EXHIBIT G

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

INTERMARK FABRIC CORPORATION, Plaintiff,	
vs.	Case No. 302 CV 1267 AVC
MICROFIBRES, INC., Defendant.	

DEPOSITION OF PETER M. HADLEY, a witness called on behalf of the Defendant, taken pursuant to the Federal Rules of Civil Procedure before Carol H. Kusinitz, Registered Professional Reporter and Notary Public in and for the Commonwealth of Massachusetts, at the Offices of Hinckley, Allen & Snyder LLP, 28 State Street, Boston, Massachusetts, on Thursday, July 31, 2003, commencing at 1:35 p.m.

PRESENT:

Cantor Colburn LLP
(by Charles F. O'Brien, Esq.)
55 Griffin Road South, Bloomfield, CT 06002, for the Plaintiff.

Hinckley, Allen & Snyder LLP
(by William R. Grimm, Esq.)
1500 Fleet Center, Providence, RI 02903-2393, for the Defendant.

* * * *

A. We cut fiber, finish fiber, dye the fiber, short-cut fiber.

Q. Do you cut, finish and dye flock fiber?

A. Yes.

Q. Do you cut, finish and dye other types of fiber?

A. Yes.

Q. What other types?

A. Security fiber for security paper. We cut fibers for the rubber trade, to strengthen rubber. I'd say that -- filler for plastic, filler for decorative paper. The business card has some of our fiber in it. Many other...

Q. What was the business of Vertipile when you first were employed by it in 1983?

A. It was a vertical company which had a dye house and cutting fiber and also had coating fibers. They sold direct into the market, and they contract dyed printed fabrics, coated fabrics.

Q. When you were employed at Vertipile, did it manufacture flocked fabric?

A. Yes, we did.

Q. Did it manufacture flocked fabric for dye printing?

it wouldn't show the base, because the color would be there; and the testing, which is the crocking and all that, make sure that it passed all that before turning the samples over to R&D.

Q. Do you have any specific memory of this experimental production run beyond that which is contained in Exhibit -- the first page of Exhibit 2?

MR. O'BRIEN: Objection to form.

A. This particular experiment for that particular day, I don't remember. I do remember doing production, many thousands and thousands of yards of that same product for customers.

Q. Now, would this experimental production run be turned over to research and development for testing after it was run?

A. After it's run, the production would do the testing, and then give it to R&D for evaluation. Then it would be turned over for production, for manufacturing customer orders.

MR. GRIMM: Thank you, Mr. Hadley.

CROSS EXAMINATION

BY MR. O'BRIEN:

Q. Mr. Hadley, I just want to step back to your employment with Malden Mills. When did you

first start at Malden Mills?

A. I have to backtrack here. 1965.

Q. What was your initial position at Malden Mills?

A. Initial position was production worker.

Q. Can you describe what that is, what that means.

A. I was hired going to Merrimack College, and needed a job to support the cost. So I worked at the mill as a production worker to make money to support going to college. So I was winding up products and running equipment, in a physical way.

Q. What products was Malden Mills making in 1965 when you started there?

A. 1965, they were knitting and weaving, and they call it Rachael knitting, and they were flock coating, and they were sliver knitting.

Q. You say that they were flock coating?

A. Flock coating, yes.

Q. Can you describe what that is, as of 1965 at Malden Mills?

A. In 1965, they were taking -- they were cutting their own fiber, tow dyeing. "Tow dyeing" means making it a color, red, green, or blue. And

Mills was placing a glue on top of the substrate?

A. Yes.

Q. And what was that glue?

A. It's an acrylic water-based glue that they would put down on, so that when the fiber came down in the electrical field, it would stick in, standing up, to make a velvet.

Q. And what was the color of the glue in 1965 at Malden Mills?

A. It depends on the product they were running. If they were printing, and this was wet printing in 1965, they would be using white or natural. And if they were running colors, they were running colored glue, they would run a pigmented glue. If they were running black, they would run black glue. If they were running red, they would run red glue. Sometimes they might use a gray for three or four colors, but they would use pigmented glue on all colors.

Q. When you say "glue," is that the same as an adhesive?

A. Yes, it is. "Adhesive" and "glue" are the same terminology, the same product.

Q. In 1965, was Malden Mills using a black

glue or adhesive in the manufacturing of flocked fabric?

A. Yes, they were.

Q. In 1965 was Malden Mills using a green --

A. Yes.

Q. Let me finish my question. -- a green pigmented adhesive in the manufacture of flocked fabric?

A. Yes, they were.

Q. And in 1965, was Malden Mills using a red pigmented adhesive in the manufacture of flocked fabric?

A. Yes.

Q. And in 1965, when Malden Mills was manufacturing these flocked fabrics, do you have a memory of whether those adhesives were dark or light?

A. They would be depending on the color. If it is light color, it would be light, like a beige. If they were a deep red or a burgundy, they're going to be red. They're going to be dark red, light red, depending on the color.

Q. How about the black pigmented adhesives in 1965; were those dark?

A. They would be on dark products, yes.

Q. I'm talking about the adhesive itself.

A. It would be black or navy. It would be black. I mean, the glue would dry black. You could take white, like your paper over there, and put black on it, and when it comes out, it comes out a dark charcoal.

Q. And in 1965, was Malden Mills manufacturing flocked fabric with a blue pigmented adhesive?

A. Yes.

Q. And were they manufacturing a flocked fabric with green pigmented adhesive at that time?

A. Yes.

Q. In 1965 was Malden Mills air texturizing flocked fabric?

A. Yes, they were.

Q. Could you describe what the air texturizing process was in 1965.

A. What you do is you have an air bar, and you drill holes in the bar, and you put compressed air in the bar, and you get a design. Your design could be lines, or you can move the bar to make circles. Or you could -- you know, today -- 1965, they were using air bars to make designs, swirls, lines,

A. No, they were not.

Q. Was heat setting known back in 1965?

A. No. I don't know of anyone that was heat setting. It was known, because DuPont could have told you, if somebody asked, that it was possible. But I don't know of anyone doing it. A lot of people were in flock in 1965, a lot of people that aren't in flock, like Gary Milliken, like Foss Manufacturing. A lot of other companies were in flock.

Q. Who was Malden Mills selling to in 1965?

A. The American market. So they had probably 75 customers that they were selling to, furniture companies.

Q. Is that the upholstery industry?

A. That's upholstery. But they also sold to the shoe industry. The boots had fake fur on the outside, but that was all flocked.

Q. And this was all in 1965?

A. Yes.

Q. Did the process of manufacturing flocked fabric change at all during your tenure at Malden Mills?

A. It refined.

Q. Can you describe how it was refined during your term at Malden Mills.

A. It got higher and higher density printing. In the '80s they went into some paper transfer printing. They found that that was less expensive, so they would get into that. They were paper transfer printing on colors, not just on natural. They were doing -- they got into pigmented adhesive on natural, which was probably '86, '87.

Q. When did you leave Malden Mills?

A. I left in 1983.

Q. And when you left in 1983, were there any other processes other than the air texturizing, heat embossing or wet printing that you described?

A. There was crushing, crushing being taking fiber and stuffing it into a steam -- just pushing it all in and making these designs by just crushing it. You would have a velvet with a crushed look. It was very popular.

Q. Were there any other processes that Malden Mills were performing when you left in 1983 on flocked fabric?

A. They were piece dyeing. They were piece dyeing some products, in a kettle.

Q. Were they piece dyeing in 1983 or sometime before flocked fabric with a dark pigmented adhesive?

MR. GRIMM: Objection to the form.

A. I don't remember them doing that.

Q. What products would they -- would Malden Mills be piece dyeing during your tenure at Malden Mills?

A. What they would do is with a natural -- with clear or white glue, they would put dyestuffs in the kettle that would stain the glue or stain the base to a color. So when you take fabric and you put it someplace, you can put dyes for nylon, and you can also put the dyes for the poly-cotton at the same time, or you can use acrylic dyes that will stain the adhesive. So they were doing it in that process, not in the pigments in the glue.

Q. And at some point in time, I believe you said that Malden Mills began to transfer print?

A. Yes.

MR. GRIMM: Objection.

Q. Was there a point in time that Malden Mills began to transfer print on flocked fabric?

A. Yes.

Q. Do you have knowledge as to when that time first occurred?

A. '86, '87. Production.

Q. How do you know that? You had left Malden Mills in 1983.

A. I played cards every month with all the engineers and the technical people at the plant. It's small world. I have friends. I still chum around with the people from Malden, even today.

Q. Were you playing cards with these gentlemen in 1986 or 1987?

A. Yes. It was probably 1971.

Q. Who were -- what are the names of the people you were playing cards with and discussing this with in 1986 and 1987?

A. Well, there was Tony Fernandez, Bill Hornby. One was the head of research and manufacturing, and the other is the head of the engineering for processing.

Q. Anybody else?

A. The other people were controllers and engineers that are mechanical engineers, build machines.

Q. What was Mr. Fernandez's position in 1986?