

# **EXHIBIT 7**

IN THE UNITED STATES DISTRICT COURT  
IN THE DISTRICT COURT OF ARIZONA  
PHOENIX DIVISION

MARVIN SAPIRO and  
GLORIA SAPIRO, his wife,  
  
Plaintiffs,  
  
vs.  
  
SUNSTONE HOTEL INVESTORS, LLC.,  
SUNSTONE HOTEL INVESTORS, LP.,  
  
Defendants.

Case No. CIV 03 1555 PHX SRB

VIDEOTAPE DEPOSITION OF JEFF HAMMERMEISTER  
Taken Wednesday, June 1, 2005  
From the Hour of 8:54 a.m. to 11:21 p.m.  
Pages 1 through 114, inclusive  
Volume 1

Taken by Counsel for Plaintiff

at

Offices of Heartland Court Reporters  
100 Cushman Street, Suite 308  
Fairbanks, Alaska 99701

Reported by:  
CAROL A. McCUE, RMR  
Heartland Court Reporters

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14	2: 183-page document, Sunstone Hotels, Engineering Standard Operating Procedures .....	30
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A P P E A R A N C E S

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JEFF HAMMERMEISTER  
June 1, 2005

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BE IT KNOWN that the deposition of the above-named witness was taken this date in the foregoing action before Carol A. McCue, Registered Merit Reporter and Notary Public within and for the State of Alaska.

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Q. Uh-hum.

A. Pretty much a daily -- a daily walk-through that I would do.

Q. Did you have a formal review process for Mr. Marrs? 09:26:44

A. Did I -- did I personally have a --

Q. Uh-hum.

A. No.

Q. No. How was Mr. Marrs compensated?

A. Same as I, through the payroll system of Sun -- Sunstone Hotels. 09:26:57

Q. Did he have a bonus or just a base salary?

A. I believe just a base. There -- there could have been a bonus. I don't recall that.

Q. Okay. Do you know whether Marrs kept current with the industry through any training? 09:27:09

A. I don't know.

Q. Did Sunstone pay for training for continuing education for its engineers?

A. I don't know. 09:27:25

Q. Let's put this aside for one moment. I would like to show you something else.

(Pause.)

BY MR. SCHMIDT:

Q. Do you know who Gary Stewart is? 09:27:49

Q. I'll represent to you that he's speaking of this manual that we've marked as Exhibit Number 2. Do you have any information that would contradict Mr. Stougaard's declaration that this manual set the standards for engineering and maintenance at Sunstone Hotels? 09:29:43

MR. KLEIFIELD: Vague and ambiguous. Form. Foundation.

THE WITNESS: I've never seen this document --

BY MR. SCHMIDT: 09:29:55

Q. Okay.

A. -- in three hotels with Sunstone. So that's all, that's my basis for it. I've never seen it.

Q. Okay. This manual has a number of -- well, let's look at it, since you've never seen it. It will be interesting. 09:30:12

The second page, it says, Sunstone Hotels Engineering Procedures. Would those refer to the way that the hotel's supposed to be run?

MR. KLEIFIELD: Hold on. Objection. Form and foundation. 09:30:33

You're asking him to speculate what a document refers to when he's never seen it? If that's what you are -- I mean, objection. Foundation. Calls for speculation. Vague and ambiguous. Overbroad. 09:30:45

A. Yes, I do.

Q. Who is he?

A. He is a -- on the executive committee of Sunstone Hotels.

MR. SCHMIDT: I'm going to ask the court reporter to mark this as Exhibit Number 3. 09:28:01

(Exhibit 3 marked.)

MR. SCHMIDT: Mr. Stougaard was deposed in this case, it went to the -- this is a copy of the transcript of his deposition. 09:28:22

BY MR. SCHMIDT:

Q. I would like you to turn, please, to Page 33. And there's a question that starts on Line 3.

A. Line 3?

Q. Line -- on Line 3, yes. And the question reads: So insofar as, say, engineering and maintenance standards at the particular hotels, what documents would exist that would show what those standards were as of February of 2003? 09:28:44

The answer is: I think you have that. 09:29:01

Question: But I'm asking you to describe what they are.

Answer: It's a manual that you have.

Do you see that?

A. Yes. 09:29:15

THE WITNESS: I -- I don't know.

BY MR. SCHMIDT:

Q. Okay. Let's start from the beginning. What does the term "engineering standard operating procedures" mean to you? 09:30:57

MR. KLEIFIELD: Same objection. Also irrelevant.

THE WITNESS: I can't answer -- I don't know.

BY MR. SCHMIDT:

Q. You've been in the hospitality industry for 25 years, more or less? 09:31:06

A. Uh-hum (affirmative).

Q. And the term "engineering standard operating procedures" doesn't mean anything to you?

MR. KLEIFIELD: Are you talking about his preference in this manual or just in a hypothetical conceptual way, Jorge? 09:31:18

MR. SCHMIDT: Just this term.

MR. KLEIFIELD: Just the terms used in the manual. 09:31:28

MR. SCHMIDT: Just the term "engineering standard operating procedures." Not -- not this manual.

MR. KLEIFIELD: Same objection.

THE WITNESS: I would be used to seeing a 09:31:36

of general managers goals and objectives, no.

BY MR. SCHMIDT:

Q. What are your -- what are your top five goals and objectives?

A. Guest satisfaction, number one. 10:00:54

Q. Uh-hum.

A. Revenues.

Q. Uh-hum.

A. Accounting standards. Internal controls.

Q. Uh-hum. 10:01:02

A. Employee satisfaction. And profits.

Q. What goes into guest satisfaction?

A. The guest survey scores that they fill out and return to the -- a third party that tabulates them.

Q. Uh-hum. 10:01:24

A. And they give you a numeric score.

Q. And what's included, what -- what's evaluated in those scores?

A. How was your room, how clean were things, how was your food. 10:01:37

Q. Uh-hum.

A. Did everything work. How was the service. Anybody stand out positively or negatively during your stay. That -- that's definitely not on there.

Q. Okay. So maintaining the health of your 10:01:55

1 are safe from Legionnaires pneumophilia organism.

2 Do you have any idea why that's something

3 Sunstone would want?

4 MR. KLEIFIELD: Objection. Foundation.

5 Assumes facts not in evidence. Vague and ambiguous. 10:03:28

6 THE WITNESS: No.

7 BY MR. SCHMIDT:

8 Q. Why didn't -- why wasn't the San Marcos tested

9 for Legionnaires before August 2003?

10 A. I don't know. 10:03:48

11 Q. If there had been a policy that required the

12 San Marcos test for Legionnaires before 2003, would

13 that policy have been followed?

14 MR. KLEIFIELD: Objection. Foundation.

15 Overbroad. Vague and ambiguous. Irrelevant. 10:04:05

16 THE WITNESS: I don't know. I've -- I've

17 never received -- received, in 24 years, a directive to

18 do that anywhere. Or -- or a policy that would reflect

19 that.

20 BY MR. SCHMIDT: 10:04:20

21 Q. Okay. But if there was a policy that required

22 it -- let's move on.

23 Do you know what temperature water should be

24 kept in boilers to prevent the growth of Legionella?

25 A. No. 10:04:48

guests was not one of the five goals on your five --

top five goals of the general manager?

A. That, you know -- that -- that question is not asked on any guest survey I've ever seen.

Q. I understand. 10:02:09

A. So, no.

Q. Does it -- but you do have a concern for the health of your guests, don't you?

A. Absolutely.

Q. It's just not one of your top five concerns? 10:02:18

A. Preventing biological hazards is -- is not.

Q. Okay.

A. That's not -- that's not laid out like that.

Q. Do you know whether people can die of Legionnaires Disease? 10:02:36

A. I don't know.

Q. Do you know that Mrs. Sapiro spent weeks in a coma?

A. I don't.

MR. KLEIFIELD: Objection. Argumentative. 10:02:44

THE WITNESS: I don't know that.

BY MR. SCHMIDT:

Q. All right. If you turn your attention, again, please, referring you to document 500, Sunstone 500. The benefit of the standard says to insure buildings 10:03:10

1 Q. Do you know whether Mr. Marrs kept boilers at

2 a temperature that would prevent the growth of

3 Legionella?

4 A. I don't know.

5 Q. Do you remember whether, in August 2003, the 10:04:56

6 San Marcos hired somebody to test for Legionella?

7 MR. KLEIFIELD: Objection. Irrelevant. Go

8 ahead and answer. Subsequent remedial measures, as

9 well.

10 THE WITNESS: Specifically August, I don't 10:05:32

11 recall August.

12 BY MR. SCHMIDT:

13 Q. In the fall of 2003.

14 MR. KLEIFIELD: Same objection.

15 MR. SCHMIDT: Uh-hum. 10:05:38

16 THE WITNESS: I don't know. I mean, I don't

17 recall the --

18 MR. SCHMIDT: Do you remember that --

19 THE WITNESS: -- August date.

20 MR. SCHMIDT: I'm sorry. 10:05:45

21 BY MR. SCHMIDT:

22 Q. Do you remember the Sunstone -- the San Marcos

23 shutting down for a couple of weeks?

24 A. Yes.

25 MR. KLEIFIELD: Same objection. 10:05:50