IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

THE UNIVERSITY OF ILLINOIS FOUNDATION,	:	
Plaintiff and Counterclaim Defendant,	:	
-against-	:	
BLONDER-TONGUE LABORATORIES, INC.,	:	
Defendant and Counterclaimant,	:	Civil Action No. 66 C 567
-against-	:	
JFD ELECTRONICS CORPORATION,	:	
Counterclaim Defendant.	:	

CONTINUATION of EXAMINATION BEFORE TRIAL of the Defendant and Counterclaimant, BLONDER-TONGUE LABORATORIES, INC., by RICHARD B. HELHOSKI, held at the offices of Messrs. Ostrolenk, Faber, Gerb & Soffen, 10 East 40th Street, New York, N.Y., on February 17, 1967, at 9:30 A.M., pursuant to adjournment, before Isaac H. Shapiro, a Notary Public of the State of New York.

APPEARANCES:

MESSRS. HOFGREN, WEGNER, ALLEN, STELLMAN & McCORD
Attorneys for Defendant and Counterclaimant
BY: MESSRS. RINES & RINES
10 Post Office Square
Boston, Massachusetts
ROBERT H. RINES, ESQ., of Counsel
-and-
JULIUS E. FOSTER, ESQ., of Counsel and Local Solicitor
420 Lexington Avenue
New York, New York

MESSRS. SILVERMAN & CASS
Attorneys for Counterclaim Defendant
BY: MESSRS. OSTROLENK, FABER, GERB & SOFFEN
10 East 40th Street
New York, New York
JEROME M. BERLINER, ESQ., of Counsel

- - -

IT IS STIPULATED AND AGREED by and between counsel for the respective parties that the transcript of the record of the within examination before trial may be subscribed and sworn to by the witness before any officer legally authorized to administer an oath with the same force and effect as if subscribed and sworn to before a Clerk or Justice of this court.

- - -

R I C H A R D B. H E L H O S K I, called as a witness, being first duly sworn by the Notary Public, testified as follows:

EXAMINATION BY

MR. BERLINER:

Q Please state your name and address for the record, please.

A Richard B. Helhoski, 8 Arborway, Morristown, New Jersey.

Q Who is your employer and in what capacity are you employed?

A Blonder-Tongue Laboratories, Inc. I have just received a change from the capacity of Director of Marketing to General Manager, Special Accounts.

Q During what period of time were you Director of Marketing?

A I have been with the company five years, so it was 1962.

Q As Marketing Director, were you in charge of sales?

A Yes, sir.

Q Were you in charge of sales for UHF converters and signal amplifiers?

A Yes.

Q Were you also in charge of TV and FM antennas?

A Yes.

Q Did Jerry Balash report to you?

A Yes, he did.

Q In what capacity was he employed?

A As Product Manager of UHF converters, distributor products which you classify as signal amplifiers and TV and FM antennas.

Q When did Blonder-Tongue go into the antenna business?

A When they introduced what we know as the Dart and Arrow antenna. The exact date I don't know. I would have to guess. In 1963 or 1964. I am not sure of the date, but it was the date we introduced the Dart and Arrow antennas.

Q In connection with Blonder-Tongue sales of antennas, have you received any reports that JFD would refuse to sell Blonder-Tongue customers antennas if they continued to buy Blonder-Tongue antennas?

A Implied, yes.

Q Who gave you these reports?

A Jerry Balash.

Q Were these reports written or oral?

A Some were oral, some were written. I might say

they naturally started out oral and then finally with the instruction of "Put it in writing," came to being.

Q Specifically which customers were involved in the reports or are referred to in the reports?

A One on the west coast. I can't recall his name.

Q Is that Sacramento Electronics?

A I believe it is.

Q Any others that are involved?

A I can't recall now.

Q Do you know how many written reports were made and delivered to you?

A Specifically or exactly, no, but I can say that it is in the neighborhood of three. I will guess it was three.

Q Have you discussed JFD's activities in connection with the antenna sales with anyone outside of Blonder-Tongue?

A Only the customers. In other words, I will be discussing with the distributor the purchase of the Blonder-Tongue line. He may already be a JFD account, so, from the standpoint of what he likes about their product line, why he utilizes what he carries of the line.

Q And I take it you have direct contacts with some distributors?

A I have had and do have contact with some distributors.

Q Do you have any contact with any retail outfit?

A Unless you classify Sears Roebuck as a retail account, no.

Q Do you have contact with Sears Roebuck?

A Yes, I do.

Q Do any of these contacts with customers or potential customers --

A Are you talking about retail?

Q Either retail or distributors.

A You make the distinction, have I ever discussed JFD with our customers. Our customers are distributors. We, however, have an unusual situation in that we sell Sears which is considered a retail organization rather than a distributor.

If you classify Sears as a retailer, I do talk to Sears. Otherwise I don't recall discussing JFD with Sears.

I have not discussed JFD with Sears other than to ask Sears' Mr. Frank Underwood if he would be interested in carrying our television line at which point he said no, he is very happy with his present line and the subject was dropped forever thereafter.

Q Is Leder Electronics classified as a distributor?

A Yes, they are.

Q Well, in your discussions with distributors, has JFD come up?

A Yes. For example, Allied Radio is a very large distributor. They asked me for a letter of indemnity because of pending lawsuits and litigation. So, obviously, we had some discussion.

Q Did any of these distributors say that JFD had threatened not to supply further antennas if these distributors took on the Blonder-Tongue line?

A No direct statement; however, implied.

Q Which one of these distributors implied that JFD would not sell to them unless they dropped the Blonder-Tongue line or did not carry the Blonder-Tongue line?

A I have to say, because it is implied, the implications that were passed by at least one account, what was stated was that we should straighten out our problems with log periodic antenna and the threats that were impending because the distributors themselves -- and this is where the implication comes -- "We don't want to be involved in this type of situation" -- meaning there are other manufacturers to buy from.

This, of course, was stated by Allied Radio as

one of the major concerns.

Q And from that you drew the implication that JFD would not sell to these distributors if they continued to handle these Blonder-Tongue lines?

A I drew no conclusion because I don't care what JFD does.

I am interested only what customers were interested in buying of our products and therefore have to give them whatever is needed to satisfy them to keep buying within our judgment and means, of course.

Q Did you receive any reports from Mr. Balash with the direct statement that a distributor had been told by JFD that JFD would not sell TV antennas to this distributor if the distributor sold Blonder-Tongue's lines?

A I can only say it is a long time since the reports that were addressed to me and Mr. Gilbert were written by Mr. Balash. However, I assume these are of record and I can't make an answer.

The reports are written.

Q Other than Mr. Balash's were there any other written reports given to you by any other employees of Blonder-Tongue or anyone else?

A If my memory serves me, I don't know of any, which does not mean there weren't any. I just don't recall.

Q Have you received any reports to the effect that JFD would not sell TV antennas to any customers who did not also purchase JFD's line of UHF converters and signal amplifiers?

A Only by implication. No customer made any direct statement, as I answered before.

Q From what statement do you draw the implication?

A My earlier statement relative to Allied Radio.

Q Have you received reports or conferred with Mort Leslie concerning JFD's tactics in selling TV antennas?

A I, of course, have had discussions with Mort Leslie.

However, to my recollection, no discussions relative to their tactics and of course I find that hard to answer. I don't know what it implied.

Q Did Mr. Leslie ever tell you that JFD had a policy that it would not sell to distributors who carried Blonder-Tongue products?

A No, he did not.

Q Did he ever say that JFD would not sell TV antennas to a customer unless that customer also carried UHF converters and signal amplifiers sold by JFD?

A We are back to implications again. Such statements were not made direct. However, this is known in

their statement or in the world of selling, the pressure of selling, pressing the customer to buy the entire line.

Q Are they Blonder-Tongue's sales tactics?

A Unfortunately I should say no. One of the inherent characteristics of this company is extremely low pressure selling. It has been as long as I have been with them and prior to that, to my knowledge.

In other words, customers of Blonder-Tongue are not only not forced to carry the entire line; he is asked to buy only that which he needs and is told that he can return stuff he buys and doesn't like, and it is as low pressure of selling as I have ever seen in this industry.

Q Do you mean to imply that Blonder-Tongue does not seek to sell its entire line to the customer who asks for TV antennas?

A It is one thing to seek and another to do.

Yes, I am sure the owners of this company would like to sell their entire line to all big accounts; and the other thing is the method by which they do business and the policy in the company standing today, and has been as long as I have been with it, is that if a customer buys any Blonder-Tongue product for the first time, meaning he has never bought any before, and he doesn't like it, and nobody says, "Does it perform?" He doesn't like it and he

he returns it for full credit. That is not a high pressure sale, obviously.

Q If you found out that one of your salesmen went to a potential customer and said, "Blonder-Tongue is now selling a UHF converter. This is our price schedule for UHF converters," and you found out that the salesman made no attempt to sell antennas or other Blonder-Tongue products, would you keep that salesman on or would you ask for an explanation?

A Embarrassing as it may seem, we have lots of such salesmen. It is characteristic of our reps.

I can show you reps who sell one product out of the line, let me say in large quantities, and not the rest of the line, and I can show you other salesmen who sell the hell out of the other products.

Q This is a matter of each of the rep organizations. It is not a matter of Blonder-Tongue.

A The rep works for Blonder-Tongue. A rep organization shares their sales talent with several manufacturers. Therefore they are, in effect, a part-time commission salesman so they are directed by the company. They sell what we want them to sell. They sell by the methods which we direct them to sell and they are respondent to our pressures, the only difference being we

share them with other manufacturers. If your pressures are greater than the other guy's, you get more of his time or the inverse is true.

Q Is the salesman of a rep on the payroll of Blonder-Tongue?

A No, he is not. He is paid a commission based upon the sale of the Blonder-Tongue products.

Q You expect a salesman to try to sell any products in his line?

A Are you saying Blonder-Tongue?

Q Blonder-Tongue or any other product he may have in the line.

A I put it to you this way:

If I hired a rep organization and he didn't sell my product line, what would I want him for?

Q Then is it fair to say that you want the rep organization to sell your entire line of products?

A Yes, I do want them to sell my entire product line.

Q And you expect him to offer the entire product line to customers?

A Yes, I expect him to show the entire line very often to customers.

Q Were you ever dissatisfied with the way

Jerry Balash was handling the antenna line?

A In the over-all, no. I have a great respect for Jerry's ability. I still do.

If you are talking about the day-to-day problems--if you are late this morning, I am unhappy -- yes, there would be these things occurring.

I am sure that Jerry and I have had our differences where I had one opinion and he didn't agree, and if those things are classified as unhappy, yes, there were moments.

Q Were there any instances more serious than occasional tardiness?

A I didn't mean to take occasional tardiness as criteria.

Q Something more serious than that?

A To my knowledge, no, other than the frustration of getting an agreement to get a product line moving, getting a report out on time which was late; beyond that, no.

Q When John Linneman was hired by Blonder-Tongue did he assume any of Mr. Balash's duties?

A When John Linneman was hired by Blonder-Tongue we had reached a conclusion that we needed something within the company in the way of sales ability and technique

that apparently did not exist, although we were not sure.

Mr. Linneman walked in purely on his own. We did not solicit him nor did we run any ads looking for a man. It was one of these things where one bright sunshiny day in walks a man called John Linneman who, by his application, turns out to have spent almost his entire life selling antenna. He had been with GC. I can't remember the rest of the companies, but a hell of a lot of them. We saw an opportunity of putting a man on the payroll who had sold antennas for a long time.

I sensed that at this point Mr. Balash would feel resentment; that what we were doing was really bringing in a guy to show him his job. I therefore said to give Jerry a fair shake, as well as to truly find out whether this guy Linneman knew what he was doing and maybe we could learn something, that Linneman would report to me rather than to Jerry Balash on the premise that if Linneman failed, it would not be inferred that Jerry Balash wouldn't remain to do the job. It was to keep Jerry's slate clean. However, if Linneman succeeded, everyone would enjoy success and who cares.

This is the best answer I can give you on that. Have I answered your question?

Q How long after the initial contact between

Linneman and Blonder-Tongue was Linneman hired?

A I can't be specific, but I can say to you it seems to me as if it were a couple of weeks, at the outside. Maybe even sooner. It sure wasn't a long time.

Q Well, during this two-week period, was Mr. Balash aware that Blonder-Tongue was considering hiring someone to assume some of Mr. Balash's duties?

A I don't know. I think so but I don't know. You are going back in my memory.

Q Is it correct to say that you don't remember any discussion concerning this with Mr. Balash?

A I would say it is correct. I don't recall. It happened so quickly I can't say did he find out before or after, if that is your question.

Q Was there an immediate reaction on Balash's part when he learned that Linneman was hired?

A Not to me.

Q Did reports come back to you that there was any particular reaction by Mr. Balash with respect to the hiring of Mr. Linneman?

A Every company has a grapevine and if you listen to the grapevine, I think you find every employee is leaving the company at one time or another. If you reacted accordingly, you would have no employees.

I think the reason for that is the state of shock that exists when an employee is first informed of this change. People resist change and their first reaction is, "I think I will just quit," and then the rumor is started through the company and it is fed back. Many times it dies.

Q But occasionally an employee does leave?

A Yes. I have left companies. I left RCA because I didn't get over the change.

Q Do you know if Mr. Balash, upon leaving Blonder-Tongue, took any Blonder-Tongue records with him?

A I do not know.

Q Do you have reason to believe that he did?

A Let me go back. There is an apparent record missing.

Q What record is that?

A The sales report figures and list of our accounts which is an IBM run-off of what they purchased. This report is missing.

I am not going to accuse Jerry Balash. I don't mean to infer that. It is missing. That is a fact coincident with Jerry's leaving.

Q Were many copies of this report prepared?

A This report was prepared in three copies; one

for the Marketing, which is our office. The other copies are broken into groups or sections so that each rep gets his own territorial report and each regional manager, and there are no others.

This is a highly confidential report. So, if every rep or regional manager still has his copy, we could consider pulling these together and reconstructing the report.

It wouldn't be worth the effort because by this time it would be destroyed or copied.

Q Then, is it correct to say that only one copy of a report of this type is kept at Blonder-Tongue?

A It is correct to say that only one copy of that report is kept at Blonder-Tongue.

Q Where is that type of report kept at Blonder-Tongue?

A In the Marketing Department because it is an active report that is utilized every day by a lot of people.

For example, I have to say to you, suppose you ask me what an account is buying; so, this is the report I refer to immediately because I can't remember immediately what some account in the United States is buying.

Q When a new report is prepared, are preceding

reports discarded?

A No, they are put in the storage area of the Marketing Department because we again refer to them for various reasons for a period of time, at least a year.

Q Is it a particular report that appeared to be missing at about the time Mr. Balash left or is it a number of reports?

A No, it is that particular report. I don't know of others, quite frankly, unless you refer to his letter book copies. Incidentally, that is another thing. This is not a report.

We have a policy in the Marketing Department which I instigated when I started and that is that each employee writes up a letter book of their office correspondence. This is in order to find something when you can't remember what you classified it as when you filed it, but you can remember the approximate date that you wrote it. By thumbing through that period that you wrote it, you will come up with a copy.

I cannot find the letter book. That is not a report, by the way.

Q Does Blonder-Tongue charge different prices to different classes of its customers?

A No. Blonder-Tongue charges different prices

based on different volume of individual products purchased.

In other words, a guy that buys one pays one price and the guy that buys a gross pays another.

Q Does Blonder-Tongue extend credit terms to customers?

A Yes, we do.

Q Are these credit terms the same for every customer?

A The policy, since I was at Blonder-Tongue, is that there were two things that would not be set by the Marketing Department; one was the passing of credit to the customer and the other was the setting of prices. And this came as a shocking reality of the company that I was competitive to before I joined Blonder-Tongue where the sales manager set the prices and the sales manager passed the credit and that was Admiral, so, the reason is very basic.

Any sales manager worth his salt has to have some feeling for the customer and desire to make the sale, so, therefore, to lower the price, if that is what it takes to make the sale, is very convenient, and to extend credit is very convenient. By divorcing these two you get a balance of safety.

Q Do you know if Blonder-Tongue extends different

credit terms to different customers?

A Do I know if they do?

Q Yes.

A Yes, I do know. In fact, I can tell you what Blonder-Tongue's credit terms are.

Q What are they?

A Our standard credit terms are 2 per cent, 10th, 25th.

If a customer buys an unusually large amount of products and his credit is good, we have been known to extend those terms to 30, 60, 90 days and that's about the end of it.

Q Did you make any suggestions concerning the construction of the Dart antenna?

A If I did, I can't recall them and obviously I was involved with it, I am sure, from the marketing standpoint.

I can't specifically point to something on the Dart antenna and say that is mine. I can't do that.

Q Was Jerry Balash the organizer of Blonder-Tongue's complete antenna business?

A Yes, from the marketing standpoint. He did not organize the production and he didn't organize the design engineering. He did organize the sales effort,

the method of selling it, the approach.

Q Were you aware of what Balash had done in connection with antenna sales up to the time Balash left Blonder-Tongue?

A Yes.

Q Was Jerry Balash ever the sole and key executive in Blonder-Tongue's antenna business?

A You have a chain of command. You can go from the owners of the company through the vice-president and general manager, through me to Jerry Balash.

And by the very essence of chain of command everyone above Jerry is responsible, but Jerry is the only active executive of that company who is charged with creating the program and it is almost miraculous to expect a program to come from any other area.

Any ideas generated would have to come from him up through the chain of command for approval or disapproval, so, to answer your question in that sense, yes, Jerry was the sole individual responsible for the success or failure of our antenna business.

Q Was that the condition, too, when John Linneman was employed by Blonder-Tongue?

A I would say yes, because what happened here was John Linneman was going out into the field, coming back

with suggested programs which I was then giving to Jerry to either read, write or disapprove.

My reason for that is I couldn't have any faith in John Linneman because he was a brand-new employee. I had no idea of his proven capacity or his inability. I only had faith in an individual who spent his entire life in this business and I was hoping to retrieve from that some ideas that would improve our position in this business.

John Linneman was not the product manager of antennas.

Q And is it correct to say that when Mr. Linneman made a suggestion that suggestion was fed to you and you in turn fed it to Balash?

A That is correct.

Q Did the occasion ever arise where Balash didn't want to follow the suggestions made by Linneman and you said, "You go ahead and do it, Mr. Balash"?

A No.

MR. BERLINER: I have no further questions.

EXAMINATION BY

MR. RINES:

Q You referred, Mr. Helhoski, to some written reports relating to implied or other JFD threats to

customers.

I would like to show you some documents and ask you whether these have any bearing to your testimony.

A Yes, this is one of them.

MR. RINES: I would like the reporter to mark that Exhibit H-1 for identification.

(Report above referred to was marked Exhibit H-1 for identification.)

Q Will you identify this document which has been marked Exhibit H-I for identification and tell me if you know where it came from.

A This of course refers back to some earlier statements I made where we took the verbal conversation of problems we were having.

When I say "we," I am saying Jerry Balash and I, and put one, at least this particular one, in writing because it states the exact day and the individual that Jerry spoke to and the conversation that transpired.

This was addressed to Harry Gilbert, the Vice-President and General Manager, only as a means of gaining an insight of the problem that we were encountering to see if he could help us in any way.

Q Who prepared that?

A Mr. Balash. It was typed by his secretary.

Mary Anne.

Q What was the customer involved in this transaction?

A That is Sid Love of Radio Electric in Philadelphia.

Q From refreshing your recollection from the document, do you recall what was Mr. Love's problem?

A Yes, he was very hesitant about taking on our antenna line even though he happened to be a very good customer and of course Mr. Balash, who is a former native of Philadelphia, was a little shook up and even in an area where he was obviously well known, he couldn't get anything to move. This territory is not strange to Jerry. This is home.

Q What is the specific event that this brings back to mind that had occurred that raised this problem with Radio Electric Service and Mr. Love?

A As I recall it, Jerry was attempting to prove to me and to the management that his difficulty in introducing our antenna line was at least, in his opinion, due to unfair practice on the part of a competitor rather than a fair sales game and he was complaining about it.

Q Who was that competitor?

A JFD Electronics Corporation.

Q And what was he complaining about?

A I think from this letter one can see that it is pretty difficult to sell a customer when that customer has been advised by the competitor that if he buys, he will be sued and involved in a lawsuit.

Nobody wants to be involved in a lawsuit. They will stand away from it. There are too many people to buy from.

Q What was that competitor?

A JFD.

Q I notice in this report, Exhibit H-1 for identification which you say was prepared by Mr. Balash, that he quotes himself as asking Radio Electric Service Company, "If we went to court over this, would you be willing to testify as to the conversation with Coneen?"

First of all, do you know who Coneen was?

A No, I do not, other than to say the letter says it is a JFD rep.

Q That is Mr. Balash saying that in the letter?

A Yes. I don't know Coneen.

Q Were you asked in connection with this litigation to go speak to Mr. Love about testifying as to these conversations?

A Yes.

Q What resulted from your effort?

A Mr. Love would much prefer not to be involved even to the implication, 'I am a good customer, leave me alone. I don't want to be involved,' and obviously my recommendation to management is to leave him out. You can't win even if you get him involved. You have got to hurt yourself.

Q Are you prepared to say why he changed his mind as compared with the answer he gave to Mr. Balash in Exhibit H-1 for identification?

A I think what happened, in talking to Mr. Balash on February 28th, he didn't realize that all these threats of lawsuits would be a reality. Now, of course, when you are going back to him, it is a reality and he changed his mind.

Q Did you talk with any other Blonder-Tongue customers about testifying in this proceeding in connection with similar threats of JFD?

A Yes, the one on the west coast, Sacramento, and his reaction is exactly the same as Sid Love's, with one exception. He says, "Please don't bother me." He is not quite as vehement about being left out.

Q I show you another document and ask you if you

can identify the same?

A Yes, this is the customer I referred to.

Q Would you give his full name?

A This is Skip Womack of Sacramento Electronics Supply in Sacramento, California.

Q What is that document you have in your hand?

A This is a report from Jerry Balash to Mr. Gilbert on the subject of JFD's patent infringement and it gives the conversation between Skip and Jerry.

Q Who prepared that document?

A Jerry Balash. In fact, it is signed by him.

MR. RINES: I would like to mark this document Exhibit H-2 for identification.

(Report above referred to was marked Exhibit H-2 for identification.)

Q I show you also a letter dated May 18, 1966 under the head of Sacramento Electronics addressed to Mr. Dick Helhoski having a JFD sales bulletin, April 19, 1966, attached, a newspaper clipping from Home Furnishings Daily, April 18, 1966, attached, and a news release on the stationery of University of Illinois Foundation dated April 7, 1966, attached, which bear prior deposition Exhibit Nos. B-6, 6A, 6B and 6C and ask you whether you can identify these.

A Yes. As a result of my conversation with Skip, Sacramento Electronics, that is, I asked him to send to me with a copy to Rines & Rines the literature that caused him to be concerned in the first place because he didn't call them, he called us, and this bulletin signed by Mr. Finkel dated April 19th and the copy of Home Furnishings Daily and the letter of the University of Illinois Foundation were all a part of what was in the hands of Skip and the cover letter addressed to me was his transmittal of this information to me.

MR. RINES: I would like to remark these prior deposition Exhibits B-6, 6A, 6B and 6C as Exhibits H-3, 3A, 3B and 3C for identification.

(Prior deposition Exhibits B-6, 6A, 6B and 6C were remarked Exhibits H-3, H-3A, H-3B and H-3C for identification.)

Q You have described the assignment that you gave to Mr. Balash to put in writing some of these oral complaints from your representatives.

Would you say that in the period of these Exhibits H-1, H-2, H-3, that this was a part of the assigned duties to Mr. Balash at Blonder-Tongue to make these investigations of JFD's activities?

A Mr. Balash's assigned duties were to place us

in the antenna business and as such he was charged with finding out whatever every competitor did, not just JFD but anyone, how they sold antennas, what was needed in the way of promotional materials and funds, what, if anything, was wrong with our product, what did people want in a product that may not have existed in anything in the field, and quite frankly I would describe it as the over-all responsibility of a product manager.

What made Jerry concentrate on JFD was the reaction he got from customers.

I am sure that if Sid Love did not resist Jerry and make statements about JFD, he would not have taken the approach he did, but as a good product manager, a good salesman, which Jerry is, where there is smoke there is fire, so when he hears it once, he hears it twice, that is his reaction.

I can have a competitor. I can pay little attention to him until I find out he is knocking me out in one direction and I think I owe it to my employer to inform him.

Q Is it fair to say he was investigating the practices of JFD referred to in Exhibits H-1 through H-3 on behalf of Blonder-Tongue?

A Yes.

Q I show you a further sheaf of papers, the first of which is under heading of Weller Electronic Sales, Inc., under date of May 2, 1966, to Dick Helhoski, and having attached to it the JFD sales bulletin, University of Illinois Foundation news release and Home Furnishings Daily reprint previously discussed and previously bearing deposition Exhibit Nos. B-5, 5A, 5B and 5C, and ask you if you can identify the same.

A Yes. Weller Electronic Sales, Inc. is our manufacturers sales rep in the State of Ohio. He also covers part of Kentucky and Pennsylvania, but Ohio predominantly.

The letter's subject is Main Line Cleveland, Cleveland, who happens to be a very large distributor in Cleveland. They have RCA franchise for the sale of television sets.

He sends to me in this letter again a copy of Mr. Finkel's mailing which was the same as that of Sacramento and he asked me to write to Adolph Friedman of Main Line informing him that we would send him indemnification as a result of JFD's literature.

MR. RINES: Would you mark the Weller Electronic Sales, Inc. group of documents Exhibits H-4, 4A, 4B and 4C for identification, please.

(Weller Electronic Sales, Inc. group of documents above referred to were marked Exhibits H-4, H-4A, H-4B and H-4C for identification.)

Q What bearing, if any, have these documents, Exhibits H-1 through H-4, upon your answers to several of Mr. Berliner's questions about the innuendo drawn from the reports of customers as to JFD threats with regard to the handling of Blonder-Tongue antennas and the line?

A I would say a very strong bearing because customers are reluctant to get involved in any lawsuits and are extremely reluctant to being very emphatic about "I won't buy your product because I don't want to get involved" and so these I classify as innuendoes. These are the subtle ways of telling you, "You have got a problem." It is a rare customer that will be so loyal to any given manufacturer that he will stand up and go to Court and fight for him. He doesn't need this aggravation.

Q Do you have any doubt that the innuendo that you received was what the customer intended you to receive?

A There is no doubt in my mind.

Q Do you have any doubt as to the authenticity of the documents, Exhibits H-1 through H-4?

A No, I do not.

Q Where do the originals come from?

A Our files.

Q By "our" you mean Blonder-Tongue's files?

A Yes, the company, yes.

Q You spoke in connection with Exhibit H-4 of an indemnification to Main Line Cleveland.

I show you a letter dated May 5, 1966 on Blonder-Tongue stationery and ask you if this has any bearing in that connection.

A Yes. This was the response from Blonder-Tongue to Mr. Weller's request. It is in fact the indemnification sent to Mr. Adolph Friedman as per the request.

Q Of Exhibit H-4?

A Yes.

MR. RINES: Will the reporter please mark this letter of May 5, 1966 as Exhibit H-5 for identification.

(Letter dated May 5, 1966 above referred to was marked Exhibit H-5 for identification.)

Q You spoke earlier, Mr. Helhoski, about Allied Radio.

I show you a copy of a letter under the Blonder-Tongue heading dated April 5, 1966 and ask you if you can

identify this letter.

A Yes. This is a letter in response to Mr. Fred Wilensky. This was a telephone request from Fred that they needed indemnification in order to consider our product, that is, the antenna line product.

This is the letter written by Mr. Gilbert. There is the letter --

MR. RINES: I would like to have that letter marked Exhibit H-6 for identification.

(Copy of letter dated April 5, 1966 above referred to was marked Exhibit H-6 for identification.)

Q And what is the second letter you started to testify about?

A It is my letter to Mr. Wilensky acting as a transmitter of Mr. Gilbert's letter expressing my sorrow for his involvement and suggesting that they have their attorney contact Mr. Bob Rines, our attorney, for further explanation.

Q Who signed that letter?

A I did.

MR. RINES: I would like this letter marked Exhibit H-7 for identification.

(Letter from Mr. Helhoski to Mr. Wilensky

above referred to was marked Exhibit H-7 for identification.)

Q As a result of these letters of indemnification, Exhibits H-5 and H-6 for identification, did the particular customers involved give in to the threats of JFD that they reported or did they continue to handle the Blonder-Tongue antenna and complete associated line of Blonder-Tongue converters and amplifiers and antenna accessories?

A Are you generalizing all customers or speaking specifically?

Q No, just Exhibits H-5 and H-6.

A Main Line Cleveland, Allied Radio.

Main Line Cleveland did purchase our antenna. However, they have since returned them and to my knowledge are not selling this product line, the antennas.

Allied Radio has the Dart and Arrow in their catalogue. However, they do not catalogue the other antenna line but do carry an extensive amount of our distributor product lines such as the converters, accessories.

Q How about Main Line Cleveland? Do they handle the Blonder-Tongue accessories, converters, subsequent to the circumstances referred to in Exhibit H-5?

A Yes. However, this is a hard one to pin down.

They are a very large distributor who does very little business with us.

I guess that is the best way to put it.

Q Do I understand your answer to mean that they continue but do very little business with you?

A That is correct.

Q Now earlier you asked me whether I was referring only to the two customers in Exhibits H-5 and H-6 for identification and I said "Yes."

Would you tell us what you found to be the effect of JFD's sales tactics to which you have testified with respect to other customers and potential customers of Blonder-Tongue?

A Yes, because we get involved with a great number of customers and there is an unexplained or let us use the word unspoken reason why the product doesn't get put into a given market.

Q What do you mean now by "the product"?

A The antennas.

Q The Blonder-Tongue antennas?

A Yes. I have done a lot of selling in my day and when I confront a customer with a product line made by a reputable firm, which Blonder-Tongue is, and well-known in the industry, he usually gives me a very logical reason

why he can't buy it, won't buy it. It is either because of heavy inventory today or no market in his area.

These are logical things that can be checked out by a personal visit to the account and sooner or later you find someone who doesn't have any reason not to buy and that is where you make your sale.

The antenna business to Blonder-Tongue has been a frustrating experience to me because it doesn't follow a logical pattern. The antenna customer will say, "It is good but I don't want to buy" and it is a frustrating experience.

Q Can you tell us of these customers that you just referred to whom they buy from?

A Yes.

Q Who?

A They buy from all of the antenna manufacturers including JFD, of course.

Q Do any of these customers that you are generally referring to also handle the JFD antenna, accessories, converters and other products of the line?

A Oh, yes.

Q I show you another letter dated December 10, 1965 and ask you if you can identify the same.

A Yes. This was again a request from our

manufacturers rep LCA by telephone to notify Atlas Electronics Corporation, New York, New York, of our indemnification intent.

Q Do you know where that copy came from?

A Yes, out of our files, Blonder-Tongue files.

MR. RINES: I would like to mark that letter Exhibit H-8 for identification.

(Letter dated December 10, 1965 above referred to was marked Exhibit H-8 for identification.)

Q At the time that he was working for Blonder-Tongue and as you previously testified, investigating JFD's selling activities before referred to for Blonder-Tongue, can you tell us whether Jerry Balash expressed to you any views as to the effect of JFD's activities on his being able to sell the Blonder-Tongue antenna line in the market?

A Yes, and I think the very fact that he presented to Mr. Gilbert typed reports of his conversations with certain accounts previously discussed, here is an indication of the import that Jerry himself put on it because Jerry is a product manager, he is a salesman.

I expressed earlier I have a great respect for his ability. He is experienced. He is not in the habit

of getting emotional over meaningless things. He put more import on it at the time he wrote these than we did because he was closer to it.

Q Would you say that he had more information with respect to the selling tactics of JFD as a result of his investigation than anyone else in Blonder-Tongue?

A Absolutely.

Q Did there come a time when he left Blonder-Tongue?

A Yes.

Q Do you recall the circumstances?

A Yes, I do.

Q Would you relate them to us as best you recollect?

A Yes. As I recall them, shortly after our vacation, which is the first two weeks in July --

Q What year?

A The year passed, 1966 -- Jerry came into my office and expressed the fact that he was resigning and although I asked him, he did not say with whom he was going to work.

I recall pursuing it just a little with him because I thought I knew Jerry Balash. He didn't strike me as the type of an individual who would come and

resign and not know where he was going, so I accepted his resignation with certainly no choice.

Since I have a habit of guiding employees who get emotional and because Jerry had the whole vacation to think about it and so he should be well rested, there was no reason for any emotional response. However, you can't guide someone out of a decision to leave a company and go with another unless you know who that company is.

Q Did you specifically ask him at this time whom he was going to work for?

A Yes.

Q Did he answer?

A I can't recall his answer directly but it was evasive.

Q Did he mention JFD Electronics Corporation?

A He did not. Approximately a week went by and the feed from the grapevine came back.

Q During this week was Jerry Balash still on the payroll of Blonder-Tongue?

A Oh, yes.

Q Continue.

A Somewhere through the following week through the feed line it came back that Jerry was going with JFD; in fact, my first hearing of the news was from my west

coast regional manager, Graham Sisson.

Q Did you speak to Mr. Balash when you received this news from the west coast?

A Yes. We went to lunch and after lunch I confronted him with the knowledge that he was going with JFD and he thereupon admitted it.

I asked him why and he expressed his frustration with his job at Blonder-Tongue and expressed the fact that he had received an $18,000 salary.

Q An offer?

A Yes, and an automobile and was to be their regional manager for that west coast area.

He then explained that at JFD the regional manager works out of their Brooklyn office, not out of the west coast, and he expressed a few other matters; that he had a meeting with Ed Finkel and they had resolved their payroll differences very quickly and in fact their personnel secretary -- I am quoting Jerry -- "is just now trying to straighten out the paper work of my hiring."

Q Did he say who hired him at JFD?

A Ed Finkel.

Q How did the $18,000 salary compare with the salary he was getting at Blonder-Tongue?

A His salary at Blonder-Tongue was $13,000.

Q Almost a fifty per cent increase?

A Yes, plus an automobile.

Q Was the salary that he was getting at Blonder-Tongue one that was out of line from your experience with salaries paid in this industry to people doing the work he was doing there?

A No, considering the incentive in addition.

Q Had Mr. Balash complained to you that his salary was too low?

A Mr. Balash had complained to me that he did not like to work under an incentive plan. As he would put it, pay him in salary and he will do the work.

I have no doubt that Jerry would give his all. However, it is practice in the company that employees of that type work on a substantial incentive rather than a meaningless one.

Q Would you continue with the conversations he reported that he had with Mr. Finkel?

A I think the only other pertinent thing which at the time didn't seem pertinent but does today -- I didn't ask him -- he volunteered "I didn't go to them. They came to me," were exactly his words.

Q Who is "they"?

A He meant JFD. These were his words and this was incidentally said as we were crossing the street to the plant.

Q Had you received any earlier reports with respect to contact between Jerry Balash and representatives of JFD at the Atlantic City Telerama in June of 1966?

A Yes. Again because we rely very heavily upon the recommendations of the product manager we cooperated a number of UHF markets with JFD.

Q Was this Mr. Balash's suggestion that Blonder-Tongue do that?

A Yes. And the reasoning that Jerry gave was that in every case the JFD distributor was very strong and that it would be to our advantage to cooperate at a dealer meeting sharing the cost where Blonder-Tongue would talk about converters and JFD about antennas.

There were a number of such meetings held. I can't recall where. I am sure Jerry can name them, at which the Atlantic City conference was just one of them that Mr. Rines named.

Q During these cooperations with JFD in which they were talking about their antennas as you said and Blonder-Tongue about its converters that are connected with the antennas, did you receive any reports from JFD

people that JFD was going to sue Blonder-Tongue for entering the antenna market?

A No. If I had, I would not be cooperating with them.

Q Did you receive any reports from your staff as to any relationship evidenced at the Atlantic City seminar in June of 1966 between Mr. Balash and any JFD sales representative or manager?

A Not until long after Jerry left.

Q Would you recount that to us?

A Yes. As employees will discuss past employees, Mr. Jerry Cohn at this particular sitting was able to shed some light on things that occurred in Atlantic City that meant nothing to him at the time which now seem to have a bearing and as expressed it was Jerry's comment that Mr. Balash spent a good deal of time with the JFD representative.

Let me say in my impression more than normal.

Q What was that representative's name?

A I can't recall his name now.

Q Was it Mr. Herbert Yasky?

A Yes.

Q Did you receive any reports when this was explained to you about where Mr. Balash was located in off

hours during that seminar in Atlantic City?

A Yes, in Mr. Yasky's suite.

Q What about San Francisco N.E.W. Show in June of 1966?

A You would want me to recall what happened?

Q Yes, that may bear on the subject matter.

A Well, that show was unusual in that it was scattered all over the City and we were forced to have an exhibition room in one of the hotels; I can't recall the name now, plus a booth.

Upon arrival at the San Francisco Show we had what was a half a ballroom. It was a ballroom where they slide a screen between it and make two separate ballrooms.

I arrived late and I don't recall why, and upon arrival I was informed by Mr. Balash that while setting up the exhibition area, the other half of the ballroom was utilized by JFD to hold a rep meeting.

Q Do you know whether Mr. Balash had any conversations with JFD personnel at that meeting?

A I do not know specifically.

Q At the time of the Atlantic City seminar, was Mr. Balash still on the Blonder-Tongue payroll without having at that time given any notice of an intention to resign from Blonder-Tongue?

A Yes, absolutely.

MR. RINES: I have no further questions.

BY MR. BERLINER:

Q In answer to one of Mr. Rines' questions you indicated that Mr. Balash participated in an incentive plan at Blonder-Tongue and you indicated that the incentive plan was substantial.

Will you give me an idea of how much Mr. Balash's income was from the incentive plan, say for the year 1965?

A I would have to guess. I can't give you a specific answer. However, I can give you the basis of the incentive plan.

MR. RINES: Would you please, on the basis of the plan, answer the amount.

MR. BERLINER: That would be fine.

THE WITNESS: It is between two and $3,000.

Q That would have been for the year 1965?

A That is correct.

Q And for the year 1966, had Mr. Balash remained at Blonder-Tongue for the entire year, would this amount have increased?

A I would say for the year 1966 it would have been somewhat closer to the $2,000 mark.

Q For 1965 it would have been closer to $3,000?

A Yes, a number strikes in my mind like $2,800 but don't hold me to it.

Q Do you know who arranged the cooperative presentations between JFD and Blonder-Tongue?

A Mr. Balash.

Q Did that occur on all occasions?

A Yes, sir.

Q How far back had these cooperations gone?

A To the best of my memory, I would say approximately June 1965, I would say for a one-year period.

Q Were these cooperations arranged with your approval?

A Yes, they were.

Q Was there any resistance on the part of anyone at Blonder-Tongue for this cooperation?

A Harry Gilbert had some feelings about cooperating with a manufacturer who also had an antenna line and a converter and we surpressed this in his mind, Jerry and I, because we were dealing with dealers and we were able to come in with a multiplicity of manufacturers showing a cooperative approach rather than this dog eat dog approach and also we had no agreements to stay out of the market with our antennas nor did we ask them not to

sell converters. We only said that during this meeting we would each talk about our own products and not the other.

Q I am reading from Exhibit H-2 for identification which is dated April 29, 1966. This is Mr. Balash speaking.

"We know that JFD is infringing on some of our patents."

Do you know whether that statement was correct at the time it was made?

A I do not know if that statement was correct at the time it was made.

Q Do you know who supplied Mr. Balash with information that JFD was infringing Blonder-Tongue patents?

A Yes, the company publishes a list of its patents to all executive people such as Mr. Balash and regional managers.

I have such a list in my briefcase as to patents held by Blonder-Tongue so it is known to all of our key executives as to what patents we hold.

Q And does that list indicate any particular competitive products that are infringing?

A No, the listing of the patent, the number of the patent and a very brief description of what the patent is, and the intent is to be able to show our customers the

pride of our product.

Q Do you know what a patent claim is?

A From a layman's standpoint I have an opinion.

Q Do you have any idea of what a patent claim is from a legal standpoint?

A No.

Q In answering some other questions of Mr. Rines you indicated that you had been frustrated in certain of your sales efforts in that you had customers who were purchasing your converters or amplifiers but they wouldn't purchase your antennas.

MR. RINES: I don't recall any such testimony.

Q Mr. Helhoski, is it so that you were attempting to sell antennas to potential customers and that even though these customers were buying Blonder-Tongue converters or amplifiers they would not buy Blonder-Tongue antennas?

A Yes.

Q And some of these particular customers that would not buy Blonder-Tongue antennas, is it so that they were buying JFD antennas?

A Yes.

Q In some cases was it true that these same customers were buying Weingard antennas?

A Yes.

Q And in some cases was it true that these same customers were buying Jerrold antennas?

A I don't know.

Q Do you know if Jerrold makes an antenna and markets it under the name of Taco?

A Yes, I do know.

Q Did these customers that we were talking about who did not buy Blonder-Tongue antennas buy Taco antennas?

A I am trying to say to you that Jerrold, Taco, is not a major factor in the antenna business.

They also build a very high quality special purpose antenna which although our customers need a very limited number of, they buy them predominantly from Jerrold. So when you ask me to consider the fact that Jerrold is a competitor, I would say to you no, and that is why I base my answer.

Q I wasn't asking you to characterize whether Jerrold was a competitor.

I just wanted to know whether there were some instances where a dealer or distributor to whom you would try to sell Blonder-Tongue antennas would not buy Blonder-Tongue antennas but was handling Taco antennas.

A I know of none. In that sense everybody buys

Taco antennas. I explained that to you.

Q How about those Taco antennas that were competitive to the Dart, Arrow and Ranger made at Blonder-Tongue?

A I know of none.

Q As to any of these customers who would not buy Blonder-Tongue antennas, do you know if they purchased Finney antennas?

A I don't know.

Q Do you know that they didn't purchase Finney antennas?

A I don't know if they didn't.

Q Do you know if any of these customers who had not purchased Blonder-Tongue antennas purchased Channel Master antennas?

A Yes, many of these customers that purchased Channel Master antennas did not buy ours.

MR. BERLINER: I have no further questions.

MR. RINES: Thank you, sir.

\- - -

Subscribed and sworn to before me this ____ day of _____ 1967.

_____

CERTIFICATE

State of New York)
)ss
County of New York)

I, Isaac H. Shapiro, a Notary Public duly commissioned and qualified in and for the County of Kings, State of New York, do hereby certify that pursuant to adjournment there came before me the following person, to wit, RICHARD B. HELHOSKI, who was by me duly sworn to testify to the truth and nothing but the truth of his knowledge touching and concerning the matters in controversy in this cause; that he was thereupon carefully examined upon the interrogatories submitted and his examination reduced to writing under my supervision; that the deposition is a true transcript of the record of the testimony given by the witness; that there were marked upon this deposition Exhibits H-1, H-2, H-3, H-3A, H-3B, H-3C, H-4, H-4A, H-4B, H-4C, H-5, H-6, H-7 and H-8 for identification.

I further certify that I am neither attorney nor counsel for, nor related to or employed by any of the parties to the action in which this deposition has been taken, and further that I am not a relative or employee of any attorney or counsel

employed by the parties hereto, or financially interested in the action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 2nd day of March, 1967.

Notary Public
State of New York
No.24-3613000
Commission expires
March 30, 1967.

I N D E X

Witness: Page

RICHARD B. HELHOSKI 3

E X H I B I T S

For Identification		Page
H-1	Report	23
H-2	Report	27
H-3, H-3A, H-3B and H-3C	Prior deposition Exhibits S-6, 6A, 6B and 6C	28
H-4, H-4A, H-4B and H-4C	Weller Electronic Sales, Inc. group of documents	31
H-5	Letter dated May 5, 1966	32
H-6	Copy of letter dated April 5, 1966	33
H-7	Letter from Mr. Helhoski to Mr. Wilensky	33
H-8	Letter dated December 10, 1965	37

- - -