

AFFADAVIT

WITHOUT PREJUDICE

Privileged Information between Attorney & Client Only

I, Karen Burris, of 226 Boston Post Road, Amherst, New Hampshire, being of sound body and sound mind do hereby attest and swear under oath on this 13th day of March, 2008, that the information I am documenting herewith is being done so of my own free will and to set correct any and all records of the facts surrounding my employment at R&R Enterprises in Amherst NH (formerly Bedford, NH). I am documenting the following in order to set the records right and to offer evidentiary information to current and past clients of R&R Auction who may have been defrauded by R&R's pattern of unethical and illegal practices over the almost six years of my employment there; to the State of New Hampshire for breaches in any relevant New Hampshire Statutes; and to the United States Department of Justice for breaches in any relevant Codes of the United States of America.

I am also fearful for the personal and physical safety of myself and that of my family because of my intimate knowledge of the details of R&R's dealings with certain of its clients, its business relationships, as well as the relationships of R&R principals and their family members. This fear results from comments made prior to my recent dismissal from R&R that included veiled threats, innuendos and comments regarding violence to past associates, all of which were made directly to me by Bob Eaton.

I am documenting the following to the best of my knowledge and recollection from my six years of working at R&R, and most recently (for the past four-plus years) as R&R's "go-to-go gal" for fixing many of problems the company, or its principals, and some of its employees faced on a day-to-day basis.

In summary, I believe that for the past five-plus years I have been working as a key employee of a privately-held company that systematically and knowingly defrauded certain buyers and sellers via its international auctions of important documents, important autographs, and historical ephemera. I also believe that R&R and its principals have organized a group industry insiders and associates that regularly colluded via phone, email, the U.S. Postal Service, and private couriers to regularly fix bidding in its monthly international auctions to affect the outcomes in favor of certain buyers at times; and certain sellers at other times.

I also believe that the principal operators in this group are or may include: Robert S. Eaton; Carla Eaton; Mr. John Reznikoff of Westport, CT; Mr. Danny Brams of Brams & Hicks, attorneys in the State of Florida; Mr. "Joe" Long of RockoGraph and his brother Gerry Long, regular R&R clients who are dealers in signed items (usually items from the music industry); Mr. Todd Mueller of Colorado, who is a dealer on the internet of signed memorabilia; and Mr. Phil Herres of Ohio who is a principal in the company

Dollar Towne that specializes in selling coins and purportedly has a slot machine gaming business there.

I also know that the following R&R bidders (customers) were either knowingly defrauded and/or cheated via certain auctions conducted by R&R Enterprises: Mr. Brian Halperin of Heritage Auctions in Dallas; Ms Simone Petersen of New York City; Mr. Steve Rudin of New York City; Mr. Anthony Pugliese of Florida, who is a prominent real estate developer in Florida and major collector of movie props and memorabilia; Mr. Jim Anderson of New Platz (?) New York, and elderly gentleman who spent approximately \$500,000 in R&R Auctions over many years and who was knowingly sold a “fake signature” Elvis Presley guitar and many other individual bidders and consignors via a covert bid rigging system via the company’s sophisticated proprietary computer software programming and internal policies and procedures via its “maximum bid rules” and its “10 Minute Rule” in order to permit inside bidding against unknowing client-bidders in order to falsely bid up the prices of items so that the company could maximize its “Buyer’s Premium” as well as its “Seller’s Premium” fees charged to clients.

R&R Enterprises is doing business internationally as R&R Autograph Auctions, which at the time of this writing and to my best knowledge is still a sole proprietorship incorporated under the laws of the State of New Hampshire by Robert S. “Bob” Eaton. R&R Auctions is recognized as one of the best known and “reputable” auctioneers of important historical documents, autographs of famous persons; and historically important ephemera. Members of Bob Eaton’s family directly employed and involved in the intimate and day-to-day operations of R&R are his wife, Carla Eaton; his eldest daughter Amanda Eaton Casey, his daughter Patricia Eaton; and his son Robert “Bobby” Eaton III. There are other various employees working there in support and administrative positions.

Carla Eaton is the family member who is the licensed and registered auctioneer under the statutes of the State of New Hampshire. Carla Eaton is a equal shareholder of a company named RSE LLC, which is a property company established in 2004 by the Eaton family to purchase and own the building at 5 Rt. 101A, Amherst, NH – the headquarters and primary place of business for R&R Enterprises.

Besides myself prior to my departing R&R, two additional key managerial employees still there at the time of this writing are Bill White and Elizebeth Otto. Bill White has been with R&R for almost 20 years, is R&R’s chief technology officer and designer of the intricate and proprietary bidding system, special in-house computer programming and support for R&R’s highly sophisticated and proprietary software programs. Bill White is also an R&R autograph and document authenticator and the catalogue production manager responsible for ensuring that all auctioned items are properly described, authenticated and presented each month for presentation to R&R’s 2,500 “vip” bidders who are mailed the catalogues. In addition the R&R website has bidders from the general public. The R&R website averages 50,000+/- unique visitors each bidding cycle (each month).

Elizebeth Otto has been with R&R a total of almost ten years (on and off and consistently for roughly the past six years). Her key responsibility is Consignment & Acquisitions Manager, responsible for acquiring items from consignors for inclusion in R&R's auctions. Her time is spent almost exclusively on the telephone and emails searching for and convincing consignors to sell their items via auction to the public in R&R's monthly auctions. When any particular item which R&R has received into its shipping department is brought to her attention as being NOT authentic or of questionable provenance, Elizebeth is responsible for contacting the respective consignor to inform them that the particular item will not be auctioned. Elizebeth has intimate knowledge of several consecutive years of R&R's and Bob Eaton's chicanery with allowing items into auction knowing their respective authenticity was either questionable, or many times knowingly fake. Elizebeth is also intimately knowledgeable of R&R's practices and policies and instances over her tenure whereby R&R in previous years had knowingly sold fakes in its auctions to clients; and subsequently in more recent years to have some of those items returned by subsequent owners upon this owner's discovery of the respective item turning out to be a fake.

R&R's policy is to reimburse clients the original purchase price of the item sold by R&R at the time of R&R's original sale to the client (not the current market value), leaving subsequent buyers of that item the responsibility of the resulting financial loss or of individually pursuing "the chain of ownership backwards" to R&R's original sale date. This was a standard operating procedure at R&R for as long as worked there and was used often to "wash" R&R's hands of items that it sold earlier, often knowingly, that later turned out to be fake

I was initially employed by R&R in March 2002 as the Office Manager at a salary of \$42,000 per year plus benefits. Upon the discovery of cancer in Bob Eaton's mother, Janet Eaton, who until her death was the Chief Financial Officer and bookkeeper of R&R for several years, I was trained by Janet Eaton in order to assume her duties as CFO and bookkeeper of R&R. I held this senior management role for the next approximately four and half years, gaining superior annual employee reviews and raises and bonuses each and every year until my termination on March 5, 2008 under accusations of financial improprieties, for which I have retained New Hampshire legal counsel (Mr. John Kacavas, Esq. of Manchester, NH) to defend me against - vigorously.

Since assuming the position of "office manager" after the death of Janet Eaton, I was continually given more and more responsibility and trust and ultimately became a key member of the Eaton family "inner circle". In this capacity, I was privy to and entrusted with intimate knowledge of the conduct of R&R's auctions, its acquisitions, marketing, and day-to-day operations and management.

During the course of my employment with R&R I was provided almost daily briefings which included intimate details of illegal and dubious practices designed to defraud R&R clients (consignors) and the general public (bidders and successful buyers). On numerous occasions and on behalf of the family, I was asked to solve problems on a case-by-case basis, ranging from: Inquiries of claimed theft and fraud from former and current

bidders/clients; from the U.S. Justice Department regarding several instances where items appearing in R&R's auctions were deemed stolen from the U.S. National Archives; to members of the U.S. Congress and other luminaries claiming the same with their respective personal items either bought or sold via R&R; to numerous attorneys for their respective clients whereby "official notice" was demanded claiming ownership of various documents in R&R's possession that ultimately appeared in their catalogs and auctions. In addition I was the person designated by R&R to handle all legal problems, lawsuits and threats of lawsuits from bidders, former staff members, and consignors. On every such occasion, I was briefed by Mr Eaton, often together with Ms. Otto and Mr. White as to the company's course of action.

During the time I was employed there, Carla Eaton was the licensed auctioneer although her participation in the running of the auctions amounted over the past 3 years to her cursory attendance in the office on the final night of the auction where she would occasionally take bids via telephone. She did not attend the auction night closings in October, November or December of 2007.

To get to the R&R bid logs one needs an administrative password – log-in to the website using that password and then you can click on any item, see the current high bidder, the maximum that they have on an item and there is a button you can use to see the bid log. It gives the name, number and amount of the bid as well as the time it was placed. Under the administrative password there is also a report called "auction totals". When selected this generates a complete report of the current sales totals for the auction in process. It was designed as part of the web bidding process and implemented by Steve Long. Steve Long was told that when designing the report to ensure that the total omitted any high bids by the house account bidder 0. These are the reserve bids. However, the totals on the administrative report generated off the website are subsequently not correct as they include bids from those consignors who are bidding on their own items on either their own bidder number or the bidder number given to them specifically to bid on their own items. The true auction sales report is generated in the company's internal system after the auction by Bill White – after he has taken out all the fictitious bids.

1. John Reznikoff (a well-known dealer from CT) and a major consignor R&R is allowed to bid on his own items to move up the bids to the point that he is willing to sell the item. A special procedure was designed by Bob Eaton to permit collusion on prices, bid rigging; and profits for items placed into R&R auctions by Reznikoff. Reznikoff's bidder number is 204.

In any given auction, if Reznikoff "wins" his own item in a particular auction because he or Eaton could not max-out the bidding on that item with an unknowing bidder (or bidders), it is processed internally by Bill White differently than all other winning bids are processed – there is no sales invoice generated for him and the item shows as unsold on the "after auction profit list". This system was designed by Bob Eaton, in direct collaboration with Reznikoff, so that Reznikoff was guaranteed a profit to his personal liking on any particular item; and a "no sale – no commission" policy so that he would continue to supply a

higher quality (supposedly) number of items when R&R couldn't get or didn't have enough in any given auction. I know of numerous instances of this occurring over the past five years. Reznikoff consigns to almost every auction and has usually 10 or more items in each. Monthly consignor checks to Reznikoff range in value from \$1000's to \$100,000's each month. He bids on his own items with the full knowledge and consent of Bob Eaton and Carla Eaton.

There are also a selected "special group" of Eaton friends, relatives, and consignor/collectors that are allowed to bid on their own items in the exact same system, with full knowledge and guidance of Bob Eaton and full knowledge of the licensed auctioneer, Carla Eaton. These "bids" were processed internally the same way in invoicing, I believe that consignor Phil Herres (Coin dealer from OH) is also so one. Staff member Elizebeth Otto and Bill White can give a full list as they prepare the after auction profit reports.

2. Some consignors have been given separate bidder numbers specifically so that they can use those to bid on their own items. It is with the consent, full knowledge, and even the recommendation of Bob Eaton that certain members of his inner circle use this system. Remember - that if the "alter-ego" bidders win any of those items, they are processed differently and do not get sales invoices nor does the item appear on the after-auction sales list generated by Bill White. Joe Long, uses an account set up in the name of "Gerry" Long. A Gerry Long bid on "Joe Long" items and to my knowledge has never bid on anyone else's items. In the February 2008 auction Gerry Long bid on the Charles Schulz item, item 594, Catalog 330 and the eventual sales price was \$38,569.09 (with bidder's premium). "Joe Long" was the actual consignor of this Schulz item. This item was ultimately purchased by the CEO of Heritage Auctions, Mr. Brian Halperin, so much so that an avid R&R bidder, Mrs. Charles Schulz herself, deemed the final price too high for the value of this particular Schulz item.

Other consignors also fall into this category for example: Thomas Kotte, a German dealer used Stephanie Kotte as a bidder number on his own items. He no longer consigns to R&R but continues to bid and purchase items under a Thomas Kotte bidder number. Again, any items these secondary bidder numbers win are processed differently after the auction and do not appear as sold on the "after auction" profit report. There are others in this category - again Bill White and Elizebeth Otto have intimate knowledge of most of these "associates" and will be able to confirm who they are. I believe that others involved in this special process include consignors Todd Mueller (CO).

3. Bill White, a member of staff, consigned (either) a Hemingway (or Einstein) item, which I believe was in a November or December 2007 catalog. Bill was in need of additional cash for a personal matter and was unhappy with the price it looked like he was going to get as the final sale. Bill used his own bidder number to bid on this, his own item hoping to get the under-bidder to go up. That attempt ultimately failed; and the item appeared as sold to Bill White. However, no sales

invoice was issued for Bill White and the item was returned to the company vault so it could be consigned into a future auction. Elizebeth Otto has full knowledge of this transaction and attempted bid rigging and is able to confirm the item and the amount of the “winning” bid.

4. From time to time other consignors bid on their own items with out the permission of R&R and these items show up on sales invoices that are generated after the auction since they are not part of the above scheme. Invoices with examples of these things are on Tim Miller (from TN), Matt Templeton, Brian and Ross Ginsberg, Mike Doman and others. The invoices are sent out with all other sales invoices and get reminders when they are overdue for payment. It is often only at this point that I realized that they were bidding on their own items. Elizebeth Otto contacts these consignors and tells them not to bid on their own items in future. And under instructions of Bob Eaton she will also work out a deal with them, either contra-paying the invoice against their proceeds or by simply re-running the item. The web consultant has been told to put something in place to stop these kinds of consignors bidding on their own item. This confirmed to me that while the company discouraged and penalized non-exclusive bidders who were caught bidding on their own items, the system designed by the Eaton’s and their closest associates was done specifically for their own gain.
5. R&R has two “house” accounts: Bidder 0 and Bidder 5461. Usually bidder #0 is used for the placement of reserves on consigned items, and #5461 for purchases. No. 5461 buys items in the auction if Bob Eaton thinks those items are going for too little versus the market value and sees an opportunity to purchase these items from the unknowing consignor for his own or the R&R account so he can resell them in a later auction for far more revenue. A sales invoice is generated for these items, however, with #5461 in the mix the sales price goes up regardless of who wins it. When I first worked there bidder 5461 was used to bid against maximum bids. I noticed it because I always took the bids placed by a regular client named Simone Peterson (NY) bidder 6132. Simone is an insisting collector who wants to win every item at any price and consequently puts huge maximums on items that start out at \$100. I noticed that many times she was being bid against by bidder 5461 who never won the item but always took her to one or two bids below her maximum. In this way she paid huge, ridiculous amounts for items because Eaton knew what she would be willing to pay for any given item because of the maximum bids she already placed on the item that he could see on his computer screen. He knowing and amusedly took advantage of her “addiction” for especially desired items – almost as a sport. At some point I checked on who the “counter” bidder was in these bidding wars with my “client” Simone and realized that it was not an actual person or persons, but rather an account kept by R&R to bid in its own auctions. At the time bidder 5461 had a name: O. Wright from Kitty Hawk.
6. Bob Eaton also places bids for a bidder called Charlie Guber. Guber has never placed bids with anyone else in the office and to my knowledge rarely if ever won

an item in the past few years. The bids placed for Guber are usually against maximums and never over the top of the maximum. From time to time Guber calls into the office via phone, but as far as I know has not spoken to anyone else taking bids but only Bob Eaton when dealing with bidding or consigning. Bid logs for the bidder will show these occasions.

7. The computer system and bid logs are within the servers which are off site in Florida. Steve Long (R&R's web consultant based in Derry, NH) handles all the programming and data file maintenance. I am not sure if he has been instructed to delete all bid logs of more than one auction prior. At the moment the March auction is running but the bid log for February is available to those who have "admin" permission and examples of these are within that log. The company hosting R&R's mainframe servers, website and bidding logs is "ServerSide".

Authenticity Issues

1. R&R sold an Elvis Presley signed guitar in April 2000, Catalog 248 item 733 for \$33,350.00 (with bidder's premium) to a Jim Andersen of NY. Jim continued to bid in auctions winning multiple items totaling over \$500,000. An elderly gentleman, Jim had trouble paying for won items and in the end, I was instructed to speak to his financial advisor who made arrangements to pay R&R over time. Andersen's advisor also asked that we not take any further bids from Mr. Andersen due to his failing health. When I suggested to Bob Eaton that he should contact the advisor recently about purchasing their entire collection back or getting it as a consignment from the heirs or the estate, Bob replied that he did not want that collection because "we don't want to have to refund the Elvis guitar - as it was not real". On the day I was dismissed I came into the office to hear that Andersen's financial advisor was on the phone asking for details on consigning. Bob, Marianne Bailey, Bill White and I stood around talking about it and Elizebeth yelled over from her office - "the good news is that the guitar was stolen out of the collection". As we walked back to our desks Bob remarked to me "I was only talking to Reznikoff yesterday about that guitar." I assume from this conversation that either Reznikoff was the original consignor on this item; or the R&R "inner circle" staged a muse to throw me off track in case any attempt were made by me to set any records straight with any claims the Andersen's' might possibly have knowing that I was about to be terminated. There are no images of the guitar on the website. However, past auction catalogs are downloadable from the website (at this moment) for reference.
2. Recently we had a consignment come in which included an album we sold at some point in the past to another dealer who had subsequently sold this album on to a private collector. It was an expensive Beatles item (signed record album) valued at around \$4,000 I recall. Bob Eaton told Elizebeth Otto that he and Bill (White) knew from the beginning that the album was "no good" but had sold it anyway as a favor for an associate who consigned it to R&R. I was led to believe from conversations with Eaton that the consignor was Dan Brams, Eaton's attorney and associate in Florida. It can be confirmed by reviewing the inventory

records of R&R. Later, this album cover was reviewed by outside authenticator, Roger Epperson, who had declared it non-authentic (NA). I got involved with this matter when Elizebeth Otto asked me how to handle the consignor who sent it in. They were demanding a refund plus more. Normally, when an item comes back that R&R sold and subsequently turns out to be "NA", we refund the purchaser their money in full. In this case he wasn't the original purchaser from R&R, so I was instructed to tell him to go back to whoever he got it from and get that refund. That person would then in turn send it back to his consignor or dealer; and so on back up the chain of ownership until R&R got it and refunded the original purchaser. The consignor of the item would then be informed and if they had any monies due to them the original payoff amount would be taken out of their funds due. If they had no payments due, then R&R would place the amount on file until they did. If they never consigned again then that would be a loss. In this case of the Beatles' album, the potential consignor wasn't happy at this "chain" process and R&R then offered to pay the refund directly to him in order to quiet the issue and settle it outside of legal channels. Instead, this owner said he would contact his attorney. Subsequently, posts on autograph forums have notices about an attorney who is filing a class action suit against R&R. R&R assumes this suit to be stemming from this particular Beatles album. Here is the posting:

NOTICE: If believe you have been harmed by the practices of R&R Enterprises, an autograph auctioneer and authenticator frequently mentioned on this site, and if you are a California resident, please contact attorney David Alden Erikson through his website at <http://www.daviderikson.com>

3. R&R has sold numerous (more than 100) items purportedly signed by Chagall, Miro, Picasso and Dali. Most of these were consigned by Dan Brams dba as Paper Treasures. They came to my attention originally when I fielded questions about them from bidders concerned about their authenticity. A number of these were returned to R&R when subsequent review by art experts confirmed their non-authenticity. Bob Eaton and I had a conversation about not taking these items anymore and while he agreed that they were problems with these items, that Dan Brams had an explanation for them so we would continue to list them. Among these items, as an example, R&R sold a Pissaro, Item 377, Catalog 269, selling price \$5,850, which was recently returned by the purchaser after it had been examined by the Pissaro institute and determined to be non-authentic. R&R has sold 100's of these prints/book photos and has issued refunds on all that have been returned. However, there are still dozens of these in the hands of R&R winning bidders and the potential loss for the continued refunds would be in the \$100,000's.
4. R&R has accepted items from a consignor, Billy Smith, FL, for many years. Many of the music items he sold through R&R have been returned for authenticity issues. Bill White often joked about the items being a great "Billy

Smith". I asked Bob why we take his stuff. He replied that we need to have something from Billy so that we can claim the refunds back from him as they come in. It was a cash-flow question. Nowadays, with Roger Epperson as authenticator, music items are now reliably vetted. Epperson even identifies some that are sent to him for review as a "Billy Smith Forgery." A great many of these items come back from other sources as potential new consignments and R&R refunds the purchase price without question. Again, there are 100's of the items that were sold through R&R consigned by Billy Smith before the outside authentication process. The potential loss to R&R again runs extremely high if these additional items ever surface as forgeries.

5. R&R no longer accepts (generally) ephemera – i.e. unsigned items that have a connection to a famous person or were owned or worn by them; or movie props, etc. The reason for this is that there were too many returns because of authenticity issues. R&R took such items from several sources knowing they had their own reservations about the authenticity of most of them. Elizebeth Otto can confirm the dealers and names and they are in the inventory files and include, Roslyn Herman, Frank Ferruccio and Andrew Buriesci. One big bidder, Anthony Pugliese, FL, spent over \$500,000 on "Hollywood" memorabilia. His collection is now currently being sold by Guernsey's auction house in New York. The auction catalog indicates the provenance of each respective item that Pugliese purchased through R&R. Among them is a beaded purse – promoted and sold as belonging to Marilyn Monroe. Mike Nelson, an R&R catalog writer who I believe penned the official catalogue description of this item, joked about all these kinds of items as being stuff that the original R&R consignor had gotten at yard sales. For reference see the posts on www.originalprop.com – post number <http://www.originalprop.com/blog/?p=1611>
6. The subject of Anthony Pugliese came up with the announcement and publicity of the Guernsey's auction. Elizebeth Otto, who contacts previous bidders and those in the database to try to get them to provide R&R consignments. She did not contact Pugliese. She did not contact him as he purchased thousands of dollars worth of ephemera. Elizebeth Otto and I discussed the upcoming Guernsey's sale and agreed that there was a huge potential loss for R&R in that every item in this very public sale indicated where the item had come from and looking through the catalog you can see those sold to him from R&R. In our discussion about contacting Pugliese, Elizebeth Otto noted that among the signed items sold to him by R&R were only two high-ticket items: "and one is the Sitting Bull." I asked what that meant and she told me that it was an item sold by R&R for two sellers who were problem consignors and that we no longer took their items as there was some kind of issue with them. In the few days before I was terminated, Bob Eaton changed his attitude toward the subject of the possibility of a Pugliese consignment – and indicated he would call him to find out why he didn't consign this collection to R&R. This abrupt change of mind by Eaton was entirely the opposite of previous discussions when he used to say we don't want him to consign because the stuff we had sold him was unsupportable. Elizebeth Otto and

I were puzzled by his response to the Pugliese collection as he was asking in IM's why we hadn't contacted him. I reminded Eaton it was "ephemera" and that the consignors were problems and Eaton acted like it was a surprise to him.

Bidding Irregularities

1. When I first began working at R&R, the monthly auctions used to close at midnight and all bidding was closed at that time. Once closed, the invoices were processed immediately that following morning. On at least two occasions two items sold at midnight to the winning bidder were sold after the "close" to other customers who were associates of Mr. Eaton. The original and legitimate winning bidders were subsequently told that there had been "an error" and they did not actually win the item they legally had won. One was a letter that R&R had failed to recognize was an important historical document dealing with the purchase of an important land acquisition by the U.S. Government - Alaska. The item was sold out of the auction I believe to John Reznikoff who later told Bob Eaton that he had a buyer who was going to pay a great deal (\$25,000). I believe that the original bidder was either David Karpeles, a collector who has established museums around the country, or Stephen Rudin from NY. Inventory files will show this and Elizebeth Otto and Bill White will be able to identify the item and price sold. The other item was sold to Dr. Michael Reynard of CA and was a signed Jimi Hendrix check. I believe that the person Bob Eaton sold it to outside of the auction was Phil Herres, but again Elizebeth Otto, Bill White and the inventory and invoice files will show the details.

The Current Barry Rosen v. R&R Auction Lawsuit (State of California).

R&R is currently being sued by Barry Rosen, a celebrity photographer from California who owns the copyright to photographs of Gena Lee Nolin, and others. R&R has sold several of the Nolin photographs and their images remained on the website under the past auction search feature and where you can view every item sold by R&R over the past 8 years or more. R&R was given notice by Rosen to that there was an image on the website that was infringing on his copyright. Bob Eaton instructed us to ignore it. At some point, later R&R was notified by Todd Axelrod of the Gallery of History, NV, which their on-line auction conducted through eBay had been taken off line after eBay had been notified of the same copyright infringement. At this point Bob Eaton instructed Bill White to take off the site the images of Gena Lee Nolin. It was either at this time or some time shortly after that R&R had a Nolin item that R&R took out of the auction and Bob Eaton said he would sell it to Todd Mueller as part of a group-lot of items that we had acquired, but which Bob Eaton did not want to sell through the R&R website. I suggested that it not be sold and Bob Eaton assured me that he had taken it out of the

auction. However as we have been trying to gather information to defend the lawsuit Bob Eaton is unable to find this item to date.

Fred Senese.

Fred Senese is a former employee of R&R who began his own auction company out of his home in Bedford, NH. R&R sold group lots of items to him that had been acquired via the purchase of entire collections but which were unsalable through R&R due to their low value, condition or authenticity. There was a special area in the office to deposit and store all these items that were potential items for sale to Fred Senese. Bob Eaton personally selected those items and often joked that he had slipped in known fakes as part of Fred's group-lot just to get rid of them and to make Senese feel he was getting more value for his money.

Cash Collections

All cash that is received and collected from sales invoices is unreported and goes straight to Bob Eaton – Marianne Bailey opens the mail and knows that this is the procedure. In four-plus years, I cannot recall any cash from auction sales being deposited into the bank accounts.

Conclusion

I attest to the best of my knowledge and recollection that the above is true and accurate and that R&R's own records will affirm so. I have compiled this statement of affidavit in preparation of my defense of the charges and allegations that R&R Enterprises, Bob, and Carla Eaton have or are compiling against me surrounding my employment by them. This affidavit is in no way my admission of any wrongdoing with respect to their reasons for my dismissal or the allegations that may be forthcoming resulting from my employment with them, in any way.

In the almost six years I worked for the Eaton's and R&R, there was a constant culture of cavalier bending of the laws of New Hampshire regarding the conduct of auctions; of bid rigging to defraud buyers of additional monies they unknowingly paid for items that would have sold for far less had inside bidding by R&R personnel and associates not be occurring to bid those items up; a continual culture of "duck and dodge" from items that R&R either knowingly sold in their previous auctions that were later found to be fakes and had come back for refunds; a culture of knowing that there are hundreds more similar items out there but doing nothing to recall them or make the unwitting buyers aware of their losses; a culture in which a select group of industry professionals were colluding to either defraud winning bidders of legitimately won items in favor of this select group of associates for any number of reasons, and so on.

It was a culture where the values of hard-earned money and reward for good work were diluted by greed, cheating innocent average people of their money in rigged auction bidding. Shill bidding was the culture and everyday practice for the six years I worked at R&R Auctions / R&R Enterprises.

Signed and Sworn by:

Karen Burris

Karen Burris

On this 13th day of March, 2008

Notarized and Witnessed by:

James E. Beckett

Printed Name: James E. Beckett

Location: Bethesda, Md

Date: 3/13/08

