EXHIBIT A

yourself first.

(Witness examines evidence.)

Q Okay, sir. Do you recall reviewing this IFR when it was published?

A Yes.

Q And, when you reviewed this when it was published, what was your understanding of this IFR?

A This IFR was a consolidated IFR that was issued after the passage of the -- well, it's for loan forgiveness and loan review as provided by the Economic Aid Act.

Q And we haven't talked about the Economic Aid Act yet. What is that?

A The Economic Aid Act was another of the stimulus . . . stimulus acts, or programs, that was passed by Congress and signed by the President. I believe it was signed at the end of December.

Q Okay. And so this IFR is saying anything from the Economic Aid Act overrides any conflicting past, previous guidance in the FAQs, and the SBA will be revised in the FAQs; correct?

A It does state SBA will be revising the FAQs. It overrides any conflicting guidance in the FAQs. So, if there wasn't conflicting guidance, then the other guidance would stand. And it says that the SBA will be revising the FAQs to conform.

limitations though. I want to point that out. Right before that.

Q And where does it say the limitations?

A That same sentence. "Section 7A of the Small Business Act provides that, subject to several important limitations, borrower shall be eligible for forgiveness."

Q Right but this was an add-on to the 7A; correct?

A That's correct.

Q And correct me if I'm wrong, 7A SBA loans are directly from the SBA to the actual borrower?

A No, they are not. They are guaranteed loans, as well.

Q Okay. So, when is the SBA proceeds ever come into play with regard to a 7A loan, is it only during either the guaranty when there's a default, or with a Paycheck Protection Program when there's actually forgiveness?

A Yes. The government funds would only come into play for a 7A loan in the event of a guaranty purchase, as you suggest -- or when a guaranty is honored. Or in the case of the Paycheck Protection Program forgiveness. Some of the funds, though, are also issued to lenders for processing loans. They are paid a fee in the PPP loan. I just want to point that out.

Q But, with a borrower who has not defaulted on the loan, and a borrower who has not applied for forgiveness, there's no SBA proceeds applied to that loan.

A Not to the loan; correct. There would have been proceeds applied to the lender for making that loan.
Q That goes to the lender.
A That goes to the lender. Correct.
Q But no SBA proceeds going to the borrower.
A No SBA proceeds going to the borrower; correct.
Q And do you have any direct knowledge or information about the Target Roofing PPP application?
A None. No.
Q And none about the forgiveness eligibility, nothing; right?
A No. I don't know if a forgiveness application was submitted.
Q You don't even know if a forgiveness application was submitted.
A That's correct, I do not know.
Q Okay. And you made a comment about if the SBA . . . I think -- I don't want to paraphrase it, so correct me if I'm wrong. If an applicant uses the proceeds knowingly wrong, the SBA will ask them for repayment?
A Actually, if the SBA -- I'm not sure that that's what I said.
Q All right. Well, tell me. I want your words.
A Okay. If -- if the SBA -- if a borrower knowingly uses the proceeds for an unauthorized purpose, the borrower could be

held legally liable. Could be prosecuted. Such as for charges of fraud.

Q Okay.

A Are you getting to when payment in full could be required? Is that what you want to be --

Q Yeah, sure.

A That would occur if the SBA finds that a borrower is ineligible, which could also stem from a knowing misuse of funds.

Q So knowing misuse of funds would qualify as ineligible for the SBA to be able to demand the money back from the borrower.

A It would depend upon the facts and circumstances of the case, but if there's an inadequate basis for the borrower to make the certifications that the borrower attested to in the PPP loan application, then SBA could declare the borrower to be ineligible for the loan.

Q Is that a could or will standard for the SBA?

A That's a could.

Q What's the difference between could and will?

A Well, again, it depends upon the facts and circumstances of the case. The loan review would look at the case, and they would make the determination based upon weighing all of the facts and circumstances of that issue.

Q And are you aware that the SBA has not requested or