

Exhibit No.	_____
Issue:	_____
Witness:	Brian McNamara
Sponsoring Party:	
Type of Exhibit:	Direct Testimony
Case No.	EC-2002-112

**BEFORE THE PUBLIC SERVICE COMMISSION**

**STATE OF MISSOURI**

**DIRECT TESTIMONY**

**OF**

**BRIAN MCNAMARA**

**ST. LOUIS, MISSOURI**

**DIRECT TESTIMONY OF  
BRIAN MCNAMARA**

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**DIRECT TESTIMONY OF  
BRIAN MCNAMARA  
ON BEHALF OF STERLING'S MARKET PLACE  
CASE NO: EC-2002-112**

1 Q. **PLEASE STATE YOUR NAME, TITLE AND ADDRESS.**

2 A. My name is Brian McNamara. I am the President of Gateway National Bank and our  
3 offices are located at 3412 North Union, St Louis, Missouri 63115.

4 Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 A. The purpose of my testimony is to:

- 6 1. Relate my experiences in helping to provide Sterling's Market Place with  
7 financial assistance.
- 8 2. Describe my experience of dealing with AmerenUE and its employees.
- 9 3. Discuss the efforts to help get electric service restored at Sterling's Market Place  
10 and the impact the termination had on the grocery store operations.

11 Q. **PLEASE DESCRIBE THE RELATIONSHIP THAT GATEWAY BANK HAD  
12 WITH STERLING'S MARKET PLACE I.**

13 A. When I became President of Gateway Bank in September of 2000, Sterling's Market  
14 Place had a deposit account and a loan. Being a small community bank in the inner city,  
15 we were interested in helping to make sure that store succeeded to fill a need that we saw  
16 was important to that part of the City. To help the grocery store succeed Gateway made  
17 2 working capital loans that were used for the purpose of acquiring inventory.

18 Q. **DID YOU EVER HAVE OCCASION TO VISIT THE GROCERY STORE?**

19 A. I visited the store at least once a week to talk with Sterling Moody to discuss sales and  
20 issues regarding working capital. I would also give him advice on how to raise additional  
21 working capital and how to manage the working capital that he did have.

1 Q. DESCRIBE WHAT EFFORTS YOU PUT FORTH TO HELP STERLING'S  
2 MARKET PLACE SECURE ADDITIONAL WORKING CAPITAL

3 A. I participated in conversations with Joe Driskil, Director of the State Department  
4 of Economic Development and Dennis Roedemier, Deputy Director, on ways in  
5 which the State could assist Sterling's Market Place in securing some permanent  
6 working capital.

7 Q. HOW DID YOU BECOME AWARE OF PROBLEMS THAT STERLING'S  
8 MARKET PLACE WAS HAVING WITH AMERENUE?

9 A. Sterling Moody would tell me on several occasions that he was being contacted by Mr.  
10 Leroy Ettling at Ameren about making payments on the electric bill. On one occasion,  
11 Sterling Moody told me that he had made arrangements to pay two thousand dollars on  
12 the bill.

13 Q. DESCRIBE HOW YOU BECAME AWARE OF THE FACT THAT THE  
14 ELECTRIC SERVICE HAD BEEN DISCONNECTED.

15 A. On April 17, 2001, Sterling Moody contacted me and told me that an employee from  
16 AmerenUE was there to shut the electricity off. He also told me that he had contacted  
17 Mr. Mike Foy about making arrangements to keep the service on and Foy demanded two  
18 hundred sixty five thousand dollars or the service would be shut off. I tried to contact  
19 Mr. Foy that day but was unsuccessful.

20 Q. DESCRIBE WHAT HAPPENED NEXT.

21 A. I contacted Foy the next day to inquire what could be done to get the service restored and  
22 Foy had a very sarcastic attitude. He again told me that it would take two hundred and  
23 sixty five thousand dollars to have the service restored. I told him that I believed that the

1 electric bill was not that high and that we needed a meeting to determine what the actual  
2 electric bill was. Mr. Foy reiterated that the bill was \$265,000 and that there was really  
3 no point in having a meeting. From that day on, I was in touch with Mr. Moody on a  
4 regular basis strategizing on how to get the service on.

5 **Q. WERE YOU INVOLVED IN ANY OTHER EFFORTS TO HAVE THE**  
6 **ELECTRIC SERVICE RESTORED?**

7 **A.** Sterling Moody came to the bank with twenty-five thousand dollars to secure a cashier's  
8 check which he said Ameren was requesting for a deposit. When Foy was contacted to  
9 let him know that Sterling Moody had the twenty five thousand dollars cashier's check,  
10 he demanded \$45,000. One week later Sterling raised the \$45,000 and made  
11 arrangements to take it to Ameren. After the \$45,000 was delivered to Ameren, Sterling  
12 called me and said he was given a receipt and that the service would be turned on the  
13 next day by 3:30 pm. The next day Sterling Moody called and told me that Ameren  
14 refused to turn the service on until the cashier's checks cleared. I was very disappointed.

15 **Q. DESCRIBE WHAT ACTIONS YOU TOOK NEXT.**

16 **A.** I called Mike Foy's supervisor, Sherry Moschner, and told her that it was ridiculous to  
17 wait for cashier's checks to clear and that the bank was offended. I told her that we  
18 needed to meet to discuss how much money Sterling's Market Place actually owed and  
19 she agreed to meet with us.

20 **Q. PLEASE DESCRIBE WHAT TOOK PLACE AT THE MEETING.**

21 **A.** The meeting took place on May 15, 2001 at Ameren's headquarters on Chouteau.  
22 Present were Sterling Moody, Mark Kasen, Sherry Moschner, Mike Foy and myself.  
23 Sterling disputed the bills and I pointed out that Sterling's Market Place I was being

1 billed for the electrical service that was provided to Broadway Super Market before  
2 Sterling Moody took over as Sterling's Market Place I. Sherry Moschner and the  
3 Ameren representatives left the room. They returned and Foy insisted that Mr. Moody  
4 should have raised the issue regarding the billing dispute long before the service was  
5 disconnected. I pointed out that based on what I knew the company had not investigated  
6 the concerns raised by Sterling's Market Place I regarding the accuracy of the bills.

7 **Q. DURING THIS MEETING, DID YOU DISCUSS THE ISSUE CONCERNING**  
8 **THE TERMINATION OF ELECTRIC SERVICE ON APRIL 17, 2001?**

9 **A.** Yes. I informed them that I was very concerned about the fact that Ameren had been  
10 accepting partial payments from Sterling's Market Place for the last year and then  
11 suddenly shut off the electricity. Sherry Moschner then told me that Leroy Ettling was a  
12 clerk and that he was not in a position to bind the company. I informed her that Mr.  
13 Ettling was a Senior Credit Manager and had been making payment arrangements with  
14 Sterling Moody on a regular basis. Ms. Moschner and the AmerenUE representatives  
15 left the room. When they returned, we discussed payment arrangements and they  
16 informed us that Ameren would send Sterling's Market Place a written document within  
17 the next two days and that Sterling Moody and Bert Schoenlau would have to sign it  
18 before service could be restored. The meeting was adjourned. The service was restored  
19 on May 18, 2001.

20 **Q. DESCRIBE WHAT IMPACT YOU BELIEVE THE TERMINATION HAD ON**  
21 **THE STORE.**

22 **A.** In my opinion, the termination seriously damaged an already tight working capital  
23 position. It worsened Sterling's Market Place I's relationship with his creditors and

1 potential investors. It damaged his sales volume and customer base lost its faith in the  
2 grocery store. Sterling's Market Place I never recovered.

3 Q. **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

4 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

Sterling Moody, Sterling's Market Place,  
And Sterling's Place, I

Complainants,

v.

AmerenUE, Union Electric Co. d/b/a  
AmerenUE; and Mike Foy, Leroy Ettling,  
And Sherry Moshner, as employees of  
AmerenUE,

Respondents.

Case No.: EC 2002-112

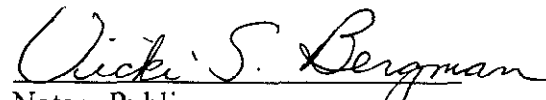
**AFFIDAVIT OF BRIAN MCNAMARA**

STATE OF MISSOURI )  
 ) SS.  
COUNTY OF ST. LOUIS )

Brian McNamara of lawful age, on his oath states: that he has participated in the preparation of the foregoing written testimony in question and answer form, consisting of 4 pages of testimony to be presented in the above case, that the answers in the attached written testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

  
BRIAN MCNAMARA

Subscribed and sworn to before me this 24th day of April, 2002.

  
Notary Public

My commission expires: \_\_\_\_\_

