We'll mark that Exhibit 4.

[Carter Exhibit No. 4

was marked for identification.]

BY MR. COHEN:

Q This draft -- stipulation 5 of this draft, which is the third page -- that stipulates that TNA reserves the right to drug test.

A Right.

Q This -- as we've walked through the chronology of

drafts we've been given, this is the first mention of drug testing in any of the drafts.

A This one right here?

Q Uh-huh. This is the March 23rd draft. Can you -- again, I apologize. This is a little bit specific, but the initial e-mail that began your -- the discussion -- your talent policy came on February 28th. There were several drafts in between that did not include reference to drug testing of any kind. The reference to drug testing includes -- finally, appears in the March 23rd draft. Can you walk us through the discussions that ensued between February 28th and the final decision to include, I guess, the decisions not to include drug testing provisions in the initial drafts and then the final decision that led to the appearance of the right to drug test in this March 23rd draft?

A I don't think it was a decision not to drug test at first. We never sat down and said this is our drug policy, now let's put it in place. We throughout this entire policy, the entire talent handbook, we just started off with a first draft and then we reviewed it and brought more people in to look at it and started pulling more information as we were doing it.

Considering how understaffed our company was at the time for us to have even turned something around like this

was in pretty quick order and showed me that this was a priority for our company on a very fast track. So I think what we did is we just began to pull more policies in, people started talking and we started adding. It was not a conscious decision, oh, let's leave it out at first, no, let's do it and there were no discussions like that had.

Q Were there any discussions before that was included of the potential costs of drug testing or if this -- the cost of including that provision in the draft?

A It was in this -- in the discussing of it?

Q As you discussed the draft, as you discussed how the policies would turn out, was there discussions that it is going to cost us money to drug test, it may end up with -- are we -- we'd have to set up a testing program. We'd have to do X, Y and Z. Were there those kind of economic discussions that were going on about that particular provision or provisions that were not included in drafts for the final version?

A There have been discussion of every time we have had to testing or physicals or things such as that, there has always been financial discussions. Quite honestly up until, you know, this year, we have been operating at a significant loss. And so I'm sure that there were people talking about how much anything costs. We talked about the cost of paper. I mean, it was that kind of an existence for a company.

Mr. Cohen. Any other questions about the initial development of TNA policies and procedures?

Mr. Buffone. Just to clarify.

BY MR. BUFFONE:

Q Was it your understanding that testing from the initial discussions when you first heard the WWE wellness policy that the testing always was on the table?

A For us? Oh, absolutely. I think we decided from the beginning we needed a policy that allows us to randomly test people when we want and that protects us when we ask these guys who don't work for us full time that we want to do this and that they have to agree to it in advance and there are certain legal things that we need to make sure that we cover on both sides.

BY MR. COHEN:

Q All right. The next document I'm going to provide you with is an e-mail dated May 31, 2006.

A Uh-huh.

Q This will be Exhibit 5.

[Carter Exhibit No. 5

was marked for identification.]

BY MR. COHEN:

Q This is now after the final version of the drug policies that has gone into effect. This May 31, 2006 e-mail is from Steve Campbell to you regarding blood and

drug tests -- blood and drug testing. The drug test includes according to this e-mail marijuana, cocaine, PCP, amphetamines and barbiturates. Did this drug testing occur?

A That drug testing did not. At this time, we were, I believe, complying with an OSHA request from the State of Florida if I'm -- I don't know if that -- but that is my memory from this. And we did the testing that they requested. But again, we were not -- had not made the decision to do, you know, talentwide testing. It was based upon reason. And -- so we were complying with an OSHA, I believe it was request.

Q So that was specific compliance testing?

A Specific compliance, correct, for the State of Florida, I believe. That's who did it. But it was for our shows in Orlando.



RPTS DEAN

DCMN MAGMER

[2:05 p.m.]

Q The final version of the drug policy --

A Do I have that?

Q Yes, that is Exhibit --

A 0011?

Q Double 09?

A Okay.

Q The drug policy says TNA reserves the right to conduct random drug tests and other tests in accordance with government requirements.

A Correct.

Q Can you walk me through your understanding of the meaning of that final provision "in accordance with government requirements"?

A When you tour, there is athletic commissions in each State and each State has from pretty much no provisions whatsoever to pretty strict provisions of needing full physicals, blood work and things such as that. So those are State government requirements, and so we wanted to make sure that they knew that we could be asking them at any given time to provide HIV testing and other things that would be required of us to operate and do business.

Q It is not clear from this that you reserve the right

to conduct random drug tests outside of government requirements. Was that made clear to the wrestlers?

A I think it is two totally different deals. One is to conduct random drug tests and then -- and other tests in accordance with government requirements.

Q The other question is -- we're back on this particular document.

A Which document?

Q The same one.

A Okay.

Q Actually, let's go back to the testing in the May 31st e-mail. This was testing -- again, per your initial previous request, this was testing that was done to meet government requirements. Were all your -- in this set of testing, were all your -- was all your talent tested?

A Yes, yes, sir. And looking at the dates on this --

Q Uh-huh.

A -- the OSHA request probably came up --

Q Uh-huh.

A -- between this date and this, and it was -- counsel provided to us that we probably let them know in advance that they would have do that. That looks like the timing of that, and that's why that was added as well.

Q Okay. This -- the final version of this policy, provision 6 of this, this refers to the Florida Department

of Health Bureau of Epidemiology's request.

A Uh-huh.

Q Is that the -- was that the impetus for those May 31st tests?

A Yes, uh-huh.

Q Prior to your -- when did you become aware of those requirements?

A At this point, that was the first time.

Q And prior to becoming aware of those requirements and setting up the tests, the June 19th tests, were there any plans -- did TNA have any plans to conduct drug testing under this drug policy?

A I think it says we have the right to conduct random drug tests. I believe if I go back and read it, it does say that if there is any suspicion then we would random drug test. Is that the question?

Q I'm asking were there any plans to conduct the tests?

A There had not been any suspicions; and, like I said before, several times when there were suspicions we talked with the talent and they were dealt with, whether it be suspended without pay and then termination.

Q Is it your understanding that these provisions allow you only to conduct testing if there's suspicion?

A No, this says we can conduct random drug tests; and

that could mean the entire roster or it could mean with suspicion.

Q Okay. And to clarify, though, there had not been any plans prior to your becoming aware of --

A To test the entire roster, not at this point.

Q The Florida Department of Health --

A Not back in --

Q There were no plans at that time?

A Correct.

BY MR BUFFONE:

Q Is it your understanding or recollection that you learned of the Florida compliance after you learned of the wellness policy; do you remember?

A I don't know. The request did not come in to me. I just remember hearing about it in that April, May. I would assume that came in after. That may have been a reaction to the WWE wellness policy coming out. I believe their substance policy came out as a reaction to the Eddie Guerrero death. So I believe when Eddie Guerrero died, I believe they instituted the wellness policy. I think that was the driving force behind that.

Q Uh-huh.

A And that may have also been the driving force in us being requested of this information as well.

Q Okay.

A But I don't have that information specifically why they requested that and when.

Mr. Buffone. All right.

BY MR COHEN:

Q Since that May of -- now moving ahead a little bit with the policy and where we stand now, have there been any changes to TNA's policies and procedures concerning drug use since May of 2006?

A Yes. Actually, earlier this year, probably second quarter, we started talking about the desire to do a more proactive test, not because we felt that there was reason or doubt but because we felt like, in our desire to distinguish our company, for us to say certain things it needed to be -- I needed to be able to walk into a congressional meeting and say, hey, guys, here's exactly what you're looking for. You don't have to take my word. For us to come out there and do some of the proactive ways in which we wanted to position our company.

We were using the words, "the new face of professional wrestling". Quite honestly, our biggest challenge in staying in business is fighting the perception of wrestling. It's a dirty word out there and for good reason. We have had to go in there and try to convince people we will be different to work with. You are working with a different kind of people, organization. So that has been a big

challenge for us. So that was one of the reasons we felt like earlier this year we were going to do that.

We started talking about it in executive meetings. At first, it was discussed on starting to put that together and wanting to institute something by the summer, and we started talking about it. And then the Chris Benoit tragedy happened, and we had already begun conversations prior to that --

Q To get a sense --

A -- probably in the executive meetings.

There's four people who meet in the executive meeting. It's Jeff Jarrett, myself, Dean Broadhead and Andy Barton. That's a meeting that we would have once every 2 weeks depending upon schedules and things such as that just to talk about every issue out there. We would talk about talent issues, anything, any kind of staff meeting type of executive decision.

We started talking about it -- again, Andy and I brought this up and just felt like -- you know what? Because I run more of the marketing side of the company where I was wanting to go and really hit this new face professional wrestling and try to be more aggressive with letting people know we are different, let's make sure we have empirical proof to back that up. Let's -- we're in a position where we can do it, and we can do it on an ongoing

basis.

And so we started talking about that in probably April -- March, April, and then started really looking at additional documents in May of what it would constitute and then got very, very aggressive with it in the summer. But our plans were all along from the September time period what we had talked about from the beginning.

Mr. Buffone. Just to clarify, that's pre the Benoit death?

Ms. Carter. Uh-huh. We had not set that date, but we wanted to do it before the end of the summer.

Mr. Cohen. I'm going to move to a July 11th e-mail from Dean Broadhead to Guy Blake. I'm going to mark that Exhibit 6.

[Carter Exhibit No. 6  
was marked for identification.]

BY MR. COHEN:

Q In that e-mail, Mr. Broadhead had just announced to TNA talent that TNA will begin drug testing on September 1st.

A Um-hum.

Q Was that announcement ever made?

A Yes, it was.

Q When and how?

A Through Terry Taylor, our director of talent

relations. I don't remember the exact date, but it was probably at one of the tapings shortly thereafter. We only tape every 2 weeks, so it would have been on one of the subsequent tapings after that.

Q And how was that -- in what way did he announce that those tests would be conducted?

A He communicated verbally with them.

Q And there was no paper, no materials, no documents?

A No. Again, at this time we, you know, were not prepared, you know, to have a congressional investigation, but we were trying to do the right thing. And so he communicated with them --

Q Okay.

A -- verbally.

Q Did he indicate specifically that testing would be conducted on September 1st or what -- in what way did he inform the talent that the tests would be conducted?

A Dean didn't know the pro -- he probably -- September 1st I don't even believe we were taping. That's why we chose September 10th, because it was a taping date where we would have already had to fly in -- our guys live all over the country. So, obviously, for an expense reason we wanted to do it while they were already there. So we just knew that we wanted to do it by September, and so that's why he had put that date there.



Q Okay. So at that point in August of '07 Mr. Taylor indicated to the TNA talent that TNA would be conducting steroid tests in particular?

A Everything, absolutely, steroids, illegal drugs.

Q Your intention was to conduct drug tests for both steroids and illegal drugs?

A Yes.

Q And who had you been contracted with?

A I believe you have that e-mail, again, I believe it was set up through our doctor, I think Centra Care or -- in Florida.

Mr. Cohen. Why don't we introduce -- we've got -- there are two e-mails. One is dated August 8th, 2007 -- is this August 8th or August 9th? One is dated August 15th, 2007. Those are Exhibits 7 and 8.

[Carter Exhibits No. 7 and 8

Were marked for identification.]

BY MR. COHEN:

Q At the first page of the August 9th e-mail, it looks like it was forwarded, an e-mail from August 8th from Terry Taylor to Gregg Pond.

A Correct. I would assume he is with the Florida hospital. Strategic account manager who works with corporate groups so probably not individual patients.

Q The August 8th e-mail requests testing on September

10th, 2007, for steroids, cocaine, opiates and amphetamines?

A Uh-huh.

Q Can you describe the testing that was scheduled, and it indicates it was scheduled for September 10th?

A What had been scheduled, I believe, is what they call a five-panel drug test, and I don't know what all these are, cocaine, cannabinoids, opiates, amphetamines, PCP and then steroids.

Q How is this testing scheduled? Was your talent given notification that they would be tested on September 10th?

A I'm don't know if they were told exactly what date it would be, but they were told that we would begin drug testing not just with cause but the entire talent roster.

Q Okay. What did you plan do with these test results?

A Act upon them. Hopefully, they would show that everybody was clean, but if there was a problem we would have taken care of it.

Q In what way?

A It just depends on what came back. If it was any of these serious problems, then I mean it would be suspension or termination.

Q And had you discussed among yourselves what -- how the policy would work?

A As far as what the results would be?

Q As far as what actions you would take depending upon what the results showed?

A Absolutely. There would be an automatic suspension, and then determination would be made as to whether there would be termination as well.

Q Did you have in mind different -- give an example of steroids. How long a suspension did you have in mind for talent who tested positive for steroids?

A Well, throughout the summer we had been talking about what needs to -- actually, we were also talking about an administrator and things such as that that will be providing us a lot of that information to help us put this in place.

Q Uh-huh.

A So we were moving forward on this quickly because we knew we wanted to do it.

Q Right.

A And 3 months was the first amount of time, I believe from memory, that was thrown out for that, but it depended. If it was prescribed by a doctor, you know what I'm saying, or was it in a large amount nonprescribed by a doctor, and we were told we would need to find out all of that information based upon results of tests.

Q Okay.

A That it wasn't just as simple as getting a test

result back.

Q Was it your intention -- to the extent there were suspensions, was it your intention to make those suspensions public?

A Oh, absolutely, absolutely. You have to. People know.

I mean, I held a talent meeting with my talent in closed doors and kicked everybody out on Monday, and 1 hour later it was out on the Internet. So I choose to do things proactively and publicly versus let somebody else be in control of what's said about us.

Q Were there provisions for therapeutic use, for example, if there were a doctor's prescription?

A Absolutely, and we laid that out because we knew of specific guys in our current roster that were under a doctor's care for different situations -- past injuries, problems with massive uses of steroids -- for some of our old guys who are in their mid 40s at this point and things such as that. We were aware of that. We were told if they were under doctors' care for legitimate reasons that that would be an exemption.

Q You laid that out --

A In this original drug policy. It says it is not a violation of TNA policy for an independent contractor to use medications prescribed by a licensed and treating physician

for a legitimate medical purpose, but we had to know about that.

Q Who is responsible for conducting reviews under that provision?

A Meaning their own doctors?

Q Who makes the decision that it was a legitimate doctor for a legitimate medical purpose?

A Well, Terry will talk to the talent and find out who their doctors are and what prescriptions they are taking.

Q And Terry, to my understanding, has no medical background himself?

A No, he does not, obviously.

BY MR BUFFONE:

Q You said -- you mentioned a couple of times we were told we needed to do this. Who was the person telling you about what you needed in the testing policy? Or what type of people were consulting? Were you talking with lawyers or --

A No, what I was just referring to was an attorney telling us, well, you cannot not allow somebody to have -- you know, you can't -- can't suspend somebody for using something if they are under or being treated by an appropriate doctor for a legitimate condition. So when that test comes back, you have to make sure that they know that that is the situation.

Q Was this an attorney who has experience and background in testing policies?

A No, but I believe he did review several policies and I'm of the understanding that he contacted some people and talked about different things.

Q And have you discussed this test or testing in January with any testing policy experts or people who do have background in testing policies?

A Well, we're putting an entire new drug policy in place. It will be -- I don't know if it will be reflective of WWE's, but it will be much more thorough, comprehensive, and that will be done and have to be done, obviously, by the time that we do the testing.

Q Are you relying on experts to put that policy in place?

A We've actually contacted a couple of people, one in particular -- oh, it's the clean sports dot org. You all probably know the company.

Ms. Despres. Drug Free Sport?

Ms. Carter. Drug Free Sport, uh-huh.

We've had at least a couple of conversations with them. And that's one thing that I'll ask Andy to continue to conduct, you know, to look at. Because we have to make a decision on an administrator and things such as that. That is who I believe it was.

Who else do they represent, do you know?

Ms. Despres. I don't. I mean, their name comes up all the time in everything, but --

Mr. Cohen. I think they work pretty much with high schools.

Ms. Carter. They are pretty stringent.

Ms. Despres. I feel like they are pretty involved in high school as well.

BY MR. COHEN:

Q The second one, Exhibit 8, the August 15th e-mail that cancels the request for testing and states, "We are complying with a congressional request," some more background on why you decided to cancel those tests?

A Well, I think again we did not know, quite honestly, what this process would entail, if we would be given our mandated new rules, regulations, et cetera, and wanted to be sure and comply. And, like I said, when we did not hear back from you after this original letter back in -- I don't know when it was originally sent to us, but when we did not hear back for a period of time, we went ahead and decided to go ahead and put this on the books regardless if it was acceptable or not by this committee.

Q Okay.

A At least to get the ball rolling on our part. We didn't want to delay it anymore.

Q Okay. The congressional request referenced in the e-mail, do you know who that request was from?

A Yes, sir, actually, we received two.

Q Correct.

A One from Committee on Oversight and Government Reform, and I believe I have the other one -- I may not.

Do you remember?

Mr. Hundley. Uh-huh.

Ms. Carter. Can I ask him?

Mr. Hundley. Commerce.

Ms. Carter. Commerce.

Very similar structured letter --

Mr. Cohen. Yes.

Ms. Carter. Almost to the word.

Mr. Cohen. All right. We're going to try to get ourselves caught up to date. The next exhibit we will call Exhibit 10 -- 9.

Before we walk on to this, let me just ask if anyone else has questions on anything up from the period from March of '07 -- when the policy was put into place up through the congressional request, any questions about what went on in this time period.

BY MS. DESPRES:

Q I have one question about this policy that you actually read: It is a violation of our policy for anyone



to use prescription drugs illegally. It is not a violation for an independent contractor prescribed by a licensed and treating physician.

Then it goes on to say, but the independent contractor should notify his or her supervisor if the prescribed medication will affect the independent contractor's ability to perform his or her job.

In developing that part of the policy, did you envision that steroid use, legitimate -- or let's say prescribed steroid use would affect the independent contractor's ability to perform his or her job?

A Not if the doctor -- that wouldn't be my decision or anybody in my company's, but not if their doctor did not think it would have any kind of symptoms or -- what's the word I'm looking for? If by taking any kind of medication it would cause slurring or --

Q Okay.

A -- anything that would potentially injure -- that would potentially injure that talent or put that talent in harm's way or another person.

Q So there is no expectation that if the talent is using steroids that have been prescribed that they have an obligation under this policy to inform their supervisor of that?

A We do know of multiple talent that we do have.

Q So talent -- are they required to tell you if they are taking --

A They are not required to. It doesn't affect that, but we are aware in multiple situations.

Q And how are you aware?

A Because, again, they tell us. We know when they have certain injuries and how they are treating them -- old injuries, neck injuries and things such as that -- so --

Q I'm actually thinking of the steroid use. Do you know about talent who are currently using steroids prescribed by doctors?

A I know of one talent specific --

Q Okay.

A -- and I know of another one that is a form of regeneration, I believe it is.

Q Uh-huh.

A So that is a form of steroid, but it is not --

Q But they are not required under the policy -- under the existing policy, they are not required to notify you?

A Under this existing policy, if it does not affect their work, they are not required to tell us.

BY MR BUFFONE:

Q Do you know what steroids they are using, by any chance?

A I don't know it off the top of my head.

Q You talk about wrestlers who have been suspended, wrestlers who have been let go, and wrestlers who have been sent to rehab because of drug and other problems. How are they informed? How does that process work?

A Well, most of these guys don't have an agent, lawyer, attorney or anybody who you would send an official letter to. In the case where they have -- we have one -- I think it is a document that you have that the names are blanked out. It is a Hollywood person who has an agent, attorney so we were able to send them something.

In the past, if it is just the person and they don't have representation, we called them up and told them.

Q So it is all done through phone calls? There are no letters?

A No, that will not happen anymore. Everything will be highly documented.

Q So for all the other times you sent people to rehab -- when you say you "sent" people, do you pay for the rehab or --

A It just depends. Sometimes they have had insurance that has covered a rehab. We offered to continue to pay them even though they are not on the show. That's usually their biggest concern, is I can't go without money while I do that. So that's why these people don't go. They are in fear of loss of their job, which is a reality in other

places, and a fear of loss of payment, which is a reality. So we have tried to remove those two elements to let them know it's okay. If something does happen and you relapse, you need to go get help.

Q So beyond the two letters of this committee there is no documentation at all that you have suspended wrestlers, let wrestlers go, sent wrestlers to rehab?

A It would be documented in the Internet because everything gets out, I would assume, somewhere along the line. But, no, we try to keep that extremely confidential.

There is one instance in particular where I was the only person talking -- I did not tell a single other person because of their family situation and things such as that to help them.

#### EXAMINATION

BY MR CHANCE:

Q In the beginning, it wasn't necessarily ill will in terms of drug testing --

A Ill will?

Q It was more or less limited by resources, in talking about paper and things like that, but now that you have these attractions and positive cash flow has that opened up your options in terms of creating this more confidence in the drug policy?

A It helps tremendously, obviously. But I think we

felt like back then we truly were a television production company, filming three times a week, putting on a wrestling show. And we felt like by developing a policy very, very quickly that no other wrestling organization but the WWE had, no other television production company had, they don't test their people, movie studios are not testing people who have the chiseled bodies who you know there is a good chance they may not be real as well. We felt like that was being proactive in our position.

At that point, we may have been 1 or 2, maybe 2.5 percent of WWE's revenues and maybe spending four or five or six, seven times that just to literally pay our guys and stay alive. So at the time we really felt proud of this document and felt like it was something that no other wrestling company, even those that were truly touring and truly working their guys a lot more than ours were doing, and we were trying to take a stand at that point.

But when we knew we were going to be signing or hoped to sign in October a new 2-hour deal, we felt like the resources would be there. That's why we decided in the summer we can bring in a medical doctor to do preventative stuff and ask him -- fly him in and ask him to give us his entire day, which we know would be in the thousands of dollars for proactive things. We can do full screenings instead of random screenings to back up what we wanted to

do, and that was the plan.

BY MR. COHEN:

Q Why don't you get us caught up to date now. Tell us what your plans are and what your specific time frames are for developing the testing program and how the program will be run and what the penalties will be.

A We are still in development of that program. It has got to be right. It really does. We have got to make sure -- and that's why you go through drafts of things, and this silly little talent policies and procedures probably went -- without the drug part of it probably went through 30 revisions to make sure that we hadn't left anything out. I will charge people with making sure that this is a very tight, proactive document with everything spelled out.

Q When do you intend to put this into effect?

A It has to be in place by the time we do the testing, which is the January time frame.

Q So you will do your testing in January?

A Uh-huh.

Q The letter to the committee, the August 30th, 2007, letter to the committee, that also mentions TNA planning to provide seminar sessions to educate TNA talent and their families about the use of steroids and other drugs?

A Correct.

Q Have those seminars taken place?

A Not yet.

Q When will they take place?

A We need to schedule them. We have talked about it. We have talked about -- we have been in discussion with a doctor who we would like to bring in who has agreed to come in, give us a full day at his practice and conduct such conversations. So we are hoping within the next couple of months.

[Carter Exhibit No. 9

was marked for identification.]

BY MR. COHEN:

Q When did you sign the contract?

A October 4th, for the 2-hour show.

Q If you could, I think it would be helpful to maybe get back to us with some of the specifics on who you've -- you've mentioned the National Center for Drug Free Sport.

A Uh-huh.

Q If you could provide us with a list of the individuals with whom you consulted in preparing a policy --

A Okay.

Q -- I think that would be helpful to us.

A We have or will consult with, right?

Q Yes. Your plans are to begin testing in January. That's coming up pretty quick. We're at December 5th now?

Mr. Cacheris. Sixth.

Ms. Carter. We have been discussing this and looking at policies since May.

BY MR. COHEN:

Q Is there a new draft of a policy in place yet?

A Not anything in writing, no. We just talked about it, except for the things we listed out and the documents, the things we wanted to include. It will take this existing drug policy and it will list out every specific thing on there, which is, you know much like WWE's.

Q Have you begun discussing with laboratories how they would be conducting the testing?

A I would assume so, since we already had one scheduled for September 10th. So since that had already been scheduled, I would assume they had talked about it. I did not actually set that up, so I would not know at any level exactly the details of how that was done.

Q Okay.

A But it was going to be done in Orlando when everybody was present at one time.

Q I would ask that over the next several weeks that, as you begin to move towards this January testing date, that you keep the committee abreast of your plans on a fairly detailed basis.

A Absolutely.

Q You didn't need to call us every hour, but to the



extent that you hit benchmarks --

A Sure.

Q That when you have a draft policy in place, if you could send us that policy.

A Absolutely.

Q When you have contracted with someone to run the program or a lab to conduct the testing, if you could let us know about that.

A Right.

Q And if you've got -- when you inform your talent when testing will begin, that's another benchmark that I think we'd like to be informed of. And then when the first tests are actually conducted, we would appreciate knowing about that.

A Absolutely. What we will do is, obviously, we will put everything in writing. And in the past we haven't had the necessary need to present reporting to outside people. It was more a matter of making sure it was done. But it's important to me personally, it's important to my company that -- you talk about we are a different kind of company. Well, how can you be if -- for you to even throw the word out that we're a safe haven is offensive, and we need to make sure that perceptions of people on the outside and those not with some kind of an agenda who might be talking about us who have or want to work with us or something along

those lines -- so it is important that we now have the resources.

More than anything else, we are now going to start touring, and we have that obligation to do so. We were trying to give ourselves that obligation, even though we were with them three times a month.

There are some serious issues in wrestling way beyond steroids, you know, based upon the number of days these guys work, pain pills, what's causing these guys to die. You know, all of those, you know, would be great if we can begin working together to change that image, that's a positive for us.

Q I've asked this question generally, so I apologize if I'm being a bit redundant --

A Then I'm not answering it properly, obviously.

Q No, I may not have asked the question correctly. I asked for a specific timeframe about the policy itself. Again, I think through the fact that if you're going to start testing in January, time must be running pretty short. I assume you feel you are under some sort of pressure to get this written policy done. Do you have a specific deadline that you have for the written policy?

A By the time we conduct the test, we need to be able to hand it to them and let them know.

BY MR BUFFONE:

Q So are you okay with handing the talent the policy the day of testing?

A Uh-huh. They will be told, obviously, in advance that we are going to do that. We will tell them what we'll test for, but they don't need -- I mean, they can all think they are being terminated, as far as I'm concerned, if they fail it. The specifics of it are not as important to me as it will be to them to know.

Q Some of the specifics of the test, have you discussed what drugs you are going to test for?

A From my understanding, we are testing the panel 5 or the 5 panel and steroids.

Q Have you been part of the -- I'm guessing you've been a part of the discussions of developing the policy?

A Correct.

Q But do you know of steroids -- there are a lot of different types of steroids. Has there been a discussion of which steroids you will test for?

A It is my understanding that the steroids we're testing for there's a variety of them, all of them. I understand Marion Jones went for Olympic medals and still had that happen. But from my understanding the steroid test we're taking is very thorough.

Q Okay.

A I think it is four times the cost of the panel 5

test, so I think it does cover multiple potentials.

Q Have you discussed collection process of the sample, how you are actually going to get the sample?

A From my understanding, the way we have done the ones in the past is they would come to Terry Taylor and only be discussed within a certain amount of people within the company, that it is privileged information, but they will provide it.

Q Do you recall any conversations about who will collect the sample?

A This outside company in Florida. I believe it was Centra Care is the name of the company.

Q Okay.

A They have a team who does this for large groups, not individual patients who come in.

Q Okay.

A They would be collecting the sample, doing the testing and then providing us the results.

Q You mentioned before that Terry Taylor would look at the prescriptions. Have you had any discussions about exactly the process of determining whether a prescription is by a treating physician for a valid medical purpose?

A What will happen is by this date -- what we were going to do in September is anything that might potentially show up in this testing they need to provide us their proof

from a doctor under his letterhead and things such as that and we will check out the doctors to make sure, not us personally, but have somebody who is a physician check out the doctors.

Q You do expect a medical physician to check out the prescriptions?

A Absolutely, absolutely. That's not something that Terry Taylor or any of us would ever try to handle.

BY MR. COHEN:

Q Do you have any plans to conduct blood testing to test for human growth hormone?

A We have done blood testing. I don't know we've -- we've conducted thorough blood testing, but I don't know if it tested for that or not. I don't believe so.

Mr. Hundley. I don't think so.

EXAMINATION

BY MR. BUFFONE:

Q Do you plan to do a lot of Internet pharmacy prescriptions?

A I don't know if that's been discussed. I know that out of all the listings of the Internet names that have come out none of those are on our roster that have been active with us have ever received any Internet drugs whatsoever, not even drugs that would be from these pharmacies that would be legitimate. Again, if that would have been, we

would have immediately had testing on that person and then reacted based upon that test.

BY MR. COHEN:

Q Is there plans to conduct continuous testing or is this a single testing?

A No, this will be ongoing. The word "proactive" is where we will be. We want this to be -- again, we're not the industry leader at all, but this is something we can be an industry leader in. We have talked about having some of our younger, healthy guys, our good-looking healthy guys do PSAs about drug abuse and steroids that we could go to Spike with and see if every network gets a certain amount of PSA time, that if we provided something like that that that's something where we could take a strong leadership position in. But we would want to make sure that we've got all the documentation in writing to make sure that we don't open ourselves up for any questions.

Q Okay.

Do you have a budget figure in mind? It sounds like you guys watch your budget pretty carefully.

A We can breathe right now, so it's a lot different. I'm pretty sure that it will be costly, but it is a cost that we're willing to and have the means now to be able to spend on it. You know, it has to be completely comprehensive, and I'm sure that we'll find the right way to

do it.

Q Have you thought through -- is there a budget figure in mind?

A I think on an ongoing basis this is 200, \$250 per person. So you're talking times 50 or 60 a couple times per year, and then we will continue if there is a cause to random drug test. I think now, based upon this hearing and things such as that, even if we are aware somebody is doing something, we will probably go to the extent of making sure.

Q Okay. You had mentioned the signature pharmacy case, the 11 -- there has been 11 wrestlers, there has been any number of professional baseball, football players whose names have come out in relation to that.

A Uh-huh.

Q Have you been contacted at all by the Albany District Attorney's office?

A No.

Q Regarding the signature pharmacy case?

A We've had no names on the list. Kurt Angle's name was on the list for something I believe in 2004, but that has been -- he didn't join us until October, November, 2006.

Q Did you make any efforts to reach out to the signature pharmacy -- I'm sorry, to the Albany District Attorney regarding the signature pharmacy case?

A No. I don't know what reason we would have had to

do so.

Mr. Cohen. I'm going to turn I think to an August 24th, 2007, e-mail from Matt Conway. It is a fax from Matt Conway to Steve Campbell. We will call that Exhibit 10.

[Carter Exhibit No. 10

Was marked for identification.]

BY MR. COHEN:

Q Who is Matt Conway?

A Matt Conway works for Andy. And again when these multiple lists of all of these wrestlers have come out they have been listed anywhere from 60 to 120, I believe. And I don't know if there is a definitive list. They are not all -- there is a lot of multitude of reasons for death besides drug on this list. But Andy had asked Matt to go back and look at every single show line-up that we had, and if anybody even made an appearance on our show who -- if any of those would have been on the most extensive of lists that are public --

Q What was your response to this list? Was this passed up to you?

A Oh, absolutely, absolutely.

Q What's your response?

A Well, I went through and reviewed each talent and what the individual situation was per person; and I would be happy to lead you through that.



Q No, that's okay. I'm just curious.

Have you spoken to your wrestlers? Are they concerned about -- there has been a lot of talk in the media. To what extent has it filtered down to the wrestlers themselves? Are they saying we have a real problem here that we need to fix? Do they not want to talk about it? What is the sense you get from your talent regarding the concerns about the lifestyle --

A That's a very good question.

Q -- and what causes it?

A That's a very good question. I think that you would have a different answer for the guys in their 40s than you would for the 20 somethings, the newer guys who are in the business. The 40 somethings are those that some of them do have baggage and who have experienced -- I think the '80s was a time of great indulgence of drugs and of steroids. Almost every talent to a fault was of the cartoonish physique, and it was pretty much expected that that's how you got your place in the business at that time, so I think it ran rampant.

A majority of people on that list, in the talents' perception, were mid -- very few really, really top names like Eddie Guerrero or Chris Benoit, and they believed that these guys didn't make a lot of money.

If you think I'm paying guys 400 today now, that's like

big potatoes compared to what they made back then, and they worked 300 -- crazy amount of days just to stay by. They were all in a tremendous amount of physical pain, that there was a cycle that is common that they are aware of, that is, the pain medicines to be able to wrestle, the Somas, which I believe are the muscle relaxers for afterwards and then the Vicodin or something to be able to sleep. And it is that trifecta when combined with alcohol or some other things that have caused the majority of these deaths.

If you ask them almost to the personnel today is absolutely night and day difference from what these guys who are dying so young went through. And I have had -- with our new talent, it is just a breath of fresh air, because this is foreign to them.

But the guys who are in their 40s who knew a lot of these guys and actually worked with them, and many of them had problems themselves, that's what they say. And that's what they feel like the real travesty is, this schedule. It creates a perpetual problem that puts these guys in a tailspin. And then you combine it when their 15 minutes of fame is over, they weren't that famous to begin with, they didn't save any money, they are depressed as hell, and it is a sad existence. It really is. It is tragic.

Q This is probably a question that probably affects your younger wrestlers at TNA more than almost anyone. With

baseball, when we looked at the stars of Major League Baseball you hear that the most -- kind of the saddest stories we heard were the players who didn't quite make it, who were clean and didn't quite make it and got stuck in triple A and looked and saw their peers and their colleagues who they were clean and they were just as good or better than, and they saw those people cheat and they saw them get a leg up.

In some ways, it seems like TNA -- some of the TNA wrestlers might be in the same position. They haven't made it to the big time yet. They want to get there, and they see and have the sense that there's people who aren't as good as them, aren't as talented as them, who are making it because they are cheating or they are using steroids. Have you heard from your wrestlers or is there a concern for some of them that there needs to be a policy so that they -- to protect the good guys?

A I think you just drew the perfect distinction that, in baseball, steroids is a performance enhancer; in wrestling, it has nothing to do with your performance and, in fact, it inhibits your performance. Because you are so bulked up you can't get out there and move in the ring. So then it becomes one of a purely physical desire on their part.

Q Right.

A And they are working for a company who, if you were to go down -- and I would invite all of you to come down to Orlando and look at every one of our talent and see, and you can look at them to a fault -- I don't know if you want me to do that, but my point is they are told you don't have to be a certain way. I have chubby, I have very chubby, I have downright fat guys that work for me, and they are accepted and they are pushed as hard as anybody else.

Their appearance in my company -- and I can only speak for my company because I know I have a different perception of these guys. But, you know, there's Shark Boy, he's pudgy. And here is my number one brand new talent, very muscularly built not, but he the fastest, most amazing guy in the ring that you can imagine. And he wears his drawers up to there and that's who he is and we're not going to change him and that's who he was.

One of the newest guys that we signed he could stand to do some sit-ups, but he does not have to use steroids to participate.

Mr. Cacheris. The point being if there was use of steroids --

Ms. Carter. They would not look like this. We have a group called the X Division. They are young, 20 something guys who are -- this guy went to George Mason, is a graduate student there, and he is a professional wrestler at night.

They guys don't have to look the part. They have to be great in the ring. And that is the way that we run this company.

Even some of the famous guys, they are big and bulky and have to wear shirts like that to cover their guts. But he is the best talker in the business.

Mr. Cacheris. Don't use names.

Ms. Carter. And people will know exactly who I am talking about, just putting those two comments together.

It is an attitude and the way you run your company and the tone you set from the very top to let people know that is not -- not only not accepted, it's not wanted, it is not a part of what you have to be successful in this company. And it is, you know, to a T, you know, and I could have brought many more. Let me tell you these type of people would never be successful in any other wrestling organization.

BY MR. COHEN:

Q Do you feel that -- I'm going to put you on the spot a little bit.

A Yes, sir.

Q I had told you that we had some interviewees who had stated that TNA was a haven for drug users. Do you think that WWE is a haven for drug users? You seem to be drawing a distinction between the types of athletes and talent you

have and the body type and the talents and body type of the WWE wrestlers.

A Uh-huh.

Q Do you think that WWE has a situation where, because of either their steroid policy is failing or because it is not tough enough or because they are looking the other way, does -- do you have to use steroids to make it in the WWE? Do you have to create the superhuman body and superhuman physique and cartoonish figure that's not going to happen naturally?

A It has been more prevalent in that company, there is no doubt. And I think history has proved that's there's a lot of athletes out there who have beat the stringent drug testing system.

I can't really comment on the effectiveness of theirs. All I can say is that you have to -- you have to back up what you're saying.

If I said, guys, no steroids, no steroids, we want to be a clean company, okay. Get rid of that gut. If you don't put on 40 pounds, your ass is off.

You run your company like that and that's wrong. You say, guys, we want to be clean. We want you to be healthy. You are fine the way you are.

I have one guy that is so upset because he is just so chubby and can't quit eating, but he is a wonderful guy, and

I cannot tell him any more than I have, you are okay, don't worry about it.

That is a difference. And I don't have it all in writing and I don't have that, but that is how we run this company, and that is very, very important to me. We're a close-knit group, and we are family, and we don't want nor desire to be that kind of company.

Q Does WWE -- do your wrestlers ever move from TNA up to WWE?

A We've had a few that have wanted to, and the main reason is the money. We just cannot pay them -- I mean, we pay our guys a fraction of what they would pay. In actuality, to keep us out of the business --

Mr. Cacheris. He's asking from TNA. Would WWE --

Ms. Carter. Yes, that's what I'm talking about. In actuality, they would like to hire every one of our talent away from us and just pay them a lot of money and put them in obscure places, never put them on television just to put us out of business. And every chance they get when a contract comes up they dangle a lot of money in front of them. A few have taken it. Not one has seen success. They are doing it for another reason, not to build that talent. Competition is healthy, but some people don't see it that way.

BY MR. COHEN:

Q Do you have a sense that any of your wrestlers think that they need to take performance-enhancing drugs to make it in the WWE?

A Any of my --

Q Any of your wrestlers, if they want to move over to WWE and get the big paychecks?

A No, I think -- you know, I couldn't answer for them. If they felt like they'd make more money, would they cross that line? I don't know. I would hope that they wouldn't.

Mr. Cohen. Okay. We're getting to the home stretch here. I have -- see if there is anybody else.

BY MR CHANCE:

Q I would going to say, spin it into a positive thing, as a safe haven. Maybe you can consider yourself a safe haven to save those guys from that lifestyle, that you embrace this natural, positive, healthy type of wrestling?

A Absolutely. Everything I do is try to do that for this company. And I do get defensive if somebody does feel that in a negative way.

We are a place for second chances. We are a place for people who have been kicked out on the street. There are a couple of these people who begged us for a job who passed away that they just didn't have the talent or whatever, didn't have anything to do. They weren't doing drugs at the time or anything else. And, you know, a guy commits suicide



afterwards, that's horrific and terrible.

But we want to be a place where people do have that opportunity, a place where they can bring their kids. I bring my kids everywhere I go. They are encouraged to bring their kids. They don't travel a lot. We go to one location, it is just a different environment.

And I can't talk and I've never been a part of anybody else's company. All I know is to create the kind of company that I would want myself or my kids to work for.

RPTS KESTERSON

DCMN BURRELL

[3:00 p.m.]

BY MR. COHEN:

Q Do you think the expectations that wrestlers feel the need to make it in the WWE affects the talent pool that you have to draw from, that there are wrestlers that would be good talent who might engage in activities that you wouldn't accept in TNA to potentially make WWE and therefore you wouldn't hire them in TNA?

A Oh, absolutely. Those that can't abide by our rules or whatever. And there are those out there. I mean, there are some good talent that would be great roster additions for us, but they couldn't be. You know what I'm saying? And so we wouldn't -- we wouldn't want them to be a part of our team.

Q So that image of what a wrestler is supposed to be right now that you're trying to work against is hurting even wrestlers who aren't with WWE but are just in the independent circles, is hurting the talent pool --

A I don't think so. I think what you are looking at these days -- all my young guys, all those came from the independent circles and that's what they look like. They're allowed to be themselves. And I'm sure there are some that since they were a boy dreamed of being like Hulk Hogan and

looking like him and becoming a WWE wrestler. And it has been their dream and now all the sudden here is this TNA company and, you know, they have a choice now. And there are a lot of WWE talent that contact us on an ongoing basis who are in contracts, want to get out of contract because they just cannot -- it is a lifestyle. They can't live that lifestyle any more or they choose not to. And sometimes they learn money is not everything. Money is not worth a lot of things. And that is my biggest pitch to people, is that I can't give you the money one day, I pray that we'll all be successful and be able to make more money, but I can give you a completely different environment and a different existence. And I don't ask for a lot. I don't think this is asking for a lot, to be clean, to show up, to, you know, be a part of a team, to be good in the ring. That's not asking for a lot. I'm not asking them to leave their families or to be out on the road or, you know, to do all those other things. This is -- this is an easy existence compared to what some of them are used to. And I would encourage you instead of just talking to wrestlers who are no longer with companies, who have potential disgruntled feelings, perceptions, et cetera, to maybe talk to existing wrestlers, any of my people. Like I said, come down, et cetera. So, you know --

Mr. Cohen. All right. We are getting to the home

stretch. Do you want to take a break?

Ms. Carter. I'm fine.

BY MR. COHEN:

Q This next set questions with regard to your general approach to wrestlers' health and safety and activity in the ring. First question is actually not on wrestlers but on referees. Where are your referees from?

A They are from all over. We -- all over the country. They're usually referees for high school basketball, college sports, things such as that.

Q What kind of training do they receive?

A Just the same training that you would to be a, you know, college basketball coach or high school soccer, you know -- excuse me -- referee or things such as that. Referee, not coach.

Q Do they have any specific medical training?

A No, absolutely not. They are part of the show. They are players in the show. They know when the guy is going to bump, they tell them how many more minutes is left in the match. They tell them we are running short, cut it out a minute. They wear an earpiece and they are part of the show.

Q Okay. Do they have the authority to end a match to the extent there is an injury?

A Oh, absolutely. The second person right here, Chris

Candido, this was a first match on a pay-per-view. He broke his ankle, which was obviously a serious injury and we had -- he called it. So we knew immediately that it was real and that sometimes they even fool me. I don't know if somebody is really injured or if they're just playing it up. And, you know, the trainers were in that fast and took him backstage.

Q And do you have a ringside doctor?

A Yes, we do. We have an orthopedic surgeon who is at every event and we have two licensed trainers that are there as well. And we work with the guys on the preventative stuff in advance of the show and then they are there in case there is any kind of serious issue and then to work with them afterwards.

Q Okay. Do they conduct physical exams of any kind before the show or after the show?

A No.

Q Okay. So can you walk quickly -- their authorities and their responsibilities at a match.

A What --

Q The doctors.

A -- the doctors would do? They don't have any responsibilities in the match. They're there to make sure the talent would go in there, I've got a strained knee, I've got -- the big guy has sciatica problems, you know. And we

have a masseuse also that is there, a sports masseuse and -- you know, so we just try to -- you know, if they have any little aches or pains going in, tape them up properly, et cetera. And the doctor is there in case there is any kind of serious injury and then obviously we have EMT on location as well.

Q Is -- to the extent they feel a match is legitimately becoming dangerous and it is, do they have the authority or the ability to stop a match? The example is the ringside -- ringside doctors in boxing who have some authority that goes beyond what the referee in a boxing match has to stop a match. Do your ringside doctors have any of that authority, the ability to communicate with the individuals inside the ring?

A Really it is us communicating to them that we have an injury. Because if a guy goes down, whether it be a sprained ankle, broken leg, we've had very, very few injuries. Our guys -- their biggest propensity to be hurt is when they're working independent shows against guys who do not know how to protect them in the ring. But if there is something, they will communicate to the referee, the referee communicates it backstage and they're out there, you know, they're right there. They just sit kind of off camera right in the back and then they'd come in.

Q Okay. If -- did they have the authority -- do your

doctors or do your trainers, do they have the authority -- I imagine this is pretty macho business. If someone comes in that has got a sprained ankle, a sprained knee, you know, they're hurting one way or another, they probably don't want to admit it. Is there a procedure in place by which one of your ringside doctors can --

A Absolutely.

Q They can say I'm looking at you and you can't go, no way? Can you require a wrestler to take a medical leave?

A Can you require -- oh, absolutely. Just a couple of weeks ago at a pay-per-view, the first guy I showed you, the bigger guy injured his foot. He saw the ortho guy right afterwards. And before we would allow him to be on the show the next day, he had to go and get an MRI on his foot and get a doctor clearance at the hospital.

Q Okay.

A But obviously they are not there with those kind of equipment, so we had to send them on to the hospital.

Q Okay. Chair shots have been a big issue for WWE. Do TNA wrestlers take chair shots to the head?

A They do, uh-huh.

Q Are they scripted?

A Yes, they are.

BY MR. BUFFONE:

Q Are these chair shots where they are putting their

arms up or are these chair shots directly to the head?

A It is a little of both. I mean, they know how to protect themselves. You know what I'm saying? They know how to make it look -- when they slap somebody, that big thumping slap sound that sounds like it hurts like heck, the guys are hitting their own thighs. They know how to do that. Like, you won't even see and notice it. But I do notice a few dummies that just sit there and take it and then we have to tell them backstage you have to, you know, put your hands up.

BY MR. COHEN:

Q How about pile drivers, unpadded surfaces are again something that has been an issue for WWE. Are those kind of moves scripted into TNA?

A All the moves that are done are -- I mean, we would not allow any talent to do anything that is going to jeopardize -- that cannot be protected. I don't think that there is a move if properly executed that you and I could not potentially take. I know it sounds -- I mean, we've had people with absolutely no experience get in there and take things and you just -- there is a trust issue that if you can get past that, which I can't personally, but if you did, you could be protected in every move out there. But you have to know what you are doing. That is why it is very important that these people have a clear mind in doing so.



Q How much control do you have over the matches? Is it a case where you're telling people we need a 6-minute match here, you're going to be the winner, go to work? Or are you -- do you control the entire script of a match?

A There is a psychology to the match. And it is, okay, you're going over on him in 6 minutes, to use your example, and that you need to come out and you're trying to get your character over. So you're -- you're the bad guy, so you're beating on her and she makes a superman comeback and then she takes you out and the audience is hooked the whole time. That is all scripted. We have what we call agents to help the talent, for them to articulate the script of it into the physical movements of it and the guys and the agents come in, they lay that out and then the agents communicate that to more the senior executives on the creative committee and the television production committee to let them know where they are going to be at what time. They are going to be out of the ring at this point, about 3 minutes into the match, and then they'll go back in, there will be a big spot with a ladder and he is going to jump off and that is going to happen about 5 minutes in the match.

Q So it is fair to say that you may not control every single move, but you control the script of the match?

A Correct.

Q And the -- and you're able to -- you specify the

highlights?

A Absolutely. The direction. And then they put together -- they each have a kind of roster of signature moves that they all use.

Q Okay. Concussions, have you ever diagnosed wrestlers with concussions?

A Oh, man.

Q Not you specifically?

A Right, no. Absolutely not is the answer then. We have had, I believe, some people who have had mild concussions who have been checked out and then we have to go in and rewrite the show. Let's say it happens on a first taping, then we have to go back and rewrite the show. If it happens on a first taping, then we have to go back in and rewrite it where they can be there ringside or something potentially if they're able to or capable with a doctor -- with a doctor's permission but then they would have to be pulled out of the actual match, the physical matches themselves.

BY MR. BUFFONE:

Q And it is the ringside doctors that diagnose that concussion?

A You can't, I don't believe. I mean, he can say I think it is mild. But if they think it is anything more than just very, very mild, they have to go to the hospital.

BY MR. COHEN:

Q With concussions, if they -- in an individual match, they're taken out and taken to the hospital. Is there a period of time that they then have to lay off if they've had a concussion?

A The doctor would dictate that to us, not us to them.

Q Okay. So the doctor -- you follow doctor's orders on that?

A Absolutely.

Q And --

A And these are all independent doctors who are the doctor on staff at the local hospital. They have no vested interest in us, don't know who we are or anything.

Q You tape three times a week and pay your wrestlers on a per appearance?

A Correct.

Q If you have a scenario where someone gets a concussion and the doctor says he needs 2 weeks off, would they still be paid for the time they --

A It depends. Most of the times, they are all cleared to stand there, but they're not cleared for physical activity with a concussion. So in that case, we'd have to scramble, rewrite the script, either put somebody in their -- write in the injury into the script and they'd still be on the show, they'd get paid but they are not

there. Those that we actually sent home because of problems with, you know, drugs and all lately, we have paid for that time off.

Q The script -- the way the matches are scripted, could you script things on a move-by-move basis if you wanted? I mean, do you have the contractual right --

A These guys are like golfers. I mean, if you have ever seen a golfer go, oh, you remember 4 years ago on that fourth tee shot I hit off 13 at Master's. I mean, they remember all of these moves. So, I mean, when they are sitting there that afternoon in a 2 or 3-hour period, they will lay out in their minds and then they talk to each other where you don't see it hopefully. But they talk to each other through the matches and they have to adjust. If somebody does tweak a knee or do whatever, then they have to adjust and he'll start holding his knee and they have to adjust to that in the ring and almost make it a part of the story line.

Is that what you were asking.

Q I was just wondering about your ability to control what happens in the ring. If you -- I guess part of my thinking is that -- again, I think wrestlers -- you're right, it sounds like they have a way of doing things. You know, if you were interested in preventing concussions and preventing some of these chair shots, it might not be enough

to tell them -- to give them just -- to give them -- you might have to dictate move by move this is what you are going to do here, this is what you are going to do here, basically in an effort to keep them from not doing X, Y and Z. If you needed to script an entire match, move by move, could you do that?

A Potentially. But you can only script what these guys do best. If she has her 10 best moves, I'm not going to make her do his moves that are easier to say something because she is going to hurt somebody doing his moves because she doesn't do them. So I think, you know, they each have their stable, their roster, their repertoire that they pull from that is safe and, you know, and some of them look like they have a higher degree. Some of the most difficult degree of difficulties we have are the safest moves in the ring.

Q Okay. Do you have the right to tell your wrestlers they cannot do X, Y and Z?

A Absolutely.

Q That they have to do specific things? Can you tell them they have to do this in the ring and they cannot do that in the ring?

A You have the right, absolutely. There have been moves that we've seen without permission given or discussion in advance that we can't say anything about because it

happens before you can do it and then you say don't you ever do that again, I didn't tell you because I knew you wouldn't let me do it, don't ever do it again.

Q You can tell them I want you to do these five moves in the ring, I do not want you to do these three moves in the ring?

A I do not tell them what moves to do, you know. These guys know better than I and everybody else what they can and cannot do safely. And, you know, they have been doing this a long time. And we haven't had any -- we've been doing this 5-1/2 years. We've had one broken bone and that is it. And he died because of a blood clot because the hospital didn't tell him he could fly, that he shouldn't fly within a period of time, and that's what happened and it was a horrible tragedy. But we've never had any more injuries than that. These guys are very, very good at what they do. Lots of stitches.

Q Multiple concussions?

A We haven't had -- we haven't had a serious concussion and we've had a few mild concussions, but not -- not one single serious concussion from my memory.

BY MR. BUFFONE:

Q How many people have you sent to the hospital for concussions? Do you have any recollection of the number?

A I don't know off the top of my head. If they don't

pass the -- it is a mild from the doctor backstage, then they would have to go. But like I'm saying, it has been very few and I don't know if any of them even checked out to be a serious concussion. I do know that I have some guys on my roster that have had serious concussions from previous jobs. But under TNA I don't believe so from memory.

BY MR. COHEN:

Q Physicals. Your letter indicates that Dr. Jason Pirozzolodo conducts the physicals. Is this correct?

A I believe that's correct.

Q When you conduct a physical, what do you screen for? What do you ask Dr. Pirozzolodo to do with the physicals?

A These are based on governing bodies of State regulations and they would lay out that a full physical -- that X, Y and Z has to be under -- certain labs have to be run, et cetera. And that is -- the doctor would be provided that and asked to comply with the tests that we need.

Q So you're under State authority in Florida?

A Correct. But if we were to tour to Missouri by chance, they have one of the most stringent athletic codes and regulations. And actually the Missouri State regulator is the President of the entire body and, you know, we have again out there a stellar reputation of trying to go above and beyond any of these requests that people do.

Q And despite -- you do fall under the authority of

State athletic commissions?

A Absolutely. Every State you run in, you have to file the paperwork, you have to determine what their -- and there is a lot of talk on the State level right now on should there be broader restrictions. You know, some States you don't have to have anything. You write a check and you get the deal. I mean, you get the license. Other States have tremendously rigid ones and, you know, we follow whatever the State regulatory is. But I do know that there is discussions on there to look at more stringent regulations.

Q Okay. You may not know the answer to this. Are you set up in such a way with regard to -- I know with WWE there was a big deal over their disclosure that they were not sport, they were entertainment, which released them from a fair amount of regulation of State regulatory authority. Do you do things differently such that you're -- you continue to fall under those State regulatory authorities or --

A We're not considered sport. It is more -- wrestling is scripted and it is more like, you know, we're Jackie Chan action sequence a lot during that. But we don't fall under the same rules and regulations as other sport maybe coming into -- coming into a State.

Q Okay. So generally you're falling under the Florida -- because you're primarily in Orlando and don't do



much touring yet, but you fall under Florida --

A But the States we have, you contact each one of them and determine their regulations.

Q Okay. So how often -- under the Florida regs now -- how often does Dr. Pirozzolodo conduct the physicals?

A We've had physicals I believe with the entire talent roster in December at the end of last year, March or April of this year and then we were going to do it again this summer. We'll do it probably one more time during, you know -- we'll look to do those probably twice a year.

Q Okay. Have you ever had a talent fail a physical?

A No. We've had a few who have had elevated heart rates that we made get cleared before they went in there. We had a man with an elevated liver problem. He was an older gentleman and almost 60. Anybody who has had little pieces, we made them go to the doctor and come back to us and show us that, you know, their problem was solved. And on the heart stuff, we've also -- if anybody has had elevated even day of show, we have also taken you know with a heart monitor to make sure that it is double checked.

Q And has Dr. Pirozzolodo ever communicated any concerns about drug abuse generally or steroid or painkiller use specifically among your wrestlers?

A No. And from my understanding, the elevated levels that you'd look for for certain drugs, they were not present

as well.

Mr. Cohen. I'm done.

BY MR. BUFFONE:

Q I have one quick question. You described to us that since wrestling -- it was known that wrestling has been fake, it has become a much more dangerous sport.

A That it has become more dangerous?

Q Yes. That now that people think that it is not real, they do more dangerous moves and do more actions that really are more dangerous and do potentially get hurt because people believe that they aren't real. Is it your understanding that all TNA moves pretty much are safe and that really that is not true, that these are trained professionals doing safe moves?

A I would disagree because the curtain has been pulled back and they see that the wizard is back there. I think it is because we live in a day and age of the X games and you see 7 and 8-year-old boys doing freaky flips off of a mountain with their little two-wheelers. And you've got, you know, video games now that these guys are playing that are showing superhuman moves and things such as that. So I think that has been more the reason that things have become elevated and people try to top different moves really because it is just the nature of our generation right now and where we are at in television and sport than anything

else. I don't believe it is just because they believe it is not real.

Does that answer your question?

Q I guess it is not really that it is not real. But because it is not real, they've been allowed to do more and more extreme things --

A They are not doing anything now that they didn't do before. People just maybe now know that, God, that person -- there are still some that choose to believe. And really what it is, it is no different for a movie. For a period of time you sit there and you suspend disbelief. You suspend disbelief that Tom Cruise is married to Katie Holmes and he divorced Nicole Kidman and that he really is this person in Mission Impossible. It is the same thing here. You suspend disbelief that this guy is Abyss the Monster and he is a 6 foot 8, 300-pound man that canceled a date to come be at my daughter's birth and hold her in his hand from here to here. That is my Monster Abyss. You know so people know in real life that he is not a real monster that wears a mask and has this kind of crazy thing. I think they've just come to realize that that -- it is a movie, it is television, it is scripted. And I think for a while professional wrestling wanted people to believe it was real. But I think Vince made the decision single handedly and was in a position to pull the curtain back, and I don't know if he did it for

selfish reasons because, oh, this protects me from having to comply with this, that or the other or if it was some other strategic move. I don't know.

BY MR. COHEN:

Q Do you know Mr. McMahon? Do you know him personally?

A No. I've never talked to him.

Mr. Cacheris. Are we done?

Mr. Cohen. We're done.

[Whereupon, at 3:30 p.m., the interview was concluded.]

## Certificate of Deponent/Interviewee

I have read the foregoing \_\_\_\_ pages, which contain the correct transcript of the answers made by me to the questions therein recorded.

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Witness Name