

**IN THE UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF GEORGIA  
SAVANNAH DIVISION**

**UNITED STATES OF AMERICA**

**v.**

**CASE NO. 4:20-CR-081**

**EVANS CONCRETE, LLC;  
JAMES CLAYTON PEDRICK;  
GREGORY HALL MELTON;  
JOHN DAVID MELTON,  
a.k.a. DAVID MELTON; and  
TIMOTHY TOMMY STRICKLAND,  
a.k.a. BO STRICKLAND;**

**Defendants.**

**GOVERNMENT’S RESPONSE TO DEFENDANT PEDRICK’S  
MOTION TO SUPPRESS STATEMENTS  
OR IN THE ALTERNATIVE TO DISMISS COUNT TWO OF THE INDICTMENT**

The United States files its response to Defendant James Pedrick’s Motion to Suppress Statements or in the Alternative to Dismiss Count Two of the Indictment, ECF No. 193. Defendant Pedrick alleges that a Department of Justice prosecutor violated Rule 4.2 of the Georgia Rules of Professional Conduct and, therefore, the statements underlying Count Two of the Indictment must be suppressed or, in the alternative, Count Two must be dismissed. This argument fails for two reasons.

*First*, there was no violation of Rule 4.2. The prosecutor did not know of any relevant representation that Defendant Pedrick may have had before the operative interviews took place, and therefore, there was no violation of Rule 4.2, which requires *actual knowledge* of representation. Additionally, any representation that Defendant Pedrick may have had when he was interviewed in February 2018 was for a separate matter— a civil *qui tam* case, which had been closed over a year and a half earlier. Any representation for that different matter did not extend to

the then-covert, criminal investigation of which Defendant Pedrick was not even aware. Moreover, pre-indictment interviews are authorized by law and permissible under Rule 4.2.

*Second*, even if there had been a violation of Rule 4.2, neither suppression of the statements nor dismissal of the count is the remedy.

For these reasons, the Court should deny Defendant Pedrick's motion.

## **BACKGROUND**

### **I. The Indictment**

On September 2, 2020, a grand jury in the Southern District of Georgia returned an indictment charging Defendants with one count of violating Section One of the Sherman Act, 15 U.S.C. § 1. Indictment, ECF No. 1. The Indictment also charges Defendant Pedrick with one count of false statements (18 U.S.C. § 1001) and Defendant Strickland with one count of false statements (18 U.S.C. § 1001) and one count of perjury (18 U.S.C. § 1621). *Id.*

In Count Two, the Indictment alleges that on February 5, 2018, Defendant Pedrick was interviewed by special agents of the U.S. Postal Service Office of Inspector General ("USPS OIG") and the FBI in connection with an investigation conducted by those agencies. Indictment ¶ 21, ECF No. 1. The Indictment alleges that in that interview, Defendant Pedrick "knowingly and willfully made false statements to federal law enforcement agents, which statements were material to a matter within the jurisdiction of the executive branch of the United States government." *Id.* The Indictment specifically alleges the materially false statements that Defendant Pedrick made in that interview:

- A. He had never heard of collusion or price fixing in the Savannah market; and
- B. He had never personally discussed price increases with DAVID MELTON.

*Id.* The Indictment further alleges that Defendant Pedrick knew these statements were false because:

- A. He had heard of and knew of collusion and price fixing in the Savannah market; and
- B. He had personally discussed concrete prices with DAVID MELTON.

*Id.*

## **II. The Prior Investigations**

As discussed below, the February 5 and 6, 2018, interviews of Defendant Pedrick, which are the subject of Defendant Pedrick's motion, ECF No. 193, were conducted as part of a criminal grand jury investigation by the U.S. Department of Justice, Antitrust Division's Washington Criminal II Section. Prior to the opening of that investigation in late 2017, there had been two other government investigations relating to the conduct, companies, and individuals that are relevant to the allegations in this case.

### **A. The 2011–2013 Antitrust Division Atlanta Office's Criminal Investigation**

*First*, from approximately 2011–2013, the U.S. Department of Justice, Antitrust Division's Atlanta Office conducted a preliminary investigation into potential criminal antitrust violations in the ready-mix concrete market in the Savannah, Georgia, area (the "Atlanta Office Investigation"). The Antitrust Division closed that investigation in January 2013. The Atlanta Office Investigation was almost entirely covert: the government did not serve any subpoenas or speak with any witnesses other than the cooperating witness, Christopher Young. There is no evidence to suggest that Defendant Pedrick was even aware of the Atlanta Office Investigation, and Defendant Pedrick has not claimed to have had any legal representation in connection with the Atlanta Office Investigation.

**B. The 2013–2016 U.S. Attorney’s Office for the Southern District of Georgia’s Civil False Claims Act *Qui Tam* Investigation**

*Second*, from approximately 2013–2016, the U.S. Attorney’s Office for the Southern District of Georgia (the “USAO SDGA”) conducted a civil False Claims Act investigation (the “USAO SDGA *Qui Tam* Investigation”) based on allegations raised in a *qui tam* complaint filed by Christopher Young. Complaint, *United States ex rel. Young v. Lafarge, S.A., et al.*, No. 4:13-cv-00095-WTM-GRS, (S.D. Ga. Apr. 17, 2013), ECF No. 1. As Defendant Pedrick outlines in his motion, law enforcement agents from the U.S. Army Criminal Investigation Command and the Defense Criminal Investigative Service were assigned to the case, as well as Assistant U.S. Attorneys from the civil section of the USAO SDGA. ECF No. 193 at 5.

In connection with the USAO SDGA *Qui Tam* Investigation, law enforcement agents interviewed Defendant Pedrick on November 19, 2013. Shortly after that interview, Defendant Pedrick hired attorney Donnie Dixon to represent him in connection with the USAO SDGA *Qui Tam* Investigation. *Id.* at 6. Mr. Dixon had communications with the USAO SDGA in or around December 2013 but had no further communications with the government after that time. *Id.* at 6–7.

In July 2016, the USAO SDGA declined to intervene in the *qui tam* action and closed its investigation. Notice of Election to Decline Intervention, *United States ex rel. Young v. Lafarge, S.A., et al.*, No. 4:13-cv-00095-WTM-GRS, (S.D. Ga. July 8, 2016), ECF No. 32.

**III. The 2017–2020 Antitrust Division Grand Jury Investigation**

Beginning in late 2017, the U.S. Department of Justice, Antitrust Division’s Washington Criminal II Section opened a grand jury investigation into potential criminal antitrust violations in

the ready-mix concrete market in the Savannah, Georgia, area (the “Grand Jury Investigation”).<sup>1</sup> The Grand Jury Investigation ultimately led to the September 2, 2020, Indictment in this case. A trial attorney from the Antitrust Division (the “Prosecutor”),<sup>2</sup> a special agent from the FBI (the “FBI Agent”), and a special agent from the U.S. Postal Service Office of Inspector General (the “USPS OIG Agent”) were assigned to the Grand Jury Investigation.

As part of the Grand Jury Investigation, the Prosecutor, the FBI Agent, and the USPS OIG Agent interviewed Christopher Young on October 19, 2017. The FBI FD-302 report of that interview states: “After Argos became aware of a qui tam complaint (sic) against the firm, JIM PEDRICK stated that the complaint would blow over, because PEDRICK had a politically connected attorney.” Exhibit A at 3. On October 20, 2017, the Prosecutor, the FBI Agent, and the USPS OIG Agent interviewed Jason Wells. According to the memorandum of interview, Wells stated that in 2016, Defendant Pedrick told Wells “that agents served him [(Pedrick)] with a civil investigative demand, but his attorney got him out of it in two weeks.” Exhibit B at 6–7. Thus, at most, in two witness interviews,<sup>3</sup> there were two isolated references to Pedrick having had an

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<sup>1</sup> The investigation initially focused on both the ready-mix concrete market in Savannah and the Portland cement market in Savannah and elsewhere. In 2018, the Antitrust Division bifurcated the investigation, with the New York Office taking the Portland cement investigation and the Washington Criminal II Section taking the ready-mix concrete investigation.

<sup>2</sup> In 2020, the Prosecutor switched to another Antitrust Division office in another city, and, at that time, her assignment to the team prosecuting this case ended.

<sup>3</sup> Defendant Pedrick’s motion contains inaccurate representations relating to the October 20, 2017, interview of Mark Turner. *See* ECF No. 193 at 10, 11. Nowhere in that memorandum of interview (“MOI”) does it contain a reference to Pedrick having an attorney (for the USAO SDGA *Qui Tam* Investigation or otherwise). *See* Exhibit B. In fact, Defendant Pedrick’s motion cites to *page seven* of the MOI, *id.* at 10 n.5, yet the MOI contains only *five pages*. *See id.*

attorney in connection with the USAO SDGA *Qui Tam* Investigation, a separate matter that had closed over a year earlier.

On January 31, 2018 (five days before the February 5, 2018, interview of Defendant Pedrick), the Prosecutor sent an email to the Antitrust Division's Professional Responsibility Officer, seeking ethical guidance regarding "knock-and-talk" interviews that agents were planning to conduct the following week. *See* Exhibit D. The email stated:

We recently opened a grand jury investigation in the Southern District of GA (Savannah) into price fixing and market allocation by several ready mix and concrete companies including Argos, [redacted] and Elite Concrete. **We are planning knock and talk interviews next week in Georgia, Florida, and Texas with several current and former employees of these three companies.** The potential interviewees fall into three broad groups: (1) sales people; (2) mid-level sales managers; and (3) senior executives at the top of Argos' US corporate structure. There is a good chance one or more of these individuals will speak with us and we believe they may be more forthcoming if approached directly rather than arranging an interview through counsel. **To our knowledge, none of these individuals is represented by counsel in this investigation which remains largely covert.** However, we are aware that Argos, [redacted], and Elite are all represented by counsel in a private treble damages action premised on similar allegations of price fixing, market allocation as well as predatory pricing and group boycott. **We don't think there's an ethics issue but we decided to send this email out of an abundance of caution (sic): (A) to confirm that none of these individuals is a "represented party" for the purposes of our investigation; and (B) to check whether there are any ethical constraints we should bear in mind as the team heads out next week.** Any advice you can offer would be much appreciated.

*Id.* (emphasis added). Thus, in advance of the February 5 and 6, 2018, interviews of Defendant Pedrick, the Prosecutor exercised "an abundance of [caution]" by seeking ethical guidance from her office's Professional Responsibility Officer. What is more, in that email, the Prosecutor explicitly disclaimed having any knowledge that any of the individuals they planned to interview

the following week (including Defendant Pedrick) was represented by counsel in the Grand Jury Investigation. *See id.*

On February 5, 2018, the FBI Agent and the USPS OIG Agent interviewed Defendant Pedrick at his home in Savannah, Georgia. The FBI FD-302 interview report states:

Upon first meeting the interviewing Agents and being informed of the nature of the interview, PEDRICK stated that several years ago that he spoken with an attorney. PEDRICK was subsequently informed that he always had the right to have an attorney present and could discontinue conversation with interviewing Agents at any time and for any reason. PEDRICK subsequently invited the interviewing Agents into his home and agreed to be interviewed.

Exhibit E. It was in this interview that Defendant Pedrick made the false statements that are charged in Count Two of the Indictment. The next day, February 6, 2018, the FBI Agent and the USPS OIG Agent interviewed Defendant Pedrick at a hotel in Savannah, Georgia. In that interview, Defendant Pedrick made numerous admissions regarding his knowledge of and involvement in criminal antitrust violations, *see* Exhibit F, and provided to agents a signed, handwritten statement, Exhibit G. Both of the February 2018 interviews of Defendant Pedrick were voluntary, non-custodial interviews.

## **LEGAL STANDARDS**

### **I. Rule 4.2 of the Georgia Rules of Professional Conduct**

The Georgia Rules of Professional Conduct prohibit certain contact between a lawyer and a person represented by a different lawyer. Specifically, Rule 4.2 provides:

(a) A lawyer who is representing a client in a matter shall not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer or is authorized to do so by law or court order.

Ga. R. Prof'l Conduct 4.2(a). This "No-Contact Rule" applies to federal prosecutors who are

practicing within the state of Georgia. Ga. R. Prof'l Conduct 4.2(b) ("Attorneys for the State and Federal Government shall be subject to this Rule in the same manner as other attorneys in this State."); *see also United States v. Tapp*, No. CR107-108, 2008 WL 2371422, at \*15 (S.D. Ga. June 4, 2008). As Defendant Pedrick recognizes in his motion, ECF No. 193 at 18, this rule only prohibits contact "where the lawyer knows that the person is actually represented in the matter to be discussed." Rule 4.2, cmt. 5; *see also American Bar Association: Standing Committee on Ethics and Professional Responsibility*, Formal Opinion 95-396 at \*1 (July 28, 1995) ("The communicating lawyer is not barred from communicating with the represented person absent actual knowledge of the representation.").

The No-Contact Rule is matter specific, meaning that in order for the rule to apply, any contact must be related to the specific matter in which the person is being represented by counsel. *See* Rule 4.2 cmt. 1 ("This Rule does not prohibit communication with a represented person, or an employee or agent of such a person, concerning matters outside the representation."). Even if a civil case has overlapping factual background, the No-Contact Rule does not prohibit contact in a separate, criminal case. *See United States v. Gray*, 825 F. Supp. 63, 64–65 (D. Vt. 1993) (finding no rule violation where the individual was represented in a related civil investigation but the prosecutor "did not know [he] was represented by counsel *in this criminal investigation*" (emphasis added)).

## **II. The Fifth Amendment**

The Fifth Amendment states: "No person . . . shall be compelled in any criminal case to be a witness against himself." U.S. Const. amend. V. The Fifth Amendment requires that a suspect who is in custody be advised of the right to remain silent and the right to counsel for any interrogation. *Miranda v. Arizona*, 384 U.S. 436, 444 (1966). Courts decide whether a defendant



is in custody by determining whether, “under the totality of the circumstances, a reasonable man in the suspect’s position would feel a restraint on his freedom of movement to such an extent that he would not feel free to leave.” *United States v. Brown*, 441 F.3d 1330, 1347 (11th Cir. 2006); *see also United States v. Street*, 472 F.3d 1298, 1310 (11th Cir. 2006) (holding that *Miranda* is required only when there is a formal arrest or restraint on freedom of movement of the degree associated with a formal arrest). Even if a defendant is in custody, he may knowingly waive his rights to remain silent and his right to an attorney. *Moran v. Burbine*, 475 U.S. 412 (1986).

### **III. The Sixth Amendment**

“The Sixth Amendment guarantees that in all criminal prosecutions, the accused shall enjoy the right to have the Assistance of Counsel for his defence.” *United States v. Gouveia*, 467 U.S. 180, 187 (1984) (cleaned up). The Sixth Amendment right to counsel attaches at the initiation of formal proceedings. *Id.* at 187–88; *see also United States v. Waldon*, 363 F.3d 1103, 1112 n.3 (11th Cir. 2004) (“[T]he Sixth Amendment right to counsel simply does not attach until the initiation of formal adversary proceedings.”). In order to establish a violation of the Sixth Amendment, a defendant must show that: (1) government agents; (2) deliberately elicited incriminating statements from an accused after he has been indicted, outside the presence of counsel; and there was no waiver of the defendant’s Sixth Amendment rights. *United States v. Richitelli*, 420 F. App’x 861, 867 (11th Cir. 2011) (per curiam) (citing *Fellers v. United States*, 540 U.S. 519, 523–25 (2004)); *see also United States v. Mansfield*, No. 4:14-CR-25-HLM, 2014 WL 6879054, at \*6 (N.D. Ga. Dec. 4, 2014). The defendant has the burden of establishing a violation of the Sixth Amendment right to counsel. *Mansfield*, 2014 WL 6879054, at \*6; *United States v. Silva*, No. 1:09-CR-361-RWS-AJB, 2010 WL 5620450, at \*1, \*7 (N.D. Ga. Nov. 1, 2010), *report & recommendation adopted*, 2011 WL 196322, at \*1 (N.D. Ga. Jan. 20, 2011).

## ARGUMENT

### I. THERE WAS NO VIOLATION OF RULE 4.2

Defendant Pedrick's motion does not establish any violation of Rule 4.2 of the Georgia Rules of Professional Conduct. *First*, the Prosecutor had no actual knowledge of any relevant representation that Defendant Pedrick may have had in the criminal investigation. *Second*, any representation that Defendant Pedrick had was for a different matter, a civil *qui tam* case, and did not extend to the then covert criminal investigation that led to the Indictment in this case. *Third*, pre-indictment interviews are authorized by law and are therefore permissible under Rule 4.2.

#### A. The Prosecutor Did Not Know of Any Legal Representation That Defendant Pedrick Had in the Criminal Investigation

The parties agree that there is no violation of Rule 4.2 of the Georgia Rules of Professional Conduct unless the attorney initiating the contact with the person had *actual knowledge* that the person was represented in the matter at hand. Rule 4.2, cmt. 5; *see* ECF No. 193 at 18. Here, the Prosecutor did not have actual knowledge that Defendant Pedrick may have been represented in the criminal investigation. In fact, the Prosecutor's lack of knowledge is documented in writing. On January 31, 2018—less than a week before the February 5, 2018, interview of Defendant Pedrick—the Prosecutor sent an email to the Antitrust Division's Professional Responsibility Officer requesting ethical guidance regarding planned “knock and talk interviews” of certain individuals. In that email, the Prosecutor explicitly states: “To our knowledge, none of these individuals is represented by counsel in this investigation which remains largely covert.” Ex. D.

And even if Defendant Pedrick was represented by counsel in the matter at the time of the communication, there is no violation of Rule 4.2 because the Prosecutor did not have actual knowledge such representation. *See United States v. Casher*, CR 19-65, 2020 WL 2615769, at \*1–

4, (D. Mont. May 21, 2020) (concluding no violation of no-contact rule where government did not have knowledge of individual's representation in the criminal investigation); *Velez v. Novartis Pharma. Corp.*, No. 04 Civ. 9194, 2011 WL 339098, at \*1–3 (S.D.N.Y. Jan. 26, 2010) (even if the person was a class member and therefore represented, “there is no indication that defense counsel knew or thought she was a Class member when they contacted her”); *McClellan v. Ready Mixed Concrete Co. of Erie, Inc.*, Civil No. 13-87 Erie, 2014 WL 4060254, at \*1–2 (W.D. Pa. Aug. 14, 2014) (insufficient evidence to conclude actual knowledge of representation); *Ring Plus, Inc. v. Cingular Wireless, LLC*, Civil Action No. 5:08-CV-42, 2008 WL 11347985, at \*4–5 (E.D. Tex. May 13, 2008) (“counsel had no actual knowledge” of representation); American Bar Association Formal Opinion 95-396 at \*1 (“The communicating lawyer is not barred from communicating with the represented person absent actual knowledge of the representation”).

Because the Prosecutor did not know about any representation Defendant Pedrick may have had in the matter at the time of the interview, there was no violation of Rule 4.2. And the only evidence suggesting that the Prosecutor may have been made aware of Defendant Pedrick's prior representation in the USAO SDGA *Qui Tam* Investigation is two passing references made by Christopher Young and Jason Wells in their October 19 and 20, 2017, interviews. As explained below, the USAO SDGA *Qui Tam* Investigation was a separate matter from the Antitrust Division's Grand Jury Investigation. For that additional reason, the Prosecutor could not have known about any representation that Defendant Pedrick had in the Antitrust Division's new, covert criminal investigation, of which Defendant Pedrick was unaware until he was interviewed on February 5, 2018.

**B. Defendant Pedrick’s Legal Representation in the Earlier Civil *Qui Tam* Matter Did Not Extend to the Separate, Covert Criminal Investigation**

The USAO SDGA *Qui Tam* Investigation, in which Mr. Dixon represented Defendant Pedrick, is not the same matter as the covert, criminal investigation conducted by the Antitrust Division. The USAO SDGA *Qui Tam* Investigation was a civil investigation that was conducted by a different office (the USAO SDGA), focused on potential violations of a different federal statute (the False Claims Act), and was closed over a year before the opening of the Antitrust Division’s criminal grand jury investigation, which was largely covert at the time of Defendant Pedrick’s February 2018 interviews. Thus, for purposes of a Rule 4.2 analysis, Mr. Dixon’s representation of Defendant Pedrick in the USAO SDGA *Qui Tam* Investigation did not extend to the Antitrust Division’s separate criminal investigation.

The civil *qui tam* case that gave rise to Mr. Dixon’s representation of Defendant Pedrick between 2013–2016 is not the same matter as the covert, criminal investigation that was opened years later and led to the Indictment in this case. *See Casher*, 2020 WL 2615769, at \*1–4 (no rule violation where the government knew the individual was represented in a civil investigation but such representation did not extend to the criminal investigation that was the subject of the interview); *Gray*, 825 F. Supp. at 64–65 (no rule violation where the individual was represented in a related civil investigation but the prosecutor “did not know [he] was represented by counsel *in this criminal investigation*” (emphasis added)); *United States v. Blackwell*, Case No. 2:04-cr-134, Opinion and Order, Doc. No. 53 at 64–76 (S.D. Ohio Mar. 15, 2005) (holding that the no-contact rule did not apply because related, civil SEC investigation was a different subject matter than criminal investigation, which the court found was a “distinct proceeding”).

As Defendant Pedrick acknowledges, the United States formally declined to intervene in the civil *qui tam* case in July 2016. ECF No. 193 at 7–8. Most importantly, the USAO SDGA *Qui Tam* Investigation is the only matter in which Defendant Pedrick sought Mr. Dixon’s representation before he was interviewed in February 2018. At no point in Defendant Pedrick’s motion does he even allege that he was ever aware of *any* criminal investigation before he was interviewed in February 2018. *See* ECF No. 193. And that’s because Defendant Pedrick had no knowledge of either the Antitrust Division’s investigation that led to the Indictment in this case, or the 2011–2013 Antitrust Division Atlanta Office criminal investigation, which was covert and was never disclosed to Defendant Pedrick. So when Defendant Pedrick was interviewed in February 2018, *the matter* at issue—the Antitrust Division’s covert criminal grand jury investigation that had recently been opened—was something Defendant Pedrick had never even heard of. Accordingly, he could not have retained counsel for this matter. *See* Rule 4.2 cmt. 1 (“This Rule does not prohibit communication with a represented person, or an employee or agent of such a person, concerning matters outside the representation.”); *Gray*, 825 F. Supp. at 64–65; *Blackwell*, Case No. 2:04-cr-134, Doc. No. 53 at 64–76.

Defendant Pedrick’s motion glosses over this issue because he cannot establish that he was represented in this matter at the time of his February 2018 interviews. The motion includes (1) no attorney-client agreement; (2) no billing records establishing any recent actions undertaken by Mr. Dixon in furtherance of any representation of Defendant Pedrick during the relevant timeframe; and (3) no affidavit from either Mr. Dixon or Defendant Pedrick establishing that any representation was ongoing at the time that Defendant Pedrick was interviewed.

What is in the record are Defendant Pedrick’s own statements. Tellingly, when he was approached by federal agents on February 5, 2018, Defendant Pedrick did not say that he had an

attorney representing him, nor did he say that he wanted an attorney present. The FBI FD-302 report of that interview, which Defendant Pedrick cites in his motion and the accuracy of which he does not dispute, states:

Upon first meeting the interviewing Agents and being informed of the nature of the interview, **PEDRICK stated that several years ago that he spoken with an attorney.** (sic) PEDRICK was subsequently informed that he always had the right to have an attorney present and could discontinue conversation with interviewing Agents at any time and for any reason. PEDRICK subsequently invited the interviewing Agents into his home and agreed to be interviewed.

Ex. E (emphasis added).

Defendant Pedrick's statement to agents that he had "spoken with an attorney" "several years ago" reinforces the fact that he was not represented in this matter at the time of his interview. And an interviewee's mere mention of an attorney does not give rise to a finding that the interviewee was represented in that matter. *See Casher*, 2020 WL 2615769, at \*1–4. In *Casher*, a federal agent interviewed the defendant as part of a criminal investigation. *Id.* Before the interview, an attorney informed the government that he represented a company, of which the defendant was a member. *Id.* During the interview with agents, the defendant mentioned "our attorney" and relayed information about certain civil litigation. *Id.* The court concluded there was no violation of the no-contact rule for two reasons. *Id.* at \*3–5. *First*, the court held "[t]he criminal investigation of these issues and the civil recovery of [certain] assets . . . are two distinct matters." *Id.* at \*3. *Second*, the court reviewed records provided by the government and held that "the documents the Government supplied indicate it did not have actual knowledge that [the lawyer] represented [the defendant] in the criminal matter." *Id.*

Here, Defendant Pedrick’s statement that he had spoken to an attorney “several years ago” is far more equivocal than the defendant’s statement in *Casher* about “our attorney.” And here, as in *Casher*, the United States has provided to the Court a document showing that the prosecutor did not have actual knowledge that the defendant was represented in the matter. *See* Ex. D.

Because Defendant Pedrick was not represented by an attorney in connection with the Antitrust Division’s criminal investigation, there was no violation of Rule 4.2.

**C. The Communication With Defendant Pedrick Was Authorized by Law**

Moreover, even if Defendant Pedrick was represented by counsel in connection with the Antitrust Division’s criminal investigation, law enforcement’s pre-indictment contact with him was a legitimate investigative activity and was authorized by law. Rule 4.2 provides that contact with represented persons is permissible where “authorized to do so by law or court order.” Ga. R. Prof’l Conduct 4.2(a). In applying no-contact rules containing similar language, courts around the country have consistently held that where the government is engaged in legitimate investigative activity, pre-indictment contact with a represented party is “authorized by law.” *E.g.*, *United States v. Plumley*, 207 F.3d 1086, 1094–95 (8th Cir. 2000); *United States v. Dobbs*, 711 F.2d 84, 85–86 (8th Cir. 1983); *Casher*, 2020 WL 2615769, at \*4; *United States v. Voigt*, Case No. 13-CR-0035(2) (PJS/SER), 2015 WL 9581740, at \*1–2 (D. Minn. Dec. 30, 2015); *In re Criminal Investigation of Doe*, Criminal No. 08-10215-RGS, 2008 WL 3274429, at \*1 (D. Mass. Aug. 7, 2008); *United States v. Guild*, No. 1:07cr404 (JCC), 2008 WL 302316, at \*2–5 (E.D. Va. Jan. 31, 2008); *Blackwell*, Case No. 2:04-cr-134, Doc. No. 53 at 64–76; *United States v. Joseph Binder Schweizer Emblem Co.*, 167 F. Supp. 2d 862, 864–67 (E.D.N.C. 2001); *United States v. Whittaker*, 201 F.R.D. 363, 366–67, 369–70 (E.D. Pa. 2001); *In re Criminal Investigation of John Doe, Inc.*, 194 F.R.D. 375, 376–78 (D. Mass. 2000); *United States v. Tableman*, No. CRIM 99-22-B, 1999 WL 1995192,

at \*2 (D. Me. Sept. 3, 1999); *In re Disciplinary Proceedings re Doe*, 876 F. Supp. 265, 267–70 (M.D. Fla. 1993); *Gray*, 825 F. Supp. At 64–65; *State v. Rooney*, No. 46311006, 2008 WL 9468583, at \*23 (Vt. Dist. Ct. Mar. 28, 2008); *People v. Weiss*, 671 N.Y.S.2d 604, 609 (N.Y. Sup. Ct. 1998); *In re Criminal Investigation No. 13*, 573 A.2d 51, 53–55 (Md. Ct. Spec. App. 1990).<sup>4</sup>

Defendant Pedrick relies heavily on *Tapp*. See ECF No. 193 at 18–21. In *Tapp*, the prosecutor scheduled the defendant to appear and testify before the grand jury without notifying the defendant’s attorney. 2008 WL 2371422, at \*3. The court noted that this action was “ill-advised” and stated that it would have removed the prosecutor from the case had the prosecutor not already been reassigned. *Id.* at 20. But *Tapp* involved grand jury testimony, where a witness is formally placed under oath, is compelled to appear on the record, and is not permitted to have counsel present. And the court noted that the contacts “served no investigative purpose.” *Id.* at 19. In contrast, Defendant Pedrick’s voluntary statements were in response to an investigative interview, in his own home, where he was told that he had a right to an attorney and that he could terminate the interview at any time. This noncustodial interview falls within the coverage of established case law that holds such pre-indictment contact is authorized by law. See, e.g., *Plumley*, 207 F.3d at 1095 (no-contact rule “does not require government investigatory agencies to refrain from any contact with a criminal suspect because he or she previously had retained counsel”); *Voigt*, 2015 WL 9581740, at \*1–2 (federal investigators “authorized by law” to conduct pre-

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<sup>4</sup> Additionally, the comment to the American Bar Association Model Rule 4.2 states: “Communications authorized by law may also include investigative activities of lawyers representing governmental entities, directly or through investigative agents, prior to the commencement of criminal or civil enforcement proceedings.” Model Rules of Prof’l Conduct R. 4.2, cmt. 5.



indictment interview of represented target). For this reason, too, there was no violation of Rule 4.2.

## **II. NEITHER SUPPRESSION OF THE STATEMENTS NOR DISMISSAL OF COUNT TWO IS A REMEDY FOR A VIOLATION OF RULE 4.2**

Even if there were a violation of Rule 4.2, such a violation does not provide for the remedy of suppression or dismissal absent some egregious conduct rising to the level of a Constitutional violation. Binding Eleventh Circuit precedent holds that state professional rules of conduct cannot supply litigants with a remedy to suppress evidence. *United States v. Lowery*, 166 F.3d 1119, 1125 (11th Cir. 1999) (“[A] state rule of professional conduct cannot provide an adequate basis for a federal court to suppress evidence that is otherwise admissible.”). And other federal courts, including in this district, have consistently held the same. *E.g.*, *Tapp*, 2008 WL 2371422, at \*18 (“The ethical rules do not state anywhere therein that they create any substantive rights, and Courts should not read substantive rights into the rules of legal ethics.” (citing *Lowery*, 166 F.3d at 1125)); *United States v. Parrish*, CR420-124-17, 2022 WL 662306, at \*4 (S.D. Ga. Mar. 4, 2002) (“[T]his Court, like other courts considering similar arguments, has rejected the argument that professional conduct rules confer substantive rights on criminal defendants.”).

A violation of Rule 4.2 cannot result in suppression of evidence unless the Defendant shows that his Constitutional rights were violated and that such a violation provides suppression as a remedy. *See Lowery*, 166 F.3d at 1125; *Tapp*, 2008 WL 2371422, at \*18 (“Absent the implication of a defendant’s substantive rights, violation of Rule 4.2 is akin to ‘harmless error’ and should not be enough for a court to grant a substantive remedy affecting a defendant’s case.”). Defendant Pedrick’s motion fails because of this precedent.<sup>5</sup>

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<sup>5</sup> The out-of-circuit cases Defendant Pedrick cites are inapposite. For example, *United States v.*

And while Defendant Pedrick argues that his Fifth and Sixth Amendment rights to counsel were violated, he fails to provide any articulable basis establishing any alleged violation. *See* ECF No. 193. Other than conclusory statements that his rights were violated and a bald assertion that the conduct was “so egregious,” Defendant Pedrick does not even attempt to explain how any of the conduct at issue could establish a violation of his Fifth or Sixth Amendment rights to counsel. *See* ECF No. 193 at 2–3, 23 (mentioning the Fifth and Sixth Amendments in conclusory statements and only twice in twenty-six pages).

A violation of the Fifth Amendment right to counsel requires a finding that a defendant’s statements were elicited during a custodial interrogation where the defendant did not knowingly and voluntarily waive his right. *Brown*, 441 F.3d 1330, 1347 (11th Cir. 2006); *see Moran v. Burbine*, 475 U.S. 412 (1986). At no point in his 26-page motion does Defendant Pedrick even argue that he was in custody when he made the statements at issue. And the record is clear that Defendant Pedrick was never in custody. The interview on February 5, 2018 took place after Defendant Pedrick invited agents into his own home, and after agents had advised Defendant Pedrick that he had a right to an attorney and could terminate the interview at any time for any reason. Ex. E. Nor was Defendant Pedrick in custody during the February 6, 2018 interview, which took place at a hotel. Ex. F. There is simply nothing in the record, nor are there any allegations from Defendant Pedrick, to suggest he was ever in custody during either interview.

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*Hammad* held that the “district court abused its discretion in suppressing the recordings and videotapes” and reversed its decision. 858 F.2d 834, 842 (2d Cir. 1988). And *United States v. Koerber* involved a fact pattern where the prosecutor “knew [the defense attorney] was representing Defendant” and admitted this to the district court. 966 F. Supp. 2d 1207, 1216 (D. Utah 2013).

Moreover, there is no evidence to establish a violation of Defendant Pedrick's Sixth Amendment right to counsel. "[T]he Sixth Amendment right to counsel simply does not attach until the initiation of formal adversary proceedings." *United States v. Waldon*, 363 F.3d 1103, 1112 (11th Cir. 2004). At the time of Defendant Pedrick's interviews on February 5 and 6, 2018, there had been no formal proceedings initiated against Defendant Pedrick, nor any other defendant in this case. The grand jury returned the Indictment in this case over two years later, on September 2, 2020. ECF No. 1. Accordingly, Defendant Pedrick's Sixth Amendment right to counsel had not yet attached, and he cannot meet his burden of showing any violation of the Sixth Amendment.

Simply put, *even if* Defendant Pedrick could show a violation of Rule 4.2, the rule does not provide for suppression or dismissal as a remedy. And Defendant Pedrick cannot establish any violation of his Fifth or Sixth Amendment rights to counsel.

### CONCLUSION

For the foregoing reasons, the Court should deny Defendant Pedrick's motion.

Respectfully submitted,

/s/ Daniel A. Loveland, Jr.  
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Julia Maloney  
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Washington Criminal II Section  
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**CERTIFICATE OF SERVICE**

This is to certify that I have on this day served all counsel of record in this case in accordance with the notice of electronic filing which was generated as a result of electronic filing in this Court.

Submitted this 22<sup>nd</sup> day of August, 2022.

/s/ Daniel A. Loveland, Jr.

Daniel A. Loveland, Jr.

Trial Attorney

U.S. Department of Justice, Antitrust Division

Washington Criminal II Section

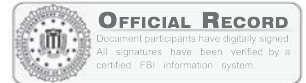
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# EXHIBIT A



## FEDERAL BUREAU OF INVESTIGATION

Date of entry 10/31/2017

CHRISTOPHER F. YOUNG, date of birth (DOB) December 30, 1969, Social Security Account Number [REDACTED], was interviewed at the United States Attorney's Office, 880 Front Street, San Diego, California. YOUNG was accompanied in person by attorneys Jarod Bona and Aaron Gott of Bona Law, which represents SOUTHEAST READY MIX, and via teleconference by William Hunter, who represents YOUNG. Present from the Government were Eytayo St. Matthew-Daniel with the Department of Justice (DOJ), Special Agent Marcus Mills with the United States Postal Inspection Service, and Special Agent Jason Spurlock with the Federal Bureau of Investigation (FBI). YOUNG was advised of the identity of the Government officials and was aware of the nature of the interview.

Prior to the interview, St. Matthew-Daniel informed YOUNG that the interview was voluntary, that YOUNG could take breaks at any time, and that YOUNG could discontinue the interview at any time. A proffer agreement was explained to and signed by YOUNG. YOUNG was advised that the Government expects him to be truthful, and that information provided in the interview can be used against him if he is later found to be untruthful. Thereafter, YOUNG provided the following information:

**YOUNG BACKGROUND**

YOUNG grew up in Georgia and has worked in construction since he was 17 years old. He obtained a degree in criminal justice from Troy University in Alabama in 1993.

YOUNG went to work selling concrete for BLUE CIRCLE in 1997 and did well there, working his way up to General Manager. Thereafter, YOUNG was transferred to Savannah, Georgia to take on the role of Sales Manager while keeping his General Manager salary. YOUNG stayed with the firm, which was acquired twice, until he was injured and subsequently fired in 2016.

**INDUSTRY SUMMARY**

BLUE CIRCLE was a British firm until it was acquired by LAFARGE in 2001. LAFARGE was acquired by ARGOS, a Colombian firm, in 2011. The firm

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Investigation on 10/19/2017 at San Diego, California, United States (In Person)File # 60-WF-2219252 Date drafted 10/24/2017by Jason A. Spurlock

60-WF-2219252

Continuation of FD-302 of (U) Interview of Chris Young, On 10/19/2017, Page 2 of 5

was always vertically integrated, possessing both cement and concrete assets.

The ingredients for making concrete are cement, sand, and aggregate. Generally speaking, there is more money in cement than in concrete.

The firm for which YOUNG currently works, SOUTHEAST READY MIX, is vertically integrated in that the firm now has its own cement terminal. SOUTHEAST READY MIX has begun importing its cement from a Portuguese cement company.

#### **EXPERIENCES IN THE CEMENT AND CONCRETE INDUSTRIES**

YOUNG recalled that in approximately late 2015, YOUNG'S boss was GREG MELTON. In 2016, MIKE TAYLOR became YOUNG's boss. YOUNG recalls TAYLOR saying that he had spoken with THOMAS CONCRETE, a competitor, and that they had discussed prices. TAYLOR stated to YOUNG that they do not compete against THOMAS CONCRETE.

In approximately 2009, LAFARGE bought EVANS CONCRETE in South Georgia. TERRY WILSON joined LAFARGE in the acquisition. WILSON stated that MIKE TAYLOR came to the EVANS CONCRETE plant with other high-level employees and said he wanted to lower prices to run other firms out of business, then raise prices after the other firms were out of the market.

In 2012, YOUNG began recording conversations with colleagues on his own using devices he has purchased commercially. YOUNG did this for several years and is willing to turn copies of the recordings over to the Government after he and his attorneys have duplicated them. YOUNG stated that within the recordings are conversations concerning price fixing and bid rigging. YOUNG has begun creating a spreadsheet containing summaries of the relevant recordings as well as notes on the interactions represented in the recordings. The spreadsheet in its current form is not a complete summary of all recordings.

Several years ago while employed at ARGOS, YOUNG was accosted by PAT MOONEY, a supervisor at ARGOS, for emailing concerns about anti-competitive behavior to MOONEY. MOONEY instructed YOUNG to not send him such concerns via email again. YOUNG recalls being scolded by GREG MELTON after reporting concerns to MOONEY. MOONEY was YOUNG's boss until approximately 2010, when YOUNG was transferred.

YOUNG recalls JIM PEDRICK having knowledge in an October of a particular year of what a competitor was going to price in January of the following year.

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Continuation of FD-302 of (U) Interview of Chris Young, On 10/19/2017, Page 3 of 5

YOUNG recalls that GREG MELTON told his boss on more than one occasion that GREG MELTON was getting information from his brother, DAVID MELTON, concerning pricing and jobs of a competitor, ELITE CONCRETE. DAVID MELTON was employed by ELITE CONCRETE.

YOUNG met with the owners of SOUTHEAST READY MIX (previously SAVANNAH READY MIX) MARK TURNER and JASON WELLS in 2015, when they offered him a job. YOUNG stayed with ARGOS, however. When YOUNG was later fired by ARGOS, the human resources department stated to YOUNG that if he did not embarrass the company, they would not embarrass him.

After ARGOS became aware of a qui tam complaint against the firm, JIM PEDRICK stated that the complaint would blow over, because PEDRICK had a politically connected attorney. YOUNG stated that he has recordings suggesting that even after ARGOS became aware of the Qui Tam complaint, the firm continued its anti-competitive behavior.

TOMMY WATERS and AARON DAVIS stated to YOUNG that upon learning of the Qui Tam complaint, GREG MELTON removed documents from the office and shredded them. The DOJ informed ARGOS that MELTON was destroying documents as a result of the investigation. An ARGOS attorney subsequently told YOUNG that if he reported to the DOJ again, the attorney had better hear about it from YOUNG rather than the DOJ.

YOUNG remembers being told by GREG MELTON to change the date on short orders. A short order contains job information such as costs and prices to show the margin on a particular job. Short orders were made by TOMMY WATERS based on GREG MELTON's guidance. YOUNG believes he was told to change the dates on the short orders to conceal price fixing. According to YOUNG, there would be no other logical reason to change the date on a short order. YOUNG believes the short orders are still physically located in ARGOS workspace.

YOUNG believes that knowledge of the Qui Tam complaint did not cease ARGOS' anti-competitive behavior because GREG MELTON is an egomaniac and enjoyed bragging about it. GREG MELTON called ELITE CONCRETE and told ELITE about the investigation. YOUNG has recordings of these calls because MELTON would place the calls in front of YOUNG.

YOUNG possesses three bags of shredded documents that he got out of a dumpster on the day GREG MELTON was reported to have shredded documents. YOUNG is unsure if these documents were the result of MELTON's shredding, because they could have been documents belonging to a nearby dentist office which could have shared a dumpster with ARGOS.



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Continuation of FD-302 of (U) Interview of Chris Young, On 10/19/2017, Page 4 of 5

JASON CIRCELLO was an associate of GREG MELTON. When YOUNG asked CIRCELLO for specifics concerning his employment, CIRCELLO responded that he hacked computers. CIRCELLO came into YOUNG's office one day and asked YOUNG to compliment GREG MELTON as a boss. When YOUNG refused, CIRCELLO stated that he could make YOUNG's computer connect to child pornography websites. CIRCELLO then demonstrated control of YOUNG's computer. YOUNG later detected that emails from his email account chrisyoung1230@hotmail.com were missing.

YOUNG recalls GREG MELTON telling him that if someone crossed MELTON or his family, MELTON would kill them. YOUNG does not believe MELTON was joking and took the threat seriously. MELTON's father also stated to YOUNG that he would hurt anyone who hurt his family.

TROY BAIRD stated to YOUNG that if he found out who the whistleblower was, he would kill that person.

At a meeting in 2014, HOWARD FELLER, an attorney representing ARGOS, asked YOUNG if he was recording the meeting. YOUNG stated that he thought there was anti-competitive behavior and gave him facts. FELLER put his shoes on YOUNG's shoes and put his nose to YOUNG's nose and asked if he was recording. YOUNG did not recall if he was actually recording the meeting.

At an early ARGOS antitrust meeting, ARGOS employee HUGH PAPY began asking questions. GREG MELTON texted YOUNG instructing YOUNG to tell PAPY to stop talking. MELTON also texted YOUNG that YOUNG was going to look good in prison stripes. YOUNG took this to mean that the blame for the anti-competitive behavior would be placed on YOUNG.

In 2011 or 2012, LAGARGE (previously BLUE CIRCLE and later ARGOS) was completing approximately 1,500 yards of residential work per year. YOUNG was responsible for increasing that amount to approximately 20,000 or 30,000 yards per year. GREG MELTON told YOUNG to stop doing so well because he wanted his brother to get more of the work. GREG MELTON's brother, DAVID MELTON, was employed by ELITE, a competitor.

YOUNG stated that members of the concrete cartel generally stayed away from a competitor's "green zone," but ARGOS attempted to win a job that SOUTHEAST READY MIX was attempting to win even though it was very close to a SOUTHEAST READY MIX plant because SOUTHEAST READY MIX did not participate in the cartel. The "green zone" represents an area around each plant where the cartel agreed not to compete.

YOUNG stated that if the Government could see the emails of the participants in the scheme, the Government would see that their bosses

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Continuation of FD-302 of (U) Interview of Chris Young, On 10/19/2017, Page 5 of 5

were aware of the scheme. YOUNG's email while employed at ARGOS was cyoung@argos-us.com. YOUNG recalls sending emails concerning collusion from his work email address.

ELITE CONCRETE and THOMAS CONCRETE did not have their own cement. Instead, they purchased their cement from ARGOS.

YOUNG provided the attachments to the Government during the interview.

# EXHIBIT B



## UNITED STATES POSTAL SERVICE OFFICE OF INSPECTOR GENERAL

### MEMORANDUM OF INTERVIEW

Interview Date:	10/20/2017
Case Name:	ARGOS ET AL, CEMENT/CONCRETE ANTITRUST, UNITED STATES
Case Number:	18UIMM0266CF01CF
Interviewee:	JASON WELLS
Interview Location:	UNITED STATES ATTORNEY'S OFFICE, SAN DIEGO, CA
Interviewed By:	USPS OIG SA MARCUS MILLS, FBI SA JASON SPURLOCK AND DOJ TRIAL ATTORNEY EYITAYO "TEE" ST. MATTHEW-DANIEL
Witnesses:	JAROD BONA AND AARON GOTT, BONA LAW, PC

On October 20, 2017, Jason Wells, co-owner, Southeast Ready Mix (formerly Savannah Ready Mix-SRM) was interviewed pursuant to a proffer agreement by Special Agents (SA) Marcus Mills, United States Postal Service, Office of Inspector General, SA Jason Spurlock, Federal Bureau of Investigation, and Trial Attorney (TA) Eyitayo "Tee" St. Matthew-Daniel, United States Department of Justice, Antitrust Division, regarding his knowledge of collusion in the cement and concrete markets in Southeast, GA and other areas. Wells was represented by Jarod Bona and Aaron Gott, Bona Law, PC, La Jolla, CA.

Prior to any questioning, TA St. Matthew-Daniel provided a proffer letter to Wells and his counsel for review. In addition, TA St. Matthew-Daniel advised Wells that the interview involved a federal criminal investigation, and advised the interview was voluntary. After reading and signing the proffer letter, Wells agreed to cooperate and provided the following information in substance:

Wells graduated from the University of Georgia in 1992. He worked for his family business from 1992 to 1998 then operated a sand business from 1998 to 2007. Around 2006-2007, Wells incorporated Mayson Concrete and began selling ready mix concrete primarily to the residential markets around Guyton, GA, which included Savannah, Pooler, and Statesboro. Wells sold concrete close to his plant because of time and temperature limitations on the concrete. Wells owned eight (8) to twelve (12) trucks, but

only operated eight (8) of them due to maintenance problems. Wells competitors were Coastal, Premier, Floyd Concrete, Elite, Argos, La Farge, and Evans Concrete, which operated in the Statesboro, GA area. Mayson Concrete sales team consisted of Wells and his dispatcher, Randy Sapp. At the time, Wells did not know any of the competitor sales team members.

When Wells first started Mayson, he purchased cement from Holcim for approximately two (2) to (3) months. Jimmy Carson was the salesman for Holcim at the time. Afterwards, Wells started buying from Lenny Blogenett, Argos cement salesman. Wells attempted to get a letter of credit from Jim Pedrick, La Farge cement salesman, but Pedrick never responded to Wells request for a credit application.

In 2011, the economy began to shrink and Wells began having financial difficulties. Some of Wells builder friends called and told him they could get ready mix concrete cheaper than what he was supplying. So, Wells had to reduce his price. Wells was selling concrete for \$69 per cubic yard, and his costs were \$45 to \$49 per cubic yard. In order to be profitable, Wells needed to sell his concrete for \$85 to \$90 per cubic yard. As a result of the low prices, he could not pay his cement supplier, Argos. He owed Argos approximately \$150,000 for cement, so they stopped supplying him. Wells needed a cement supplier so he approached Holcim who agreed to supply him with cement. Giant also offered to supply Wells. Although he was getting cement, the prices were too low for him to be profitable.

Wells was asked if he ever received any price increase letters from any of the cement companies. Wells received a price increase letter one time while operating Mayson Concrete. Although Blogenett typically told Wells when cement prices were going up, Wells did receive a copy of a price increase letter from Blogenett on one occasion, but Wells could not remember the specifics. However, Wells did recall an instance where Argos increased their cement price by \$5.00 per cubic yard, but Blogenett did not pass along the increase to Wells. Wells did not know why he didn't increase his price.

Wells advised the concrete competitors in the Savannah area were Coastal and Elite while in the Statesboro area were Evans and Argos. Eagle Concrete was a competitor in the Statesboro area; however, they went out of business. Evans and Argos were "big" suppliers of concrete and cement. Wells was asked if he was aware of Evans and Argos ever colluding on any of the jobs in the Statesboro area. Wells advised that one time his drivers (NFI) told him that there was a job at "Great Dane" across from the Argos plant. Argos partnered up Evans and Evans poured the concrete (NFI). They were not supposed to be competing against each other for the job according to the drivers. In addition, Wells recalled one time Mayson was awarded a contract to pour the footers for a school job in Statesboro. Wells believed Mayson was going to get to pour slab also. However, Evans was awarded the job and poured the slab. Wells did not know how they took the job away from him (NFI).

Around August 2011, Danny Nease, Manager, Coastal Concrete, called Wells and advised Tim Coughlin, CEO, Coastal Concrete, wanted to meet him. Coughlin had recently moved to the Savannah area from Florida. Wells thought Coughlin may offer to buy him out, so he agreed to meet with Coughlin. A couple days later, Wells met Coughlin and Nease at Sandra's Seafood in Guyton, GA. During the conversation, Coughlin told Wells that he met with competitors La Farge/Argos and Elite and that if he didn't go up on price then Coastal and the competitors would crush him. Wells asked Coughlin what he wanted and Coughlin told Wells that he would get back with him. However, Coughlin never did.

Approximately two (2) to three (3) days after the lunch conversation, Ronnie Williams, Mayson driver, came into Wells office. Williams told Wells that his (Williams) brother, Frank Williams, who worked for Evans Concrete, asked him if Mayson had sent out their price increase letter yet. Frank Williams told Ronnie Williams that they better get it out. Thereafter, Jim Pedrick, Argos/LaFarge salesman, called Wells asking about a price increase letter. Pedrick stated that Argos had a price increase letter and wanted to know if Mayson had generated one. Pedrick also told Wells that he was going to drop off a copy of the price increase letter. Wells did not even know Pedrick at the time. Wells could not recall if Pedrick dropped off the letter or not. Wells also heard through one of his drivers that Greg Melton, Argos, told people that he was taking all the business from Wells (NFI).

In addition, Gary Banks, co-owner, VB Construction, called Wells and told him that he needed to go up on his prices and put out a price increase letter. Banks told Wells that VB Construction could not go up on prices unless Wells increased prices. Wells thought that Terry Varadore, co-owner, VB Construction was also present on the call. Argos was supplying cement to VB Construction at the time.

After having the aforementioned conversations, Wells drafted a price increase letter on his computer. Wells gave a copy of the letter to Ronnie Williams, so that he could give to his brother, Frank Williams. In addition, Wells dropped off a copy of his letter to the Coastal Concrete receptionist at the Coastal Concrete office in Pooler, GA. Wells also dropped off a price increase letter to Greg Melton's office, and later talked to Melton on the phone. During the conversation, Wells wasn't sure if Melton knew exactly why he dropped off the letter. Wells only speculated Melton didn't know because Melton did not say very much. Wells dropped of the letter to Melton because he was the person in charge at Argos. Wells never heard back from any of the competitors, which included Argos, Coastal and Evans. No one from Elite called Wells, so he never sent Elite a price increase letter.

Later in 2011, Wells increased his prices of concrete, but he could not recall how much. Wells advised his prices primarily increased because the price of rock increased and not because of the letter. In the Savannah market, concrete prices were already \$10 to \$15 higher than in the Guyton market, which was north of Savannah, GA. Wells

believed that his competitors were not too concerned with Mayson Concrete in the Savannah market because of the Mayson Concrete location. In addition, Wells thought the competitors knew Mayson Concrete was not doing very well financially. And, that is the reason no one ever contacted him regarding the price increase letters.

While enduring the financial issues, Wells never discussed his problems with any of his family members. He did receive assistance from his mother and sister, who co-signed loans for him, but never discussed financial issues with his wife or the specifics with his family. During this time, Wells wished he had sold his business in the beginning. Prior to starting Mayson Concrete, a guy worked for Argos in NC approached Wells about buying his business. However, Wells did not want to sell at that time.

In 2011, Wells discussed opening a joint venture with Mark Turner. Turner sold a company several years ago and had a non-compete agreement. After Turner and Wells began discussing a business plan to open a new company, Trey Cook, Elite Concrete, approached Turner about working for Elite. Turner accepted the job with Elite, so the joint venture did not happen. After Turner quit Elite a month or so later, Turner and Wells again discussed a joint venture. The plan was for Wells to retain all the Mayson Concrete debt and sell all assets to their new company.

In early 2012, Wells and Turner created Savannah Ready Mix (SRM) and utilized the Mayson Concrete facility in Guyton, GA. They also leased a plant in Savannah, GA from Clark Hughes to expand their market capability. Wells and Turner later bought the plant. The new plant allowed SRM to expand their territory and also increase their commercial business. In addition to their expansion into the Savannah market, SRM purchased a plant in Bluffton, SC from S-Rock.

When SRM was first created, ready mix concrete prices were still low albeit they had increased somewhat to around the \$70 to \$75 per cubic yard. Turner made calls to his former customers and negotiated material pricing to increase their margins. The newly leased facility allowed SRM to expand into the commercial market since the Mayson Concrete location was primarily strategically located to supply the residential market. When SRM first started, approximately 85% of their business was residential and 15% commercial compared to now, 10% residential and 90% commercial. SRM primary competitors are Argos and Elite. At one point, Evans was a competitor in the Statesboro market, but SRM does not operate in that market anymore due to fuel prices.

SRM purchased cement from Holcim because Turner had a good relationship with Jimmy Carson, Holcim cement salesman. However, when Holcim had an issue with their cement plant and had to close down for a short period, SRM started purchasing cement from Dan Cleary, Giant salesman. Giant was approximately \$5.00 a cubic yard cheaper than Holcim. After Holcim repaired their plant, Carson called Turner and asked why he wasn't buying as much cement from Holcim. Turner told him that Giant was



\$5.00 cheaper. Carson told Turner that he wasn't lowering his price because he could sell all of his cement in the NC market.

Prior to SRM purchasing the Bluffton Plant, Argos sold cement to S-Rock for \$88 per cubic yard compared to the \$95 per cubic yard they quoted SRM. However, Giant offered S-Rock \$75 per cubic yard because the S-Rock plant manager in West Virginia said they had worked out a deal with Argos. Wells had limited information on the deal, but stated S-Rock had a long term project relating to a road/bridge that was going to last a couple years. Therefore, S-Rock locked in a lower price.

Wells stated all three (3) of the large cement manufacturers Holcim, Argos, and Giant had plants in Holly Hill, SC. The largest supplier of cement in the Savannah market was Argos while the largest supplier of cement in the Bluffton market was Giant even though Giant was the smallest of the three (3) suppliers.

In addition to SRM, Turner owned a couple of other concrete plants: Charleston, SC and Macon, GA. Turner started purchasing cement from Giant and transporting it to his Charleston, SC plant. Holcim didn't like that Turner purchased cement from Giant and transported it to Charleston, SC. The Holcim salesman (NFI) called Wells and told him that SRM couldn't do that. Wells told Turner what Holcim said, but Turner continued anyway.

Wells advised that Turner worked out a deal with Argos to repay the debt owed by Mayson Concrete. Argos allowed Wells to haul sand for Argos to pay off Wells outstanding debt. Turner arranged the deal with Mike Kanlic, who was Jim Pedrick's boss. Wells hauled sand and Pedrick paid him via check. Wells endorsed the check and returned it to Pedrick. Wells did not know why they didn't just credit his account instead of having him endorse a check and return it.

Wells was asked about an incident involving Troy Baird, Elite. Wells stated that sometime in mid to late 2012, Baird came by the SRM facility and threatened to beat up Turner for hiring a dispatcher from Elite. Baird was known to have a temper.

In 2012 or 2013, SRM hired Wayne McGowan as part of their sales team. McGowan worked in the SRM Savannah facility. In 2012 or 2013, Pedrick visited McGowan at the Savannah facility and gave McGowan a price increase letter. Wells thought it was strange that Pedrick met with McGowan because SRM did not buy cement from Argos at the time. After the visit, McGowan advised Wells and Turner that SRM needed to generate price increase letters for their customers. Thereafter, Wells received a couple of phone calls from Pedrick who told him that SRM had to increase their prices. Wells could not recall the exact timeframe, but knew one time it was after the CID investigation. Wells recalled Pedrick coming by the SRM facility approximately four (4) other times with Argos price increase letters for cement. Wells received price increase letters from Giant, Holcim and Argos.



Wells sent out a price increase letter, which increased SRM price by \$8.00 per cubic yard, but SRM did not charge a fuel surcharge or environmental fee. Pedrick called and wanted know why they were not charging the fees and surcharge. Wells advised Pedrick that it was a hassle to charge the fees. Pedrick was got upset that SRM did not charge the fees.

Wells advised that Premier, Low Country, Palmetto, Argos, Elite, and Thomas are the concrete competitors in the Bluffton market. However, Argos is their primary competitor.

Pedrick no longer works for Argos. He now works for CEMEX in Bluffton selling sand. Pedrick showed up at the SRM facility in June to say he appreciated SRM buying sand from him. It was the same time that SRM counsel sent a letter to Argos notifying them of a potential lawsuit.

Wells was asked if he knew anyone that would assist agents to advance the investigation. Wells advised that a couple months ago, Amekueda Godwin, called and said he had information that would help SRM in their case. Godwin worked for Argos in Atlanta and was fired. Godwin sent a zip file (drive) with information. Wells has not reviewed all of the information. However, Turner reviewed some of the spreadsheets and stated it had pricing information on it.

In addition, Don Oats contacted Wells asking questions. Oats used to work for Madusa, CEMEX. Oats was trying to get information about the lawsuit, but Wells would not provide any. Lenny Blogenett also told Wells that you should have seen what was on Pedrick's computer when SRM first started. Blogenett told wells that he didn't know how SRM survived (NFI). Wells advised that Blogenett would talk to agents. Blogenett was fired from Argos in 2012 and currently resides in Ft. Lauderdale, FL.

Wells didn't know if Ty Stone would talk or even have any information, but Stone works for Elite. However, he is not in a position to know anything other than probably rumors. Wells was also aware that David Howard (NFI) gave a copy of a letter to Turner, which detailed how Argos was going to run competitors out of business. However, the letter did not talk about collusion among competitors.

Wells was asked if he ever met with any competitors to discuss anything. When SRM was served with the civil investigative demand, Wells and Turner met with Trey Cook, co-owner, Elite, to discuss selling/merging companies. However, they never discussed the CID with Elite.

In 2016, Wells and Turner met with Pedrick in a parking lot downtown Savannah. They were trying to get information from Pedrick that could be used in a lawsuit. Pedrick told Wells and Turner that he didn't know anything and it was all about Tim Coleman.

Pedrick told Wells that agents served him with a civil investigative demand, but his attorney got him out of it in two weeks.

In addition, Wells and Turner ate dinner with Mike Kanlic, Argos, when SRM still bought cement from Argos. In late 2016, they had dinner at a restaurant on Bull St, Savannah, GA. Wells paid for all three.

Wells did not know that Chris Young, SRM salesman, had tapes and documentation at the time he and Turner were meeting with Pedrick and they were discussing filing a lawsuit. Young was hired by SRM in 2016, and that is when they found out what information he possessed.

Recently, SRM began importing their cement from Cecil, Portugal. They ship it to the Savannah port and transport it to the Savannah plant. They primarily sell to their customers, but any of the residuals, they transport to Turner's plant in Charleston, SC. Occasionally, they will supply Giant with cement if Giant's operation is low. When SRM began importing cement, the cement competitors started calling Cecil asking questions (NFI).

Wells provided the following:

Don Oats: (906) 825-4989  
Jim Pedrick: (912) 659-2318  
Jason Wells: (912) 667-4440  
Jimmy Carson: (706) 831-2486  
Lenny Blogenett: (561) 510-5402

<b>PREPARED BY: SA MARCUS W. MILLS</b>	<b>DATE: 10/31/2017</b>
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# EXHIBIT C



## UNITED STATES POSTAL SERVICE OFFICE OF INSPECTOR GENERAL

### MEMORANDUM OF INTERVIEW

Interview Date:	10/20/2017
Case Name:	ARGOS ET AL, CEMENT/CONCRETE ANTITRUST, UNITED STATES
Case Number:	18UIMM0266CF01CF
Interviewee:	MARK TURNER
Interview Location:	UNITED STATES ATTORNEY'S OFFICE, SAN DIEGO, CA
Interviewed By:	USPS OIG SA MARCUS MILLS, FBI SA JASON SPURLOCK AND DOJ TRIAL ATTORNEY EYITAYO "TEE" ST. MATTHEW-DANIEL
Witnesses:	JAROD BONA AND AARON GOTT, BONA LAW, PC

On October 20, 2017, Mark Turner, co-owner, Southeast Ready Mix (formerly Savannah Ready Mix-SRM) was interviewed pursuant to a proffer agreement by Special Agents (SA) Marcus Mills, United States Postal Service, Office of Inspector General, SA Jason Spurlock, Federal Bureau of Investigation, and Trial Attorney (TA) Eyitayo "Tee" St. Matthew-Daniel, United States Department of Justice, Antitrust Division, regarding his knowledge of collusion in the cement and concrete markets in Southeast, GA and other areas. Turner was represented by Jarod Bona and Aaron Gott, Bona Law, PC, La Jolla, CA.

Prior to any questioning, TA St. Matthew-Daniel provided a proffer letter to Turner and his counsel for review. In addition, TA St. Matthew-Daniel advised Turner that the interview involved a federal criminal investigation, and advised the interview was voluntary. After reading and signing the proffer letter, Turner agreed to cooperate and provided the following information in substance:

Turner graduated from the University of South Carolina in 1991 with a degree in real estate finance. Upon graduation, Turner worked for First Union (Wells Fargo) from 1991 to 1995 and then took a position with Floyd Concrete in Savannah, GA in 1995. The owner of Floyd's Concrete was considering retiring and offered Turner an opportunity to take over the business. However, after a couple years, the owner

decided not to sell, so Turner left Floyd and started his own business, Savannah Concrete (SC).

SC had on plant in the Savannah market. SC primarily sold concrete in the residential market. SC competitors at the time were Blue Circle, Coastal Thomas, and Tarmac. There were a couple of other's, but Turner couldn't recall their names. SC purchased cement from Holcim. Wayne McGowan was the cement salesperson for Holcim in the beginning then Jimmy Carsen took McGowan's position when McGowan left for Savannah Concrete.

From the mid 1990's to September 2001 prices were fairly stable in the market. However, in late 2001, the commercial market declined and Argos came into the residential market. When Argos entered into the residential market, predatory pricing began and prices started falling. Turner and his attorney (NFI) complained to the antitrust division in Atlanta, GA, about predatory pricing occurring; however, nothing ever happened.

In early 2002, the economy began to rebound, and significant growth occurred in the southeast. Turner purchased a plant in Macon, GA, and Charleston, SC. Turner already owned a concrete plant in Knoxville, TN. Ernest Mitchell was his partner at the Macon facility while William Snyder, Anthony Rhodes and Gordon Jenkins were partners at the Charleston facility. After the economy rebounded, Tim Coleman and Bobby Glover, Coastal Concrete, approached Turner and offered to purchase Savannah Concrete. Turner sold his plant and agreed to a non-compete in the Savannah market for seven (7) years.

Around 2011, Turner's was approached by Trey Cook and Troy Baird, Elite Concrete, about working for them. Turner met with Cook and accepted a position. David Melton was the only salesperson for Elite. David Melton was Greg Melton's, Argos, brother. Turner rarely saw David while working at Elite. Maybe only four (4) or five (5) times. Baird and Cook told Turner they wanted to fire David Melton because they were losing \$600K to \$700K per year. Turner said David Melton was not very friendly to him.

When he was hired, Turner did not have full access to all of Elites business records, but he did have access to Elite's financials. However, he did not have time to review any business plans and strategize company growth because Baird was always causing issues. After a few months, Turner continued having issues working for Baird. In addition, he felt like he betrayed Jason Wells because they had already discussed opening their own business. Therefore, Turner met Cook, gave him a \$2400 check and told him that he could not deal with Baird. Afterwards, Turner and Wells began to discuss their business plan to create Savannah Ready Mix (SRM).

In April 2012, SRM was created. Wells and Turner were co-owners of the business. Basically, SRM purchased the assets from Wells, Mayson Concrete, and Wells retained

the liabilities. SRM primarily sold concrete in the residential market. However, after a couple of years, Argos came after SRM on pricing residential work, so SRM ventured into the commercial market. SRM could sell commercial concrete cheaper than residential concrete. SRM's competitors were Coastal, Argos, Elite, and Evans. Turner knew several of the competitors' sales team member to include: Hugh Papy and Jim Pedrick, Argos; Tim Mahoney, Thomas; Tim Coughlin, Coastal; Tim Coleman and Bobby Glover, Coastal; Bo Strickland and Drew LNU, Evans; Lenny Blogenett, National Cement; and Mike Kanlic, Argos.

Turner was asked if he ever had any private meetings, dinners, etc. with any of his competitors. Turner stated that Kanlic invited him to tailgate at a South Carolina football game on one occasion. Kanlic had a tent set up at the game and was cooking. In addition to Kanlic, Turner saw Bo Strickland and Drew LNU, who work for Evans Concrete, at Kanlic's tent. Turner also had dinner at Ruth's Chris with Kanlic. This was prior to Turner having any interest in the Savannah market (2011 timeframe). Turner also met Chip Hussey, which Turner described as the head of cement sales for the southeast United States.

Turner and Kanlic became close friends. Kanlic took Turner on fishing trips in Key West and several concert's. After the CID investigation, Kanlic and Turner went fishing in Key West, and the CID investigation was discussed. However, Turner could not recall the specifics of the conversation. Turner thought it was strange that Kanlic never tried to sell to him.

Turner also had discussions with Baird, Elite, in 2011. Baird proposed putting together a conglomerate of independent businesses (ready mix companies), so that they could sell the conglomerate more easily than individual entities. Since Turner owned plants in Macon, Knoxville, and Charleston, Baird wanted to include his (Turner's) companies in the conglomerate. Turner was not interested because his plants were profitable and it didn't make business sense.

Turner went to lunch with Coughlin at Longhorn's in Pooler, GA. During lunch, Coughlin told Turner that he didn't want him to come into the market and mess it up. Although they did not discuss pricing, Turner was uncomfortable at the lunch meeting. Turner was not sure about the timeframe, but thought it was when discussions were ongoing with Wells about opening SRM.

Around April or May 2012, Turner met with Trey Cook, Elite, in a parking lot around the Savannah, GA area. Cook was driving a F250 Ford truck. SRM had stopped charging fuel surcharges and environmental fees at the time. Cook told Turner that his company, Argos, Thomas, and others agreed to charge the aforementioned fees and wanted Turner to charge the fees also. Turner told Cook that SRM was not going to charge the fees and Cook got upset. Turner got out of Cook's truck and departed.

Turner explained the fuel surcharge could be a legitimate fee based upon the fluctuation of fuel prices. However, the environmental fees are all profit. There is no reasonable basis to charge an environmental fee because there is no federal, state, or local regulation for the concrete industry that requires an environmental cost. Turner advised Cook called him from his cell phone (912) 667-1302. Turner's phone is (901) 660-7788.

Post CID investigation, Turner called Pedrick to set up meeting. They met in a church parking lot in Savannah, GA, which was across the street from where Turner was having lunch. Turner told Pedrick that SRM was going to file a lawsuit against Argos, and that Pedrick was going to be in the middle of the suit. Turner wanted to know if Pedrick would assist them with the lawsuit. The meeting lasted about five (5) minutes. Pedrick denied everything. Turner also recalled that Pedrick came by the office one day and spoke to Wayne McGowan. McGowan told Turner that Pedrick left a price increase letter for them.

Turner was asked whom might assist in the current investigation. Turner stated that recently, Amekuedi Godwin, Argos, called him and introduced himself. Godwin worked for Argos in Atlanta, but was terminated in late 2016. Godwin sent Turner a zip drive containing a list of Argos customers and rebates. However, Turner had not completed his review. The list was up to date, which meant Godwin had someone on the inside of Argos providing him with information.

In addition, Turner advised that Hugh Papy, who worked for Argos for thirty (30) years, would be someone that might assist. According to Turner, Papy was an upstanding person who would do the right thing if approached. Papy currently sells some type of Nano 2 product in the Savannah area.

SRM currently imports their cement from Portugal. In addition to supplying themselves, SRM sometimes supplies Giant with cement if Giant can't meet customer demand.

Turner was asked about the competitors in the Knoxville, Charleston and Macon markets. In Knoxville, Harrison (Old Castle) and USA were the concrete competitors while Buzzi Unicem, Holcim, and Cement were the cement competitors. The Charleston market consisted of Von Smith, Ford, Argos, Thomas, Knights, Keystone, Wando, Stone and others in the concrete market while Giant, Argos/La Farge, and Holcim were the cement competitors. All three cement companies had plants in Holly Hill. Lastly, in the Macon concrete market Oconee and Ready Mix USA were the competitors while Cemex was the primary cement supplier.

Turner also talked about Tim Coleman stealing from Evans and Coastal while working for both of them. Evans fired Coleman. Allegedly, Coleman sent loads of concrete to Baird, but would keep the money. Turner didn't know the details.



**PREPARED BY:** SA MARCUS W. MILLS

**DATE:** 10/31/2017

**RESTRICTED INFORMATION**

This report is furnished on an official need to know basis and must be protected from dissemination which may compromise the best interests of the U.S. Postal Service Office of Inspector General. This report shall not be released in response to a Freedom of Information Act or Privacy Act request or disseminated to other parties without prior consultation with the Office of Inspector General. Unauthorized release may result in criminal prosecution.



# EXHIBIT D

**Loveland, Daniel (ATR)**

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**From:** St. Matthew-Daniel, Eyitayo (ATR)  
**Sent:** Wednesday, January 31, 2018 4:43 PM  
**To:** Price, Marvin (ATR)  
**Cc:** Meiring, Eric M. (Eric.Meiring@ATR.USDOJ.GOV)  
**Subject:** Cement/Concrete Ethics Question

Hi Marvin,

We recently opened a grand jury investigation in the Southern District of GA (Savannah) into price fixing and market allocation by several ready mix and concrete companies including Argos, [REDACTED] and Elite Concrete. We are planning knock and talk interviews next week in Georgia, Florida, and Texas with several current and former employees of these three companies. The potential interviewees fall into three broad groups: (1) sales people; (2) mid-level sales managers; and (3) senior executives at the top of Argos' US corporate structure. There is a good chance one or more of these individuals will speak with us and we believe they may be more forthcoming if approached directly rather than arranging an interview through counsel. To our knowledge, none of these individuals is represented by counsel in this investigation which remains largely covert. However, we are aware that Argos, [REDACTED], and Elite are all represented by counsel in a private treble damages action premised on similar allegations of price fixing, market allocation as well as predatory pricing and group boycott. We don't think there's an ethics issue but we decided to send this email out of an abundance of caution: (A) to confirm that none of these individuals is a "represented party" for the purposes of our investigation; and (B) to check whether there are any ethical constraints we should bear in mind as the team heads out next week. Any advice you can offer would be much appreciated.

Many thanks,

Tee

Eyitayo "Tee" St. Matthew-Daniel  
Trial Attorney, Washington Criminal II Section  
Antitrust Division, USDOJ  
450 5th St., NW  
Washington, DC 20001  
Cell: (202) 677-0370  
Tel: (202) 598-8660  
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Email: [Eyitayo.St.Matthew-Daniel@usdoj.gov](mailto:Eyitayo.St.Matthew-Daniel@usdoj.gov)

# EXHIBIT E



## FEDERAL BUREAU OF INVESTIGATION

Date of entry 02/26/2018

JAMES CLAYTON PEDRICK, date of birth (DOB) 02/07/1956, was interviewed at his home, 219 E 46th St, Savannah, GA 31405. SA Jason Spurlock of the FBI and SA Marcus Mills of the United States Postal Service, Office of Inspector General, were present. Upon first meeting the interviewing Agents and being informed of the nature of the interview, PEDRICK stated that several years ago that he spoken with an attorney. PEDRICK was subsequently informed that he always had the right to have an attorney present and could discontinue conversation with interviewing Agents at any time and for any reason. PEDRICK subsequently invited the interviewing Agents into his home and agreed to be interviewed. Thereafter, PEDRICK provided the following information:

During the time PEDRICK was employed by ARGOS, there were several ready mix concrete firms in the Savannah market. Among those were ARGOS, ELITE, EVANS, PREMIER, BACA, THOMAS, and SOUTHEAST READY MIX. Most of the firms have plants in the Hilton Head area.

Cement makers in the Savannah market were GIANT, ARGOS, and HOLCIM, which has since merged with LAFARGE. GIANT was not vertically integrated, in that it did not sell ready mix concrete. PEDRICK worked for ARGOS as a cement salesman. CEMEX was not a participant in the Savannah cement market.

PEDRICK stated that while he was employed at ARGOS, he did not have conversations with competitors concerning ready mix concrete prices. Rather, if a client would tell PEDRICK about the price of concrete, the practice was to fill out a form and turn it in.

Price increase letters were occasionally put out by concrete firms. The letters did not list the total amount of the price of concrete, but rather only listed the amount of the pending price increase itself. BILL WAGNER would have decided the amount of ready mix concrete price increases.

PEDRICK recalled the following names of salespersons at various firms:

TIM MAHONEY (THOMAS),

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Investigation on 02/05/2018 at Savannah, Georgia, United States (In Person)File # 60-WF-2219252 Date drafted 02/09/2018by Jason A. Spurlock

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TROY BAIRD (ELITE),

HUGH PAPY, CHRIS YOUNG, GREG MELTON (ARGOS),

TOMMY STRICKLAND, BO STRICKLAND (EVANS).

While employed as a cement salesman at ARGOS, PEDRICK mostly sold cement to EVANS and to his own firm.

DAVID MELTON worked for ARGOS at one time, but left there to work for ELITE, before leaving ELITE to work for READY MIX USA in the Florida panhandle.

PEDRICK stated that he has never heard of collusion or price fixing in the Savannah market. When asked if he had ever had interaction with DAVID MELTON, PEDRICK stated that he had not, "other than we were friends." PEDRICK stated that he did not have a business relationship with DAVID MELTON because ARGOS did not sell cement to ELITE while MELTON was employed at ELITE. PEDRICK stated that he has never been present while DAVID MELTON and GREG MELTON discussed ready mix concrete prices. PEDRICK stated that he has never personally discussed concrete price increases with DAVID MELTON.

Concerning cement price increases, CHIP HUSSEY, Vice President of Sales, would decide on price increase letters. Historically, ARGOS went up on cement prices in April, but changed to January of every year more recently.

Prior to 2010, PEDRICK would share ready mix concrete competitors' pricing information at ARGOS market coordination meetings. However, the sharing of ready mix pricing information stopped in approximately 2010. PEDRICK stated that he assumed ARGOS' corporate counsel caused the discontinuation of price information sharing. PEDRICK stated that BILL WAGNER drove these meetings and that they included concrete pricing information on the Southeast region, which PEDRICK clarified to mean Georgia. PEDRICK stated the meetings were supposed to have occurred monthly, but may have actually occurred less frequently. PEDRICK stated that he was not aware of and did not participate in the any conversations with concrete sales personnel concerning the price of concrete after the market coordination meetings were discontinued in approximately 2010.

TIM COUGHLIN left the Savannah area approximately one year ago, and is now in California.

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PEDRICK met TIM COUGHLIN one time in COUGHLIN's office, and may have spoken with COUGHLIN on the telephone. PEDRICK does not recall having any conversations with COUGHLIN concerning concrete prices. PEDRICK stated that if COUGHLIN had shared concrete pricing information with PEDRICK, PEDRICK would remember it, and he doesn't remember it. PEDRICK stated the sharing of pricing information would have been "a red flag."

When PEDRICK received price increase letters from concrete firms, he signed them and sent them to his supervisors on the cement side of Argos, MIKE KANLIC and CHIP HUSSEY. PEDRICK does not know what KANLIC and HUSSEY did with the letters.

PEDRICK does not remember getting any price increase letters after 2010. PEDRICK stated that if he would have received them, he would not have given them to anyone on the ready-mix side of ARGOS, and would remember if he did. PEDRICK stated that he would not have discussed the price increase letters with anyone on the ready mix side either.

PEDRICK stated that the ready mix concrete side of ARGOS paid more for ARGOS cement than other ready mix concrete firms because the concrete side of ARGOS was forced to buy cement from ARGOS.

When asked who might be able to answer questions concerning price fixing in the Savannah ready mix concrete market, PEDRICK provided the names of: GREG MELTON, CHRIS YOUNG, DAVID HOWARD, AND MIGUEL BACA. MIGUEL BACA runs BACA CONCRETE, which owns one plant and is a concrete finisher.

PEDRICK was asked by the interviewing Agents if the Agents could speak with him again the following day after reviewing their notes, to which PEDRICK agreed.

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# EXHIBIT F





## FEDERAL BUREAU OF INVESTIGATION

Date of entry 02/26/2018

JAMES CLAYTON PEDRICK, date of birth (DOB) 02/07/1956, was interviewed at the Residence Inn, 500 W Charlton St, Savannah, GA 31401. SA Jason Spurlock of the FBI and SA Marcus Mills of the United States Postal Service, Office of Inspector General, were present. After being advised of the identity of the interviewing Agents and the nature of the interview, PEDRICK provided the following information:

PEDRICK expressed a desire to add to the record from a previous interview with the interviewing Agents one day prior, and stated that FLOYD CONCRETE was also a participant in the Savannah ready-mix concrete market while he was employed at ARGOS.

Agents stated to PEDRICK that the Agents were aware that pricing information had been passed between competitors in the Savannah ready-mix concrete market after 2010, and that the agents were in possession of recordings suggesting that PEDRICK participated in the sharing of information between ready-mix concrete competitors. Agents further stated that it is important PEDRICK be honest in the interview.

PEDRICK stated that on one occasion CHRIS YOUNG asked him to pick up a copy of a competitor's price increase letter. PEDRICK picked up the letter and gave it to CHRIS YOUNG. PEDRICK believes the competitor was EVANS and that the salesman from whom he retrieved the letter was BO STRICKLAND. PEDRICK stated that having the letter would help ARGOS in that if ARGOS knew a competitor's price, ARGOS could go up the same amount.

When asked to describe his relationship with DAVID MELTON, PEDRICK stated that he never had any business dealings with MELTON when MELTON was employed by ELITE. As friends, PEDRICK and MELTON would check in with one another. PEDRICK stated that he had no conversations about price increase letters or price increases. PEDRICK stated that it is not possible that he would have done this.

PEDRICK stated that it probably came up in conversations with EVANS CONCRETE that ARGOS ready-mix was going up a certain amount, and that the purpose of the conversation was because, "if one company is going up,

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Investigation on 02/06/2018 at Savannah, Georgia, United States (In Person)File # 60-WF-2219252 Date drafted 02/09/2018by Jason A. Spurlock

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there is an opportunity for the other to go up." PEDRICK stated that the companies considered him a conduit for the sharing of ready mix concrete prices.

PEDRICK stated that he had met TIM COUGHLIN, and that he may have had lunch with COUGHLIN and KANLIC. PEDRICK does not remember having concrete pricing conversation during the lunch.

Agents again stated to PEDRICK that PEDRICK needed to be honest during the interview. PEDRICK responded by asking to hear one of the recordings. Agents played a portion of a recording in which PEDRICK states that "it has been distributed, and everybody I talked to with the exception of MARK TURNER is going to put a letter out." When asked on the recording if PEDRICK knew how much, PEDRICK responded, "eight bucks." The recording is retained on a disc in a 1A, and is named 2013-10-18-08-56.52.

Explaining the recording, PEDRICK stated that CHRIS YOUNG had given him a price increase letter, which PEDRICK delivered to someone at EVANS and DAVID MELTON at ELITE. EVANS and DAVID MELTON agreed to match the letter and go up \$8.00 on price. PEDRICK stated that he delivered the letter to ELITE and EVANS plants. MELTON stated that he met BO STRICKLAND at his office and gave him the letter, and that, "that kind of stuff was common." In response to receiving the letter, STRICKLAND stated to PEDRICK that he planned to go up on price as well. DAVID MELTON also stated to PEDRICK that he would go up the same amount. PEDRICK stated to interviewing Agents that there was an understanding that ELITE and ARGOS would go up on price together. ARGOS, EVANS, and ELITE coordinated to stagger their price increases.

PEDRICK then stated that he has had conversations with GREG MELTON directly about sending price increase letters to competitors and going up on prices together. The conversations would happen in GREG MELTON's office, and they would happen often. PEDRICK stated that MELTON was "always trying to get higher pricing." MELTON was adamant that prices go up, and MELTON used PEDRICK to coordinate price increases among competitors. PEDRICK stated that, "he used me as a letter carrier." PEDRICK carried price increase letters back and forth between competitors from approximately 2012-2015. This arrangement did not exist prior to GREG MELTON'S arrival. The pricing coordination was driven by GREG MELTON and CHRIS YOUNG.

PEDRICK stated that all of the concrete competitors in Savannah were involved in the sharing of pricing information except MARK TURNER. When asked to give names, PEDRICK listed BO STRICKLAND, DAVID MELTON, and TROY BAIRD.

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PEDRICK stated that he was having difficulty remembering specific instances of price information sharing because it was so common. PEDRICK stated that "you stepped out of your vehicle and the first thing out of their mouth was tell your boys to get their price up." PEDRICK would then relay this to GREG MELTON or YOUNG. GREG MELTON would generate the price increase letters.

PEDRICK recalled giving MARK TURNER a price increase letter and TURNER not doing anything with it. PEDRICK would hear from the competitors' customers if the competitor actually put out the price increase letter.

### **Statesboro Market**

Concerning the Statesboro ready mix concrete market, PEDRICK recalled GREG MELTON telling him to tell BO STRICKLAND that regardless of the price, GREG MELTON and ARGOS would get the next big job, which was the Great Dane headquarters.

Concerning the Aspen Heights job, BO STRICKLAND asked ARGOS "not to leave any money on the table." PEDRICK explained that this meant that STRICKLAND would not bid on that job. STRICKLAND told PEDRICK that ARGOS should bid \$88.00 on the job.

PEDRICK stated that there was an agreement between ARGOS and EVANS for ARGOS to get the Aspen Heights job and for BO STRICKLAND and EVANS to get the Lavender General Contracting/ROTC job. The message was passed from GREG MELTON to BO STRICKLAND through PEDRICK. MELTON told PEDRICK to tell STRICKLAND that MELTON (ARGOS) would not bid the Lavender General Contracting/ROTC job competitively, so that BO STRICKLAND and EVANS CONCRETE would get the job. PEDRICK estimated the value of the ROTC job at \$30m.

PEDRICK has not spoken to TROY BAIRD in about four years. BAIRD was upset because he thought ARGOS was trying to put him out of business.

MIKE TAYLOR was GREG MELTON's boss at ARGOS. PEDRICK believes that MELTON would not institute a price information sharing agreement without TAYLOR knowing about it.

Most of the price coordination conversations between competitors in the Savannah ready mix concrete market happened over the phone due to ease.

### **Cement Pricing**

PEDRICK stated that on occasion, BO STRICKLAND would provide PEDRICK and MIKE KANLIC the price of cement from a cement competitor. CHIP HUSSEY

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Continuation of FD-302 of (U) INTERVIEW OF JAMES CLAYTON PEDRICK, On 02/06/2018, Page 4 of 4

and MIKE KANLIC would decide the price of a cement job, though PEDRICK would send out the quote to prospective customers.

**Written Statement**

PEDRICK was asked if he would write a short statement acknowledging his participation in the sharing of pricing information between competitors in the Savannah ready-mix market, his knowledge of Statesboro market allocation, and clarifying why the coordination was done. PEDRICK agreed to write the statement and did so in his own words. The statement is attached.

# EXHIBIT G

James Clayton Proctor

I WAS USED AS A CONDUIT TO  
TRANSFER INFORMATION CONCERNING CONCRETE  
PRICES BETWEEN ANGOS READYMIX AND  
THEIR COMPETITORS IN THE SARASOTA AREA MARKET.  
CHRIS YOUNG AND GREG MELTON INSTRUCTED ME  
TO CARRY OUT THIS BETWEEN 2011 AND 2015.  
PRICE INCREASE LETTERS WERE DELIVERED TO  
EVANS & FLITE ON SEVERAL OCCASIONS AND THEIR  
LETTERS GIVEN TO CHRIS AND GREG.

I WAS AWARE OF THE JOB SWAPPING IN THE  
STATESBORO MARKET, SPECIFICALLY THE ASPEN HEIGHTS  
JOB, THE LAVENDER CONST. JOB AND THE  
PAULSEN STADIUM - EXPANSION. GREG MELTON  
INSTRUCTED ME TO DELIVER PRICING TO  
TOMMY STORCKLAND TO ASSURE THESE JOBS  
WOULD BE DONE BY EVANS CONCRETE AND ANGOS  
READYMIX AND NOT A THIRD PARTY.

PRICE INCREASE LETTERS WERE SWAPPED TO  
ASSURE THAT PRICES WENT UP AT THE  
SAME TIME AND SAME AMOUNT.

J. Proctor 2/6/18

WITNESSES

Marion W. Miller, SA, USPS OIG

[Signature] FBI, SA JASON SPURLOCK