IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION

SPORT & WHEAT CPA PA, )
a Florida corporation, )
individually and on )
behalf of a class of )
similarly situated )
businesses and )
individuals, )
Plaintiffs, ) CIVIL ACTION NO:
VS. ) 3:20-CV-5425
SERVISFIRST BANK INC; )
SYNOVUS BANK; et al., )
Defendants. )

Deposition of Steve Adams
June 18, 2020
9:30 a.m.
At the offices of Butler Wooten & Peak
105 13th Street
Columbus, Georgia 31901

Court Reporter: Karen Hinch

A P P E A R A N C E S

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Jill Sport (Via Zoom)
Tim Wheat (Via Zoom)

EXHIBIT INDEX

COURT REPORTER: Will all parties present please put their appearances on the record?

MR. BATES: Philip Bates for Synovus Bank.

MR. PRATHER: Ramsey Prather for Synovus Bank.

MR. WIRT: John Wirt for Sport & Wheat, the plaintiff.

MR. CASH: Bill Cash for Sport & Wheat.

MR. NATHANSON: Paul Nathanson from Davis Polk for Synovus Bank.

MS. FORD: Sara Ford for ServisFirst Bank.

MS. HAAS: This is Cheryl Haas for Truist Bank.

MR. HAYNES: Antonio Haynes for Synovus Bank.

STEVE ADAMS,

being first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CASH:

Q I'm not sure who the witness is.

I didn't catch your name.
A Steve Adams with Synovus Bank.
Q All right. Nice to meet you. I'm Bill Cash.
Before we get into too much of the details here, I want to ask have you ever given a deposition before and do you know the rules of the road with this?
A It is my first deposition, but I think I understand the rules.
COURT REPORTER: Can we go off the record to adjust the volume?
MR. CASH: Sure.
(Off the record.)
Q (By Mr. Cash) Okay. Mr. Adams, thanks for appearing. I understand that you are designated as the witness to testify on behalf of the bank. And I trust that you have been shown the deposition notice that identifies the topics that you're going to be testifying on.
A Yes.
Q Okay. And have you read through those topics and do you feel prepared to testify as to those particular topics?

MR. BATES: Saving except for the ones we have objected to.
A Yes.
Q (By Mr. Cash) Okay. Mr. Adams, I'm sure your counsel's explained this to you, but I just figure I will do it as well. The process for taking deposition is I ask a question. They may have the right to object or object to form. Any of the people on this call might object to form. And then you answer it. And everybody appreciates if you let me finish the question, let them finish the objections, and then give the answer. It's -- people tend to often try to jump the gun or just go ahead and answer. Let's have a clean record and leave time for people to say what they're going to say in the right order.
Who is in the room with you there? Just the people -- is everybody in the room the people who put their appearances on, or is there anybody else?
A There is nobody else in the room.
Q Okay. And you understand that while we're taking this deposition you may

have breaks. And you understand you're not to confer with the attorneys about the subject matter of the deposition while we're taking the breaks. Do you understand that?

A Sure.

Q Good. All right. I'm going to be asking you a series of questions, and I'd like to ask if you'll agree with me that if there's any question I ask you that you don't understand, you will stop me and say that you don't understand it before going forward giving an answer. Is that an agreement we can have?

A Yes.

Q Okay. And then therefore can we also agree that if you do answer a question, I can assume and rely on the fact that you did understand the question before giving the answer?

A Yes.

Q Okay. And you're familiar with the subject matter in this case I assume. Can you tell me just generally what's your understanding what this case is about?

A My understanding of this case is

around the payment of agent fees for paycheck protection loans.

Q Okay. And looking at the -- I'm looking at the notice, but let me just go through the notice, if that's okay, and just ask if you're prepared on each particular topic. And if you are, how you're prepared on those topics. So I'll just read this out.

So one of the topics we have is about the facts and the circumstances regarding the bank's implementation of the PPP loan program. Are you prepared to testify on that?

MR. PRATHER: Bill, that's one of the topics that we've objected to. So, no, the witness is not prepared to testify regarding that topic.

Q (By Mr. Cash) Okay. Well, Mr. Adams, do you know anything about that topic?

A I do know some things about that topic, yes.

Q Okay. And how are you in a position to know that?

A In my role as the chief commercial banking officer of Synovus, I am responsible for our SBA team as well as other commercial banking products. So I was involved in interpreting and implementation of the Paycheck Protection Program.
Q Okay. One of the other topics we have is the person at the bank responsible for setting the bank's policies regarding PPP.
Are you prepared to testify about that?
A Yes.
Q Okay. And how are you prepared to testify about that?
A I am aware of what our policies and procedures were around the Paycheck Protection Program and in some cases involved in discussions about those policies and procedures.
Q Okay. Are you that person who set the policies for the PPP?
A There is not one single person that was responsible for setting policies and procedures about PPP.

Q Okay. All right. We will get into that a little more. I understand.

Let's see. Well, one of our topics is the decision not to pay fees to PPP agents, including my client, Sport & Wheat.

Are you prepared to testify about that and how so?

MR. PRATHER: Mr. Cash, again, we haven't objected to that topic except to the extent that the information sought is not covered by the attorney/client privilege or work product protection as you have in our written objection. So I just wanted to make that clear.

MR. CASH: That's fine. If we get into anything that's privileged, obviously, you know, assert the privilege and we'll deal with it.

Q (By Mr. Cash) Mr. Adams, are you prepared to discuss that topic? How are you prepared?

A Yes. I'd be prepared just in that I, again, similar to other policies and procedures about the program, was involved

in discussions about that decision as well as other policy and procedure decisions with the program.
Q Okay. And so were you personally involved in the decision to not pay agents in general?
A Yes.
Q Okay. And then were you personally involved in the decision not to pay Sport & Wheat?
MR. BATES: Object to work product. If you want to confine it prior to the suit being filed.
MR. CASH: Yeah, sure.
MR. BATES: Okay.
A There was no specific decision to not pay Sport & Wheat that I've been able to determine or be aware of.
Q (By Mr. Cash) Okay. Let me ask you this. Had you ever heard of Sport & Wheat before this case got filed?
A I have not.
Q Okay. So if you do know anything about Sport & Wheat today, it's because you prepared for this deposition in part?

A I'm sorry. Can you repeat that question?
Q We will get into it.
A Okay.
Q We can deal with that later.
We have several topics in Part II that's called "Sport & Wheat," and specifically -- I'm not going to read every word here. You've read it. But we asked about the communications the bank had with Sport & Wheat, any communications inside the bank about Sport & Wheat, transactions Sport & Wheat participated in, and so on.
Are you prepared to testify about all of these topics?
A Yes.
Q Okay. And if you did not know about Sport & Wheat prior to the case being filed, can I infer that you prepared for these topics because you were nominated to be the witness to testify here on behalf of the company, the bank?
A Yes.
Q So what did you do to get ready to be in a position to testify about these

topics in Part II?
A So I read the relevant documents; the motion, the complaint, the motion, familiarized myself with, you know, communications about the program; what our policy decisions were, things like that.
Q Okay. Did you interview anybody or call anybody and say, Hey, I'm giving this deposition. You know about Sport & Wheat, I don't. Would you tell me what the company knows so I can be in a position to talk about it?
A No.
Q You didn't interview or talk to any person in particular to get ready for this?
A Other than counsel, no.
Q Okay. All right. You said you referred -- you reviewed communications. Did you review communications that were with Sport & Wheat in specific or did you just review general communications of the bank's?
A General communications of the bank's and two communications regarding Sport & Wheat that do not seem to be in

regards to the Paycheck Protection Program.
Q What were they?
A Emails from Sport & Wheat providing tax returns of conceivably a client, a mutual client, without reference to the purpose that they were being provided.
Q Okay. One of the topics we would like you to testify on is the value of Sport & Wheat's services to the bank.
Are you in a position to testify about that?
A I'm not sure because I'm not aware of any specific services provided by Sport & Wheat to the bank.
Q But to be clear -- okay. All right. I can figure that out.
And then our last part is about the portal that was designed to accept PPP applications.
Are you prepared to testify about that? And if so, how did you get prepared? What will you be able to say about that?
MR. PRATHER: And, Bill, you've got our written objections in front of you

I'm sure. Topic III(A) we have objected to. So the witness is not prepared to discuss that topic.

MR. CASH: Well, let's hear what he does know, what he is prepared to testify about.

A So I'm aware of our portal, how it -- the components of it, the language that's there, the questions that are asked, that sort of thing.

MR. CASH: Okay. All right. So I've admitted the -- people from Sport & Wheat are now on the video and are going to participate as well just to watch. I just wanted to let you guys know that.

MR. PRATHER: Can we go off the record for a second?

(Discussion off the record.)

Q (By Mr. Cash) Mr. Adams, you're testifying in a corporate capacity, but just to help me understand a little better who you are and why you've been selected as the designee, do you mind answering a few questions about yourself personally? I'd just like to know -- I'm not trying to get into too much detail but just want to figure out who you are.

Could you tell me a little bit about your educational background first of all? College, that sort of things?

A Sure. I graduated high school from Vestavia Hills High School in Birmingham. I went to a year and a half of school at Samford and transferred to Auburn University where I graduated with an undergraduate degree in finance.

Since that time I have had other banking training, a banking school program. No master's degree.

Q And is Synovus your first job as a banker?

A I worked at a credit union in college for a year or two, more of an internship-type thing, and then began with our management training program at Synovus and have been there since.

Q Okay. When did you start there?

A December of 2003, so 16 and a half years.

Q And continued from then to now?

A Yes.
Q All right. And you told me you're the chief commercial banking officer currently?
A That's correct.
Q Okay. Could you position yourself in the hierarchy I guess from the top, like what levels there might be from your CEO down to where you are?
A If it's okay, I'll go the other way. So I report to our chief community banking officer, who is a -- he is a line of business leaders responsible for commercial banking -- meaning me -- our retail branch banking, and our private wealth banking. He then reports to our president and chief operating officer, who then reports to the CEO.
Q Okay. I think I understand. So then who reports to you?
A I have responsibility for our SBA team. So are you asking for individual names or roles?
Q I think roles.
A Yeah. So our director of SBA

lending reports to me. Our head of commercial payments, meaning credit card programs on the commercial business side reports to me. I have a role that is director of community banking who is a -- kind of runs our sales program and reporting, does some analysis. And I have a lady who is -- that reports to me that manages our commercial support program, so our commercial assistance. Those commercial assistants do not directly report to her, but she has dotted-line responsibility, sets their procedures and programs, things like that.

Q Okay. All right. So if I heard you right, director of SBA lending is just one of the several programs that you have?

A That's correct.

Q You're not just an SBA guy?

A That's correct.

Q Okay. How many people would you say are under the director of SBA lending?

A Between 30 and 40.

Q Okay. And what kinds of roles are we talking about there?

A Those roles would be our SBA -- what we call SBA lenders, the individuals who make -- who are relationship managers, for lack of a better term, for 7(a) loans. They internally support our clients across all markets when there is a specific SBA need. They're kind of subject matter experts.

And then there's a support team, the packagers, closers, servicing team that has knowledge of the SBA programs and how to originate and service that portfolio.

Q -- okay. And when the PPP was passed into law in late March, would you say that this team, this SBA lending team you've just described, was the only team responsible for dealing with the PPP or did -- or are there other people in the bank that also had responsibilities for the PPP?

A There were other people in the bank that had responsibility.

Q Okay. Well, tell me -- would you tell me about those?

A Sure. Our credit team would have been heavily involved. Our -- we would have individuals from our legal team to help us read and understand the legislation. We would have had a number of bankers involved in supporting the review and processing of those loans. We had our operations and technology teams involved in helping establish the operational processes, the portal. And we would have had marketing and communications involved in communicating with clients and our team members about the program, among some others.

Q Okay. Is there one single person who is responsible for dealing with the PPP at a policy level?

A No.

Q Okay. So who are the people who have made the policy decisions around the PPP? And I will narrow it just to the decision about paying agents or not paying agents.

A Sure. So in general regarding the program, I would say the senior leaders of those areas I just described, so myself from a commercial banking perspective within our community bank. Joseph Shuford, that works for me that is our head of SBA, was heavily involved as well. Matt Paluch that's in our wholesale bank -- our wholesale banking unit does not report to me. That is a group that does more corporate, larger revenue business lending and larger specialty businesses. Their client segment was involved, so they would have been represented in that group. Our legal team would have had involvement in that. And then risk and credit would have been involved. And I would say there's probably a group of seven or eight people, if you think about that type of leadership level, that formed a steering committee that reviewed the CARES Act and how we would likely need to operationalize the program. And then we would have involved -- in some decisions we would have made recommendations to our executive team when necessary for feedback, and that would be the group involved.

Q Okay. And everybody you just named specifically would have been involved in making the decision to pay or not pay the

PPP agents?
A There would have been -- yes. So our executive team broadly would have been involved in that decision as well.
Q Tell me, when was that decision actually made?
A I would say that decision was made at some point the week between March 27th and April 3rd. I don't know that I can say the specific date, but probably the first or second of April.
Q How was that decision reached?
A It would be just our review of the overall business process that was established considering what would be helpful and useful or not for our clients in the process and, you know, reading the CARES Act itself, IFRs, FAQs, and ultimately making a decision around what would be necessary and helpful in the process.
Q Okay. Let me ask you, are you guys working from home the way half of America is right now?
A We are.
Q Okay. So are you -- when you

made this decision on maybe April 1st or 2nd, whenever it was, physically how did that happen? Was that on a Zoom call like this? Was that by email? Was it in person? You know, can you tell me specifically how it was reached?

A It would have been on a conference call.

Q Okay. Did you guys have regular conference calls during that time? Like a 9:00 call where you discussed issues on PPP, or how do you know it was a conference call?

A Well, I mean, yes, we had regular scheduled calls, update calls about the program, read-out type meetings where progress updates are given on a number of different work task items. And then there would certainly be unscheduled calls if there were issues to discuss or decisions that needed to be made in a very quick manner. Those would be scheduled -- you know, set up on an unscheduled basis to talk through some of those items.

Q And on those calls, is that -- who's participating on those calls? Is this the list of people that you gave five minutes ago or so?

A On some. I would not say it's always that entire group. On some of these issues it may be that it's more of the business and legal group that needed to weigh in and talk in more detail about a specific issue. So I would not say it's always the same group of people.

Q Okay. Do you remember specifically who had input into the agent decision? I'm talking people's names.

A Yeah. Yes. I can recall some people involved in that decision. It would be -- I was certainly on some of those calls and discussions. Our kind of lead administrator, kind of project manager guy, Jason Ninas, whose name I didn't mention before, he's the -- he also reports to our president and chief operating officer, kind of a project-office-type group that helps pull different people together more from a support standpoint. He may have been on some of those calls. Neil Kinnebrew in our legal area that was kind of the legal representative would have been involved in some of those discussions. And then when you think at the executive level, our general counsel, Allan Kamensky, may have been involved in those discussions. My boss, Wayne Akins; Kevin Howard that runs our wholesale banking division; and probably our president and chief operating officer, Kevin Blair, likely would have been in some of those discussions as well.

MR. PRATHER: Mr. Cash, can you admit Jim Butler into the meeting? He's trying to get in.

MR. CASH: I just did.

Q (By Mr. Cash) All right. Well, I appreciate that list. It's helpful.

Would there be meeting minutes from these calls? Would there be a person who was charged with documenting what was discussed and what decisions were reached and made?

A In some cases speaking broadly about the implementation of the program, we would keep notes of key action items, risks, decisions, a RAID-log-type document.

Q A Raid log?
A Yes, RAID, R-A-I-D.
Q What's that mean?
A Risks, action items, decisions.
Q Okay. And are there specific minutes, logs, action item notes about this decision to pay or not pay agents?
A I think there is a -- I think we likely logged a decision on a RAID log as we were considering, you know, the question regarding agent fees and probably logged that on a RAID log. It could be in meeting minutes, but we do not have a requirement to take detailed notes of every meeting and discussion.
Q Okay. Would that decision also be documented in maybe people's individual communications, like personal emails you're writing to one person outside this formal structure? Could that have happened?
A It could have.
Q Are you aware of any communications like that?
A Yes. I would think that -- I'm not aware of a specific communication, per

se, but I think it would be likely that we would have exchanged emails about agent fees.

Q Okay. I'm going to ask you some kind of general questions here about branches. You know, I understand you're in Columbus. You're in the headquarters. Are the people in the branches charged with making any policy decisions along any of the areas we just discussed, or is all the policymaking made there in the headquarters?

A I want to -- can I maybe ask you to clarify the question and how you define a branch?

MR. BATES: And what is policy?

A And policy.

Q Sure. And I appreciate the clarifying. I'm happy to do that. So I guess what I was really trying to get at is what is the division of authority on decision making about general bank policies, policies that are applicable across the board at the bank. And I'm asking does any of that happen out in the field, at the branch locations in the field, or does it all occur among your team there in Columbus, Georgia?

MR. BATES: I'm going to object to the form of the question.

Answer if you can.

A I'm going to ask again, when you talk about branches, people use that term in different ways. We have retail brick-and-mortar branches that do retail consumer transactions, and there are branches that might be a commercial banking or private wealth office, you know, a regional type -- not headquarters, but a regional office where you might have a more senior-type employee.

Q Okay. Maybe we should -- let's see if -- I'm a little unclear on what you're describing, so let's see if we can get there together. So in your annual report it says you have 299 branches, something like that, which I just interpreted to be a simple small bank in a small town with bankers and tellers, maybe a big vault. That's what I would consider a branch.

A Okay.
Q When you talk about these regional-type branches, are they meant to be bigger than a single sort of retail location? And if so, what distinction are you drawing there?
A Simply that we may have -- as an example, we have an Atlanta office that is a -- that has a branch on the first floor, but there are -- you know, the head of our wholesale business spends a lot of time there. I don't consider that a branch office. It's just a -- it is a regional building. It's not a retail branch. So I wanted to draw the distinction if you mean like a divisional head that might be our -- the president of our Alabama banking group who is in the market but not necessarily just a retail branch. He could have input into a policy decision from time to time. As you clarified, I understand your question to be about retail branches, and in general, they would not be involved in making policy decisions.
Q Okay. I appreciate the

clarification. You know, this will sound like a dumb question, but when you guys were making the decision to pay or not pay PPP agents, did you consult anybody in the retail branches about that?
A No.
Q Okay. Let me step back a little bit more here and ask about the 7(a) process in general. So you described that the director of SBA lending handles all 7s loans for the bank, or is responsible for that, right?
A Yes.
Q So I'd like to know I guess from the customer's perspective, how does the customer experience the application process?
MR. BATES: Object to the form.
Q I can make that a little clearer. Let's say there's a customer out there that thinks they want to get a 7(a) loan. What communications would they have with the bank? What work would they have to do back and forth with the bank to get approved? How does the bank sort of help that customer get through the process in a traditional

7(a) loan? Just walk me through the steps.

MR. BATES: Again, I object to the form. Ask one question at a time.

MR. CASH: Well, that's my question.

Q (By Mr. Cash) How does that process work?

MR. BATES: Answer if you know.

A Typically a customer would have a relationship with a commercial banker or a branch in the footprint, and if there is an opportunity for an SBA 7(a) loan or an interest in a 7(a) loan, that banker would reach out to our SBA department, so that person we called an SBA lender who is a subject matter expert, and they would capture information working with that customer. We use an Excel workbook for 7(a) loans that captures a lot of the application information that would be needed.

Q You're telling me that the banker would help the borrower fill out the workbook in order to make the application?

A Yes. In some cases the client may fill in some information. In other cases the banker may help that client in actually putting information into the workbook. But ultimately that information is put onto an SBA document and signed by the customer.

Q So does the bank educate borrowers what about 7(a) is and what the requirements are to qualify?

A Yes.

Q So how much time would you say the bank spends on a typical 7(a) application going back and forth with the borrower?

A I don't know that I could estimate a time for that in hours or minutes. I don't know that I could give you an accurate -- I can tell you it is not a process that happens in minutes. There's a lot of information involved, and it takes significant time.

Q And has the bank -- in processing 7(a) loans, has the bank had a history of dealing with agents in that process?

A We do not.

Q Okay. Is that a blanket policy?

You just don't work with agents?
A Yes. We do not typically work -- to my knowledge, have not worked with agents on 7(a) loans.
Q Just to be precise here, your answer is, We have never worked with an agent on a 7(a) loan ever?
A I will not make that statement. Just given that I can't speak to forever in history, I can't say that for sure. Over the past year, we have not worked with agents.
Q Okay. And is there a written policy, specific policy, that says this bank does not work with these agents?
A I would have to look into that further.
Q Who would be -- if there was, who would be responsible for maintaining that policy inside the bank?
A It would likely be maintained by our director of SBA.
Q All right. When it comes to the PPP, would you say that the bank also acted in the same way as it did with the 7(a)

loans? In other words, you said the bank would assist the borrowers in preparing an application. Did that happen with the PPP?

A In a different way. So obviously with 7(a) loans, typically it's a much more robust process with more time involved and we're not all working a hundred percent remotely.

So with PPP, there's substantially less information required. So we certainly assisted in the sense that we provided communication to the customer through our website, through email communication broadly as we were making SBA guidance aware -- making our customers aware of that SBA guidance. So I would say in that sense we provided assistance, but not in the same way you would for an SBA 7(a) loan which requires, you know, much more hand-holding or involvement probably.

Q Well, that's kind of the word I wanted to use. How much hand-holding would you say was involved between the bank and a borrower on a typical PPP?

A It varies. I would say on a

typical PPP loan there is not a lot of hand-holding required in the same sense that you would on a 7(a) loan.
Q Was the bank busy during the time when it was accepting PPP loans and processing them?
A I'm not sure I understand what you mean by busy.
Q How taxing was the PPP on the bank's resources?
MR. BATES: Object to the form.
You can answer if you know.
A On which resources?
Q That's a fair question. I mean in terms of people. Was the bank mobbed with applications? Was the bank working flat out to process PPP loans?
MR. BATES: Object to the form.
A Certainly the time involved in -- the time given between the guidance being published and the start of the program required a lot of work. We had resources available to support the program. So I would say that individuals involved were busy but, you know, not in a way that is --

it's different. Right? It's an adjustment working remotely and also processing applications. But, yes, in general I'd say that we were busy.

Q Well, people were working until all hours of the night on these loans; isn't that true?

MR. BATES: Object to the form.

A In some cases there was a lot of work at different hours to process loans.

Q Okay. I'm going to show you one email I'm thinking about in particular. Can you see this document? Can you see it in general?

A Not yet. You're not sharing quite yet or it's taking some time.

Q What are you seeing?

A Still seeing you.

MR. WIRT: I'm able to see the document so I don't know why they're not seeing it.

MR. BATES: Well, we can't see it.

MR. CASH: Okay. Is it possible that there's an option on the computer you might need to check into?

MR. BATES: I didn't understand what you just said.

MR. CASH: I'm just asking if maybe you need to look on the computer and see if it's a possibility. The deposition notice worked.

MR. PRATHER: We haven't changed anything since you put the deposition notice up, so it should work.

MR. CASH: I'm going to stop sharing it and share it again. If that doesn't work, I'll email it to your counsel.

I tried it again. Did it work?

MR. WIRT: For the record, Bill, I'm able to see it again.

MR. BATES: We don't have it, Mr. Cash.

MR. CASH: Maybe I can email it to you and we can do it that way, or if you want I can just read it to you. We're going to need to be able to see some of these documents though.

MR. WIRT: If the counsel there has another laptop they can log in and join the Zoom meeting, because we're all able to see it. So maybe instead of looking at that bigger screen, if somebody just has a laptop, they can log in and see the documents.

(Short recess.)

MR. CASH: Let me know when you guys are ready.

MR. BATES: We can't see the whole document.

MR. CASH: Yeah.

MR. BATES: We can only see part if it. I'd like to see the whole document before the witness answers questions.

MR. CASH: I'm just trying to show him this part. I'll show him the whole thing.

MR. BATES: I think -- at least my practice has always been that before you show the witness a document, you show it to the counsel.

The screens are frozen.

MR. CASH: Are you talking about the video?

MR. BATES: You're back now.

But this -- we can't scroll down through this document.

MR. CASH: Well, I'm going to scroll through this document. I'm happy to show you. It's an email from McClanahan. Don't think I'm -- I don't feel bound do show every single document -- every page of every document in this deposition.

MR. BATES: Well, I feel like you are responsible to do that. That's a professional courtesy that we're used to in the Northern District of Florida. You show the document to the witness after the counsel has had an opportunity to look at it.

MR. CASH: I sure appreciate you guys being willing to take this deposition by video. It's a hardship on everybody. And what I'm going to do is I'm going to email you guys each of these documents at the end of the deposition. I'm putting them aside in a folder and I'll send them out all at once. You can see I've labeled this one E4 at the top here.

MR. BATES: I want to see the

document before you have the witness testify.

MR. PRATHER: Hey, Mr. Cash, why don't you go ahead and email them to us and I can print out copies and we'll have copies available here in the room with the witness?

MR. CASH: Well, I'm not going to do that because I don't know which exhibits I do and don't need to use, and I don't want to tip my hand on what the exhibits are before the time comes.

MR. BATES: Well, then we're at a stalemate. I'm entitled to see the documents before you ask the witness questions about them.

MR. CASH: All right. I don't agree. I mean, I'm happy to show you the two pages of this email. It's pretty uncontroversial. There's page one.

MR. BATES: I'm not going to take your word for whether it's controversial or not. It's already obvious you don't want to share the documents in advance.

MR. CASH: That's correct.

MR. BATES: So we'll do them one

at a time and I will look at them.

MR. CASH: Have a look.

MR. BATES: Thank you.

MR. CASH: We can make this as slow and painful as you like. That's fine. But you're going to have to sit there by the witness then and you're going to have to read every page. If that's how you want to do it, that's fine.

MR. BATES: Will you roll back to Page 1?

MR. CASH: Sure.

MR. BATES: Okay. You can go ahead.

MR. CASH: I do appreciate the advice on professional courtesy. I obviously need it.

If everybody is ready, I'd like to go on with my deposition.

Q (By Mr. Cash) Okay. Mr. Adams, we were talking about how busy the bank was. Do you remember those questions before our break?

A Yes, sir.

(Exhibit E4

was marked
for identification.)

Q Okay. So I just wanted to introduce Exhibit E4, which you see -- which you have there on the computer in front of you. So I'm just showing you that this is an email chain. The second page here is from Rick McClanahan, vice president, Pensacola, Florida.
Do you see that?
A I do.
Q Okay. Do you recognize him?
A I don't know Rick.
Q Okay. All right. It says here it's known as the number one most reputable bank. And it's addressed to borrowers, as far as I can tell. Mr. McClanahan is saying, "I want to thank each of you for your patience as we chartered these new waters together. The first round of the PPP was stressful for all of us."
Would you agree with that statement?
A I think it would -- many people would say that it was stressful given the

urgency and short timing.
Q He goes on and he says, "I know many of you were losing sleep because we were talking on the phone at 11:00 and 12:00 at night either getting your application ready or discussing the mechanics of these funds."
Do you see that?
A I do see that.
Q Okay. So when you said the bank was busy, this is the type of activity that you were talking about?
A Yes. It's -- yes.
Q Okay. I mean, it looks like to me the bank was totally crushed with applications; is that fair?
MR. BATES: Object to the form of the question.
A I'm not sure what you mean by "totally crushed."
Q Well, would you say the bank was extremely overloaded with these applications in this short period of time that you mentioned?
MR. BATES: Object again.

A Yeah. Again, when you say "overloaded," I'm not -- there were a lot -- there were a lot of applications, but that's a relative term, and it certainly didn't overload our systems. But there's a time component so there's a significant desire to serve as many customers as possible, and there was uncertainty around the timing that funds would be available so our bankers moved with urgency. And unknowns can create tension and stress.
Q I mean, you're familiar with the fact that the CARES Act money in run one completely ran out across the country, right?
A Yes.
Q And wasn't it true that there was a general impetus in the banking industry to get loan applications through fast so the customers could get funded before that pool of money ran out?
A That's fair, yes.
Q He says here in this email, "We're still processing PPP applications as they trickle in. We would consider this

process a success for our clients, having funded over 19,000 applications to date."

How does that compare with the workload for the SBA team say in a comparable six-week period prior to the time that the PPP was enacted?

A It's an apples-and-oranges situation. The process of originating PPP applications is very different than the process of originating an SBA loan, and it's an entirely different and expanded staff.

Q Okay. All right. I'm done with that. And like I said to the lawyers, I'm going to put that in a folder here and I'm going to send you everything that I use with this witness at the end of this deposition. I will send them to the court reporter of course.

So just to get a little more color on the application process, how does the borrower in a PPP loan communicate with the bank in the application process? I'm kind of asking you to tell me what are the steps the borrower would take in dealing with the bank from start to getting funded.

A I would say in some cases they may -- it depends on the borrower. These loans ranged in size from a thousand dollars to, you know, multimillion dollar loans. So their knowledge and level of relationship with a dedicated relationship manager would vary. In some cases they would have dialogue with the relationship manager. In some cases they would get information we put on our website or that they received through email communication. And other than that, it would be through our online process, information posted there with instructions and tips for what's required as you apply.

And then through the process there would be the ability to -- at certain stages of the process, the customer could have responded to an email that they received that would have gone to an email box where they could -- we would have a team that would answer those questions. Other cases they might have to -- they may be able to call our customer care center. And then other customers may choose again to go through their relationship manager.

Q Their relationship manager, you said?
A Yes.
Q And would that be a person that sits in a retail branch?
A Not necessarily, no.
Q Okay. Where else would they be?
A They might be in a commercial banking office.
Q Okay. Do you know about how many people at the bank worked on the loans -- worked on the application process bringing these loans in and trying to validate and process them?
A I would need to clarify. Do you mean any -- we had multiple work cues, different groups that had a different responsibility to include the development of the portal from a technology perspective all the way through closing and funding and communication. So do you mean directly reviewing applications at some stage of work?
Q I see what you're saying. Maybe you can break it down for me. I'm primarily

interested in those who would have had interaction with borrowers.
A Yes. I would say around 400 people -- and this is an estimate -- that would have had some likelihood of having an opportunity to interact with a client, but the need to interact with a client might vary.
Q Did you have people working overtime in this capacity?
A A few. Many team members are exempt and would not have necessarily had hourly tracking.
Q When you say "a few," who had overtime and for what roles are we talking about?
MR. BATES: Object to the form.
If you understand the question, go ahead and answer.
A The specific roles, it could have been in a few different stages of the process. We had a group that reviewed the online portal submissions and would have, you know, made sure that the information was accurate and matched it to a customer on our

system and processed it forward to send the initial email to clients. That was kind of the first step in the process where they would attach required documents, fill out some things on the SBA form, and send it back to us. So that first stage was probably the most likely to have a team member that was nonexempt and may have incurred overtime as result of their work.

Q Are those the processors?

A We would use the term "processor" generically in this program because we pulled team members in from other roles. There's not a job title for these individuals, per se. So the term "processor" is used very generically.

Q Who were the kinds of people that were pulled in from other roles?

MR. PRATHER: Can you repeat your question?

MR. BATES: I'm having trouble hearing you, Bill. That's why I asked.

MR. CASH: Sure. And to be honest, you're getting a little blurry so I'm wondering about your connection or mine.

MR. BATES: It's probably yours.
MR. CASH: Yeah, it probably is.
Q (By Mr. Cash) So I'm asking -- you said that you had other people that were pulled in from other roles to help in this generic processor role for PPP. So what kinds of people were pulled in?
A We used -- to be honest, it was broad. We utilized commercial bankers. We utilized portfolio managers and, in some cases, underwriters. We had branch managers in a limited capacity in some cases who were involved. We utilized our commercial assistants for part of the process. Of course our SBA team, in addition to their day job of processing traditional 7(a) loans, would have been involved in processing these loans as well and supporting that.
Q Okay. So just so I'm clear, the workload on the bank was so heavy that you pulled people out of their regular jobs to step in and serve as PPP processors because there was that much work to do?
MR. BATES: Object to the form.

A I would say that differently, that the demand and requests during this period of time from our clients shifted as well. So there was -- this was the greatest need for the majority of our clients in the small business and commercial segment, and so we responded to that by having that team support it as well.

Q Do you have any idea of the number of hours that were expended in accepting, reviewing, and processing PPP loans?

A I could not calculate an estimate of total man hours. No, sir.

Q Okay. Do you have an idea of what it would take to do one loan?

A Can you repeat the question?

Q Sure. When it comes to communicating with the customer about the rules and the requirements, accepting the information from the customer, reviewing it, quality checking it, validating it, whatever steps are involved there in getting that loan to finally be funded, do you have an idea of workload involved for that -- for

one loan?
A It would vary widely because of the size and complexity of a borrower, the quality of the financial information they provided. But, yes, in general I understand the steps and the time it may take. Yes.
Q And so what's your estimate there?
A Again, I'm not telling you that I could give you an estimate on the time. I'm sorry. That's -- I understand the work involved. I'm not sure I can tell you a predictable time it would take because there's unknown variables.
Q Who would have that information?
A I don't believe it's a question that can be answered in the way you've asked it.
Q Okay. How would you get that information?
MR. BATES: Object to the form. You want this witness to speculate?
MR. CASH: I think it was a pretty straightforward question.
MR. BATES: I know you do. I

object.

A Let me try to answer it this way. The process of the first stage of a client submitting their online form and our team reviewing that and saying -- if the customer gave us their appropriate tax ID number and business name and account number, that's very straightforward and there's not much review time involved in that. Some clients may have mistyped information, and so the process to go through the high volume would take a little bit of time at that first stage. So for some clients it could be 30 seconds. For some clients it could be two days because it would require communication with that client in some cases to confirm, and we can't predict the time that that would take to hear back.

Similarly, I cannot tell you a specific timeline involved for the customer to upload all of the documents in the second stage that might be required. Some clients may be ready to provide that immediately. Some may take longer.

In the underwriting stage, what

we called reviewing the loan, it's not really underwriting but reviewing the loan amount calculation. Again, if we have clear records, that could take, you know, one to two hours. If there's missing documentation, you could be waiting two days to hear back from the client, and in some cases much, much longer at that stage of the process. Some more complex businesses may take more than one to two hours if there's, you know, a large number of employees and lack of quality information. I can't venture an estimate. It could be five to six. Some may take seven to eight hours if it's very, very complex. That would be a speculative-type estimate.

And then the closing and funding process is fairly straightforward, dependent heavily on the customer returning their documents, and in some cases there's issues with the SBA system that would impact the timing, and that's completely outside of our control.

Q Suffice it to say, it's easier on the bank if the financial information that's provided by the borrower is complete, is accurate, and is correct. That puts less burden on the bank; isn't that true?

MR. BATES: Object to the form.

A I would say not necessarily because our -- we have a requirement on every application to confirm borrower's calculation regardless. So we have to go through that process regardless of the quality of the information.

Q But to follow that a little further down the trail, then, if the calculation is correct, you can move on to the next stage. If the calculation is not correct, then the bank has to do the work talking back to the borrower and trying to get numbers sorted out; isn't that correct?

A Ultimately our obligation was to confirm the calculation, not to reconcile it to the penny. So it becomes a process of, you know, is the right documentation there and can we support the loan amount. It's -- there's not a requirement that we reconcile every loan application to the penny on the calculation.

Q Sure. But I guess that doesn't really -- and I appreciate that, but that doesn't really get to where -- you know, what is the outcome if the calculation is correct versus the outcome if the calculation is incorrect? I guess here's my question. If the calculations are wrong and the bank can't fund the loan, doesn't that involve the bank having to go back to the customer and work the problem out?

A The calculation itself is actually not difficult. It's two and a half times average monthly payroll. What would create time sometimes is around interpretation, you know, around eligibility. Is the business type eligible? Are certain types of compensation to be included in average monthly payroll? And confirming the customer understands those requirements.

Q And which roles of the bank would have that job of dealing with eligibility issues with the customers? Would that be the team of generic PPP processors as you called them?

A That would be -- we typically would have referred to that stage as underwriting, but it's actually loan amount validation is what they are doing. Again, they are not -- the obligation for certifying eligibility was the customer's obligation. However, there is a -- you know, we would still review that to make sure that we are not originating applications where the customer's understanding of eligibility is maybe not consistent with how we view the CARES Act.

Q Okay. I want to apologize. I guess I'm not following. You're saying that the burden on eligibility is ultimately on the customer. The bank checks anyway just to make sure it's not submitting a fraudulent application or something; is that right?

A That's right. And they're our customers and so we want to lift up and make sure they're aware if we see a disconnect in eligibility.

Q If you saw such disconnects, you contacted your customers and tried to

explain them and work them out, right?
A We would reconcile and try to work through any discrepancies, yes.
Q Okay. And that involved a cost on the bank in terms of hours and data?
A It would.
Q And how could we quantify or measure that?
A I think it would be very difficult to quantify that in any kind of meaningful way that's consistent.
Q Would there be records of those kinds of communications, for example, like emails?
A There would likely be emails between the team members working in that part of the process and customers.
Q And would those be in the system then?
A Would they -- I'm sorry. Would they be in the system? Is that your question?
Q Yeah. Would you have a system that captures those communications that we could refer to if we needed?

A Yes.
Q If you had exceptions or errors or questions on an application, was there a code or a flag on the application that was placed or triggered by anybody?
A I don't know if I would call it a code or a flag, but we had a way to identify loans not around eligibility, per se, but around is the information from this applicant, does it match our system, can we identify that they are a Synovus customer.
Q Would the bank benefit from an application that is clean and doesn't have errors on it compared with an application that's going to require the bank to go back and reconcile issues with the borrower?
A Can you ask that question again?
Q Yeah, sure. Would the bank benefit from receiving a clean application that is properly eligible, has the correct calculations, and is supported with all the right documents versus receiving an application that might not be eligible, might have bad calculations, might be missing necessary supporting documents?

A We would be able to process that application more quickly.

Q Okay. Wouldn't that mean then there would be more time to process another application for a different client?

MR. BATES: Object to the form.

A It may mean that. There are certainly other considerations as well around availability of funds and that sort of thing that are unknown. But it would make easier -- the processing is easier if all the documentation is there the first time.

Q Okay. And I guess that's what I'm getting at. So that would mean that you would have freed up some labor resources to work on a different application which would allow the bank to do more business if applications coming in are correct; is that not true?

MR. BATES: Object to the form.

Answer if you can.

A Yes.

Q I'm going to ask a little bit about your systems. I'm switching gears a

little bit.
When it comes to communication with borrowers, is there a company email system that the bank operates?
A Yes. We use Outlook.
Q And do you have an email or document pertaining to the policy that discusses which emails should be saved and for how long?
A We do have a document retention policy. I cannot tell you that I have a detailed knowledge or that I've studied that policy.
Q Sure. Is the whole company on the same system to your knowledge?
MR. BATES: I can't hear you.
A Could you repeat the question? I'm sorry. We lost you for one second.
Q Sure. Is the whole company on one system, or is it possible that different divisions or different locations are on a different system?
A We have one email system.
Q Do you know if people in headquarters would have insight into emails

that are sent and received by relationship managers?

MR. BATES: We can't understand you, Bill.

MR. CASH: Is it an audio problem or a language problem?

MR. BATES: Audio. Well, language sometimes, but that time it was audio.

Q (By Mr. Cash) I'm asking if people in headquarters have the ability to get insight to read the emails that are sent by the people in the branches?

A I think if necessary that could be done. It's not done in the ordinary course of business.

Q Okay. Have you done that at all in connection with Sport & Wheat or any claims in this case?

A Yes, as it relates to this matter. As I mentioned earlier, in our -- with what information we have, could find, you know, two matters of correspondence with a relationship manager that appears to have come from Sport & Wheat.

Q Okay. Let me ask about cell phones. Does the bank issue cell phones to its employees to use?
A Generally, no. We have a bring-your-own-device policy.
Q Okay. Does the bank consider that text messages sent from cell phones in the course of doing business are actually bank records?
A I'm not sure when you say "does the bank consider." You know, that may be outside my realm of expertise to know what we consider communication. Yeah. I can't answer your question.
Q Well, when you say people bring their own device, are you saying that people in the bank are permitted to use their personal phones to text customers in the furtherance of company business? Is that allowed?
A No. We have a policy that communication with customers should not take place with text.
Q Okay. Nevertheless you're aware that it occurs, right?

A Yes.
Q Okay. In this case, have you reached out to everyone in the company to find out if they have any text messages involving this?
MR. BATES: Again, the tail end of your question disappears on the audio.
Q (By Mr. Cash) I'm asking if the bank has taken the opportunity to search for text messages that are relevant to this case.
MR. BATES: I think at this point let me interject for the record that we have asked and you have offered but not provided information about the borrower or whoever the borrower might be, so it is impossible for that to be identified. I last followed up on your request -- pardon me. I last followed up on the offer contained in your documents that you would provide the name or names of borrowers by email to you on June 2nd. We don't know who the borrower is or where they are, and the bank has 5,000 plus employees. The suggestion that somehow or another we're supposed to know what's on all

those phones regardless of any way to narrow the search is both unreasonable and totally beyond the scope of a sixteen-hundred-dollar claim. So I'm going to say at this point in time the bank has not done that because the bank cannot do that. And whatever assistance you could have rendered, you've elected not to give us even though you offered it initially.

Q (By Mr. Cash) Mr. Adams, what's your answer to my question?

A I'm going to ask you to ask it one more time, please.

MR. CASH: Maybe the court reporter could read it back.

(Record read.)

A No.

Q Has the company put a litigation hold in place for documents that relate to this case?

A Yes.

Q And what's the scope of the hold? Who was it communicated to and what was communicated?

MR. BATES: I think that's beyond

the 30(b)(6) instructions.
You can answer if you know.
A I only -- I could say that I know I'm included. I know that a couple other people from our steering committee, I remember their names being on the hold notice. But I can't say that's the general scope because I did not study that.
Q Do you know if it went to -- made it down to the retail branch funnel? You don't know one way or the other?
A I don't recall.
Q Okay. But it is possible that there are other people in the same position as Sport & Wheat in other states and other branches beyond the one Sport & Wheat used who believe they have a claim for agent fees in connection with the PPP, correct?
MR. BATES: Object to the form.
A Is it possible? Is that your question?
Q Yes.
A Yes. It would be possible that there would be others with that question.
Q Okay. And do you know if the

bank has taken steps to try to identify if such people exist?

A Yes. We asked for any communication received regarding agent fees to be directed to our general counsel's office, and so I'm aware of occurrences where such communication was directed.

Q Okay. Who did those agents communicate with inside the bank?

MR. BATES: I'm sorry I keep saying this, Bill, but your questions break up.

MR. CASH: I apologize. I'm going to try to get even closer and see if that -- if that doesn't help.

Q (By Mr. Cash) Okay. You're saying there are people who say they claim agent fees. Who did they make the communication to at the bank about this request?

A That would have gone to Neil Kinnebrew in our general counsel's office.

Q Okay. You're telling me that an agent like Sport & Wheat communicated directly with the general counsel?

MR. BATES: Object to the form of the question.

A It may have been in the form of a relationship manager who received the question passing it along to our general counsel, to Neil to respond for Synovus.

Q Okay. Could you spell Neil's last name for me?

A I can try from memory. K-I-N-N-E-B-R-E-W.

Q Thank you.

Okay. So I'll just tell you in the bank's filings in the court, the bank has said that there were only nine people that it is aware of that asked about agent fees. And I'm wondering if those communications are the ones you're describing that are in possession of Mr. Kinnebrew.

A Yes. That's what I am referring to.

Q Okay. But how did the bank gather those nine people? I mean, I'm thinking the most thorough way, for example, would be to shoot an email to everyone in the company saying we're looking for information on this. Did that happen or did something else happen?

MR. BATES: Object to the question, to the form, and it's beyond the 30(b)(6) description.

To the extent the witness knows, you may answer.

A I believe with the information we have being the name Sport & Wheat, we likely did an email search to identify any email regarding that firm.

Q But how did you guys find the other eight people who asked about agent fees? What was done to identify those people.

MR. BATES: Again, I reiterate it's beyond the 30(b)(6) instructions.

To the extent you know the answer, that's fine.

A I believe we asked for any communication received, when it was received, to be sent to our general counsel's office to help address those questions.

Q Okay. We're getting somewhere. But what I want to know is when you say "we asked," who did you ask?

MR. BATES: Again, 30(b)(6) definitions don't include this.

Answer if you know.

A I don't know.

MR. CASH: Okay. All right. Just for the record, that was topic 1F, the bank's communications with PPP agents and requests for information from PPP agents for PPP loans. So it was a topic that we asked him to appear on.

MR. BATES: You presume -- pardon me.

Q (By Mr. Cash) Is there any other information you might have on that topic at all other than what you've told me?

MR. BATES: The bank didn't recognize PPP agents.

MR. CASH: I'd like to hear it from the witness.

MR. BATES: Yes, sir.

A Can you restate the question?

Q (By Mr. Cash) Sure. One of our

topics was the bank's communications with PPP agents and requests for information from PPP agents for PPP loans.  And my question simply is what else can you tell me about that topic.

A          I can tell you that we would not have had communication with PPP agents because we did not have a transaction where an agent was involved.

Q          Well, Sport & Wheat was a PPP agent.

A          We don't have record of Sport & Wheat or any other firm being a PPP agent in a PPP loan through Synovus.

Q          Okay.  Just so I'm clear, is it the bank's -- you're testifying on behalf of the bank.  Is it the bank's knowledge -- are you saying in the bank's information then it does not know anything about what Sport & Wheat had to do with any of the loans that the bank funded?

A          With the information that we have right now, we're not aware of Sport & Wheat's involvement on a PPP transaction.

Q          Okay.  Understood.

I want to talk a little bit about your systems again if that's okay. So does the bank have a system that tracks the files for loans made under the PPP?

A Can you say more what about you mean "tracks the files"?

Q I guess all I'm really asking is the kind of foundational question of do you have a computer or mainframe or database where you maintain your records of PPP loans?

A Yes.

Q Okay. And I want to know is this -- I'm going to assume this is not a new system you guys invented just for the PPP given the timeframe. Is that true?

A I can't answer the question in that form. Just there are -- I will clarify. We did use existing systems in a way that was different than we have used them in the past to fulfill this program. We also did use new software and new technology in this program that we had not used before specifically to transfer documents securely from the customer to the

bank.
Q Are we talking about the portal there?
A An element of the portal, yes.
Q Okay. Well tell me about the existing systems that you used to fulfill the PPP. What are the names and what do they do?
A We would have used our website, Synovus.com, to capture information and provide information to the customer through the original submission. We would have used Salesforce for internal processing of the loan. We would have used DocuSign to securely receive documents and send documents to the customer, also for the execution and signing of those documents electronically. The loans are booked to our Core system.
Q Say that again.
A The loans are booked to our Core system like any other loan. Those would be -- and then, you know, we would have used email for communication. Those would be the primary systems that come to mind.

Q Okay. The Core system, can you tell me a little bit more what about that means, what that is?
A It's just our bank mainframe, FIS.
Q Okay. So when it came time to write PPP loans, you stored them on a system that stored other loans?
A Did you say "scored"?
Q Stored, processed. I'm asking where physically are the records of what the loans were. That's the mainframe; is that right?
A Yes. I'm sorry. Stored, S-T-O-R-E-D, is what you said. Yes, the loan was -- the loan data is ultimately stored on FIS.
Q Okay. Is there a way to pull loans from that system and know that we're pulling loans that were written under the PPP versus some other program or some other process of the bank?
A Yes.
Q Okay. I mean, I assume they carry a code or a flag of some kind?

A Yes.
Q Okay. And what's the name of the person or the department who has authority over that system?
A Who has -- I'm sorry. Did you say who has authority on that?
Q Right. Who is responsible?
A Our technology department.
Q Okay. And is that located there in Columbus?
A There are team members many, many places. We have multiple offices.
Q Okay. When you talk about -- you mentioned email being a possible communication for PPP loans. Is there a filing system for those emails?
A That's outside of my technical knowledge around a filing system for emails.
Q Okay. Let me see if I can come at it another way. You've got the loans booked on the Core system. Let's say six months from now I want to go back and see if there were email transactions in connection with a specific loan. Would there be a way to do that?

A The only way I would know to do that is to search email through technical means that our IT department would have to assist with using information about the loan as a search criteria.
Q Okay.
A But I would say I am not an authority on email search functionality across the enterprise.
Q I appreciate that. Do you know though -- are you an authority on this? Is there a policy that says when we write a loan, we need to track all the correspondence that led up to that loan in a file of some kind?
A Not in the manner that I understand you to be describing.
Q Okay. Is there any policy that requires to save correspondence in connection with a loan?
A I would need to review our document retention policy and other policies to answer that question. At this point I have not researched that.
Q Okay. Understood. So let's talk

about your policy for paying or not paying agents in connection with PPP. For the record, I guess I'd just like you to state what is the bank's policy on whether to pay agents in connection with PPP.

A We do not pay agent fees and do not have agents involved in our loan process.

Q And when that decision was reached, was there any consideration of how not paying agents might affect the profitability of the bank?

A I'm sorry. Can you ask that again? I just want to make sure I'm interpreting your question the right way.

Q You said you were present when the bank made the decision not to pay PPP agent fees. You personally were involved in that decision, right?

A Yes.

Q Okay. So I guess what I'm asking is when that decision was reached, did the bank take its own profitability into account in making that decision?

A We would have considered whether

there would be processing benefit and time considerations in whether or not agents were used.

Q Okay. But saving that time and that benefit would drop down to the bank's bottom line, right?

MR. BATES: Object to the form.

A It would be unclear at that point in time because our obligation is to review every application and confirm the documentation and the loan amount regardless of whether there was assistance in the application.

Q Okay. But did the bank take into account the fact that agents could feed the bank cleaner applications and could therefore permit the bank to process more loans and make more money?

A Not in the sense that you've asked the question about processing more loans.

Q Well, in what sense?

A I would say in the sense of the time that it may take from an efficiency standpoint but not in processing more loans, per se. There's, you know, a general understanding that there's uncertainty around just a lack of understanding how many applications would be ultimately processed and how much time would be involved, but I wouldn't say that the consideration was whether we'll be able to do 2000 or 10,000. That wasn't really the consideration in that decision.

Q Okay. But the bank was aware that agents could help the bank by providing it higher quality applications. That was part of the process that you guys went through when you decided not to pay agent fees.

MR. BATES: Object to the form of the question.

Answer it if you understand it.

A I would say that was at best a secondary consideration.

Q Okay. Are there any considerations that went into that decision that we have not discussed?

COURT REPORTER: Repeat the question. I'm sorry.

Q (By Mr. Cash) You said that was a secondary consideration. I just want to know are there any considerations that went into the decision to pay or not pay agent fees that we have not already discussed in this deposition, and if so, would you tell me what they are?
A I would say the considerations were around -- first around what would be necessary in the process to complete an application. Right? The documentation requirements were fairly straightforward. It's documents our customers would have or have access to. You know, the ability to -- would our customers be able to complete the two-page application with the information that they have available, and would we be able to confirm that information without the assistance of any sort of third party? And so for us -- and I would say also our existing business practice of not utilizing agents was probably part of that consideration. And then I'd say that the fact that there wasn't a legal requirement to do so probably was a consideration as

well.
Q Okay. Let me ask you about that. I'm going to show you the Federal Register, the interim final rule number one for the PPP. This is another document. I hope you'll be able to look at it.
A Is it okay if we take a restroom break while you do that?
Q Absolutely.
(Short recess.)
Q Okay. All right. Are you seeing the document?
A Yes, sir. I see it. It's very small, but I do see it.
Q Okay. Well, I will zoom in on it. Let me identify it for the record. This is Exhibit L3, and this is a copy of the Federal Register from April 15, 2020. This was the interim final rule for the PPP.
(Exhibit L3 was marked for identification.)
Q I know you already mentioned this. You're familiar with this ruling generally. You know this rule exists,

correct?

MR. BATES: I'm sorry but your audio is garbled.

Q (By Mr. Cash) I'm just asking if you're aware of this rule at all. Yes or no?

A I've reviewed all of the interim final rules. The number and content, I would need a reminder on the number and content.

Q And we're going to go there. That's all I wanted to get at is just to make sure that you're the guy and you're aware of the rule.

Okay. So I'm going to take you to the part of the rule that is relevant to this case. I'm sure you've seen it. I'll move ahead to Page 6. I will zoom in for you. This is the lower left. We're looking down here at the very lower left under Paragraph C. So this is in our complaint. Everybody in this litigation is aware of this part of the rule. I'm just going to have you read this part, Paragraph C. Do you see this part?

A Yes, sir, I see it.
Q This is the part that says, C, "Who pays the fee to an agent who assists the borrower? Agent fees will be paid by the lender out of the fees the lender receives from SBA. Agents may not collect fees from the borrower or be paid out of the PPP loan proceeds." And then it goes on.
So, first of all, were you familiar with that part of the rule?
A Yes, sir.
Q Was that rule part of the deliberation process when it came to deciding whether or not to pay the PPP agent fees?
A So I cannot recall the timing of which rule was in place prior to April 3rd. I do know there was some language -- some interim final rules in place at the time. I don't recall if it was this specific one or not.
Q Okay. So you're saying you're not sure if this rule was in effect and was in the mind of the bank at the time the bank made its decision not to pay PPP agents?

MR. BATES: Bill, I am so sorry. Maybe it's my hearing. Maybe it's your talking. Maybe it's the technology. But if you could maybe speak up and a little clearer, I'd be grateful so I understand the question.

MR. CASH: I appreciate that. Again, I apologize. I'm kind of yelling over here.

Q (By Mr. Cash) So my question is -- it's just following up on your answer, and I'm asking to make this clear. I think your answer was you're not sure if the rule we just read was in the mind of the bank when the bank made the decision not to pay the PPP agents their fees.

A We were aware of the CARES Act language and subsequent interim final rules. I'm just saying I'm not -- because there have been a number of these and follow-up corrections and clarifications, I'm only specifying that I can't recall if it was this exact one. But certainly this is consistent with what we would have understood at the time.

Q Let me ask you this. If the rule was in effect and had been issued to the banking industry by the time you guys made the decision, which you said was around April 1st or April 2nd, would you have taken it into account if it would have been law at least at that time?

A Yes.

Q Okay. Well, how do you square your policy of not paying agents with the language in the rule that says agent fees will be paid by the lender out of the fees the lender receives from SBA?

MR. BATES: Object to the question. It's beyond the 30(b)(6) instructions, and you're asking for a legal conclusion from the witness who is not a lawyer.

MR. CASH: I think it's the central question in the case so I'd like to get an answer.

MR. BATES: If you can answer his question. I don't want you to tell him about the conversations you had with a lawyer. But if you can answer his question, feel free to give it a try.

A So you said how do I square what we just read with our practice?

Q Right.

A So I think, you know, again, our business practice has been in our SBA business we have not had a business need to utilize agents. And, you know, we don't see that as being an affirmative obligation to use agents.

Q Okay. If the bank had made the decision to use agents, in your words, would the bank then consider it obligatory to follow this rule?

MR. BATES: Object to the form of the question. It poses a hypothetical that the witness can't answer.

A Can you maybe ask that a different way?

Q Well, you're telling me, We didn't pay the agents because we made a business decision not to have agents. Is that the gist?

A It's part of the consideration,

yes, sir.
Q Okay. So what I'm asking you is, if you had used agents, would you have followed this rule?
A If we had made a business decision to use agents, yes, we would have -- we would have had to follow this rule regardless.
Q Okay. And you would have paid agents their fees out of the fees you received from the SBA?
A That's -- it is somewhat hypothetical, but we would have followed the requirements of -- and have followed the requirements of this program from the beginning.
Q Okay. Well, I mean, it says -- and I can pop it back up -- agent fees will be paid by the lender out of the fees the lender received from SBA. So, you know, just asking again here, if you had an agent present, you would have considered it necessary to pay the agent fees as it says in the rule, correct?
MR. BATES: Object to the form of

the question. You're asking the witness to give you a legal conclusion.

MR. CASH: Well, I'm asking what the bank would have done.

MR. BATES: You're asking speculation on a 30(b)(6) witness about what the bank would have done in circumstances that didn't occur.

MR. CASH: Okay. Well, I'd like to get an answer from Mr. Adams.

A You know, from a business standpoint, we would have made every effort to follow the requirements of the program, no matter what the circumstances.

Q And that would include paying agents their fees?

A If an agent -- if we made the business decision to use agents, we would have -- I think we would have paid those agents.

Q Okay. Now, you told me that the decision to pay agents or not pay agents was made around April 1st or 2nd, whenever it was. You pinned it down to that approximate week. I want to know if there are documents where I can go to find the record of the decision. And I know we discussed earlier you said there might be meeting minutes. There might be one-on-one emails about it. If the decision was made on a teleconference, maybe you would have emailed one of your colleagues, Hey, we just said this on the phone. Here's what we're going to do.

Those are all places I can go to find the decision, right?

A I don't -- to the extent that there was a phone conversation, I'm not sure how that would be something we could go find. But I do think that we would have documented certain key decisions, this being one of them, in our -- in the log of kind of our implementation program that I referred to earlier.

Q Okay. Would those decisions have gone anywhere else? And so I'm kind of brainstorming. I'm wondering would they be -- you know, would the decision not to pay agents have been sent out in an email? Would it have been posted on your intranet?

Would it be in some operations manual or some policy? That's a lot of words. My question is, is there anywhere else that the decision would have been written down or communicated inside the bank?

A It's possible. I think likely we would have -- we would have, you know, communicated that on -- you know, we had many calls with our broad team, meaning not just those processing but bankers, you know, to answer questions about the CARES Act, and it could have been something that was referenced on one of those calls for awareness. It's possible that it's in email communication or some type of FAQ document somewhere. We'd have to research that in detail to determine.

Q Okay. Can you name anybody who would have issued those communications or be responsible to maintain those communications?

A Yeah. Our project management team that supports the business team, you know, may have a record of those. Our corporate communications team would assist typically in any kind of broad message we sent out to our team. And, you know, I think from an email search standpoint, we would always use -- we would go through our technology area to search email with search criteria.

Q And do you know if -- it sounds like a search for this type of communication has not yet been done. You're not aware of it?

A I'm not aware of a search specifically for communication of a decision.

Q Okay. I'm not trying to cut you off.

A No. That's the end of my answer.

Q Now, about communicating that decision outside the bank, so to borrowers, to people who believed they were acting as PPP agents, tell me about communications the bank made externally to tell people we're not paying agents in this case.

A So primarily we utilized the process that the customers go through when they apply, meaning we would have information on our website as they begin to apply that tells them about our process generally, the documentation that's required, the fact that we'll be using email communication, that they'll be getting, you know, a request to submit documents through DocuSign. And in that communication we would have referenced that we are not working with agents in the PPP program.

Q Specifically what communication are you referring to?

A Website communication, information posted on our website.

Q Okay. And I guess I'm going to ask you to be as specific as you can about where on the website that would have been.

A We refer to that as a bumper page. It's a page that you access as you click through. I mean, obviously websites have layers, right? So if you're going to the CARES Act information and then specifically to the Paycheck Protection Program. And then as you click to apply or you're interested in applying, you would come to a page with a long list of bullet

point information about the process.
Q Okay. And one of those bullet points would have said -- and I'm asking you to be as precise and specific as you can about what that bullet said if you can remember.
A Yes. It would have been something to the effect of Synovus is not working with agents or compensating agents as part of the Paycheck Protection Program.
Q When was that posted?
A At some point prior to April 3rd -- or likely on April 3rd.
Q Okay. I'm going to assume that the tech team had to be -- the people who maintain the website had to be communicated to to say here's what we're posting on this bumper page. Here are the bullets, correct?
A Correct.
Q Who sent that communication from and to? How did they get that information?
A Our marketing team was the primary point of contact to communicate and help word what went on that page, and they have, you know, direct involvement with our

IT to actually post that on our website. It's possible that could have been done in a meeting and that information could have been communicated by the project team, a project manager role. But likely it would have come directly from marketing to technology.

Q Are there records of that transmission that we could have access to? In other words, marketing emailed the website people. That would be an email. Do you know if that email is available? Or was it posted, you know, on a file server? Does that file exist? How do we get that communication?

A We would use any sort of search -- the same email search by who the potential senders would have been. I'm not an authority, again, on how that search process works, but I would consult with an internal technology resource and explain to them what I was looking for and they would help me get it.

Q That's fair. Do you have any information about the individuals who would have been on either end of that communication? Like do you know the name of the marketing person or the technical person?

A So the marketing person would have been Laura Hanley.

Q Can you spell that for me?

A Laura, L-A-U-R-A, Hanley, H-A-N-L-E-Y.

The project management resource would have been Ashley Edgington, A-S-H-L-E-Y E-D-G-I-N-G-T-O-N.

And then on the technology side, I don't know that I know the specific individual that they would have communicated to initiate that request.

Q Okay. Was it a bank policy to refuse to work with agents or was it simply the policy that we're not going to pay them?

MR. BATES: Again, I'm sorry, Bill. Could you repeat that so I can hear it?

MR. CASH: I do apologize.

Q (By Mr. Cash) I'm asking was it a bank policy just to refuse to pay agents or was it a policy specifically not to work

with agents?
A I would say our policy was that we are not working with agents. It was not so much a policy as much as our process didn't call for it.
Q Well, if an agent assisted a borrower, say an accounting firm helped a borrower make an application, would there be -- would that be cause to reject the application just because an agent assisted a borrower in a particular transaction?
A No. But I would clarify. You said "agent" and "accountant." If it's -- I mean, I'm not sure -- any number of people could have assisted a borrower so I don't -- you'd have to clarify what you mean by assist. But in general who did or did not help a borrower or answer questions for a borrower was not a means to not process a loan application.
Q Okay. I think I understand that. So if the bank was aware that an agent was helping a borrower, the bank would go ahead and permit that loan to get processed. You would not reject that loan?

A Again, I'm going to ask -- you know, you're using the term "agent" in a specific way, and we don't have a way to know who an agent is. We would have no way to know the information that you're kind of referring to. So if we were aware that, you know -- is a controller who works for the owner an -- I mean, there's no specific indication to know who's an agent, who's not an agent. So, you know, I think we would -- that wasn't in the criteria set. I mean, customers would likely have people they would ask questions to. That wasn't part of our decision criteria to move an application forward or not.
Q Okay. Well, you're aware that "agent" is a term that's presently defined in the SBA's regulation per Section 7, right?
A Yes.
Q And I'm just going to quote it to you. I can show it to you, but it's faster if I just read it.
It says, "An agent means an authorized representative, including an

attorney, accountant, consultant, packager, lender, service provider, or any other individual or entity representing an applicant."

So we're clear on that's how SBA defines agent, right? We agree on that?

A Yes.

Q Okay. So that was the definition I was using when I asked you the questions about whether the bank would reject a loan if it had been submitted by an agent. Would that change any of your answers now that we have that definition clear?

A No. I don't think it does.

Q All right. So now I want to turn to -- well, let me ask you one more thing.

If the bank became aware that an agent was part of a transaction, was it the bank's expectation that the agent was just going to work for free and not be compensated?

A So I think what I -- again, when you say "an agent was involved in a transaction," an agent is typically a documented somebody -- you know, to your reading of the definition, I don't know if any of those individuals are acting in a capacity as an agent. There's no form. There's no -- there was nothing contemplated in the directions for the PPP program to know that information. So we wouldn't have had an expectation one way or another about whether -- because we wouldn't have known whether somebody had an understanding that they're an agent or not.

Q Well, the definition you just read, and I'm happy to show it to you, but it says an agent means representative representing an applicant. So, you know, if an agent is the one communicating with the bank on behalf of the borrower, doesn't that fit the regulatory criteria for who an agent is and doesn't that make it pretty easy for the bank to understand who's acting as an agent?

MR. BATES: Object to the form of the question. It's compound. It assumes the witness is a lawyer, which he's not.

A I agree with that. I'm not a lawyer. You know, I would just say there's

not a way to know that the person we're communicating with is -- we would not assume that they've been authorized to be an agent.
Q Okay. Well, first of all, did you know that the bank was working with various small businesses on these PPP loans?
A Yes.
Q And the bank was aware that some of these extremely small borrowers would need help from CPAs, consultants, or even lawyers to pull the information together that's necessary to apply for the loan?
A Yes. In terms of sharing information or asking for copies of documents, yes.
Q Okay. And so wouldn't those accountants be agents of the borrowers as defined under the program?
MR. BATES: Again, I object to the form of the question in the sense that it calls for a legal conclusion on the part of the witness.
A Yeah, I would say not necessarily. In our experience, customers have varying degrees of working with CPAs.

Some rely on them to keep copies of documents and maybe ask for them to email a copy of a tax return. Some may have a comfort level in asking questions. Some may not. I think you would expect there to be some communication between a customer and somebody like that, but that would not necessarily in our view be an agent-type relationship.

Q Okay. But you are aware that businesses would need to rely on the services of an accountant or consultant or lawyers to put together applications, correct?

MR. BATES: Again, object to the form of the question in the sense that you presume things that have not been testified to previously.

A I don't -- I don't think it's a -- it would be -- you said "need to." I don't think that is a -- I don't think that's an expectation that that would be a requirement, a need. It's going to vary from borrower to borrower.

Q Let's put it this way. You're

aware that some borrowers would rely on those kinds of services?

A They may seek them, yes.

Q Okay. And when it comes to the application process, the bank did not have any way for borrowers to identify that they relied on the services of agents on the portal, for example?

A Correct. We largely asked the questions on our portal that were necessary to fill out the SBA form, and that wasn't part of it.

Q Okay. So to sum this up, even though the bank was aware that some borrowers would seek the services of accountants, consultants, or agents in general, the bank did not ask borrowers if that had happened?

MR. BATES: Again, I object to the form in that it presumes that the bank was aware of what you define as accounting services. This witness can only speculate.

You can go ahead and answer the best you're able.

A I mean, I think we would have

awareness or an expectation that some customers may reach out for copies of documents or things like that. There would be no reason to ask that information on a loan application for that reason. That's part of the ordinary course of business on every loan transaction.

Q Okay. So I think we're agreeing here. You're saying the bank had an expectation that those professionals would be involved in supporting the business, and the bank admits it did not ask borrowers whether they in fact used those services. That's all I'm trying to establish.

MR. BATES: Object to the form. It's a compound question and presumes things he hasn't testified to.

A I don't know that we're saying the same thing. You're talking about performing services. I think -- I'm aware of the -- I think we -- the CPAs generally and many -- even that AICPA indicates that this is -- there's an element of just part of the client relationship between our borrower and the services they've already provided. It's a different expectation. Every loan transaction, there would be -- we don't ask customers, Hey, who are you working with? Even in our SBA business, that -- many of our 7(a) borrowers have -- you know, are probably getting information from a CPA, but that's not something we ask of them for purposes of whether or not there's an agent involved.

Q Well, if the bank were to become aware, have actual notice that an accountant was helping to support a borrower's application, then the bank would know that an agent was involved in the transaction, correct?

MR. BATES: Object to the form. It presumes the term "agent" applies.

A We would -- we would know there was a firm, another firm besides the borrower that the borrower was communicating with about it.

Q Okay. Let me show you a couple more documents. Okay. This is a two-page email chain, and I want to direct your attention to just identifying the person at the bottom and then talking about what occurred. You know email chains always read from the bottom up. So I'm really only interested in this section just to identify a couple of things. Let me know when you guys are ready and I will try to make it a little bigger. Does that help?

So I want to just point your attention here to the bottom to identify this person because we're going to talk a little bit more about her. Do you see Anna Weaver? She works at Synovus. She's a Retail Market Manager III in Pace, Florida. Do you see that?

A I do.

Q Do you know her? Are you aware of her at all?

A I don't know Anna personally, but it appears she's one of our retail market managers in Florida.

Q Okay. So she's emailing here with Fla. Stat. 90.5055, and he's a client of the bank. I don't know if you know Fla. Stat. 90 5055

A I do not know Fla. Stat.

Q Okay. You see here on March

27th, the day President Trump signed this into law, it says, "Jill Sport, she has been discussing the upcoming CARE loans with you and she is sending our returns so we can expedite the process once the loans are in place.  I will be working on getting our personal financial statement to you as well today, per Jill's instructions."

That's writing to Anna Weaver. Do you see that email?

A I do.

Q Okay.  And then ten minutes later Ms. Weaver writes back and says, "Sounds great.  That will definitely help.  Have a wonderful weekend."

Do you see that email?

A I do.

Q So wouldn't this communication -- these communications we've looked at be the type that would put the bank on notice that Jill Sport of Sport & Wheat was assisting borrowers in processing their loan applications?

MR. BATES:  Object to the extent you're asking the witness for a legal conclusion.

A I think this would not really tell me anything more than a CPA provided a copy of a tax return for a client.

Q Okay. But isn't that part of the application process? Doesn't that help speed up the application?

A At this point we would not have even communicated any required -- we would not have known what the requirements are even going to be yet.

Q Okay. But Ms. Weaver says, "That sounds great. That will definitely help." It certainly looks like somebody from the bank says a tax return from an accountant will be helpful, doesn't it?

A I don't -- I don't know that I would say that Ms. Weaver is an authority on what was going to be required for the program at that point in time.

Q Okay. Well, she works for the bank and she has authority to communicate with borrowers on behalf of the bank, right?

A Correct.

MR. CASH: Okay. That was

Exhibit L1. For the record, we're just looking at Page 2. There's other stuff on Page 1 that's irrelevant. I will put that in as Exhibit L1.

(Exhibit L1
was marked
for identification.)

MR. BATES: If you'd include the entire exhibit as L1.

MR. CASH: Yeah. I was just stating for the record we were looking at Page 2. And I will also tell you if there are attorney/client privileged information on any of these exhibits, I'm going to be redacting that.

Q (By Mr. Cash) Okay. So I want to discuss a little bit -- now the bank is aware that Jill Sport is going to help assist borrowers. We just saw that. And I want to know if you think any of the things that Sport & Wheat did -- I'm going to represent to you that Sport & Wheat did these things. I'm going to ask if you think it would have assisted the bank. So would it have assisted the bank if Sport & Wheat had counseled borrowers on whether to apply for a PPP loan or not?

MR. BATES: Object to the foundation. Object to compound questions. You have assumed in your question things that the witness has not acknowledged or testified to.

MR. CASH: All right. We have a stipulation on the objections so you can object to form and all those other objections are preserved. But that's my question.

MR. BATES: Did you understand?

A I don't see much in that communication other than a copy of a tax return. That doesn't seem to add -- I mean, I have no way to know whether the customer even could have had a copy of that tax return on their own. It's the first time I've seen that email.

Q And I'm not talking about the email anymore so I don't want to confuse you. I'm asking in general.

If Sport & Wheat had counseled a borrower whether to apply for a PPP loan or whether not to apply for a PPP loan, would that have assisted the bank?

A There's no way to know the answer to that question. I can't presume what you mean by assisted or what that would have done. I don't know how to answer that question.

Q Okay. If Sport & Wheat had advised borrowers on what the law was, what the requirements of the program were, would that have assisted the bank?

A That in and of itself, it's impossible to know whether that would make a difference to Synovus or not.

Q Well, Mr. Adams, you told us that 400 people had been pulled in and would have had some communication with borrowers in some capacity. You told us that people were taken off their other jobs and pressed into service as PPP processors.

MR. BATES: Object.

Q (By Mr. Cash) We saw the email where Mr. McClanahan said that they were working until 11:00 and 12:00 at night. And you told me that the bank was busy. So there was a lot going on at the bank.

My question is, if Sport & Wheat had helped borrowers understand what the requirements were for the PPP, wouldn't that have assisted the bank so the bank employees could go and do the other things that they needed to do in the program?

MR. BATES: Object to the form of the question first as to the pejorative of pressing someone into service. Secondly, I object based upon the presumption that they would be applying to Synovus Bank as distinct from any other bank. Third, as to whether or not the bank would be satisfied that it discharged the obligation. I object to the question on the basis of form and any number of different reasons, and I articulate them only so that you might have an opportunity cure it.

MR. CASH: Okay. Listen, your objection is longer than the question, and it's getting into coaching. So I would just like to get an answer to the question and just keep the objections to the form, please.

A Can we restate -- can we repeat the question?

Q Sure. I'm happy to ask it again.

My question is, if Sport & Wheat counseled a borrower about the rules and requirements of PPP, and we'll assume that the borrower then went on and successfully funded with Synovus, wouldn't that have assisted Synovus?

A I would say that's -- it may. It may not. We would have to go through all the same steps. We'd still have to review all the documentation. We'd still have to confirm all the calculations. And the borrower would still have to make all the same certifications. So there's no reduced risk that allows us to skip certain steps in the process if that were to have occurred. And I'd have no way of knowing, or we would have no way to know whether that advice -- the hypothetical advice you referenced resulted in a different loan process.

Q Well, it would have saved communications between the bank and the borrower, true? If the agent counsels the borrower on what the rules are, that takes the burden off the bank to do the same thing, doesn't it?

A We had communicated guidelines for the program, provided reference and links to, you know, guidance about the program to customers. We made all that available to everybody. So I'm not sure it would have made a difference on an individual application basis.

Q What about if Sport & Wheat had assisted borrowers in collecting their documents and making sure they had the right documents in hand when they filed the application? Wouldn't that have assisted the bank?

A I see that as assisting the applicant who -- I mean, from our standpoint, once we get the document -- now, you could say that if we reviewed a -- if we opened a ticket and didn't have the right information, we'd have to take the time to send a notice to that customer that they still need more information to complete the process, but it would just go back to them to provide -- it would be in a holding pattern until we got all the right documentation.

Q Let me walk you through some text messages if I can. Do you see that?

A I do see that.

Q Okay. So I'm going to mark this as Exhibit L2.

(Exhibit L2 was marked for identification.)

Q And these are text messages between Anna Weaver, the bank manager we just -- whose email you just confirmed, and Jill Sport. Okay. And I just want to walk you through the communication that Sport & Wheat did have with the bank and then ask you some questions about it.

So if you look here at the bottom, this first one is April 3rd. It says, "Guess you've heard Regions went live and crashed immediately."

And Ms. Weaver applies, "Oh, my Lord."

Do you see that?

A I do see that.

Q Okay. So I'm just trying to orient you here. It's April 3rd and a bank employee is texting with Jill Sport about borrowers.

Here later on in the chain Ms. Sport says, "I'm about to make a bloody Mary. I swear."

And Ms. Weaver texts back a picture of -- it looks like pinot noir. Do you see that?

A I do see that.

Q Okay. And Ms. Sport here says, "Other banks are asking for bank statements to support payroll amounts. Any idea if that's going to be required by you?"

Do you see that one?

A I do.

Q I mean, by this point you can already tell that the bank is now aware -- is aware on April 3rd that Jill Sport is communicating with the bank on behalf of borrowers, correct?

MR. BATES: Object to the form of the question. I will just leave it there

per your prior request.
A Yes. We would be aware that we're communicating with an individual, a CPA.
Q Okay. And I'm not going to read all these texts out loud, but you can see here she says you don't require it. They're talking back and forth here about being in the test phase saying that the system will be available by the end of the week.
I'll take you a little further into April 3rd. Do you see Ms. Sport text back a picture of a website saying, "It's up"?
And you can see here that Ms. Weaver says, "Gimmee that goose."
Do you see that?
A I see that.
Q Ms. Sport says, "I was watching the site."
And Ms. Weaver says, "Thank you, Jesus."
Do you see that one?
A Yes.
Q Further on Ms. Weaver starts

talking about tax IDs, checking accounts, and so on.  So, again, it's not disputable that Ms. Sport was in contact with the bank talking about how to apply for PPP loans, right?

MR. BATES:  Object to the form of the question.

A I'm sorry.  Can you ask that last question one more time?

Q Sure.  I'm saying by April 3rd it's pretty clear that the bank employee was aware that Jill Sport was looking to participate in the program on behalf of her client.

MR. BATES:  Same objection.

A I don't know that this -- the bank employee would know that there is a -- presuming that they know who Ms. Sport is. I don't have any knowledge of the prior relationship or communication between these two individuals, so it's hard to know what would have been inferred by the banker other than there is a CPA that's assisting a mutual client in some form.

Q Okay.  On the next page,

Ms. Weaver texts a screenshot to Ms. Sport saying, "Here's what you can expect," including some bullets.

Ms. Sport writes back with more pages from the website.

Again, this just confirms that the bank was aware that Ms. Sport was looking to help with an application process, doesn't it?

MR. BATES: Object to the form. It does not.

MR. CASH: I'm sorry. What was that?

MR. BATES: I object in that you presume the answer in your question.

MR. CASH: I'm asking the question and I want the answer.

A Please ask it again.

Q (By Mr. Cash) Don't these texts show that on April 3rd the bank was aware that Jill Sport was helping borrowers apply through the bank's portal?

MR. BATES: Same objection.

A I think they would -- there would be some indication that this individual was, you know, in some form helping or asking questions.

Q Okay. About the borrowing process, right? There's no other way to read this, is there?

A I can't infer what from this exchange or from what you're showing me, which I'm seeing for the first time, what Ms. Sport's intention may have been with this, what she would have done with this information.

Q Okay. Even though you saw the previous email where these two individuals communicated and it said she will be helping with the process. Ms. Weaver said, "It sounds great." You read that, but you still don't think these texts support that the bank knew that Ms. Sport was following through on that communication?

A I would have to look at this closer to understand what maybe the intent was.

Q Okay. Well, Page 6 Ms. Weaver says they're checking eligibility for each applicant, following up with the application and document request.

Page 7 Ms. Sport is talking about we don't have forecasted monthly expenses for two months. They're asking what utilities are. Ms. Weaver writes back, "Hell fire and damnation. I don't know," talking about the application.

Ms. Weaver says, "Let's go to a spa I know in San Antonio after this is over."

Do these texts support that Ms. Sport was helping put an application to the bank? Wouldn't this support that the bank knew Ms. Sport was trying to make an application?

A It would indicate that this Ms. Sport is, you know, doing something in the process, you know, submitting information it appears on behalf of the customer.

Q Okay. Now, you said you have not seen these before. And is Ms. Weaver violating the policy you said about not texting customers?

A She would be.

Q Okay. So is it possible that there are other bank employees who engaged in similar messages with agents?
A It's possible.
Q And you have not searched for text messages like this from anyone that you're aware of?
A I have not.
Q Okay. But you now know they exist because I'm showing them to you, right?
A I know that this one exists.
Q Okay. On Page 8 -- I won't belabor this. Page 8 it's now April 4th. Ms. Weaver writes back and says they're pulling them in in batches of 500. They received 8,000 applications on Friday. It's pretty clear they're talking about an application, isn't it?
A It is.
Q Here's Page 9. It's a copy of the Synovus email that would have gone to clients. Do you see that?
A I do see that.
Q Okay. I'm not going to read all

these. Page 11 she says, "Hey, Sweetie, they're still working through submissions. Majors was texting me at 10 last night. I'm sure they will receive something."

Again, I just wanted to show you that there were texts back and forth between the bank and Ms. Sport.

Now you see on April 6th, "Do you have the ability to see what's going on with the Fla. Stat. 90 5055 [redacted]

Now, I want to advise you if you read the complaint, we referred to Borrower C in the complaint, and that's because we wanted to preserve the privacy of businesses in the public eye. But I'm happy to tell you that Borrower C is Fla. Stat. 90.5055 [redacted]

MR. BATES: At this point I want to interject on the record that when you served your discovery, you told us on May 27th that you would be happy to furnish the name of the borrower. In fact, you said -- let me finish. You said, On request plaintiff will supply the bank with sufficient information to identify all such borrowers. And on June 2nd, I asked for that so that we could prepare our 30(b)(6) witness for the questions you're going to ask. And I suggest you have deliberately withheld that information until today when we could have done our own research and had a witness prepared on this topic to answer your questions.

MR. CASH: Philip, I will accept your representation that your witness was not prepared by you on loans that your bank knew full well involved my client. I'll accept it. But I'm going to conduct my deposition and ask my questions. If your witness doesn't have these documents because he didn't look for them, then fine. You can explain that at the relevant time. But I'm going to ask my questions.

MR. BATES: No. I know you're going to ask the questions. I'm saying that you have deliberately hid the ball on what you represented up front you would do and you did not.

MR. CASH: Yeah. I don't agree

with that. We're clearly identifying the borrower right now, and the bank knew about it as you can see. So I'm going to proceed with these questions, and I'd appreciate if you want to object, object to the form. Otherwise, I'll do my job.

MR. BATES: I'd like to take a break.

MR. CASH: No.

MR. BATES: I would like to confer with my co-counsel.

MR. CASH: I don't want to take a break right now. I want to finish this line of questioning. That's not a valid reason to take a break. Now, I'm going get through these texts.

Q (By Mr. Cash) Now, Mr. Adams, it says here, "Do you have the ability to see what's going on with Fla. Stat. 90.5055 You see again Ms. Weaver talking about -- saying she's surprised there's no communication from the bank.

COURT REPORTER: Mr. Cash, you're garbled. I can't really understand you.

MR. CASH: I don't know how to

get any closer than this or yell any louder. I'm very sorry.

Q (By Mr. Cash) Mr. Adams, do you see the text on Page 12?

A I do.

Q Okay. So, again, this is pretty clear evidence that Ms. Sport is communicating with the bank about this borrower, correct?

MR. BATES: I object to the form in the sense that you say that it's pretty clear.

MR. CASH: Okay.

Q (By Mr. Cash) What's the answer, Mr. Adams?

A It appears that there is communication between these same two parties.

Q Okay. I'm flipping ahead to Page 15 -- actually, 14.

So Ms. Weaver at this point says the bank has rejected eleven hundred applications due to TIN or name mismatch. Those customers will get phone calls. They're in the system.

I think the bank -- I think you told me that there was a cue for dealing with applications that had problems and that had name mismatches. Didn't you say that earlier?
A Yes, sir.
Q Okay. Is that what she's texting about here?
A It appears to be.
Q Okay. And you see on Page 16, April 6th, Jill Sport says, I think we found the problem. The questionnaire asked for the legal name, and that's what the Coyles put down.
Ms. Weaver writes back to say, "Can it be corrected?"
And Ms. Sport says, "Working on it."
Do you see that?
A I do.
Q So isn't this a statement where the bank is asking Ms. Sport to correct the problem on the application so the bank can process the loan?
A I don't see that explicitly. I

see that they're asking about, you know, the issues and exceptions and asking if it's something that can be changed on their side. So it would presume there's some involvement.

MR. PRATHER: Mr. Cash, we're going to go ahead and take a break now. I need to take a break. I think we've got some lunch here so we're going to go off the record here.

MR. CASH: You can take a break. That's fine. How much time do you need?

MR. PRATHER: I think for us to eat lunch maybe half an hour, give or take.

MR. CASH: That's fine.

(Lunch recess.)

MR. BATES: Mr. Cash, while we're on the record, I'm going to ask you one more time to please send me the complete documents you intend to present to the witness so that I can look at them before you ask the witness questions about it.

MR. CASH: I'm going to let you see them as soon as I put them up.

MR. BATES: I have not been able

to see an entire document yet.

MR. CASH: Well, you can sit by the witness and see all the documents that I'm putting up.

MR. BATES: I want to see the entire document before you start asking questions about the document to the witness.

MR. CASH: If you want I'll send you the text messages one at a time. We can do it that way. Or you can just sit there and read them. I have seven left. I'm not going to send you my exhibits in advance, just like you wouldn't send me everything that's on the table in front of you. It's just not how it works.

MR. BATES: It is how it works. And what's on the table in front of me is work product. What's in front of you is documents you intend to ask my witness about. And I'm entitled to see them before the witness does.

MR. CASH: Well, I'm going on with my deposition. I'm taking us back to Exhibit L2. We're on Page 18.

Q (By Mr. Cash) Mr. Adams, this is

continuing on with the messages between Anna Weaver and Jill Sport. You see it says April 7th. Now, Jill is saying, "Hey, I just found out that Hancock is going to pay us if we sign an agent acknowledgment form and provide a W-9. Have you heard if Synovus plans to do anything in the regard?"
Do you see that text?
A I see that text.
Q Okay. Now, this is five or six days, by my math, after Synovus made the decision on April 1st or 2nd not to pay agents, correct?
A That's correct.
Q Okay. And so although that decision had been made, at this point Ms. Weaver, who is acting as a relationship manager out in the field, replies and she says, "I have not heard. Larry might know more."
Do you see that?
A I see that response.
Q Okay. Do you have any idea why Ms. Weaver would not have been aware of this policy?

A I can't speculate why she may not have been aware.
Q Should she have been aware of the policy on this date?
A Yes, she should have.
Q Okay.
MR. BATES: Let me interrupt. Mr. Cash, is this a redacted document?
MR. CASH: I'm going to produce more than what I'm showing, but I grayed out the areas that I'm just not interested in asking about to make it clearer to the witness what it is we are and aren't talking about.
MR. BATES: I object to you producing only a portion of the document you want to ask the witness a question about.
MR. CASH: Well, it's a stream of texts. So if the texts aren't relevant to the case, you would never get them.
MR. BATES: You know what? You're asking questions about particular portions of a conversation without having the entire conversation disclosed, and that is fundamentally not correct.

MR. CASH: Okay. All right. I'm going to go on with my questions.

MR. BATES: Again, I object to your producing part of a document to ask a witness questions where the witness doesn't have the opportunity to examine the context in which the comments are made.

MR. CASH: No. I disagree.

Q (By Mr. Cash) All right. I'm going switch to different texts at this point because she's referring to Larry, Larry Strain. Are you familiar with Larry Strain?

MR. BATES: Object. I don't see where it identifies Larry's last name.

Q (By Mr. Cash) Mr. Adams, are you familiar with Larry Strain?

A Yes.

MR. PRATHER: We need to take a break real quick.

MR. CASH: No. We just did take a break.

MR. PRATHER: Mr. Cash, we're taking a break. Okay? We're taking a break.

MR. CASH: No.

MR. PRATHER: Mr. Cash, we're taking a break.

MR. CASH: You take a break, that's on you. We're not taking breaks. I want to continue on.

MR. BATES: Go ahead. He won't answer until you get back.

MR. CASH: I'm going on with the questions. I am the officer taking the deposition. You're not taking a break. We just took a break.

MR. BATES: We have a technical issue at this end, Mr. Cash. Maybe you could use this break time to send me the documents.

MR. CASH: If you walk out of the deposition, that's a failure to appear.

MR. BATES: We're not walking out.

MR. CASH: That's your choice, but that is a mistake. We have just taken a break. I am sorry that you guys didn't collect the documents that you have and that you're not aware of them, but I have them.

I'm using them. There is no rule that says I have to show you every exhibit I plan to use.

MR. BATES: There is a rule that I'm entitled to see the exhibit before you put it in front of the witness.

MR. PRATHER: Madam court reporter, we're off the record. We're stopping the deposition.

MR. CASH: I refuse -- I am paying for this deposition. We are not going off the record. I am going to continue on with the questions. If the witness wants to walk out, I'm going to ask the questions to an empty chair. I'm not playing games with you guys.

MR. BATES: Oh, yes, you are. You have been.

Q (By Mr. Cash) Mr. Adams, do you know who Larry Strain is?

MR. PRATHER: Mr. Cash, we are off the record.

MR. CASH: We are not off the record. I refuse to go off the record. I am taking this deposition. The record is going to show everybody walked out. I'm taking a screenshot and I'll attach that to the deposition.

(Exhibit S1
was marked
for identification.)

Why are you taking the break?

MR. PRATHER: Mr. Ramsey has a call that he has to take. I'm waiting for him to get off his call.

MR. CASH: I am taking the deposition. I'm sorry that your lawyer can't sit there and do the deposition. After you guys lectured me about professional courtesy, this is highly irregular. You just had your break. Take your calls on your own time. You all agreed to be here.

COURT REPORTER: Mr. Cash, you're the only one here.

MR. CASH: That's fine. I need to make my record. Did you in fact stop recording anything?

COURT REPORTER: Just then when I said that you were the only one here.

(Off the record.)

MR. BATES: Mr. Cash, we're going to move to terminate or limit the deposition under Rule 30(d). Under federal rule 30(d), we are entitled to see documents before they're put to our witness. We are entitled to have the witness consider the document in context. And with respect to the way this is being posed without the preservation -- pardon me -- without the prior communications that you had promised, we think there are grounds to terminate the deposition under 30(d)(2) -- pardon me -- 30(d)(3), and so we're going to do that.

MR. CASH: I will tell you that under 30(c)(2), if you have an objection to the evidence, to the parties' conduct, to the officers' qualifications, or the manner of taking the deposition, or any other aspect of the deposition, that must be noted on the record but the examination still proceeds. That is the rule. If you have a problem with the documents, the rule is telling you to sit there and let me finish my deposition. If you think you want to file a 30(d) motion, that's your right, but you're making a mistake. You're cutting off questions that I had that did not relate to exhibits. I am not finished with my exam. The witness has not appeared on all the topics. The witness wasn't prepared on all the topics. And if you're really intending to go forward with this, we will brief the issue. This is wrong. And there are questions -- I want it to be clear. There are questions I would have asked that did not involve these documents that you think are in dispute. You're not doing this in good faith.

MR. BATES: Oh, I'm doing it in good faith.

MR. CASH: All right.

MR. BATES: I've never been treated this way in a deposition before ever.

MR. CASH: I'm going to reserve my remarks.

MR. PRATHER: Madam court reporter, we're closing the office and you're free to go.

MR. CASH: I want to continue to record everything that was in the room please.

Ms. Court Reporter, did you get all the comments?

COURT REPORTER: Yes.

MR. CASH: I'm going to attach as an exhibit a screenshot of this, you guys walking out, as Exhibit S1.

(Deposition adjourned at 1:24 p.m.)

SIGNATURE OF WITNESS

I, ______________________________,
do hereby certify that on this __________ day of __________________ 2020, I have read the foregoing transcript and to the best of my knowledge it constitutes a true and accurate transcript of my testimony taken by oral deposition on June 18, 2020.

______________________
WITNESS

Subscribed and sworn to
before me this ________
day of ________________,
2020.

________________________________
NOTARY PUBLIC

# C E R T I F I C A T E

I do hereby certify that the above and foregoing transcript of proceedings in the matter aforementioned was taken down by me in machine shorthand, and the questions and answers thereto were reduced to writing under my personal supervision, and that the foregoing represents a true and correct transcript of the proceedings given by said witness upon said hearing.

I further certify that I am neither of counsel nor of kin to the parties to the action, nor am I in anywise interested in the result of said cause.

Karen Hinch

KAREN HINCH, CSR
CERTIFIED COURT REPORTER

E R R A T A  S H E E T

| Page | Line | Correction | Reason |
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