

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/12/2004

John Huggins, white male, date of birth REDACTED, Social Security Account Number REDACTED, residing at 8221 Connerwood Lane, Fishers, Indiana 46038, home telephone number 317/776-0302, was interviewed at the office of Ice Miller, One American Square, Indianapolis, Indiana. The interview was pursuant to a proffer letter issued by the Department of Justice, Antitrust Division, Midwest Field Office. Representing Huggins was his attorney, Robert Wagner, of Lewis Wagner, 501 Indiana Avenue, Suite 200, Indianapolis, Indiana 46202, telephone number 317/237-0500. Also present during the interview was Lewis Wagner employee Kyle A. Lansberry and Ice Miller Attorneys Jack Thar and Susan Barnhizer Rivas. Present for the government were Department of Justice, Antitrust Division, Trial Attorneys Frank Vondrak and Michael Boomgarden, as well as Paralegal Hillary Luegers. After being advised of the identity of the investigating personnel and the purpose for the interview, Huggins furnished the following information:

Huggins currently has a consulting contract with Irving Materials, Incorporated (IMI), which will expire in December of 2004. Huggins received the three year contract after retiring from IMI on December 31, 2001. Huggins performed no work since the awarding of the contract, other than attend industry conventions, golf outings, and maintain close, personal relationships with the larger Indianapolis area contractors. Huggins considered his responsibilities under the contract to be public relation matters. As part of the contract, Huggins was compensated \$289,000 a year, plus medical insurance. Huggins considers himself a close, personal friend of Pete Irving. Huggins had retired from IMI due to health reasons.

Huggins began working for IMI on August 1, 1983. Huggins had worked in the construction industry for approximately 35 years and had worked directly or indirectly with IMI during that time. Jack Holdrip was the Executive Vice President of IMI and had passed away. Huggins applied for his position, although was offered another position in the company. Six months later, he became Executive Vice President of IMI. For approximately 10 to 12 years, Huggins sat across the desk from Irving, which fostered their close, personal friendship.

Investigation on 09/16/2004 at Indianapolis, Indiana

File # 60-IP-93296

Date dictated 09/17/2004

by SA Steven L. Schlobohm -llc (S:\SQ5\286LLC05.302)

60-IP-93296

Continuation of FD-302 of John Huggins, On 09/16/2004, Page 2

Initially, Huggins had more responsibility for the company's sales operation and over time as Irving withdrew from the company, Huggins began assuming more control over the day to day operations. Huggins enjoyed the job and did not really view it as work.

Sometime in 2000, Huggins became ill while attending a golf outing in Florida. He flew back to Indiana and was initially diagnosed with lung cancer. Later, in 2001, it was determined that the spot on his right lung was not cancer, although there was concern about a spot on his left lung. The change in health caused Huggins to consider retiring.

Under Huggins tenure, IMI had experienced considerable growth. Around 1993, IMI basically doubled their sales volume twice in one year. IMI continued to sustain considerable growth in the marketplace.

In 1983, IMI's competitors were Ready-Mix, Carmel Concrete, Builders Concrete, Lebanon Concrete, Plainfield Ready-Mix, Southside Ready-Mix, Central Concrete, Beaver Materials, and American Concrete. Huggins believed Conco was out of business by this time.

Shelby Materials (Shelby) arrived in the Indianapolis market sometime around 1995, after building a plant in Franklin, Indiana. Shelby was always viewed as a fringe player prior to 1999, although when they set up their Beech Grove plant, Shelby began to have an impact in the Indianapolis marketplace.

Sometime after 1984, 1985, or 1986, may be 1985, Huggins recalled attending meetings with Norm and/or Scott Hughey where they discussed pricing and limiting discounts at which they sold ready-mix concrete. Irving was typically present for the meetings which occurred about every year. The meetings took place shortly before each company issued their new price list. Huggins could not recall the exact location for the meetings, although recalls Irving introducing him or bringing him along to the meetings.

After the meetings, Huggins felt they had reached an agreement with their competitor, Carmel Concrete, not to discount off the list price. Carmel Concrete and IMI had agreed to sell ready-mix concrete at the price listed on their price sheets and not offer a discount. Huggins recalls attending other meetings

60-IP-93296

Continuation of FD-302 of John Huggins, On 09/16/2004, Page 3

with the Hugheys' where they discussed the pricing of ready-mix concrete.

Around 1995, Norm Hughey retired leaving Scott Hughey to run the day to day operations of the company. Huggins continued to meet and reach agreements on pricing with Scott Hughey, even after his father retired. Since Huggins started working for IMI, he was of the understanding that IMI and Carmel Concrete already had a pricing agreement in effect. Many times, they would meet to resolve pricing disputes.

From 1995 until Huggins retired in 2001, he held price discussions with Scott Hughey. Sometime in 1989 or 1990, the market changed, mainly because Prairie Materials Supply (PMS) arrived in the marketplace. PMS hired two of IMI's employees, Gary Matney and Virgil Mabry, to run PMS' Indianapolis operation. PMS quickly adjusted prices and was bidding considerably less than IMI. In 1995, IMI was producing approximately \$400,000,000 in revenue, with half being generated from the Indianapolis marketplace. At the time, IMI was looking to expand in other markets and was not overly concerned with PMS' presence in Indianapolis.

Huggins recalled having as many as 20 or more meetings with Scott Hughey in which they discussed the price at which ready-mix concrete was sold. He typically met Hughey in person and would avoid price discussions over the telephone, because you never knew who was listening. Huggins admitted he knew the meetings between himself and Hughey were wrong, although they continued to have them. Hughey was the person who typically called the meeting. Because Huggins and IMI were so busy expanding in other markets, Hughey was the primary person, or spokesperson, to talk with PMS and other competitors in the Indianapolis area. After discussing pricing with Hughey each year, Hughey indicated he would contact Beaver, American Concrete, and PMS. Huggins was not certain who Hughey was contacting at Beaver.

Builders Concrete

Huggins recalled meeting and having discussions with Butch Nuckols of Builders Concrete (Builders) where they reached price agreements at which they sold ready-mix concrete. Huggins was of the opinion he and Nuckols had reached an agreement at which they were going to sell ready-mix concrete the following year. Huggins' meetings with Nuckols typically occurred once a year. Huggins described Nuckols as a person who could "wear you out talking about stuff." Nuckols always wanted to talk about raising

FD-302a (Rev. 10-6-95)

60-IP-93296

Continuation of FD-302 of John Huggins . On 09/16/2004 . Page 5

marketplace. At the time, Shelby was pricing ready-mix concrete \$7 to \$8 less than everyone else. Nuckols moderated the meeting, which lasted less than 30 minutes. Huggins recalled being uncomfortable sitting in the meeting with the other competitors, knowing he and the other competitors should not be meeting and discussing prices.

After the meeting, Huggins recalled Heahl leaving, stating, "Okay, I'll do it... raise prices to what they should be." Huggins recalled turning to Scott Hughey asking, "You think he'll raise prices?" to which Hughey replied, "Perhaps within two dollars or less." Huggins does not recall whether a representative from Beaver Materials was at the meeting and added Allyn Beaver is the only Beaver he knows.

Everyone attending the meeting pretty much showed up at the same time. Huggins does not recall talking with Irving about the horse barn meeting. Huggins also stated he did not take notes during the meeting and indicated that Scott Hughey may have taken notes. Huggins described Hughey as an individual who always took notes and was compulsive about his note taking. Huggins was fairly certain Scott Hughey took notes, although could not be absolutely positive of that fact.

Between the 2000 and 2001 horse barn meetings, Huggins stated he probably had price discussions with Hughey and/or Nuckols, although not the Haehls'. Huggins does not recall a meeting between this time period where several competitors met to discuss pricing.

2001 Horse Barn Meeting

The 2001 horse barn meeting was attended by Huggins, Nuckols, Scott Hughey, Keubler, Richard Haehl, and Phillip Haehl. Huggins could not recall whether a representative from Beaver attended, but added someone could have attended the meeting. The purpose for the meeting was much the same as the 2000 horse barn meeting, which was to discuss Shelby's pricing policy.

During this meeting, Huggins took a more active role. He showed Phillip Haehl an IMI P&L report detailing IMI's ready-mix concrete price in the Marion County area. Phillip Haehl asked to see IMI's P&L for Hancock County, which Huggins displayed to him. Huggins told Phillip Haehl that they did not have to give concrete away in this marketplace. Huggins described Phillip Haehl as being

FD-302a (Rev. 10-6-95)

60-IP-93296

Continuation of FD-302 of John Huggins, On 09/16/2004, Page 8

Carmel Concrete as the sales manager. Huggins recalls Matney blaming Ron Alexander for cutting prices on the jobs.

Huggins does not recall Matney attending any of the horse barn meetings, although was under the impression Matney was in agreement with limiting discounts along with the other competitors. This would have been the reason Huggins contacted Matney about bidding jobs outside the agreement. Scott Hughey told Huggins that he spoke with Matney and was onboard with the agreement. Matney never talked about any of his meetings or discussions with Scott Hughey. Huggins was of the opinion PMS was going along with the price agreement, although had no information that American Concrete was onboard with the agreement.