EXHIBIT B

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
____
UNITED STATES OF AMERICA, ex
rel. BRYAN QUESENBERRY,
Plaintiff,
v. No.
JMG INVESTMENTS, INC. and 2:20-cv-08497-MWF-AS
JEFFREY SCHWARTZ,
Defendants.
____

VIDEOTAPED DEPOSITION OF
JEFFREY SCHWARTZ

DATE: Wednesday, August 6, 2025
TIME: 10:37 a.m.
LOCATION: United States Attorney's Office
300 North Los Angeles, Room 7516
Los Angeles, CA 90012
OFFICIATED BY: Angelina King

Job No. CS7449664

A P P E A R A N C E S

ON BEHALF OF PLAINTIFF UNITED STATES OF AMERICA, EX REL. BRYAN QUESENBERRY:

PADEN GALLAGHER, ESQUIRE
JARED WIESNER, ESQUIRE
Department of Justice, Civil Division, Fraud Section
175 North Street Northeast, 9th Floor, Room 10.1332
Washington, DC 20002
paden.gallagher@usdoj.gov
jared.s.wiesner2@usdoj.gov
(202) 305-1789
(202) 353-1274

ON BEHALF OF DEFENDANTS JMG INVESTMENTS, INC. AND JEFFREY SCHWARTZ:

RICHARD RODGERS, ESQUIRE
Shane DiGiuseppe & Rodgers LLP
3125 Old Conejo Road
Thousand Oaks, CA 91320
rar@lawsdr.com
(805) 230-2525

ALSO PRESENT:

Julio Pena, Videographer

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P R O C E E D I N G S

THE OFFICER: Good morning. My name is Angelina King. I am the deposition officer assigned by Veritext to take the record of this proceeding. We are now on the record at 10:37 a.m.

This is a deposition of Jeffrey Schwartz taken in the matter of United States of America vs. JMG Investments, Inc., et al., on Wednesday, August 6, 2025, at 300 North Los Angeles Street, Room 7516, Los Angeles, California 90012.

I am a notary authorized to take acknowledgements and administer oaths in California.

Additionally, absent an objection on the record before the witness is sworn, all parties and the witness understand and agree that any certified transcript produced from the recordings of this proceeding:

- is intended for all uses permitted under applicable procedural and evidentiary rules and laws in the same manner as a deposition recorded by stenographic means; and
- shall constitute written stipulation of such.

This proceeding will be recorded via

video technology by Julio Pena.

And at this time will everyone in attendance please identify yourself for the record, starting to my right.

MR. GALLAGHER: Good morning. Paden Gallagher on behalf of the United States.

MR. WIESNER: Jared Wiesner on behalf of the United States.

MR. RODGERS: Richard A. Rodgers on behalf of the deponent witness, Jeffrey Schwartz.

THE OFFICER: Thank you. Hearing no objection, no one else swear in the witness. Mr. Schwartz, can you raise your right hand?

WHEREUPON,

JEFFREY SCHWARTZ,

called as a witness and having been first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

THE OFFICER: Thank you. You may proceed.

EXAMINATION

BY MR. GALLAGHER:

Q All right. Good morning, Mr. Schwartz. Could you please state your full name for the record?

A Jeffrey H. Schwartz.

Q Okay. They're one and the same. So Harmony Place is just a doing business --
A DBA.
Q A DBA. Okay. Do you know off the top of your head what the EIN number for JMG is?
A Yes.
Q Okay. And when I say JMG, you know I'm talking about JMG Investments. Right?
A Yes.
Q What is the EIN number?
A [redacted]
Q Okay. And you were the whole owner of JMG, but in turn JMG owns other entities. Correct?
A Correct.
Q And what entities are those?
A Dela Rosa Operations, Inc., and Valley Restoration Center. Valley Restoration Center, Inc., is -- is really a separate corporation. I mean, they all, all three of them have separate EIN numbers.
Q Okay. But they're all wholly owned by JMG. Correct?
A Dela Rosa is wholly owned. Valley Restoration Center is -- is a separate corporation. It's not wholly owned by -- by JMG, but I own all of the stock in it.
Q Okay. But so I guess if we go up the pyramid,

says "Wages/Salary"?
A Yes.
Q And you see the number there is $2,492,460.51?
A Yes.
Q And so that would cover all of the payroll that you had for the dates at the bottom, March 1, 2019, to December 14, 2019, for both VRC and Harmony Place. Correct?
A Correct.
MR. RODGERS: Objection. Does misstate -- it's -- the beginning date is March 10, not March 1.
MR. GALLAGHER: I apologize. That's correct. Let me ask that again.
BY MR. GALLAGHER:
Q So Mr. Schwartz, that $2,492,460.51 represents all of the payroll that you paid to both VRC and Harmony Place employees from March 10, 2019, to December 14, 2019. Correct?
A Correct.
Q Okay. There's not another $2,000,000.00 in payroll that you paid during that time period not listed here. Right?
A Correct.
Q Yeah, let me ask it differently. You don't

have any reason to believe that you spent almost $4.5 million on payroll in 2019. Right?

A Looks like that's what I paid -- my payroll was, in those particular months, from March 10th to December 14th of 2019, it looks like I -- I spent $2,492,460.51 in my payroll.

Q Okay. I know it looks like that, but you don't have any reason to believe that you spent $4,000,000.00 on payroll in 2019. Right?

A Right.

Q Okay. Okay. So Mr. Schwartz, I want to talk to you now about your PPP loan applications. Now in 2020, JMG received two PPP loans. Correct?

A Correct.

Q Okay. So I want to be clear, it was JMG was the entity that received the PPP loans. Right?

A Correct.

Q Harmony Place and VRC did not receive two separate PPP loans. Right?

A Harmony Place is JMG.

Q Right, but VRC and JMG did not receive two separate PPP loans?

A That's correct.

Q Okay. All right. I'd like to mark this as Exhibit 18. Thank you.

page of this document -- sorry to make you flip back and forth -- you'll see in the box there it says "Average Monthly Payroll, $202,394.02"?

A Yes.

Q So the same as that number that we just looked at, I guess 2 cents off?

A Yes.

Q Okay. And then you see at the very bottom box in that table, it says $505,985.00?

A Yes.

Q And then if we look back on the second page there, it says 2.5 plus EIDL net of advance if applicable equals loan request. And just below that is the same $505,985.00. Right?

A Where is that again?

Q Sorry. On the second page.

A And what am I looking for again?

Q The second box there, which says it ends with "equals loan request" and then underneath it is a box that says $505,985.05.

A Right.

Q Okay. So in calculating the PPP loan that you received from Bank of America, you used the same 2.492 million dollar number from the payroll document we looked at. Correct?

A Correct.
Q All right. I'd like to mark this as Exhibit 19. I will give you a chance to look at it, Mr. Schwartz. Do you recognize this document, Mr. Schwartz?
(Exhibit 19 was marked for identification.)
A Yes.
Q And what is it?
A It's an application for a PPP loan.
Q Okay. And do you know if this is the application that you submitted to Fountainhead?
A I assume. I don't know for sure, but I assume it is.
Q Okay. Well let's look at the second page. You see at the bottom there it says, "Digitally signed by Jeffrey H. Schwartz"?
A Yes.
Q And next to that is a date of May 7, 2020?
A May 7th, 2020. I do.
Q Okay. Keep that document in front of you, Mr. Schwartz, but I'm going to mark this next document as Exhibit 20. Thank you.
(Exhibit 20 was marked for identification.)
Okay. Do you recognize that document, Mr.

Q Okay. And so that loan application we were just looking at the top says it is application form 2483. Correct? I apologize. It's at the bottom left. I apologize.

A Yes.

Q And again that date that it's submitted says May 7, 2020. Correct?

A I don't see the date on here.

Q On the second page, there's, next to your signature, the date May 7, 2020. Right?

A Yes, correct.

Q Okay. And if you look at the loan amount on the first page, it's $501,588.00?

A Yes.

Q That's the amount you were given for the Fountainhead loan. Correct?

A Correct.

Q Okay. So do you have any reason to believe that this is not the application form 2483 that you submitted on May 7, 2022, to Fountainhead for a $501,588.00 PPP loan?

A I do not.

Q Okay. All right. Now if we go back to the first page there, you see that you have average monthly payroll listed as $200,635.00. Correct?

A Where is that again?
Q The front of Exhibit 19. At the top left, there's a box that says, "Average monthly payroll, $200,635.00."
A Okay.
Q Yes.
A Yes.
Q So that'd be about 2.4 million yearly, if that's the monthly salary?
A Okay, if you say so.
Q Well, 200,000 times 12 is about 2.4 million. Right?
A Okay.
Q Is that a "yes," Mr. Schwartz?
A I don't have a calculator on me, but I can add it up.
Q Okay.
A Can I write on here?
MR. RODGERS: Don't write on the exhibit.
MR. GALLAGHER: Yeah.
MR. RODGERS: You can write on this.
THE WITNESS: Average monthly salary of 200,635 times 12. Okay. 2,400,000.
BY MR. GALLAGHER:
Q Okay. And if you look directly to the right

of that box, two boxes over, it says, "Number of Employees"?

A Yes.

Q And it says 64 employees. Right?

A It does.

Q So this loan application was based on the same numbers from the payroll document that we just looked at. Right?

A Yes.

Q Okay. Okay. All right. Now Mr. Schwartz, I want to talk to you about your actual time applying for these PPP loans that JMG received. So now you were aware before you applied for a second PPP loan that you were not allowed to obtain and retain two PPP loans in 2020. Correct?

A Not correct.

Q Let's look back at that Fountainhead application again, Exhibit 19. If you go to the second page there, do you see the section that says certifications?

A I do.

Q All right. And if you look at the sixth one down there, do you see where it says, "During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program." Right?

A I see that.

Q And that's your initial next to the certification?

A Yes, it is.

Q So you certified that on May 7, 2020, when you signed this application. Right?

A Apparently I did.

Q Well you did. Right, Mr. Schwartz?

A Apparently I did. That's my signature.

Q And that's your --

A I don't remember it. I don't remember it, but yeah, it's my signature.

Q And that's your initials next to it?

A That's my initials.

Q Okay. And you put your initials on this document. Right?

A On this document?

Q Yes.

A I did, along with all the other ones.

Q Okay. And you can see at the bottom down there it says SBA form 2483. Correct?

A Correct.

Q So that's the form that you submit as to apply

for a PPP loan. Correct?
A That's correct.
Q So you made this same certification when applying for your Bank of America loan, as well. Correct?
A That's correct.
Q Okay. All right. I'd like to make this as Exhibit 21.
(Exhibit 21 was marked for identification.)
All right. And do you recognize that document, Mr. Schwartz?
A Yes.
Q And what is it?
A Paycheck Protection Borrower Application Form.
Q Okay. And if you go to the second page there, do you see that you signed this one, as well?
A I do see that.
Q And you see the date of that signature was May 6, 2020. Correct?
A May 6, 2020. Correct.
Q And if you look at that sixth certification again, you'll see that it's the same one that, "During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not

receive another loan under the Paycheck Protection Program." Right?

A I see that.

Q Okay. And your initials appear next to that one, as well?

A My initials appear next to it, but I do not remember signing it.

Q Okay. Well there's a one that's typed in and one that's handwritten. Correct?

A Correct.

Q And your signature's dated May 6, 2020. Correct?

A That's correct.

Q And you have a handwritten signature there?

A That's correct, along with all the other ones. I don't remember signing it.

Q You would have read these certifications before signing these forms. Correct?

A Correct.

Q And at the top there, underneath "Certifications," it says, "The authorized representative of the Applicant must certify in good faith to all of the below by initialing next to each one"?

A That's correct.

Q And so you wouldn't have initialed without reading those certifications?

A I wouldn't have initialed without reading the certification, but I don't remember signing it.

Q Okay. All right. Mr. Schwartz, I'm going to show you a document that's already been marked in Ms. Lori Grieder's deposition as Exhibit 4. Do you recognize this document, Mr. Schwartz?

A Let me read it.

Q Okay.

THE OFFICER: Are you going to attach to this exhibit, as well?

MR. GALLAGHER: No, we don't have to because we already have it.

MR. RODGERS: This is not an exhibit for this deposition?

MR. GALLAGHER: It's already been marked as Ms. Grieder's deposition, so it's already Exhibit 4.

MR. RODGERS: It's exhibit 4?

MR. GALLAGHER: Yes. And Rick, you should have -- I emailed all the exhibits to you guys and the court reporter.

MR. RODGERS: Okay.

MR. GALLAGHER: So you should have them.

MR. RODGERS: Thank you.

THE WITNESS: Yes, I remember.

BY MR. GALLAGHER:

Q Okay. And if you look at the second email there, you see in the from line, that's your email. Right? It says, "From Jeff Schwartz, jeff@harmonyplace.com"?

A Yes.

Q Do you have any other email addresses?

A Yes.

Q What are they?

A schwartzjeff8@gmail.com.

Q Is that the only one?

A No.

Q Okay. So I'm going to read from that second email there in blue out loud, and then I'll ask you a question about it. Starting from the line, "You do realize," it says, "You do realize that I applied for a PPP loan through Chase that was submitted on April 5th, way before I filed through you and your people. I'm not worried about any confusion with where and how I got this PPP loan, but what I am worried about is the fact that two weeks after I applied for this loan, I did, in fact, remind you via email that I received my loan through Bank of America.

I was extremely surprised when the money was deposited into my Chase account. I have absolutely no problem paying you the $10,032.00, but before I pay you, I would like an email or letter from you stating that if, in fact, I am forced to pay that loan back to the SBA (Chase), you'll reimburse me for the $10,032.00 that I am paying you in advance."

I'll stop there. So Mr. Schwartz, in that paragraph, you're describing how you received two PPP loans in 2020. Correct?

A That's correct.

Q And you sent this email on June 8, 2020. Right?

A That's correct.

Q So again if we look at that sentence in the middle there, you say that, "two weeks after" you applied for this loan, you did in fact remind Ms. Grieder via email that you received your loan through Bank of America. That's what you say. Right?

A Correct.

Q And then you go on to say you were extremely surprised when the money was deposited in your Chase account. Right?

A Correct.

Q And the reason you say you were surprised is because you knew you were not supposed to receive a

second PPP loan. Correct?
A Not correct.
Q Mr. Schwartz, I'm not going to mark this, but please take a look at it and tell me if you recognize it.
MR. GALLAGHER: And Rick, I'll have one for you too.
BY MR. GALLAGHER:
Q Do you recognize this, Mr. Schwartz?
A No, but go ahead. I've never seen it before.
Q Okay. Well do you see at the first page there it says Civil Investigative Demand Number 23-1044?
A Yes.
Q And then in the middle it says, "Testimony Under Oath of Jeffrey Schwartz Taken Remotely via Zoom at 10:09 a.m. Pacific Time, Tuesday, October 10, 2023, before Theresa JoAnn Phillips-Blackwell, CSR 12700?
A Yes.
Q Mr. Schwartz, you gave testimony in response to a civil investigative demand from our office. Correct?
A Correct.
Q Okay. And if you go to, it's the second page there, but it says "Page 5" in the top right corner. Do you see where that is? The top right corner of

the -- on this page right here, Mr. Schwartz. You see at the bottom right page, it says "Page 5"?
A Yes. It's 2/5.
Q Okay. And then if you go to line 4, you see where it says, the reporter reads, "You do solemnly state that the evidence you shall give in this matter shall be the truth, the whole truth, and nothing but the truth," and you answer, "Yes, I do"?
A Yes.
Q Okay. Now Mr. Schwartz, if you turn to page, it's page 12 of all the big pages, but it's page 43 in the top right.
A Page what?
Q So page 12 on the bottom there.
A Page 12 at the bottom. Okay. Up here.
Q Okay. And page 43 at the top right. Do you see that?
A Yes.
Q All right. Now Mr. Schwartz, I want you to look at line 19, and you can see that that's where you were asked, "Then you say -- you write, 'I was extremely surprised when the money was deposited into my Chase account.' Can you tell me what that -- what you meant by that?" You see that question?
A Yeah.

Q And you responded, answer, "Well I knew -- I knew that I was -- I was only supposed to get one PPP loan, and then all of a sudden the loan from Fountainhead came through. I wasn't expecting it because I had already received the loan from Bank of America." Correct?

A That's correct.

Q I read that right?

A You read that right.

Q And Mr. Schwartz, when you gave that answer, you knew you were under an oath to tell the truth. Correct?

A Yes.

Q Okay. So on June 8, 2020, that's why you sent that email. Right? Because you knew you were only supposed to get one PPP loan.

A Let's put it this way, I -- I didn't remember signing that form, so I did not think that it was illegal, if that's what you're saying. I didn't think it was anything wrong with doing it. I figured I was only supposed to getting one. But again, Lori Grieder, what she indicated to me was that she was going to work with Fountainhead and -- and to get this extra loan either forgiven or -- or were paid for.

So I -- I answered that correctly. But those

BY MR. GALLAGHER:

Q Okay. Welcome back, Mr. Schwartz. So to be clear, you have not paid back either of your PPP loans. Correct?

A That's correct.

Q All right. And the Bank of America loan was funded on May 15, 2020. Right?

A Yes.

Q All right. I am going to mark this as Exhibit 22. That's where we are. All right. Do you recognize that document, Mr. Schwartz?

(Exhibit 22 was marked for identification.)

A Yes.

Q Okay. What is it?

A It's from the SBA and is the -- the date of the loan for $505,987.00.

Q And you see at the top it says "note"?

A Yes.

Q Do you understand this to be the promissory note that you signed to receive your Bank of America PPP loan?

A Okay.

Q Do you know what a promissory note is, Mr. Schwartz?

A Yes.
Q Do you know if someone would disperse a loan to you without you signing a promissory note?
A I don't think so.
MR. RODGERS: Objection, speculation, vague, ambiguous, form of the question.
MR. GALLAGHER: You can answer again, Mr. Schwarz, to make sure it's on the record.
THE WITNESS: What was the question again?
MR. GALLAGHER: Do you think someone would provide you with a loan without you signing a promissory note?
MR. RODGERS: Same objection.
MR. GALLAGHER: You can answer.
THE WITNESS: I don't believe so.
BY MR. GALLAGHER:
Q Do you think Bank of America would've given you a PPP loan without you signing a promissory note?
A I don't believe so.
Q Okay. And do you see the date of this promissory note is May 15, 2020, on the first page, Mr. Schwartz?
A I do.
Q Okay. And you see that you signed it there on

the last page. Right?
A I do.
Q I am going to mark this as Exhibit 23 -- or sorry -- I apologize, I'm not marking it. This was already marked as Exhibit 11 in the deposition of Ms. Lori Grieder. Okay. Do you recognize this email thread, Mr. Schwartz?
A Yes.
Q Okay. And you see at the top there there's an email from someone at Commercial Finance Partners?
A Yes.
Q Okay. And what did you understand was the relationship between Commercial Finance Partners and Fountainhead, if any?
A One and the same.
Q Okay. Do you see where that first email, where it says, "I just found the issue and resolved it. You have a loan number with us and Fountainhead. Congrats. You'll receive a request for follow-up documents within a few days, but you've reserved your 'slice of the pie.'" Do you see that?
A I do see that.
Q What did you understand that to mean when you read it?
A I believed that my loan had gone through.

Q Okay. And that email was sent on May 8, 2020. Correct?
A Yes.
Q Okay. And so you had a loan number from Fountainhead as of May 8, 2020. Right?
A Yes.
Q Okay. And you did not withdraw your application from Bank of America when you saw this email. Right?
A Correct.
Q Okay. I'm now showing you what was already marked as Exhibit 12 during Ms. Grieder's deposition. Let me know when you've had a chance to review it,
A Okay.
Q Okay. And do you recognize the email thread?
A Yeah. Yes.
Q So if you look at that last email there, you see there's someone at Fountainhead named Alexa Scher emailing you. Correct?
A Yes.
Q And do you see where she says, "Congratulations. Your PPP loan has been approved with the SBA"?
A Yes.
Q And she sent that email to you on May 12,

2020. Correct?
A Correct.
Q You did not withdraw your application with Bank of America after receiving that email on May 12th. Correct?
A Correct.
Q All right. And if you go back to the first page there, at the bottom, you see Ms. Scher emails you again?
A Okay.
Q And she was asking you to provide certain documents. Correct?
A Correct.
Q And those documents were a copy of the back of your driver's license and a closing form with wiring info and email info. Right?
A Right.
Q So at this point, when you were sending these emails with Ms. Scher, you were in direct contact with Fountainhead about your PPP loan. Correct?
A Correct.
Q Okay. And you responded to her with the information she requested on May 14, 2020, in that top email. Right?
A Correct.

Q Okay. I'd like to mark this as Exhibit 23. Thanks. Do you recognize this document, Mr. Schwartz?
(Exhibit 23 was marked for identification.)
A No.
Q Okay. You see at the top it says "Closing Information Sheet." Correct?
A Yes.
Q And you see on the second page it says, "Wire Instructions"?
A Yes.
Q And at the top of that there's a logo that says Fountainhead?
A Yes.
Q Do you have any reason to believe this is not the closing information sheet that you sent to Ms. Scher?
A I don't.
Q Okay. And if we look back at that email thread again, you see there's an attachment that you send at the top -- we're back at the email thread, Mr. Schwartz.
A Exhibit 12 Grieder?
Q Yes, the Grieder Exhibit 12. There you go. There's an attachment titled Fountainhead Closing Info

PPP Loan.pdf. Right?

A Yes.

Q Okay. And then in that email you asked Ms. Scher, what is the timeline you should expect on securing the loan and receiving the funds. Correct?

A Correct.

Q Okay. And you did not withdraw your application for the Bank of America PPP loan after sending Fountainhead that closing information form with wiring instructions. Did you?

A No.

Q And after you received the funds from the Bank of America loan on May 15, 2020, you did not reach out to Ms. Scher or anyone at Fountainhead to ask them to withdraw your application. Correct?

A To withdraw my application from Fountainhead?

Q Correct.

A No.

Q Okay. I'd like to mark this as Exhibit 24. Do you recognize this document, Mr. Schwartz?

(Exhibit 24 was marked for identification.)

A No.

Q Okay. You see the top it says, "Bank of America"?

around or on May 19, 2020?
A I have no idea.
Q Okay. But regardless, it is one of JMG's bank accounts. Correct?
A Yes.
Q And it looks like a statement from that account?
A Looks like it.
Q All right. And if we look at the top there under "Deposits and Other Credits," you see one dated May 19, 2020. Correct?
A Yes.
Q And it says, "Agent Assisted transfer from CHK 5424 Confirmation Number 0492715391. Right?
A Right.
Q And checking account 5424, that's another one of JMG's accounts. Correct?
A Correct.
Q And if you look to the right there, the amount is $505,987.00. Right?
A Yes.
Q And that's the same amount of money that the Bank of America PPP loan was for?
A That's correct.
Q So this is you moving the PPP loan money from

one of your checking accounts to another one. Correct?
A That's the payroll account.
Q Okay. But it is you moving the PPP loan money from one of your accounts to another. Right?
A To the payroll account, yes.
Q And it says "Agent Assisted Transfer"?
A Yes.
Q So you would've had an agent help you do that. Correct?
A Yes.
Q Okay. Now after you moved this money on May 19, 2020, you did not withdraw your loan application from Fountainhead. Correct?
A Correct.
Q Okay. And if we look a bit lower there, "Withdrawals and Other Debits," you'll see there was a transfer to Paychex with an X of $116,781.24. Correct?
A That's correct.
Q And that was on May 21, 2020?
A It was, yes.
Q And am I correct in that's you paying payroll for your employees at JMG?
A Yes.
Q So on May 21, 2020, you were using the proceeds from the PPP loan you received from Bank of

America to pay your payroll. Correct?
A Correct.
Q And after you did that on May 21, 2020, you did not withdraw your application from Fountainhead. Correct?
A Correct.
Q Do you remember what day the Fountainhead loan was dispersed to you, Mr. Schwarz?
A No.
Q Okay. I'd like to mark this as Exhibit 26.
THE OFFICER: Twenty-five.
MR. GALLAGHER: Twenty-five. I missed it. Sorry, Rick.
MR. RODGERS: That's all right. Thank you.
BY MR. GALLAGHER:
Q Okay. Do you recognize this document, Mr. Schwartz?
(Exhibit 25 was marked for identification.)
A No.
Q Can you see at the top there it says "Chase"?
A It is, yes.
Q And then a little bit further down again, "JMG Investments, Inc. DBA Harmony Place"?

A Yes.
Q And then on the top right there as an account number?
A Yes.
Q And that's one of the account numbers for JMG Investments. Correct? Sorry, I'll rephrase. That's an account number for one of the bank accounts used by JMG Investments. Correct?
A I assume. I don't really know that number, but I -- I assume. It says, "JMG."
Q Okay. And it looks like another bank statement. Right?
A Yep. Yes.
Q And do you see at the top it says May 1, 2020, through May 29, 2020. Right?
A Yes, I see that.
Q All right. And if we go to the second page and you look at the very bottom, there's a deposit on May 22, 2020. Correct?
A Correct.
Q Okay. And the description there says, "Fedwire Credit Via: Capital One," and then a little bit further down the line, after some numbers, "Fountainhead Sbf LLC Lake Mary, Florida." Correct?
A Yes.

Q And then in the third line of that description on the right, do you see where it says "Ppl Funding"?
A Where is that?
Q If you go down to the third line of that entry, all the way to the right, just before the numbers, it says, "Ppl Funding."
A Okay.
Q And then you'll see the number after it is 39482574-00. Right?
A Yes.
Q Okay. So this is the money from the Fountainhead loan coming to you. Correct?
A Correct.
Q And the number after that, or the deposit is for $501,588.00. Correct?
A Yes.
Q Okay. And that was one week after the BOA loan came in. Correct?
A Correct.
Q It was three days after you made the agent assisted transfer we just looked at?
A Yes.
Q And it was the day after you made a payment to Paychex. Right?
A Yes.

Q Okay. All right. I'd like to mark this as Exhibit 26. Thank you. Okay. Let me know when you have a chance to review that one, Mr. Schwartz.

(Exhibit 26 was marked for identification.)

A Okay.

Q All right. Do you recognize these documents, Mr. Schwartz?

A No.

Q Do you understand that they're closing documents for your loan from the Fountainhead PPP loan?

A Looks like it, yes.

Q Okay. On the first page there it says Fountainhead. Right?

A Yes.

Q If you look at the second page, it's titled "Forgiveness Information." Correct?

A Yes.

Q And it's talking about PPP loans?

A Yes.

Q All right. And if we turn to the fifth page there, it's a document titled "Consent to Corporate Action." Let me know when you see that.

A Okay.

Q All right. It says, "Consent to Corporate

Action by All of the Board of Directors and Shareholders of JMG Investments, Inc., a California Corporation and Waiver of Notice and Meeting Requirements." Right?

A Yes.

Q Do you know what that is, Mr. Schwartz?

A It's a meeting, a corporate meeting, talking about Fountainhead and the loan. I imagine it's to -- to -- to be forgiven.

Q Well let's look at the date on the bottom there, Mr. Schwartz. You see where it says signed on May 22, 2020?

A I do.

Q So this is to receive the loan. Correct?

A Okay.

Q Is that correct?

A Yes.

Q And do you see in the paragraph starting "Whereas," the second paragraph there?

A "Whereas," yes.

Q You see where it says, "Whereas, Borrower is receiving from Fountainhead SBF LLC ('Lender') a loan in the principle sum of five hundred one thousand five hundred eighty-eight and No/100 Dollars ($501,588.00) 'Loan' to be evidenced by and repayable in accordance with the terms of a promissory note of even date herewith in the original principle amount of the loan 'Note.'" Do you see that?

A Yes.

Q And the date this was signed was May 22, 2020. Right?

A Yes.

Q And that's your signature next to it?

A Yes.

Q All right. Then Mr. Schwartz, if you go forward two more pages, do you see the one titled "Certification of Beneficial Owners"?

A Yes.

Q Okay. And if you look at the bottom again, you signed that document on May 22, 2020?

A Yes.

Q Do you know why you signed that document?

A No.

Q All right. So if we go back a page -- go back one page, Mr. Schwartz. Do you see the third question down there, "Who has to complete this form"?

A Yes.

Q And it says, "This form must be completed by any person opening a new account on behalf of a legal entity with any of the following US institutions," and then it lists certain institutions?

A Yes.
Q So that's what you were doing. Correct?
A Yes.
Q All right. And then if we go forward a few pages to the document titled "Closing Information Sheet."
A Yes.
Q Okay. If you go to the next page, you'll see you DocuSigned that as well?
A Yes.
Q At the top again is the Fountainhead logo?
A Yes.
Q All right. And then if we go forward another three pages, there's a page titled "Borrower Certification and Agreement"?
A Yes.
Q At the top again is the Fountainhead logo?
A Yes.
Q And if you look at the first paragraph here, it says, "In order to induce Fountainhead SBF LLC ('Lender') to make a U.S. Small Business Administration ('SBA') guaranteed loan, SBA loan number 39482574-00 ('Loan') to JMG Investments, Inc., a California corporation ('Borrower')," and I'll stop right there. Do you see that?

A Yes.
Q Okay. And you signed this document on May 22, 2020. Correct?
A Yes.
Q So on May 22, 2020, you signed this document to induce Fountainhead to provide you with a PPP loan. Correct?
A Correct.
Q All right. And if we go to the next page, you see there is another promissory note like the Bank of America one we looked at?
A Okay.
Q You see that Mr. Schwartz?
A I see it.
Q And then you see next to "Lender" it says, "Fountainhead SBF LLC"? At the bottom box there where it says "Lender"? On the first page. Yes. Or on that -- in that page, Mr. Schwartz, which you're on, if you go to the bottom box there in the middle of the page, it says "Lender."
A Yeah. Lender, Fountainhead. Yes.
Q Okay.
A Okay.
Q And then if we go to the end of that note, you'll see that you DocuSigned that, as well?

A Yes.
Q All right. And then if we go to the next page, it's a loan agreement? After that page, Mr. Schwartz. You see the loan agreement?
A Yes.
Q And at the top there it says, "Between JMG Investments and Fountainhead"?
A Yes.
Q All right. If you go to the next page, you DocuSigned that one as well. Correct?
A Correct.
Q Okay. So you were signing these documents about your Fountainhead PPP loan on May 22, 2020. Correct?
A Correct.
Q All right. And if you go forward just a few more pages, there's one titled "U.S. Small Business Settlement Sheet"?
A Yes.
Q Okay. And at the bottom, you can see you again DocuSigned that one on May 22, 2020. Correct?
A Correct.
Q And I'd like to mark this as Exhibit 27. Thank you. Mr. Schwartz, have you ever seen this before?

//

(Exhibit 27 was marked for identification.)

A Don't remember seeing this before.

Q Okay. So in the top right, you see where it says "DocuSign Secured"?

A Yes.

Q And then the line below that says "Certificate of Completion"?

A Yes.

Q All right. And then you see there it says "Envelope ID" at the top left?

A Yes.

Q And if you look at that Envelope ID, that's the same Envelope ID that appears on top of the Fountainhead closing documents we just looked, Exhibit 26. Right?

A Okay. I believe you.

Q Well at the top left, Mr. Schwartz, do you see that?

A Here?

Q On the top left of Exhibit 26. Those.

A Yes.

Q Okay. And you see just below the Envelope ID of Exhibit 27, it says, "Subject, Cares Act Closing

Documents, JMG Investments." Right?

A Where is that?

Q Just below Envelope ID.

A Yes.

Q All right. And if you see the section there, it says "Signer Events." Do you see that? It's about -- it's the third section, it looks like.

A Yes, "Signer Events."

Q Okay. And do you see your DocuSign signature there?

A I do.

Q And if you look at the timestamp on the right, do you see it says, "Sent May 19, 2020"?

A Yes.

Q And then it says "Resent" a few times, and then "Viewed," and it says, "Viewed on May 22, 2020"?

A Yes.

Q And it says "Signed May 22, 2020." Correct?

A Twenty -- 22 -- 2020.

Q It says, "Signed May 22, 2020." Correct?

A Yes, correct.

Q Okay. All right. So Mr. Schwartz, let's move on from the application process and talk about what happened after you received both PPP loans. Mr. Schwartz, you know what it means to seek forgiveness on

a PPP loan. Right?
A Yes.
Q Do you understand that means you would not have to pay back a PPP loan?
A Yes.
Q And you applied for forgiveness on both the Bank of America and Fountainhead loans. Correct?
A Yes.
Q And you know the BA Bank of America loan was forgiven. Right?
A Yes.
Q Okay. I'll mark this as Exhibit 28. Thank you. Okay. Let me know when you have a chance to look at that, Mr. Schwartz.
(Exhibit 28 was marked for identification.)
A Okay.
Q Do you recognize this document?
A No.
Q Okay. We see the top of the first page, it says "Bank of America"?
A Yes.
Q And then below that it says "Paycheck Protection Program Loan Forgiveness Application (SBA Form 3508)"?

working on behalf of JMG Investments, Inc. Correct?

A That's correct.

Q All right. If you go back to the second page, do you see this section titled "Employees" at the bottom?

A Yes.

Q And it says 60 employees at the time of the borrower's PPP loan application. Correct?

A Yes.

Q And after submitting this application, you ultimately received forgiveness on the Bank of America loan on or around February of 2021. Right?

A Right, yes.

Q Okay. And so you knew this loan had been forgiven in February of 2021?

A Yes.

Q All right. Okay. I'd like to mark this as Exhibit 29. Thank you. All right. Let me know when you have a chance to review that, Mr. Schwartz.

(Exhibit 29 was marked for identification.)

A Okay.

Q Okay. Do you recognize this document?

A No.

Q You see at the top of the first page it says

America loan on May 15, 2020. Correct?
A Yes.
Q And that's the covered period start date?
A Yes.
Q And you received your Fountainhead loan on May 22, 2020. Correct?
A Yes.
Q And that's the covered period start date?
A Yes.
Q And they both run 24 weeks?
A Okay.
Q So the covered periods are exactly one week off. Correct?
A Yes.
Q So they're based on the start date -- the start date is based on when you received the loan. Correct?
A Yes.
Q And you still received both of these loans in 2020. Correct?
A Correct.
Q Okay. All right. I am showing you what's already been marked as Exhibit 8 in the deposition of Ms. Grieder. Do you recognize this email thread, Mr. Schwartz?

A Yeah. I don't recognize it, but it -- it looks like an email.

Q That's your email account. Correct?

A Yes.

Q Okay. And if you look at that third email on the first page, it starts with "Fountainhead told me." Do you see that?

A Yes.

Q And you sent that email on April 20, 2022. Correct?

A Yes.

Q And it says, "Fountainhead told me that they can only accept one PPP per year from any account, so they're rejecting the forgiveness on that loan, but will give me five years to pay it back." Correct?

A Correct.

Q So you were told by Fountainhead by April 20, 2022, that they would not forgive the loan but you could pay it back instead. Correct?

A That's what it says. Yes, correct.

Q And you did not attempt to pay back the loan to Fountainhead after that point. Correct?

A I was never given a bill.

Q Okay. So you've never made a payment to Fountainhead on that loan. Correct?

A No. I would've been happy to pay them back if they sent me a bill.

Q Okay. I guess to make that clear, Mr. Schwartz, you have not paid back any of that PPP loan to Fountainhead. Correct?

A That's correct.

Q Okay. Now you were also made aware that Fountainhead charged off the duplicate PPP loan to the Small Business Administration. Right?

A Correct.

Q All right. I'd like to mark this as Exhibit 30. Yeah.

(Exhibit 30 was marked for identification.)

MR. RODGERS: What was the exhibit? The one you just handed me with that email?

MR. GALLAGHER: That was Exhibit 8, already from Grieder.

MR. RODGERS: Okay.

MR. GALLAGHER: Yeah.

BY MR. GALLAGHER:

Q All right. Mr. Schwartz, do you recognize this document, Exhibit 30?

A Yes.

Q Okay. If we go to the very last page there,

A Certification --
Q "Borrower Certification and Agreement." I believe it's further than that.
A There it is.
Q There it is. All right. You see where it says, "Borrower certifies that," and then there's three certifications?
A Yes.
Q Okay. So that first certification, you see where it reads, "Borrower acknowledges that if the Borrower defaults on the loan, SBA may be required to pay lender under the SBA guarantee and SBA may then seek recovery on the loan (to the extent any balance remains after loan forgiveness)." You see that?
A Okay.
Q Okay. So you knew that if you defaulted on the loan payments to Fountainhead, then the Small Business Administration may be required to pay Fountainhead the loan funds. Right?
A Correct.
Q And you knew that if Fountainhead charged off that loan, you would then have an obligation to repay those loan funds to the government. Correct?
A Correct.
Q So you would agree then that when you were

you to confirm that JMG Investments obtained two PPP loans in 2020. Correct? It says, "I see that JMG Investments, Inc. obtained a PPP loan through," and then lists the bank --

A Yeah. "Please confirm that you received two loans for the business in 2020."

Q Okay. Now Mr. Schwartz, did you ever attempt to apply for forgiveness on the Fountainhead PPP loan before July 19, 2021?

A I don't remember.

Q Okay. I'd like to mark this as Exhibit 32. Do you recognize this email thread, Mr. Schwartz?

(Exhibit 32 was marked for identification.)

A No.

Q Okay. Well it's, you see, it's an email from Ms. Grieder to you. Correct?

A Yes.

Q And she's passing on a message from Fountainhead?

A Yes.

Q All right. And that message is "I sincerely apologize for the delay. Our team of forgiveness specialists is currently working on verifying your application. Once verified, a loan officer will review for compliance. If everything is correct, the loan officer will send you a digital copy of the application that you will sign via DocuSign. Our team will reach out if any additional information is necessary." You see that?

A Yes.

Q And that email was sent on May 6, 2021. Correct?

A Yes.

Q So that's before the date of the application that we looked at, July 19, 2021. Correct?

A Yes.

Q So you applied for forgiveness on the Fountainhead loan before July 19th., Correct?

A Yes.

Q Okay. I'd like to mark this as Exhibit 33. There we go. All right. Do you recognize that email, Mr. Schwartz?

(Exhibit 33 was marked for identification.)

A No, no.

Q Okay. But that's your email at the top. Right?

A Yes.

Q And that's you sending an email to Lori

BY MR. GALLAGHER:

Q But Fountainhead did deny your initial forgiveness application. Correct?

A I don't -- I don't -- I don't know that answer to that question.

Q Well you had to apply in July. Correct?

A I don't remember.

Q We just looked at an application you submitted to Fountainhead in July. Correct? Of 2021?

A "Would you be so kind as to checking the Fountainhead on the PPP loan forgiveness for JMG Investments? It'll be going on a year now." I don't know. I -- I don't -- I don't know that.

Q Well we just looked at an application from Fountainhead that you submitted for forgiveness on July 19, 2021. Correct? It was Exhibit 29, if you need to look at it again.

A PPP loan forgiveness. Okay. Seven -- yeah, that was July 19th. Okay.

Q Okay. And those two emails we just looked at were from below before July 19, 2021. Correct?

A Correct.

Q So you had an outstanding application for forgiveness before July 19, 2021, with Fountainhead. Correct?

A Correct.
Q And you had to reapply on July 19, 2021. Correct?
A Correct.
Q So do you know why Fountainhead denied your initial application for forgiveness?
A I'm not -- I haven't a clue. No.
MR. GALLAGHER: I think we're at a good breaking point, and I don't think I have much left, Rick. I might have a few more questions after, but --
MR. RODGERS: Okay.
MR. GALLAGHER: So we can go off the record.
MR. RODGERS: I'm going to jump into --
THE VIDEOGRAPHER: The time is 12:41. We're going off record.
(Off the record.)
THE VIDEOGRAPHER: The time is 12:47, and we're back on the record.
MR. GALLAGHER: All right, Mr. Schwartz, I don't have any more answers for you at this time, though I may have some after your attorney's --
MR. RODGERS: Questions.
MR. GALLAGHER: -- done asking you some questions.

CERTIFICATE OF DEPOSITION OFFICER

I, ANGELINA KING, the officer before whom the foregoing proceedings were taken, do hereby certify that any witness(es) in the foregoing proceedings, prior to testifying, were duly sworn; that the proceedings were recorded by me and thereafter reduced to typewriting by a qualified transcriptionist; that said digital audio recording of said proceedings are a true and accurate record to the best of my knowledge, skills, and ability; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this was taken; and, further, that I am not a relative or employee of any counsel or attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

ANGELINA KING

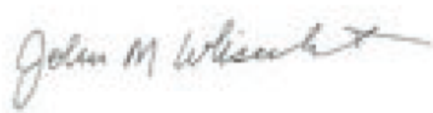
Notary Public in and for the

State of California

[X] Review of the transcript was requested.

CERTIFICATE OF TRANSCRIBER

I, JOHN WHISENHUNT, do hereby certify that this transcript was prepared from the digital audio recording of the foregoing proceeding, that said transcript is a true and accurate record of the proceedings to the best of my knowledge, skills, and ability; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this was taken; and, further, that I am not a relative or employee of any counsel or attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.



JOHN WHISENHUNT

Rick Rogers, Esq.

rar@lawsdr.com

August 21, 2025

RE: United States Of America, Ex Rel. Bryan Quesenberry v. JMG

8/6/2025, Jeffrey Schwartz (#7449664)

The above-referenced transcript is available for review.

Within the applicable timeframe, the witness should read the testimony to verify its accuracy. If there are any changes, the witness should note those with the reason, on the attached Errata Sheet.

The witness should sign the Acknowledgment of Deponent and Errata and return to the deposing attorney. Copies should be sent to all counsel, and to Veritext at (Erratas-CS@veritext.com).

Return completed errata within 30 days from receipt of testimony.

If the witness fails to do so within the time allotted, the transcript may be used as if signed.

Yours,

Veritext Legal Solutions

United States Of America, Ex Rel. Bryan Quesenberry v. JMG

Jeffrey Schwartz (#7449664)

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Jeffrey Schwartz Date

United States Of America, Ex Rel. Bryan Quesenberry v. JMG

Jeffrey Schwartz (#7449664)

ACKNOWLEDGEMENT OF DEPONENT

I, Jeffrey Schwartz, do hereby declare that I have read the foregoing transcript, I have made any corrections, additions, or changes I deemed necessary as noted above to be appended hereto, and that the same is a true, correct and complete transcript of the testimony given by me.

______________________________ ________________

Jeffrey Schwartz Date

*If notary is required

SUBSCRIBED AND SWORN TO BEFORE ME THIS

______ DAY OF ________________, 20___.

____

NOTARY PUBLIC

VERITEXT LEGAL SOLUTIONS

COMPANY CERTIFICATE AND DISCLOSURE STATEMENT

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