

1 IN THE UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF FLORIDA
3 PENSACOLA DIVISION
4 SPORT & WHEAT CPA PA,)
5 a Florida corporation,)
6 individually and on)
7 behalf of a class of)
8 similarly situated)
9 businesses and)
10 individuals,)
11 Plaintiffs,) CIVIL ACTION NO:
12 VS.) 3:20-CV-5425
13 SERVISFIRST BANK INC;)
14 SYNOVUS BANK; et al.,)
15 Defendants.)

16
17 Deposition of Steve Adams
18 June 18, 2020
19 9:30 a.m.
20 At the offices of Butler Wooten & Peak
21 105 13th Street
22 Columbus, Georgia 31901
23 Court Reporter: Karen Hinch
24
25

1 A P P E A R A N C E S

2

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I N D E X

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Examination by Mr. Cash

6

EXHIBIT INDEX

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1 was marked
2 for identification.)

3 Q Okay. So I just wanted to
4 introduce Exhibit E4, which you see -- which
5 you have there on the computer in front of
6 you. So I'm just showing you that this is
7 an email chain. The second page here is
8 from Rick McClanahan, vice president,
9 Pensacola, Florida.

10 Do you see that?

11 A I do.

12 Q Okay. Do you recognize him?

13 A I don't know Rick.

14 Q Okay. All right. It says here
15 it's known as the number one most reputable
16 bank. And it's addressed to borrowers, as
17 far as I can tell. Mr. McClanahan is
18 saying, "I want to thank each of you for
19 your patience as we chartered these new
20 waters together. The first round of the PPP
21 was stressful for all of us."

22 Would you agree with that
23 statement?

24 A I think it would -- many people
25 would say that it was stressful given the

1 urgency and short timing.

2 Q He goes on and he says, "I know
3 many of you were losing sleep because we
4 were talking on the phone at 11:00 and 12:00
5 at night either getting your application
6 ready or discussing the mechanics of these
7 funds."

8 Do you see that?

9 A I do see that.

10 Q Okay. So when you said the bank
11 was busy, this is the type of activity that
12 you were talking about?

13 A Yes. It's -- yes.

14 Q Okay. I mean, it looks like to
15 me the bank was totally crushed with
16 applications; is that fair?

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

19 A I'm not sure what you mean by
20 "totally crushed."

21 Q Well, would you say the bank was
22 extremely overloaded with these applications
23 in this short period of time that you
24 mentioned?

25 MR. BATES: Object again.

1 A Yeah. Again, when you say
2 "overloaded," I'm not -- there were a lot --
3 there were a lot of applications, but that's
4 a relative term, and it certainly didn't
5 overload our systems. But there's a time
6 component so there's a significant desire to
7 serve as many customers as possible, and
8 there was uncertainty around the timing that
9 funds would be available so our bankers
10 moved with urgency. And unknowns can create
11 tension and stress.

12 Q I mean, you're familiar with the
13 fact that the CARES Act money in run one
14 completely ran out across the country,
15 right?

16 A Yes.

17 Q And wasn't it true that there was
18 a general impetus in the banking industry to
19 get loan applications through fast so the
20 customers could get funded before that pool
21 of money ran out?

22 A That's fair, yes.

23 Q He says here in this email,
24 "We're still processing PPP applications as
25 they trickle in. We would consider this

1 Q Their relationship manager, you
2 said?

3 A Yes.

4 Q And would that be a person that
5 sits in a retail branch?

6 A Not necessarily, no.

7 Q Okay. Where else would they be?

8 A They might be in a commercial
9 banking office.

10 Q Okay. Do you know about how many
11 people at the bank worked on the loans --
12 worked on the application process bringing
13 these loans in and trying to validate and
14 process them?

15 A I would need to clarify. Do you
16 mean any -- we had multiple work cues,
17 different groups that had a different
18 responsibility to include the development of
19 the portal from a technology perspective all
20 the way through closing and funding and
21 communication. So do you mean directly
22 reviewing applications at some stage of
23 work?

24 Q I see what you're saying. Maybe
25 you can break it down for me. I'm primarily

1 interested in those who would have had
2 interaction with borrowers.

3 A Yes. I would say around 400
4 people -- and this is an estimate -- that
5 would have had some likelihood of having an
6 opportunity to interact with a client, but
7 the need to interact with a client might
8 vary.

9 Q Did you have people working
10 overtime in this capacity?

11 A A few. Many team members are
12 exempt and would not have necessarily had
13 hourly tracking.

14 Q When you say "a few," who had
15 overtime and for what roles are we talking
16 about?

17 MR. BATES: Object to the form.
18 If you understand the question,
19 go ahead and answer.

20 A The specific roles, it could have
21 been in a few different stages of the
22 process. We had a group that reviewed the
23 online portal submissions and would have,
24 you know, made sure that the information was
25 accurate and matched it to a customer on our

1 MR. BATES: It's probably yours.

2 MR. CASH: Yeah, it probably is.

3 Q (By Mr. Cash) So I'm asking --

4 you said that you had other people that were
5 pulled in from other roles to help in this
6 generic processor role for PPP. So what
7 kinds of people were pulled in?

8 A We used -- to be honest, it was
9 broad. We utilized commercial bankers. We
10 utilized portfolio managers and, in some
11 cases, underwriters. We had branch managers
12 in a limited capacity in some cases who were
13 involved. We utilized our commercial
14 assistants for part of the process. Of
15 course our SBA team, in addition to their
16 day job of processing traditional 7(a)
17 loans, would have been involved in
18 processing these loans as well and
19 supporting that.

20 Q Okay. So just so I'm clear, the
21 workload on the bank was so heavy that you
22 pulled people out of their regular jobs to
23 step in and serve as PPP processors because
24 there was that much work to do?

25 MR. BATES: Object to the form.

1 A Yes.

2 Q If you had exceptions or errors
3 or questions on an application, was there a
4 code or a flag on the application that was
5 placed or triggered by anybody?

6 A I don't know if I would call it a
7 code or a flag, but we had a way to identify
8 loans not around eligibility, per se, but
9 around is the information from this
10 applicant, does it match our system, can we
11 identify that they are a Synovus customer.

12 Q Would the bank benefit from an
13 application that is clean and doesn't have
14 errors on it compared with an application
15 that's going to require the bank to go back
16 and reconcile issues with the borrower?

17 A Can you ask that question again?

18 Q Yeah, sure. Would the bank
19 benefit from receiving a clean application
20 that is properly eligible, has the correct
21 calculations, and is supported with all the
22 right documents versus receiving an
23 application that might not be eligible,
24 might have bad calculations, might be
25 missing necessary supporting documents?

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

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

6 MR. BATES: Object to the form.

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

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

21 MR. BATES: Object to the form.
22 Answer if you can.

23 A Yes.

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

1 and document request.

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

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

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

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

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

25 A She would be.