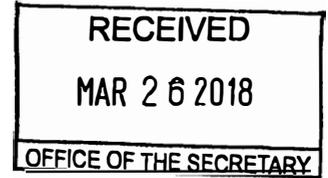


**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**



**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17950**

<p><b>In the Matter of,</b></p> <p><b>David Pruitt, CPA</b></p> <p><b>Respondent.</b></p>
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**RESPONDENT DAVID PRUITT'S UNOPPOSED MOTION TO SUBSTITUTE A**  
**FACT WITNESS DEPONENT**

Pursuant to Rule 233 of the Securities and Exchange Commission's Rules of Practice, Respondent David N. Pruitt ("Mr. Pruitt"), through his undersigned counsel, respectfully submits this motion to take the deposition of fact witness Steven Sinuefield, Esq. in place of Timothy Keenan, identified in the Order Instituting Proceedings ("OIP") as the Aerospace Systems CFO. Mr. Sinuefield is identified in the OIP as the General Counsel of Logistics Solutions. On October 16, 2017, the Court granted Respondent's motion for additional depositions allowing Respondent to depose five fact witnesses.<sup>1</sup> Respondent has conferred with counsel for the Division and the Division does not object to the relief requested herein.

Pursuant to Rule 233(a)(3), either party may file a motion seeking leave to notice up to two additional depositions beyond the three permitted pursuant to paragraph (a)(1) for a proceeding involving a single respondent.<sup>2</sup> A motion under Rule 233(a)(3) will not be granted unless the moving side demonstrates a compelling need for the additional depositions by: (1) identifying the witnesses the movant plans to depose as of right and by leave of court; (2) describing the role of the witnesses; (3) describing the matters concerning which each witness is expected to be questioned and why the depositions are necessary for the movant's arguments, claims, or defenses; and (4) demonstrating that the additional depositions will not be unreasonably cumulative or duplicative. Rule 233(a)(3)(ii)(A)-(D).

On October 4, 2017, Respondent filed a motion for additional depositions and identified the deposition of Timothy Keenan as one of the two additional depositions he sought under Rule

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<sup>1</sup> Order Granting Motion for Additional Depositions, Admin. Proc. Rulings Release No. 5174, *In the Matter of David Pruitt, CPA*, Admin. Proc. File No. 3-17950 (Oct. 16, 2017).

<sup>2</sup> The additional depositions must also satisfy the standard in Rule 232(e). *See* Rule 233(a)(3)(ii).

233(a)(3).<sup>3</sup> Mr. Pruitt seeks to depose Mr. Sinuefield, the former General Counsel of Logistics Solutions, instead of Mr. Keenan. As will become evident during the hearing, Mr. Pruitt sought and relied on the advice of counsel regarding the work previously performed but not billed to the U.S. Army, including the advice and expertise of Mr. Sinuefield. Mr. Sinuefield worked with the General Counsel of the Army Sustainment Division, Kenneth Lassus, to estimate and determine, based on the C-12 Contract's history, how much of the \$50.6 million L3 Technologies, Inc. ("L3") was legally entitled to receive from the U.S. Army.<sup>4</sup> The OIP alleges that Mr. Pruitt asked Mr. Sinuefield to prepare letters of legal entitlement that would be used to support the revenue recognition.<sup>5</sup> Mr. Sinuefield's role was integral to the Revenue Recovery Initiative by providing legal advice Mr. Pruitt relied upon as part of the process for generating invoices at year-end 2013. Mr. Sinuefield was also copied on communications from Mr. Pruitt that are alleged to have misled L3's auditors.<sup>6</sup>

Mr. Sinuefield will be questioned regarding the legal entitlement estimates he helped prepare, the legal entitlement concept generally, and his interactions with Mr. Pruitt. Mr. Sinuefield will also be questioned regarding his legal advice and expertise, communications with senior finance personnel at L3, direct communications with L3's external auditors, and communications with the U.S. Army. L3 had previously agreed to a partial waiver with regard to the attorney-client privilege as it relates to the legal advice provided by Mr. Sinuefield and Mr. Lassus.

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<sup>3</sup> Respondent David Pruitt's Motion for Additional Depositions, *In the Matter of David Pruitt, CPA*, Admin. Proc. File No. 3-17950 (Oct. 4, 2017).

<sup>4</sup> OIP ¶¶ 13–14.

<sup>5</sup> *Id.* ¶ 14.

<sup>6</sup> *Id.* ¶ 31.

Mr. Sinuefield's deposition is necessary for Mr. Pruitt's claims and defenses because he played a key role in providing legal advice and determining the legal entitlement percentages that were relied upon by Mr. Pruitt in the decision to recognize revenue at year-end 2013. Mr. Sinuefield's deposition will not be unreasonably cumulative or duplicative because as General Counsel of Logistics Solutions he offers the perspective of an employee of L3 operating at a corporate level above Mr. Pruitt and the other deponents who are current employees of L3. Mr. Sinuefield interacted with other members of senior management regarding the revenue recovery items and likely has information highly relevant to Mr. Pruitt's defense. The proposed change of deponent will not affect Respondent's ability to take the deposition within the fact witness deposition deadline under the current pre-hearing scheduling order nor should it affect any other discovery deadlines.

### CONCLUSION

For the reasons set forth herein, the Court should grant Mr. Pruitt's Unopposed Motion to Substitute a Fact Witness Deponent.

Dated: March 23, 2018  
New York, New York

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