EXHIBIT 40

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
(ALEXANDRIA DIVISION)

BLUE FLAME MEDICAL LLC	)Civil Action No.
Plaintiff	)1:20-cv-00658(LMB/IDD)
	)
vs.	)
	)
CHAIN BRIDGE BANK, N.A.,	)
JOHN J. BROUGH and	)
DAVID M. EVINGER	)
Defendants	)

CHAIN BRIDGE BANK, N.A.	)
Third-Party Plaintiffs	)
	)
vs.	)
	)
JPMORGAN CHASE BANK, N.A.	)
Third-Party Defendant	)

- CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER -
Remote Videotaped Deposition of John Brough
February 2, 2021
9:35 a.m.

Reported by: Bonnie L. Russo
Job No. 4398587

Remote Videotaped Deposition of John Brough held through:

Veritext Legal Solutions
1250 I Street, N.W.
Washington, D.C.

Pursuant to Notice, when were present on behalf of the respective parties:

APPEARANCES:

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Also Present:
Beth Sharon, Chain Bridge Bank
David Evinger
Ethan Bearman, Blue Flame Medical, LLC
Bill Gussman
Geoff Bassett, Videographer

C O N T E N T S

EXHIBITS

2020, when Mr. Gula opened the account for Blue Flame Medical in person?

A. No. I was not at the bank. I was working from -- from home that day.

Q. Were you notified about the opening of the Blue Flame Medical account?

A. I was not notified when the account was opened. However, when -- when Heather found out about the dollar amount of the wire, she did call and e-mail me about it.

Q. And that was after I guess the account had been opened; is that correct?

A. That was after the account had been opened. Correct.

Q. And who was on that phone call with -- excuse me -- with Ms. Schoeppe?

A. I think it was Heather and David and me.

Q. Is that call when you first became aware that Blue Flame was expecting a large wire transfer?

A. Yes.

Q. What was your reaction to finding out that they were expecting a large wire transfer from the State of California into that account?

A. Well, the dollar amount of the transaction was larger by many multiples than any transaction that -- that any of us had ever seen.

Q. Did that create any problems or concerns on your part?

A. It -- it -- it created a lot of questions that we -- we had to get answered.

Q. Were you concerned about the bank's ability to -- to process or handle such a large wire transfer on its balance sheet?

MR. ORSECK: Object to form.

THE WITNESS: I was not concerned about that. Because we had many options available to us to minimize the impact of a -- of a large deposit. It was -- my primary concern was -- was -- was investigating the wire itself as well as, from the client's point

of view, you know, what would be the best for the client in regards to a deposit of that size.

In other words, a deposit of that size is -- is -- only a small fraction would be FDIC insured. So -- so, you know, how are we going to help the client out with that issue as well.

So there were many things going through my head.

BY MR. WHITE:

Q. One of the things you mentioned was that you had options to minimize the impact of such a large deposit.

What would be the impact of such a large deposit if it just came in without you exercising any of these options to minimize its impact?

A. It would increase the assets of the bank.

Q. And why is that a potential problem?

MR. ORSECK: Object to form.

Foundation.

THE WITNESS: I -- to be honest with you, I didn't view it as a problem.

BY MR. WHITE:

Q. But what's -- what is the impact that needs to be minimized from a increase to the assets of the bank?

A. Well, that deposit I wasn't as concerned about the impact on the balance sheet. Because Mike Gula had said to Heather that a large portion of it would be wired out shortly.

And then we also had the option to take a portion of it and move it off our balance sheet in order to -- to obtain full FDIC insurance for the client.

Q. I'm not understanding what the impact of such a large deposit would be such that you had to exercise options to minimize it.

MR. ORSECK: Object to form.

BY MR. WHITE:

Page 90

Q. What -- what do -- what would the impact be if you did not exercise options to minimize that impact on the bank?
A. Well, if -- if -- none of those other things happened. So if -- if the funds just simply stayed in the account, and if we did not exercise any option to -- to -- to -- to safeguard the money for the client, then it would increase the assets of the bank.
Q. Would that have any regulatory impact?
A. No. It would have no adverse regulatory impact.
Q. So that would not affect -- increase in assets of the bank would not affect the capital ratios that we were talking about earlier?
A. Well, like I said earlier, the -- any money that just sits in a Federal Reserve Bank account would have no impact because it -- zero risk weighted -- would have no impact on any of the risk based capital ratios.

Page 91

It would have an impact on the leverage ratio. But the impact on the leverage ratio would have been I think probably about 20 basis points, which -- which would not be a material change for us.
Excuse me.
Q. Could you bring up Plaintiff's Exhibit 64 previously introduced. You probably saw it with Mr. Evinger, Mr. Brough, if you had the video on.
It's an e-mail from Mr. Evinger to you at the top on March 25th, 2020.
This is the first time we're trying the technology, Mr. Brough. So I'll rely on you to let me know --
A. Okay. I think I --
Q. -- when you have it --
A. This is an e-mail.
MR. ORSECK: Hold on just a second.
THE WITNESS: All right.
MR. ORSECK: First of all, you haven't gotten a question yet.

Page 92

But more importantly, I don't have the document.
Can you just say again, Pete, how -- how to access this document?
MR. WHITE: I'm going to ask -- I'm going to ask my colleague, who's across the table from me, to speak up and let you know.
MR. KETCHAM-COLWILL: Yeah. So this is Greg.
You're going to want to go to the Deposition of John Brough and then click the Marked Exhibits folder. It's -- starts with two explanation points and then says "Marked Exhibits." And you should now see Exhibit 64 in the Marked Exhibits folder under Deposition of John Brough.
MR. ORSECK: Okay. I don't know what it means to go to the Deposition of John Brough.
MR. KETCHAM-COLWILL: Oh, okay. So it's the same platform we were using for Mr. Evinger on Friday. So it's Veritext

Page 93

Exhibit Share. In your --
MR. WHITE: I feel like -- Gary, let -- let's go off the record --
MR. ORSECK: Yeah. I was --
MR. WHITE: -- for a second.
MR. ORSECK: I was going to suggest that.
Can -- can -- all right. Let's go off.
THE VIDEOGRAPHER: Please stand by The time now is 11:27 a.m.
We're going off the record.
(A short recess was taken.)
THE VIDEOGRAPHER: The time now is 11:31 a.m.
We're going back on the record.
BY MR. WHITE:
Q. Okay. Mr. Brough, have you had a chance to look at Plaintiff's Exhibit 64 at this point?
A. Yes, I have, Mr. White.
Q. And if you look at the bottom

Page 94

e-mail, which I understand to be the first in time sequence, it's an e-mail from Heather Schoeppe to a Wires group address and a Commercial Banking group address.
Am I reading that correctly?
A. Yes, you are.
Q. Are you part of either of those groups?
A. No, I am not.
Q. So you were not on the original e-mail where Heather talks about the -- expecting a wire from California for 450 million, correct?
A. That is correct. I was not on that e-mail.
Q. There's a subsequent e-mail, which starts at the bottom of the first page of this document and the text is on the second page, from Mike Richardson.
Do you see that e-mail?
A. I do.
Q. I know you spoke about Mr.

Page 95

Richardson before.
That e-mails says: "Anything of that size would need to be known on the front end because that's half our assets size and could be problems on our capital ratios."
Do you see that?
A. Yes, I do see that.
Q. Do you know what Mr. Richardson meant when he said "that's half our asset size"?
MR. ORSECK: Object to form. Foundation.
THE WITNESS: Well, he -- what he was saying was that a wire of $450 million would be about half of the asset size of the bank. Around that time I think our asset size was around $900 million or so.
BY MR. WHITE:
Q. He also -- he goes on to state "and could be problems on our capital ratios."
Do you know what he meant by that?
MR. ORSECK: Object to form.

Page 96

THE WITNESS: I do not know what he meant by that. I can tell you that Mike is over our commercial banking division. He's not in our accounting division. And he is not -- he does -- he does not interact on a regular basis with -- with any type of calculation of cap -- capital ratios.
BY MR. WHITE:
Q. From your testimony previously, I take it you would disagree that a deposit of that amount could be problems on the bank's capital ratios; is that correct?
A. I -- I disagree with that, yes.
Q. It appears that the first time the e-mail chain is sent to you is when Heather Schoeppe sends it to you at 4:22 that day.
Am I reading that correctly?
A. Yes. That's correct.
Q. Do you recall whether you went back and read the entire e-mail chain when it was forwarded to you?
A. I do not recall if I went back and

Page 97

read the entire e-mail chain. I think, as soon as I saw that -- the -- the first sentence, that -- that -- you know, that's kind of when we sprung into action.
Q. And you forwarded that to Mr. Evinger, is that correct, a few minutes later?
A. I did, yes.
Q. The e-mail from Ms. Schoeppe repeats the expecting a wire for 450 million from the State of California and that the governor of California -- there's a reference to the governor of California.
Is this the first you were hearing about -- this e-mail the first you were hearing about this entire transaction?
A. I -- I think this was the first I heard of it, yes. I know there were some -- there was a phone call, too, from Heather. But I think I might have received this e-mail first.
Q. Who participated in the phone call

Page 110

under the capital management regulations is the fact that you will manage your asset level.

So we would be expected to manage -- to -- to manage the -- the capital and the asset level of the bank.

Q. Mr. Brough, maybe you're not understanding my question, although --

My question is: What are the things that happens if the leverage ratio gets too low?

That was what -- that was your testimony. I'm using your words. Want to understand what you meant.

What happens?

MR. ORSECK: Objection. Foundation.

THE WITNESS: Well, Mr. White, I -- I think that the -- the regulators have this set up so that -- their primary concern is the erosion of capital, more so than the asset size of your bank.

So they become very concerned when you -- when you suffer losses and you have an

Page 111

erosion of capital. They expect you to be able to manage the other aspects of -- of -- of certain capital requirements, which we do on a regular basis.

BY MR. WHITE:

Q. And if your leverage ratio got too low, you would expect it to have a regulatory impact, correct?

A. The regulators would expect you to take certain actions to prevent that from happening.

Q. And what is your understanding of what happens if a bank does not prevent that from happening?

A. I think that the -- the regulators would make it very clear that you -- that you would have to manage it. You know, they wouldn't let it happen.

Q. Well, they would come in and take over the bank, correct?

MR. ORSECK: Objection. Foundation.

THE WITNESS: Not necessarily, no.

Page 112

BY MR. WHITE:

Q. That is one of the options regulators have if someone is not managing their bank consistent with the regulatory requirements, correct?

MR. ORSECK: Object to form.

THE WITNESS: I think, if the -- if the reduction in the capital ratios comes from the erosion of capital, then there's a chance that they would take the bank over.

If the reduction in capital came from an increase in asset size, they would -- they would tell you to -- to -- to -- to better manage your asset size.

BY MR. WHITE:

Q. So it's your understanding that there would be no regulatory impact if the bank's leverage ratios got too low because of a large deposit like this; is that right?

A. The regulators -- in -- in the case of the -- the ratio declining because of a growth in assets, the regulators wouldn't let

Page 113

that happen.

Q. How would they stop that from happening?

A. They would expect you to submit a capital plan that showed you better managing the asset size of the bank.

Q. Is that one of the things that you were concerned about at this point, the leverage ratio?

MR. ORSECK: Objection. Foundation.

THE WITNESS: I wasn't, no. I was not concerned about that. Because, as I -- as I said before, it would have no impact on our risk based capital ratios.

It would decrease our leverage ratio by about 20 basis points or so. And that's in the event that the deposit stayed with us.

But Blue Flame had told us that they were going to be wiring portions of it out. And we also were encouraging them to take the money and put it into a fully FDIC account option.

So I --
BY MR. WHITE:
Q. I believe you said that the -- I'm sorry, Mr. Brough.
A. No.
Q. I cut you off.
A. I'm finished.
Q. I believe you said that the leverage ratio required at that point was 5 percent; is that right?
A. That's correct.
Q. And how much cushion did you have on that 5 percent?
In other words, would the 20 basis points affect whether you were at 5 percent?
A. No. No. We -- we ended up the first quarter with a leverage ratio I think of 7.05, 7.04. I don't know -- I don't remember exactly what it was.
So a reduction of 20 basis points would have -- would have still been well above the -- the regulatory capital min - minimum.

Q. Later on in the call, at the end of the clip we played, Mr. Brough, was the statement, "Well, on a normal day, I would say that we would do it."
That is you, correct?
A. Yes. That was me.
Q. "I mean things are so wacky right now, and our balance sheet is so flush with money."
What did you mean by "our balance sheet is so flush with money"?
A. Well, if you recall back during the start of the pandemic, both the stock and the bond market were -- were -- were very volatile.
So there was a lot of -- of -- of -- there was a lot of -- of liquidity in the banking system. You know, people would sell portions of their investments and keep it in cash.
And so at the time there was -- there was more liquidity than -- than there had been. It was a very volatile time.

And as you pointed out before, the interest on reserves that we earned had dropped significantly. So -- so that was another issue that was -- that was volatile.
So that's what I meant by it was -- whatever the word I was -- I used was.
Q. I believe what you said was, "our balance sheet is so flush with money."
I take it by "money" there you mean cash?
A. Yes.
Q. Okay. And why is it -- why does increasing the amount -- strike that. Let me try this again.
The 450 million, unless you did something about it, would be cash as well on your balance sheet; is that correct?
A. If we did nothing with it, it would be cash on our balance sheet.
Q. And why is increasing the cash on your balance sheet at this time a problem?
MR. ORSECK: Object to form.

THE WITNESS: Well, as I said before, in this case it really wasn't a problem. Because we were told that large portions of it would be wired out, and we could have taken portions of it and put it into fully FDIC insured accounts.
BY MR. WHITE:
Q. But why was there a concern about being -- the balance sheet being so flushed with money then?
MR. ORSECK: Object to form.
THE WITNESS: I think it was merely an observation that -- that -- that we have a lot of cash on the balance sheet. And -- and so if -- and -- and Heather was talking in hypotheticals, you know, should this happen, again, would we -- would we want to -- you know, "What should we do if this happens again?" -- which is a good thing for her to ask -- "Then -- then what do you want me to do, John?"
And -- and that would require a lot

Page 118

of analysis and thought about what is the best thing to do for the client, what is the best thing to do for the bank.

BY MR. WHITE:

Q. The bank balance sheet being so flush with money that you reference in this phone call, that doesn't have anything to do with the client's interest, does it?

A. I think that there's always a connection between the -- the size of the bank and how we are protecting our clients' money.

So in other words, ICS and CDARS is a product that we use often for clients who have large balances who want to make sure that they are able to obtain the maximum amount of FDIC insurance.

Q. I'd like to go forward, if I could, in the call.

By the way, you've heard this whole call before, correct?

A. I've -- I've -- I've heard it before, yeah. I -- I mean I -- not recently.

Page 119

But I -- I guess we heard portions of it during David's deposition.

MR. ORSECK: For the record, I believe the meta data shows that this is a 4:31 p m. call. And it was represented to be a 4:46 p m. call.

I -- I'm not sure of what the disparity is, but I wanted to note that.

MR. KETCHAM-COLWILL: Call start and end time.

MR. WHITE: Oh, my -- my -- counsel has informed me it's call start and end time. But I accept your representation, Gary, that the call started at 4:41.

Can we go to 8:15 of the call.

(Whereupon, the tape was played.)

BY MR. WHITE:

Q. Mr. Brough, my first question is there's a comment about: Mike Gula, very entrepreneurial guy. He has a million ideas.

Is that you or Mr. Evinger?

A. That's Mr. Evinger.

Page 120

Q. I see.

Mr. Evinger says, at the end of that comment, "That header data is going to be really important to see."

Do you know what he meant by that?

MR. ORSECK: Object to form.

THE WITNESS: I can't tell you specifically what he meant by that. But I think, in general, what he meant was that we're going to have to really understand, if this wire does come in, where is it from.

BY MR. WHITE:

Q. It -- that's what the header data reflects, right?

It reflects where the money is coming from?

A. That's correct. It -- it reflects who's the sender and other --

Q. So --

A. -- information. You know, the time stamp and that type of thing.

Q. Right.

Page 121

But -- but specifically what he's referring to here is it's going to be important for us, the bank, to confirm who the sender of this money is, correct?

MR. ORSECK: Object to form. Foundation.

THE WITNESS: I think that it's -- you know, we're going to have to really understand the wire in its entirety. You know, how -- what -- what are all the details about the wire?

BY MR. WHITE:

Q. The header data though specifically references the source of the money, correct?

A. I -- you know, I don't know the reference of the header data. I -- I'm sorry. I -- I -- I think -- I don't know. We'd -- we'd have to ask David that question again I guess.

But I -- I think that the gist of what David was trying to say was we're really going to have to look at this wire carefully.

Page 138

Q. Okay. And then the -- the next line appears to be "Mike@BlueFlame" dot something?
A. Agency.
Q. Is that supposed to be an e-mail address or --
A. Yes. Yes. So Mike --
Q. Okay.
A. -- Mike informed us that he was going to be shutting down his -- his political organization -- political consulting organization and -- and going to sell masks full-time and that -- and that the only way to reach him would be through his new e-mail address and his new cell phone number. And -- and so he provided those to us.
Q. And did Mr. Gula tell you at that time that he'd spent the past several weeks building this new company to do PPE supply?
A. He said -- I don't know if he gave a time frame or not. But he said that he had been working with -- with John Thomas to set up the company, yes.

Page 139

Q. And I think your notes indicate that he had gotten sick of the political fundraising business that he was involved in.
Is that -- am I reading that correctly from later in your notes?
A. Yes. Yes. He was -- he was telling us how he was happy to get out of the business that he was in.
Q. Then there's a "Nonresponsive" piece there.
And this ten next line says: "I will not be reachable after" -- you -- you read it to me.
What does --
A. "I will not" --
Q. -- that say?
A. "I will not be reachable after this. You have my contact into."
And then we asked him about the contracts.
Q. I see.
So his old account info would not be

Page 140

useable anymore; you'd have to use his new contact information he gave you; is that right?
A. That's correct.
Q. And then what is the last thing you said, the -- the -- read -- read the last line for me.
A. We asked him about the con -- the -- the -- the contracts.
Q. That word is "contracts"?
A. Yes.
Q. Where does it say "contracts"?
A. I'm sorry?
Q. Where does it say "contracts"?
A. Oh, I'm sorry. We asked him about the transaction. It says "transaction."
Q. I see.
A. "Transaction."
Q. Okay. Did you write something in the middle of your conversation with Mr. Gula that had nothing to do with this transaction in your notes here?
A. That was a -- a password that had

Page 141

been written down towards the bottom of the page.
Q. Previous to your having this conversation?
A. Yes.
Q. I see.
And that password had nothing to do with the Blue Flame transaction; is that right?
A. No. No. It had nothing --
Q. Just happened to be a --
A. It just had to be -- I was -- you know, I had my notebook with me. I -- I -- I reset my password. And I just wrote it down on the bottom -- towards the bottom of this page.
Q. Did you take any notes about subsequent conversations involving this transaction in that same notebook?
A. Not on our call with Mike Gula. No other notes on -- with -- about the call with Mike Gula. But I think there were other notes that were taken when the wire came in on the 26th.

Page 142

MR. WHITE: Mr. Evinger, I see it's now 12:30 on the dot. I want to be sensitive to your need for a lunch break at some point.
Is now a good time for you to take that?
THE WITNESS: I'm fine with going for another 15, 20 minutes or so.
MR. WHITE: Okay.
BY MR. WHITE:
Q. During this call did you or Mr. Evinger ask Mr. Gula to send you any particular documents?
A. Yes. We asked Mr. Gula to send us any type of supporting documents for the transaction, including contracts with the State of California to purchase the masks and contracts with any suppliers that they had to -- to -- to source the masks.
Q. None of that is in your notes; is that correct?
A. No. It's not in my notes.
Q. But you remember that from your

Page 143

recollection of the conversation?
A. That's correct.
Q. Was there ever any follow-up with Mr. Gula by e-mail or phone requesting this information after this initial call?
A. There was. David sent an e-mail following up and, you know, reiterating the fact that we looked forward to receiving the contracts.
Q. After this call with Mr. Gula, did you -- I take it you weren't -- you doubted whether Blue Flame was actually going to receive this wire transfer from California; is that fair?
A. We were skeptical that it would happen.
Q. But the wire in the amount specified from this -- by Mr. Gula -- from the sender specified by Mr. Gula did, in fact, come in the next day is; isn't that correct?
A. The wire did come in, yes.
Q. And it's was from the party he said

Page 144

it was going to be from, correct, State of California?
A. Yes. From --
MR. ORSECK: Asked and answered.
It's a matter of record.
BY MR. WHITE:
Q. And your investigation determined that it was, in fact, a wire for the purchase of N95 masks by the State of California, correct?
A. I -- no. I wouldn't characterize our conclusion in that -- in that -- in that way.
Q. What's your understanding of why California sent $456 million to Blue Flame Medical?
A. Well, what we were able to confirm was that the wire was actually from State of California, and the State of California knew that they had sent it. But we had not verified the -- the purpose of the wire.
Q. You ultimately did verify that the

Page 145

purpose was to purchase N95 masks from Blue Flame Medical, correct?
A. We -- we -- we were able to, like I said, find out that the -- the wire was actually sent from the State of California, and they knew it.
They -- the -- we also were able to confirm that the State of California was under the impression that the money was going to result in them receiving a hundred million masks.
Q. Exactly as Mr. Gula had said, correct?
A. We had many more unanswered questions after we were able to verify that the State of California sent the money and -- and they knew that they had sent it.
Q. We'll get to that in a minute.
My question is whether the purpose that was confirmed from the State of California was the same as the purpose that Mr. Gula had told you, that being the purpose of paying for

the purchase of N95 masks.
A. That was -- those -- those were data points that we were able to -- to -- to -- to receive acknowledgement on. But there were still many other questions that we had.
Q. Okay. I -- I'm not -- I'm just not sure that I'm getting an answer to my question, which is: Was there a difference between the purpose that Mr. Gula told you the money was going to come from California for and what California told you that they sent the money for?
A. There was consistency there. But there were still many unanswered questions.
Q. Okay. After the conversation with Mr. Gula, did you have a subsequent conversation with Mr. Fitzgerald, the chairman of the bank?
A. Yes. We called -- we called Mr. Fitzgerald to inform him about the transaction.
Q. Do you recall what Mr. Fitzgerald said about it?

A. Mr. Fitzgerald also was -- was skeptical about whether or not the transaction would happen.
Q. Did Mr. Fitzgerald say anything about how to handle the wire transfer in the event the bank ended up receiving it?
A. I don't recall him instructing us to -- to -- to -- on how to handle the wire, no.
Q. Do you recall Mr. Gula telling -- you going back to your conversation with him.
Do you recall Mr. Gula telling you that, although the masks were going to be manufactured in China, the wires out of the account would all be to domestic accounts?
Did that come up during your call with Mr. Gula?
A. Mr. Gula made it very clear that the masks were going to be purchased from China. So our -- our assumption was that the funds would have to ultimately be wired to China.
Q. My question was: Did he tell you

that the wires out of Chain Bridge Bank account would all be domestic?
A. What he told us was that the ultimate recipients would be in China.
Q. I understand that.
What I'm -- what I'm asking you is did he tell you that all of the wires out of the account to pay for the masks would be domestic during that call?
A. What he told us was that the ultimate recipients of the wires would be companies in China. So it's not unusual for -- when you're sending money abroad, for it to go through multiple banks. But it's all one transaction.
So it goes to a domestic bank, who has a sophisticated international platform. And then it's sent from that -- that bank to -- to a foreign country.
Q. And did he -- my -- my question is, Mr. Brough: Did he tell you that all of the transfers from Chain Bridge Bank would be to

such domestic banks; it would not be international transfers --
MR. ORSECK: Object to form.
BY MR. WHITE:
Q. -- out of the account?
MR. ORSECK: Objection. Foundation.
THE WITNESS: What he informed us is that there would be a multistep process. And the first part of the process would be sending money from the bank to a domestic bank. And then the funds would be transferred to China.
BY MR. WHITE:
Q. And I take it you were aware as well or became aware in March of 2020 that the vast majority of personal protective equipment or PPE in the world is manufactured in China; is that right?
Did you know that at the time?
A. Yes. I do recall hearing a lot of controversy about that, yes.
Q. So the fact that the masks ultimately were going to be manufactured in

Page 154

Do you see that?
A. I do see that. I guess my reading of that --
MR. ORSECK: Wait. Wait. Wait. You have to wait for a question, John.
THE WITNESS: Okay. I apologize.
BY MR. WHITE:
Q. My question is: Did you or Mr. Evinger ever respond to this e-mail from Mr. Gula?
A. I'd have to look back at the e-mail chains. I don't know if this is the complete chain or not.
Q. Well, do you recall letting Mr. Gula know, to use his words, if you have any questions after this e-mail at 6:18 on March 25th?
A. I -- I don't recall if we had any other e-mails back and forth with him or not. I do not know.
Q. Did you have any other phone calls, phone conversations with Mr. Gula after that

Page 155

initial call that you testified about?
A. No, we did not.
Q. And other than this e-mail asking about sending any money to China or others as a fee for these transactions, do you recall any contact you had with Mr. Gula following up on that call?
A. I -- what's your question on -- what's your question there in regards to the --
Q. My question is whether --
A. -- the fee for the transaction?
Q. Let me try to ask a different question, Mr. Brough.
Other than this contact that you made with Mr. Gula at 6:17 p.m., Was there any other follow-up efforts that you made with Mr. Gula after your telephone call with him?
A. No. There weren't. We -- we asked them for the contracts over the telephone call, and we followed up with an e-mail.
Q. And why did you ask whether he had sent any money to China or others as a fee for

Page 156

these transactions?
A. Yeah. Sure. I can explain that. There's a common effort by bad guys to extort money out of individuals by saying to them that, you know, "You've just won a hundred million dollars," or something like that. "In order to secure this prize, or in order to secure this contract, you know, need to send us X dollars in order to secure the contract."
And so it's not an uncommon thing. We get -- we get clients in here who -- who want to send money to secure these -- these awards. And -- and of course, you know, it -- it never happens.
So -- so we just wanted to make sure that Mike wasn't the subject of one of these elaborate efforts.
Q. I think that started with "Nigerian princess," if I recall my e-mails correctly --
A. I --
Q. -- from back in the day.
A. I think you're right. That was

Page 157

years and years ago. Yeah. Yeah. It's taken --
Q. Ultimately this was -- I'm sorry.
A. It's --
Q. Go ahead.
A. It's been taken up by others as well now, not just Nigerian princesses. Yes.
Q. Ultimately you determined that that was not what was going on here, correct?
A. That is correct.
Q. If you turn to the last page, 13448 --
A. Yes.
Q. -- that appears to be a wire instructions for Wingar Industrial with bank information. And the header at the top is: Great Health Companion Group Limited Company.
Do you see that?
A. Yes, I do.
Q. I take it these were wire instructions that were sent by Mr. Gula to you, correct?

A. That is correct. It's in response --
Q. And it --
A. It's in response --
Q. Please.
A. -- to the very top entry on -- I guess it's at 6:18 Eastern Time, 3:18 Pacific Time. In other words that, when we do send this money to China, this is -- this is where we're going to send it.
Q. I see.
So this is wire instructions that he had attached showing where the money was going to be wired from this account?
A. That's correct.
Q. Correct?
A. That's correct.
Q. And that repeats the Great Health Companion Group that he had mentioned as a supplier during your telephone call with Mr. Gula, correct?
A. That is correct. It does.

I think David -- oh, never mind. You didn't ask a question. Go ahead.
Q. Have you heard of -- you're familiar with Bank of the West, I take it, correct?
A. They're a west coast bank. I'm not very familiar with them at all. I know they exist. That's about it.
Q. Right.
But that- - you recognize that as the name of the bank -- of a bank on the west coast, the bank name listed here, correct?
A. That's correct.
Q. Did anyone from Chain Bridge Bank check on that bank ABA routing number to make sure it was the right routing number for Bank of the West?
A. I don't think that we -- we did, no.
Q. Did anyone make an effort to contact Wingar Industrial, Incorporated, with the address and phone number listed there?
A. I do recall that David did a Google search of them and find -- found out that they

were a cutlery company, which, you know, raised more red flags for us.
Q. Well, did -- I take it at that point someone from the bank contacted them to determine whether they were involved in this transaction with Blue Flame Medical?
A. No. We did not reach out to them.
Q. Why not?
A. Well, at this point we -- we hadn't gotten the wire in yet. So -- so we -- we really had -- we -- we -- we weren't inclined to -- to talk to Wingar at that point.
Q. Did someone talk to them after the wire came in?
A. No. Nobody talked to them after the wire came in. We were more focused on trying to answer questions about the incoming wire.
Q. So you did not have a concern about the entity from whom Mr. Gula's company was going to be procuring the N95 masks?
MR. ORSECK: Object to form. Foundation.

THE WITNESS: No. We did have concerns about that.
BY MR. WHITE:
Q. Why didn't someone contact Wingar Industrial?
MR. ORSECK: Object to form.
THE WITNESS: We didn't contact them at this point because we were focused on the incoming wire transfer more so than the outgoing wire transfer.
We -- we -- we were concerned that the money was going to a cutlery company rather than a international trade agent or -- or Great Health Companion account here domestically.
But -- but our focus really was on -- on figuring out more about the incoming wire transfer.
BY MR. WHITE:
Q. In any event, no one satisfied the answers to your concerns about the supposed cutlery company -- company by contacting them; is that correct?

MR. ORSECK: Object to form.
THE WITNESS: We did not reach out to Wingar or Great Health Companion.
MR. WHITE: If you could bring up Plaintiff's Exhibit 17, please, Greg.
THE WITNESS: If we could maybe target to do lunch at 1:00 or so for --
MR. WHITE: It's entirely up to you, Mr. Brough. Any time there's a -- when you've completed an answer to a question, you can call a break. We can do it now if you like.
THE WITNESS: If -- if it's okay, why don't we go ahead and take a break right now.
MR. WHITE: Of course.
MR. ORSECK: Before we go off the record, I'd just like to designate this deposition and the transcript confidential under the protective order.
MR. WHITE: How long do you need, Mr. Brough?
I'm not trying to rush you.

THE WITNESS: Why don't we get 40 minutes. So like 12:35 or so? I'm sorry. 1 -- 1:30 --
MR. ORSECK: Are we off the record?
THE VIDEOGRAPHER: We will be soon.
MR. WHITE: Okay.
MR. ORSECK: Let's go off the record.
THE VIDEOGRAPHER: All right. The time now is 12:55 p.m.
We're going off the record.
(A short recess was taken.)
THE VIDEOGRAPHER: The time now is 1:47 p.m.
We're going back on the record.
BY MR. WHITE:
Q. Mr. Brough, I'm going to have you pull up Plaintiff's Exhibit 17. It a March 25 e-mail.
You've -- you've seen all but the top two parts of this previously in a prior exhibit. It starts at page --

A. Okay.
Q. -- CBB761.
Do you have that in front of you?
A. Start on Page 761. Yes, I do.
Q. Okay. The new part of the e-mail, the second e-mail down, is from you to Heather that starts: "David and I spoke to Mike Gula. He is very confident about the transactions, but David and I are very skeptical. We called Peter to bring him up to speed. Peter also things it's a scam."
Why were you and David very skeptical of the transactions at that point?
A. I think it was the magnitude of the transaction. At least that's what I was thinking. I had never seen a transaction of this size ever, by many multiples. And -- and the circumstances surrounding it with the PP -- PPE and -- and such, it was -- it was all just very unusual.
Q. You are aware that the State of California and many other people -- or many

other entities were attempting to buy large amounts of C -- of PPE -- let me start that over.
You were aware at the time, like March 2020, that the State of California and many other entities were attempting to procure historically unprecedented amounts of protective equipment in connection with the pandemic, correct?
A. I -- yes. I -- I was aware of that, yes.
Q. There's a note here -- or part of your e-mail to Heather says: "Peter also thinks it's a scam."
What kind of scam did you think this was?
MR. ORSECK: Object to form.
THE WITNESS: To be honest with you, I -- I -- I'm not sure if -- if he -- the word "scam" was used in the context of is Mike Gula being scammed, or is there other -- some other type of scam here.

Page 190

MR. KETCHAM-COLWILL: Yes.
MR. WHITE: So that'll be Plaintiff's Exhibit 76. Actually, hold on.
MR. KETCHAM-COLWILL: 10B?
MR. WHITE: I meant 10B, yeah. That'll be Exhibit 76.
That is an e-mail from Mr. Fitzgerald to you. CBB2725 is the initial page. March 26th.
(Deposition Exhibit 76 was marked for identification.)
THE WITNESS: What exhibit number it is -- is it? I'm sorry. 10, did you say?
MR. WHITE: 7-6.
THE WITNESS: Oh, 7-6. I apologize.
MR. ORSECK: No. Oh, it's says 10B? It's -- is -- it's PX -- it's Plaintiff's Exhibit 76?
MR. WHITE: Correct. That was our internal tab.
MR. ORSECK: I got it.
THE WITNESS: Okay.

Page 191

MR. WHITE: But my co --
BY MR. WHITE:
Q. In that e-mail on 12:05, you send an e-mail that says: "Unbelievable. We are going to try to contact the sender"?
A. Yes. That's correct.
Q. I can't tell from this e-mail who it went to.
Is it your understanding that this went to Mr. Fitzgerald from you?
A. I think so. Looks like it, yes.
Q. And then Mr. Fitzgerald respond as: "Please put the money in ICS as soon as you determine this money is legitimate."
You see that?
A. That's -- that's correct. I see that.
Q. What did you understand him to mean by "legitimate" there?
MR. ORSECK: Object to form.
THE WITNESS: Well, Peter would have wanted to make sure that we had been able to

Page 192

answer all of our questions before we proceeded further.
BY MR. WHITE:
Q. Was it your understanding what he was asking there was whether the money was really intended to be sent, or was it something else?
A. My reading of Peter's message does not indicate that -- that he had any questions about the -- whether or not the money should be sent.
MR. WHITE: Our internal Tab 11. I don't think that --
MR. KETCHAM-COLWILL: No. It hasn't been introduced.
MR. WHITE: Will be Plaintiff's Exhibit 77.
It's the March 26th e-mail from Mr. Evinger to Jennifer Lincoln and you, Mr. Williamson, and others.
(Deposition Exhibit 77 was marked for identification.)

Page 193

BY MR. WHITE:
Q. Do you see that, Mr. Brough?
A. Yes. I'm pulling it up right now. Got it.
Q. Jennifer Lincoln writes to the group, 12:06: "We received a large wire today for Blue Flame Medical," account number, "in the amount of," and then the amount we've been discussing.
By the way, does that -- 7459, the last four digits, does that jibe with the Blue Flame Medical account number we were looking at before?
A. I think -- I think the other number was 7459, yes.
Q. Okay. And why is Ms. Lincoln sending this e-mail out?
MR. ORSECK: Object to form.
THE WITNESS: She was letting everybody know that the wire came in.
BY MR. WHITE:
Q. And I see her job title is digital

Page 194

banking deposit operations manager.
What are -- what are the -- her job responsibilities?
A. Jennifer is a manager in our operations department that occasionally will get involved with wire transfers.
Q. And is she involved in the process that would lead to Mr. Gula being able to see the 456 million plus in his account in his digital portal?
MR. ORSECK: Object to form. Foundation.
THE WITNESS: No. She isn't, no.
BY MR. WHITE:
Q. You don't dispute though that Mr. Gula would have been able to see this amount through the digital portal as having been deposited in his account on March 26th, 2020, do you?
MR. ORSECK: Objection. Foundation.
THE WITNESS: Mr. Gula would not have seen these funds deposited into his

Page 195

account. Because they were not deposited into the account. What he would have seen is the memo notice.
BY MR. WHITE:
Q. And the memo notice on the portal shows up as a deposit into the account, doesn't it?
MR. ORSECK: Object to form.
THE WITNESS: No. It shows up as a notice about the transaction. Does not -- deposits don't show up until they're actually posted to the account, which doesn't happen until the end of the day.
BY MR. WHITE:
Q. So he would have seen a notice that money had come into the account?
MR. ORSECK: Object to form. Foundation.
THE WITNESS: He would have seen a memo notice that funds had been received.
BY MR. WHITE:
Q. Is there a copy of that memo notice

Page 196

in bank files anywhere?
A. I don't think there is. I think it -- it's -- it's a notice that appears on -- on your online banking account. In other words, there's not a paper notice that's sent out.
Q. Does that online record exist anywhere in Chain Bridge Bank's records?
A. I don't know the answer to that.
Q. Who would know the answer to that?
A. Thais Ribeiro probably could find the answer to that.
Q. Memo -- or e-mail from Mr. Evinger back says: "Place hold on funds."
Do you see that?
A. Yes. I do see that.
Q. Why did Mr. Evinger order a hold on the funds?
MR. ORSECK: Object to form.
THE WITNESS: I'm not sure why David placed a hold on the account. I can't say for sure.
But what I can tell you is that, as

Page 197

soon as the wire came in, we understood that we would have to conducted our investigation. And until that was done, the funds -- the funds were going to be held.
BY MR. WHITE:
Q. Meaning that the funds could not be accessed by the clients during that time period; is that correct?
A. That is correct, along with making sure that final disposition can be -- can be -- can be conducted, whatever that might be.
Q. What does that mean?
A. Well, either deposited into the account that night or returned.
Q. Were you involved in making the decision to place the hold on these funds?
A. I think that I had almost simultaneously told them to put a hold on the funds as well, from what I recall.
Q. Had you or anyone else from Chain Bridge Bank spoken to anyone from JPMorgan prior to putting a hold on the funds?

A. No. I think that the first call from JPMorgan came in around 1:20, if that's -- if I'm -- if I'm recollecting correctly, thereabouts.
Oh, no.
Q. Chain Bridge --
A. 12 -- 12:40. 12:40. Sorry. It's 12 -- 12:20. 12:20. Sorry.
Q. What was 12 --
A. That's when David --
Q. What happened at --
A. That's when JPMorgan contacted us.
Q. Did they contact you first, you being Chain Bridge Bank; or did Chain Bridge Bank contact JPMorgan first?
A. JPMorgan contacted us first.
Q. I understand Chain Bridge Bank has a funds availability policy that limits -- as I understand it, limits access to funds deposited for a certain period of time.
Do I have that right?
A. That is correct.

Q. And how long a period of time is that?
A. Depends on the type of transaction.
Q. What about for a wire transaction?
A. For an account opened within the past 30 days, the funds aren't available until the next day.
Q. That's an internal policy at Chain Bridge Bank; is that correct?
A. That's an internal policy that's consistent with Regulation CC.
Q. The bank has the authority to make exceptions to that; isn't that true?
A. The -- the bank has authority to make exceptions to many policies at the bank.
Q. I'm just asking about this one.
A. Like I said, I mean the bank and bank personnel, based on their knowledge of a situation, may make policy exceptions for -- for a wire transfer of $456 million. I would not expect anybody to make a policy exception.
Q. The bank does not have the authority

to make policy exceptions to Regulation J, does it?
MR. ORSECK: Object to form.
THE WITNESS: The bank -- the bank cannot make any policy exceptions to the Bank Secrecy Act. So in other words, if there's -- if there is a transaction that is unusual or out of pattern, then it the must be investigated.
MR. WHITE: That's nonresponsive.
BY MR. WHITE:
Q. The question is: Does the bank have the authority to make exceptions to Regulation J?
MR. ORSECK: Object to form.
THE WITNESS: I think that, if you -- you need to take the Regulation J in context with the Bank Secrecy Act. And we cannot make any policy exceptions when it comes to the Bank Secrecy Act.
BY MR. WHITE:
Q. Where is the source for your

authority that the bank has the authority to make exceptions to Regulation J?
MR. ORSECK: Objection. Lack of foundation. Mischaracterizes the testimony.
THE WITNESS: Well, the bank -- the bank cannot make exceptions to the Bank Secrecy Act regulations and law, which must be taken into consideration when looking at any type of transaction. A wire transaction or a check transaction or a loan currency transaction, it has to be taken into consideration with all those different types of transactions.
BY MR. WHITE:
Q. So is it your testimony that the Bank Secrecy Act gives Chain Bridge Bank the authority to ignore the requirements of Regulation J?
MR. ORSECK: Objection. Misstates the testimony.
THE WITNESS: The Bank Secrecy Act requires us to do certain things before we can -- before we can act on a transaction.

Q. You --
A. -- request.
Q. You don't have to honor that request, do you?
A. The FedLine platform is a -- a very serious platform. Any type of transactions that are conducted through it are -- they're done through wire for a reason. And the cancellation of a wire is done for a reason. And it has to be a very good reason.
And JPMorgan is a trusted counterparty. We've never had an issue with JPMorgan in the past. And their request to cancel the wire seemed to us to be a reasonable request in light of all the questions that we had and that they had that hadn't been answered.
Q. My question was: Was Chain Bridge Bank required to honor that request?
MR. ORSECK: Object to form.
THE WITNESS: Chain Bridge Bank -- Chain Bridge Bank is required to conduct due

diligence on transactions before acting. And I feel like we did that here. If we had not returned the wire, then -- then who knows would have what -- who knows what would have happened in regards to the unanswered questions that we had?
BY MR. WHITE:
Q. Was Chain Bridge Bank required to honor JPMorgan's request to recall the wire?
MR. ORSECK: Hold on. We spent the last two hours, Pete, having you ask this witness to interpret what Reg J provides and how it applies. The hole line of questioning is improper. He's doing his best to ask [sic] them. And you're visibly frustrated that he's not a law professor.
You can easily argue what the law provides. And I can argue something different if I want. And this all is entirely improper.
MR. WHITE: That's incorrect.
MR. ORSECK: That --
BY MR. WHITE:

Q. Answer the question.
A. Well, let me answer the question this way: If this -- if we had no questions about the transaction; if JPMorgan had no questions about the transaction; and if the State of California had no questions about the transaction; if this transaction had been for $456,000, which is still a lot of money; and if it -- if everything checked out; and if we received a -- instructions to cancel and return the wire from JPMorgan, we probably would have asked questions of them -- Why are you cancelling this wire? What -- what's wrong here? -- before we returned it.
But -- but that wasn't the case. It was for $456 million. And there were many unanswered questions.
Q. My question is: What is your understanding as to whether or not Chain Bridge Bank had to honor JPMorgan's request?
Either you --
A. Oh.

Q. -- thought that you had to, or you thought they didn't have to, or you don't know.
A. Let me --
MR. ORSECK: Object to form.
THE WITNESS: Let me clarify my answer then.
If it was a totally clean transaction, no -- no issues whatsoever, then we may not have honored their request.
BY MR. WHITE:
Q. So Chain Bridge Bank had the authority not to enter the -- honor the request.
Is that -- is that your understanding?
MR. ORSECK: Object to form.
THE WITNESS: It's my understanding -- it -- sorry.
It's my understanding that, had there been no BSA questions involved, then we could have not honored the request. But because --

Page 222

BY MR. WHITE:
Q. You made the call --
A. -- there were all of these --
Q. Sorry.
A. But because there were all of these BSA questions that hadn't been answered, then we were going to honor their request, let there be a cool-down period, let -- let all the issues -- let all the questions be answered, and -- and then maybe the transaction does happen.
Q. Chain Bridge Bank had the authority as well to hold the funds while all those questions were answered; isn't that correct?
A. We --
MR. ORSECK: Object to form.
THE WITNESS: We probably would have held the funds had we not received a request to return the funds.
BY MR. WHITE:
Q. So Chain Bridge Bank did have that authority to continue to hold the funds while

Page 223

answers are obtained; is that correct?
A. If -- if --
MR. ORSECK: Object to form.
THE WITNESS: If we had not received the request to return the wire, then I'm almost sure that we would have held the funds, yes.
BY MR. WHITE:
Q. Even after receiving the request to return the funds, Chain Bridge Bank still had the authority to hold the funds until those questions were answered; isn't that correct?
MR. ORSECK: Object to form.
THE WITNESS: Well, that's speculation. Because that's not what happened. And we were -- we were -- we were asked to return the wire, and we honored that request.
BY MR. WHITE:
Q. Well, my question is not one -- it's not a speculative one. It's -- it's one of authority.
Did Chain Bridge Bank have the authority to continue to hold the funds after

Page 224

receiving the request from JPMorgan, in your understanding?
MR. ORSECK: Object to form. Calls for legal analysis.
THE WITNESS: I think at that point, what we probably would have done was, as Peter suggested, bring in the regulators or engage an attorney. But we didn't do that because we received the request to return the wire.
BY MR. WHITE:
Q. After receiving the request to return the wire, isn't it true that Chain Bridge Bank had the ability to hold the funds and call in the regulators or attorneys before returning those funds back to the State of California; isn't that true?
MR. ORSECK: Same objection.
THE WITNESS: Could you repeat that one more time.
BY MR. WHITE:
Q. Sure.
Isn't it true that, even after

Page 225

receiving the request from JPMorgan, Chain Bridge Bank had the authority to hold the funds and bring in attorneys or regulators or anyone else to answer the questions and not return those funds as requested by the State of California?
MR. ORSECK: Object to form.
THE WITNESS: In the event that we did not honor the request to return the funds and we received the advice of counsel that it was okay to put a hold on those funds, then -- then, yes, we could have done that.
BY MR. WHITE:
Q. And you already had a hold on the funds, correct?
A. Yes. We -- we did have a hold on the funds.
Q. And you could have -- Chain Bridge Bank could have continued that hold while you got answers to the questions that you still had, correct?
MR. ORSECK: Object to form. Asked

and answered.
THE WITNESS: I -- I don't know the answer to that question. Because we would have -- we would have engaged counsel to extend that hold greater than the period beyond our funds availability policy.
BY MR. WHITE:
Q. Who made the decision to honor JPMorgan's request to return the funds?
A. It was jointly made by David and I.
Q. And speaking for yourself, why did you honor that request as opposed to holding the funds and getting answers to your questions?
A. Well, JPMorgan, the originator, had -- had requested the funds be returned. And we had no reason not to honor that request.
Q. Did you contact Mr. Gula at any point on March 26th, prior to Chain Bridge Bank returning the funds to JPMorgan and the State of California?
A. Yes, we did.

Q. When was that?
A. I don't know the exact time. It was -- it was before we returned the wire. And I -- I sent him a message saying that we have in -- received instructions from the sender to return the wire, and we are going to honor that request.
And then he came into the bank. And we had a conversation with him about it. And he offered no objections. He apologized, actually. And -- and then the wire was returned.
Q. Did anyone contact Mr. Gula on March 26th to get answers to any of the questions that you've been referencing about the wire transfer?
A. Our questions were -- were more focused on the other parties of the transaction than they were on Mike Gula at that time. We had gathered information from Mike Gula the day before.
Q. And "the other parties," you mean

the State of California?
A. And JPMorgan.
Q. And JPMorgan.
And the State of California and JPMorgan confirmed for you that they did intend to send this wire to Blue Flame Medical, correct?
MR. ORSECK: Object to form. Asked and answered many times.
THE WITNESS: We were able to verify that the wire was originated by the State of California and that they knew that they originated it.
What was unanswered was whether or not the transaction was fully vetted, let's say.
BY MR. WHITE:
Q. What do you mean by that?
A. What I mean by that is one of our questions was does the State of California have the information that we have about the sellers of the product.

Q. So what was unanswered for you was whether the State of California had done an adequate job of vetting their counterparty prior to wiring the money?
Do I have that correct?
A. That's correct.
Q. Do you view it your job as Chain Bridge Bank to vet procurement contracts for the State of California?
A. We have an obligation, under the Bank Secrecy Act, to vet all transactions that flow through the bank.
Q. Are you aware that, at some point during the day on March 26th, that bank employees were informed not to have any communication with Mr. Gula?
A. Yes.
Q. And were you involved in the decision to tell people not to have contact with Mr. Gula?
A. Yes, I was.
Q. If there was a concern about

Page 230

contracts, which you mentioned earlier, why did you tell people at the bank not to have any contact with Mr. Gula?
MR. ORSECK: Object to form.
THE WITNESS: Mr. Gula and Mr. Thomas called the bank repeatedly to ask one question, and that was whether or not the wire had -- had come in.
And so I saw no productive reason for -- to take up our staff time to continue to answer the phone to -- to get the same question.
BY MR. WHITE:
Q. I take it, given the confirmation you got from the State of California, as of March 26th your concern was not whether there was a contract between Blue Flame Medical and the State of California, correct?
A. I -- I think that our concern was whether or not there was a contract where both parties had provided full disclosure about their needs and capabilities.

Page 231

Q. Is that something that you as a banker typically get involved in for incoming wires?
A. Certainly for a wire of 456 -- 400 and whatever it was.
Q. $456 million?
A. $456 million, yes.
Q. So are the Bank Secrecy Act requirements different for deposits or wires for $456,000 than $456 million?
A. I -- no.
MR. ORSECK: Object to form.
THE WITNESS: That -- that -- that's not what I mean -- meant to imply. I think your question was specifically me. Was I. And yes. Certainly. I mean, for a transaction that large, I would expect to be included in the conversations about -- about the transaction itself.
BY MR. WHITE:
Q. The Bank Secrecy Act requirements are the same regardless of the size of the

Page 232

transaction; isn't that right?
MR. ORSECK: Object to form.
THE WITNESS: The -- the Bank Secrecy Act does operate on thresholds. I mean there are certain thresholds that, if the certain thresholds are met, then certain reports have to be filed.
So the magnitude of the transaction certainly is something that the Bank Secrecy Act contemplates.
BY MR. WHITE:
Q. And what is that threshold?
A. It depends on the type of transaction. If it's a cash transaction, or if it's a suspicious activity, if it's a monetary instrument transaction. Depends on the type of transaction.
Q. What about for this transaction?
A. This would really fall under the red flags or suspicious activities. And it -- it does meet that threshold.
Q. Were you aware that, shortly after

Page 233

the bank received the wire from California, that Blue Flame requested that the bank send an outgoing wire transfer?
Were you involved in that at all?
A. I was not involved with that. I do think I recall somebody at some point saying, "They've sent us instructions to send money out."
And -- but it didn't come from John Thomas or Mike Gula. It didn't come from either of the signers on the account, which is also another red flag.
And the outgoing wire was not going to the -- the location that Mike had -- had sent information on the night before, which is another red flag.
Q. In fact, it was going to a -- a -- a different supplier; is that right?
A. That's correct. A supplier that we hadn't heard of before. And the request came from a person who we didn't have any -- who we didn't know.

Page 278

A. Yes, it was. Yes, it was.
Q. Did you have --
MR. ORSECK: I'm sorry. I'm sorry to interrupt.
But Mr. White gave you an either-or question. And so you need to say whether it was in your pocket or on the table or something else.
THE WITNESS: It was on the table.
BY MR. WHITE:
Q. Is this Ms. Fee Chang that you're speaking -- that Mr. Evinger is speaking with here?
A. Yes, it is.
Q. Why didn't you let Ms. Chang know that the call was being recorded?
A. I didn't think it was necessary.
Q. Shortly after this call, did you receive a call from the California State Treasurer's Office?
A. Yes. I -- I don't remember the exact sequence, but -- but Fee did contact the

Page 279

treasurer's department, and they did call us, yes, at some point.
Q. And was that a call with Mr. Hariri and Ms. Gonzales, Natalie Gonzales?
A. Yes. That's correct.
Q. Were you on that call?
A. I was on most of that call, yes.
Q. Did you record that call?
A. No, I did not record that call.
Q. Why didn't you record that call?
A. I must not have had my phone with me.
Q. And is this the call where you shared information with the State of California regarding the accounts and the identity of the person who opened it?
A. That's correct. Yes.
Q. And I say "you."
I -- I'm assuming that -- did you speak on the call as well, or was it just Mr. Evinger?
A. I recall us both speaking.

Page 280

Q. Did you relay the information that had been relayed to you by Mr. Gula the day before?
A. I -- you mean in regards to where the supplies were coming from or -- let me answer the question directly.
We did not discuss everything that Mike Gula brought up, no. I mean --
Q. Did you --
A. Well --
Q. -- mention that -- oh, I'm sorry.
A. What we might have discussed -- what we might have discussed was the dollar amount of the transaction and the -- the number of masks. But I don't know if -- if they brought that up or if we brought that up. But -- but we did discuss that, I'm sure.
Q. Did you let them know that the information the bank had received from Mr. Gula so far had been corroborated?
A. Well, we had not yet received the contract or information from Mr. Gula. So

Page 281

there was nothing to corroborate the actual transaction.
Q. Well, there was $456 million to corroborate the transaction by that point, wasn't there?
A. That's true. There was that.
Q. And there was their statement about what it was for, correct?
MR. ORSECK: Object to form.
I think we've covered this.
THE WITNESS: That was one of the many questions that we had. And there was -- it was -- I don't even know if we had discussion. I mean it really wasn't an issue because the dollar amount of wire was so large to begin with.
But I don't think we talked about down payments or -- maybe we did, 75 percent down, 25 percent to follow. I don't know.
BY MR. WHITE:
Q. Did you express concern to Mr. Hariri and Ms. Gonzales about Mr. Gula or

Page 282

Mr. Thomas?
A. No. No. We didn't express concern. We did express that they had -- to our knowledge, they had no experience in medical supplies and that this was -- that their profession was in the political world.
Q. And why did you let the California representatives know about that?
A. Well, I -- I thought it was relevant information that we find out if they -- if they knew -- whether or not they knew the information that we had about the seller of the masks.
Q. Did you express any concerns, in words or substance, about fraud in connection with this transaction to Mr. Hariri or Ms. Gonzales?
A. No, we did not.
Q. I take it you were no longer concerned that the transaction was a scam at this point; is that right?
A. Well, there are many different types

Page 283

of scams. We were comfortable that it wasn't a scam related to somebody who was trying to infiltrate their -- their network or the -- the -- the coffers of the State of California. The -- that -- that obviously didn't happen.
I mean the transaction was -- was actually processed knowingly by the State of California.
Q. How did Mr. Hariri and Ms. Gonzales react to the information that you shared with them?
A. They were very surprised.
Q. What did they tell you?
A. They -- they told us that -- that they didn't really know anything about Blue Flame and that this was all a surprise, that -- that they didn't have experience in the medical supply business, and that they were political operatives and not -- not a Fortune 500 company that usually is involved in transactions of this size.
Q. Were they under the impression that

Page 284

it was a Fortune 500 company?
A. I'm not sure what impression they were under.
Q. Do you know whether Mr. Hariri or -- or Ms. Gonzales were involved in the diligence of the transaction for the State of California with Blue Flame?
A. I do not know.
Q. Do you know whether they were the counterparties that -- were among the counterparties that Mr. Gula or Mr. Thomas were dealing with in the State of California?
A. I did not know who -- other than Michael Wong, I did not know who Mike Gula and John Thomas who had -- had communicated with in the -- in the State of -- of California.
We did start off our search with Michael Wong.
Q. Did Mr. Hariri or Ms. Gonzales indicate that they had dealt directly with representatives of Blue Flame during the contracting process?

Page 285

A. They did not make that statement.
Q. Did you indicate or Mr. Evinger indicate during this call that Chain Bridge Bank would be happy to return the wire?
A. I think that we did say that -- that -- we were discussing options, and one of the options -- we would cooperate if -- if it came to them cancelling the wire transfer.
Q. Why did you say that?
A. Well, we wanted to make sure that they understood that we were going to be cooperative and not resist that -- that option.
Q. Given that Blue Flame Medical was your customer, why would you want to be cooperative with a request to return a wire that was meant to be sent to them?
A. We still had many unanswered questions. And had we been able to get satisfactory answers to all those questions, then we would not have returned the wire.
Q. What were the remaining questions that you needed satisfactory answers to in

order to not return the wire?
A. All part of the due diligence process: copies of the contracts, copies of purchase orders from suppliers, the more details on how they were going to execute the -- the -- and who they were going to send the money to. More questions to answers about the -- the -- the founders of Blue Flame; their expertise in the areas; did the State of California -- the people who made the decision to purchase the masks and the State of California, were they aware of -- of the details of Blue Flame.
Those are just some of the questions that we had.
Q. Why didn't you conflact [sic] -- contact Blue Flame to get this information on March 26th before returning the wire?
A. Well, by that time I think it was pretty obvious that -- that many of these questions could not be answered, especially in short order. And obviously California and

JPMorgan had questions.
So when we received the request or the instructions to return the wire, we honored those instructions.
Q. Well, I think you said you weren't concerned at that point about whether there was an agreement and what the terms to the agreement were between Blue Flame Medical and the State of California, correct?
MR. ORSECK: Objection. Misstates testimony.
THE WITNESS: No. I don't think that's what I said. Because we never saw the contract, and we never received comfort that the people who made the decision to execute the contract understood all the details that -- of -- of Blue Flame.
BY MR. WHITE:
Q. After the conversation with Mr. Hariri and Ms. Gonzales, you have a subsequent conversation with Mr. Korpal; is that correct?

I'm sorry. Just make sure I've got this right.
Yes. With Mr. Korpal.
A. Okay.
Q. Do you remember that?
MR. ORSECK: Object to form.
THE WITNESS: I think -- I think I recall that conversation, yes.
MR. WHITE: We'll play a recording of the call. It is -- this a new exhibit?
MR. KETCHAM-COLWILL: Yeah.
MR. WHITE: So this will be Plaintiff's Exhibit 76.
Do I have that correct?
MR. KETCHAM-COLWILL: This will be 79.
MR. WHITE: 79. I wasn't close.
Audio recording of a March 26th phone call, I believe 1:34 p m.
(Deposition Exhibit 79 was marked for identification.)
(Whereupon, the tape was played.)

BY MR. WHITE:
Q. Whose voice is on that call, Mr. Brough?
A. That's David's, I think I said a couple of words, and -- and the representative from JPMorgan.
Q. And did you record that call?
A. I did.
Q. Again, on your cell phone?
A. That's correct.
Q. It appears to pick up in the middle of the call.
Do you know why?
A. Same reason the other one did. Because I wasn't in the room at the beginning of the call. The call came in to David's desk. He notified --
Q. And I take it --
A. And he --
Q. I'm sorry.
A. He notified me that the call had come in. So then I entered his office.

receiving bank, if I'm using the right term, indemnified for any damages to its customer as a result of that recall of the wire, to your knowledge?

A. As long as the recall notice -- it's -- it's my understanding that, as long as the recall notice does not stipulate without indemnification, that indemnification is granted.

Q. And did this recall notice stipulate without indemnification?

A. It did not.

Q. So in your understanding, JPMorgan would be required to indemnify Chain Bridge Bank for any damages flowing from its customer in connection with this recall due to the fact that they initiated the recall?

MR. ORSECK: Object to form.

BY MR. WHITE:

Q. Is that correct?

A. I think that we're getting into legal issues here.

I was comfortable that we were protected by receiving the -- the recall notice.

Q. Protected from what?

A. Just protected from -- we're -- we're covering our bases. We're getting proper documentation for the return of the wire.

Q. And what does that protect you from if you have proper documentation?

A. If any future issues should arrive.

Q. Including a lawsuit from your customer, Chain Bridge -- or Blue Flame Medical?

A. I guess that could be one of the things, yes. That -- to be honest with you, that wasn't what was on our mind at the time. We simply just wanted to make sure that we had proper documentation.

Q. And this indemnification, to your understanding, does that also flow from Regulation J?

MR. ORSECK: Object to form.

THE WITNESS: It's my understanding that it would be covered by Regulation J or the UCC or -- or -- or -- or something. Yes. That's correct. I didn't know the exact verse at the time.

BY MR. WHITE:

Q. But the indemnification obligation from the recalling bank to the receiving bank flows from one of those sources, to your knowledge; is that right?

MR. ORSECK: Object to form.

THE WITNESS: That -- that is my understanding.

BY MR. WHITE:

Q. And you believed it was possible to reverse California's wire transfer at this point?

MR. ORSECK: Objection to form.

THE WITNESS: Could you repeat the question again.

MR. WHITE: Yes. Let me ask a different question.

BY MR. WHITE:

Q. At the time did you have a belief that returning -- or agreeing to return the funds to JPMorgan in the State of California was consistent with Regulation J?

Did you have a belief one way or the other?

MR. ORSECK: Object to form.

THE WITNESS: Sorry, Gary.

I believed that we were complying with -- with banking regulations.

BY MR. WHITE:

Q. And did you have a specific belief as to compliance with Regulation J at the time?

A. I felt that honoring their recall request would -- would help us comply with the Bank Secrecy Act; it would help us comply with any other type of funds transfer regulations that may exist.

Q. Including complying with Regulation J?

MR. ORSECK: Object to form.

Page 302

THE WITNESS: Including complying with Regulation J.

BY MR. WHITE:

Q. Does Chain Bridge Bank have policies and procedures regarding when incoming wires can be returned?

A. We do not have specific policies in that regard. No. Each -- each recall request is -- is examined based on -- on the -- the -- the content of the request.

Q. How often, in your experience -- I'm sorry. I thought --

A. In other words --

Q. -- you had finished.

A. In other words, if the recall request comes a month after the wire was sent and the money is gone, then we can't honor the request.

But if the recall request comes the same day and the funds are still there in our Fed account, they haven't been credited to the -- to the -- to -- deposited into the client's

Page 303

account yet, and if the merits of the -- of the recall requests seem to be legitimate, then we would return the wire.

Q. A recall request a month after funds have been credited, that -- that would be extremely unusual, wouldn't it?

A. It depends on the situation.

Q. Have you seen recall requests a month after -- a month or more after money has been deposited into a customer account?

A. I -- I don't -- I can't list for you the time frame of all the recall requests that we receive. I do know that they're not all the same day. Some are subsequent to the day of the -- of the transfer.

Q. How often, in your experience, does Chain Bridge Bank get recall requests for wires incoming into your client accounts?

A. I don't have the detailed information on that. What I can tell you that it -- is that it's not unusual.

Q. Did you have any concerns about

Page 304

agreeing to return the funds to JPMorgan?

A. Given the fact that -- the magnitude of the wire, the $456 million amount, the unanswered questions that -- that we had about the transaction, the State of California's concerns, as well as JPMorgan's concerns, we were comfortable returning the wire.

Q. Did you have any concerns with whether returning the wire was the appropriate course of action at that point?

A. I thought that returning the wire at that point was the appropriate and responsible thing to do.

Q. Did you discuss any concerns about returning the wire with anyone else at the bank, other than Mr. Evinger we have already discussed?

A. I think that -- I -- I don't recall. Betsy may have been involved in some of the conversations. I -- I don't know.

But certainly David and I were speaking to each other about it.

Page 305

Q. Did you have any concern that Chain Bridge Bank might be liable to Blue Flame Medical if it agreed to return these funds?

MR. ORSECK: In answering that question, John, if you recall what you were thinking. You're not to disclose anything that may have been communicated to you by Chain -- Chain Bridge Bank's in-house or outside counsel.

THE WITNESS: So your question is did we have concerns that Blue Flame would take action against the bank for returning the wire.

BY MR. WHITE:

Q. That's a fair paraphrase, yes.

A. Given -- given Mike Gula's reaction when we told him that we were going to honor the request to return the wire and the fact that it hadn't yet been returned when we talked to him, he offered no resistance.

He simply apologized. He apologized for -- for the transaction. And he said, "I'm sorry."

Page 306

And -- and so there was -- there was no indication that -- that there was any issue with this.

Q. Did you tell him that he had an option as to the return of the funds?

A. We told him that we were going to honor the request. And he provided no resistance whatsoever to that -- to that statement.

He didn't say, "Would you please reconsider? No. Don't do that."

He offered no objections. He -- he apologized.

Q. If he had objected, would you have done anything differently?

A. Well, he didn't object. So I can't tell you what we would have done.

Q. So you're saying that he didn't offer resistance, as if that mattered.

Did it matter?

If he offered resistance, would it have made a difference?

Page 307

MR. ORSECK: Object to form. Mischaracterizes the testimony.

THE WITNESS: Well, you originally asked me if, when we returned the wire, were we concerned about Blue Flame taking action against us.

And based on Mike Gula's reaction when we instructed him that we were going to honor the request, I didn't have any concerns.

BY MR. WHITE:

Q. If he had -- if he had given resistance to that or asked you to reconsider, would you have changed your course of action?

MR. ORSECK: Object to form. Asked and answered.

THE WITNESS: I don't know what we would have done. Because he offered no resistance whatsoever.

BY MR. WHITE:

Q. At that point hadn't you already told JPMorgan that you were going to honor the recall?

Page 308

A. We had had that conversation with -- I guess it was Tim Coffey that you're referring to when they told us they were going to recall the wire. And we told them -- we told them that we wanted official notice.

Had we not received official notice, then we would have -- would have made sure that we either did or -- I'm not sure what we would have done.

Q. You had already received official notice by the time you met with Mr. Gula; isn't that correct?

A. I don't know the timing. I know that we received the verbal instructions. I'm not sure if we had received the instructions over FedLine or not.

Q. Without telling me the content of conversations, did you have any conversations with inside or outside attorneys on March 25th or March 26th regarding the handling of this transaction?

It's a yes-or-no question.

Page 309

A. Yes.

Q. And with what attorneys?

A. Betsy Sharon.

Q. Any other attorney?

A. No other attorney.

Q. And when were your conversations with Ms. Sharon?

A. I -- I do not know when they were.

Q. Do you recall when in the process?

A. I do not recall when in the process, no.

Q. Do you recall whether you spoke with Ms. Sharon on the 25th?

A. I don't recall if we talked to Betsy on the 25th. I don't recall that.

Q. Do you know whether you talked with her on the 26th before the decision was made to return -- to honor the request to return the funds?

A. I don't know if we did or not. I know that we did talk to Betsy about the transaction.

Q. What -- if I'm reading what you're saying correctly, you know that you spoke with Ms. -- with Betsy about the transactions; you just don't know whether it was before or afternoon the decision was made to return -- honor the return to the funds to California?
Do I have that correct?
A. That's correct.
Q. Were any of the communications with Ms. Sharon by e-mail, or were they in person or by phone?
A. I think they were probably by phone. She wasn't here. So it would not have been in -- by in person.
Q. Have you ever seen an -- or requested an indemnity lever -- letter covering an agreement to return funds sent pursuant to a Fedwire transfer?
A. Yes.
Q. Did Chain Bridge Bank seek an indemnity letter from JPMorgan at the time it agreed to return the funds?

A. We did not.
Q. Why not?
A. Indemnity letters are typically used when a -- I'll give you an example.
Yesterday we had a client who requested that we recall a wire that they had sent -- I'm not sure exactly what the timing was -- but a wire that they had previously sent. I don't know if it was the same day or the next day or what.
So we sent a wire for a client. The client came to us and asked us to reverse the wire. We did so. We sent a service message request asking them to return the wire. They returned the wire. And we received an indemnity letter from our client.
So it was an agreement between -- between our client and -- who had requested that -- that we recall the funds.
Q. Specifically what I'm speaking of here is an indemnity letter from a counterparty bank who was asked to have the funds recalled.

Has Chain Bridge Bank ever received one of those from a counterparty bank in that situation?
A. I don't know the answer to that. I do know that the indemnity letters are usually used for the situation that I'm -- that I just referred to.
Q. And that's to hold the bank harmless if there is any action by the counterparty for the improper return of those funds; is that correct?
A. That is correct.
MR. WHITE: Can you pull up Plaintiff's Exhibit 48, please.
This is -- CBB2529 is the first page.
THE WITNESS: Is this an audio, or is this a --
MR. WHITE: This is a -- a physical document.
THE WITNESS: Okay.
MR. WHITE: My understanding is that

it is a history print from the Chain Bridge Bank general ledger. But I'm going to ask you what it is.
THE WITNESS: Okay. And what is the exhibit number?
MR. KETCHAM-COLWILL: 48.
MR. WHITE: 48.
THE WITNESS: Okay.
MR. ORSECK: Take a minute and --
THE WITNESS: I have it --
MR. ORSECK: Take a minute and review it.
THE WITNESS: Okay.
BY MR. WHITE:
Q. Do you recognize this document?
A. Yes, I do.
Q. What is it?
A. It's a listing of general ledger activity for the bank.
Q. And is it specific to a -- a particular time?
A. March 26th.

MR. ORSECK: Object to form.
THE WITNESS: We returned the money to the State of California because we received a -- a request for us to return the money back, a recall notice, whatever you want to call it. And we honored that request.
BY MR. WHITE:
Q. Did JPMorgan and the State of California tell you that they were concerned that Blue Flame Medical was involved in fraudulent activity?
A. They did not make that statement to us, no. They did say at one point that they were a bit unsure. And JPMorgan at one point said that their investigation was leading to not good places. So -- so that's -- that's all.
Q. And when you said they were not sure, that's referring to the State of California?
A. That's correct.
MR. WHITE: Okay. That's all the

questions I have, Mr. Brough.
MR. ORSECK: Counsel, I have a few follow-up questions. And I can do those right now.
Alan, are -- do you have no questions? I -- I --
MR. SCHOENFELD: Yeah. Please -- please go ahead.
MR. ORSECK: Okay.
EXAMINATION BY COUNSEL FOR DEFENDANT AND THIRD-PARTY PLAINTIFF
BY MR. ORSECK:
Q. John, I just want to follow up on a few points that counsel raised.
You were asked some questions about some handwritten notes you took on a little notebook.
Do you remember that exchange with Mr. White?
A. Yes, I do.
Q. I think those notes are at Exhibit 73 that were introduced. So if you wouldn't

mind opening it -- opening that up, I'll ask you some questions.
A. Okay. I have it opened.
Q. And am I right that the first page reflects handwritten notes that you took on March 25th?
A. That's correct.
Q. And I recall you saying that these are notes that reflect the phone conversation at or around 5:45 p.m. that you and Mr. Evinger had with Mr. Gula; is that accurate?
A. That is correct.
Q. You took these when you were at home that afternoon?
A. Yes, I did.
Q. My questions are going to be focused on the lower portion of the page. There's a dash and then a reference to Brent Case.
Can you read the text that follows that?
A. Case - known Mike for 30 years. Best man in his wedding. And he was in

employment practice law in Denver.
Q. Was Mr. Case on the phone call with you and David Evinger and Mike Gula?
A. Yes, he was. When we called Mike, I think he was already on the phone with -- with Brent Case. That's my understanding, at least.
Q. And did Mr. Case or Mr. Gula tell you why Brent Case was on the call?
A. I -- yes. From what I recall -- like I see -- you know, Mike had known him for a long time, trusted him, and he was an attorney.
So I guess Mike was -- I'm -- I'm not sure why Mike was talking to him. I mean, it did kind of ask -- beg some questions. You know, why is Mike talking about this transaction with an employment practices attorney? You know, why isn't he talking to this -- about this with a contracting attorney or a -- a medical supply attorney.
But, you know, whatever. I mean he had an attorney present.

Page 346

Q. As far as you could tell, was Mr. Case present for the entire call?
A. I -- I think he was. Yes. I think he was.
Q. There's another dash just below the -- the Brent Case entry.
Would you read that for us?
A. This would be something that Mike said he's shutting down his D.C. office. He's "sick of it. This is my payday." So --
Q. Did -- well, let me ask you some questions.
Did -- what, if anything, do you recall Mr. Gula saying regarding "shutting down D.C. office, sick of it"?
A. Mike talked for a while about how unhappy he was doing the line of work he was doing and that, you know, this opportunity came up for him to do something different, and he grabbed it. And he was just going to shut it down in D.C. and -- and get out of town.
Q. Did he say he was going to get out

Page 347

of town?
A. He pretty much said that, yeah. I mean, you know, he was leaving. He was -- he was leaving. As a matter of fact, a couple days later -- I don't know what magazine article it was, but there was an article in either the Politico or The Hill or something on -- on his departure from -- from -- from his firm. And --
Q. Did you tell -- I'm sorry.
A. And -- and the fact that he had an out-of-office e-mail set up that basically, you know, said, "I'm shutting. And you can't -- you're not going to be able to get in touch with me."
Q. Did he tell you that he was sick of his work as a political operative?
A. Yes, he did. He said he was very unhappy in his -- in his current profession. He was just -- he was burned out.
Q. Did he tell you that?
A. That was the implication, yes.

Page 348

Q. You said that the next entry he wrote was "this is my payday," correct?
A. That's correct.
Q. Were those Mr. Gula's words?
A. From what I recall, they were. Yeah.
Q. What do you remember regarding the context of that statement on the call?
A. The context was, "I've had it. I'm burned out. This opportunity came up. This is my payday. I'm going to take it."
Q. Anything else?
A. He did talk about how he was happy to be doing this, that he was happy to be supplying PPE to -- to organizations, cities, states that need it. I mean he felt like it was a good thing to do.
Q. Just below the -- the entry that says "Nonresponsive," you have another entry. And if I'm reading it correctly, it says: "I will not be reachable after this. You have my contact into."

Page 349

Have I read that correctly?
A. That's correct.
Q. What do you recall Mr. Gula saying about not being reachable?
A. Well, he didn't have a problem with us calling him. In other words, that's why he gave us his new e-mail address, which is up there above, Mike@BlueFlame.agency, and then his tele -- new -- new cell phone number.
But he said, you know -- he said that, "Only a handful of people have this information, but I will give it to you."
But all of his other ways of reaching him he was just going to shut down.
Q. Did he tell you why he would not be reachable?
A. I think because he wanted to -- he wanted to focus on his new endeavor.
But it does kind of create more questions. You know, why not sell your business? I know it was a pretty successful business. Why not sell it? Why not slowly

roll it up -- roll it down? You know, why do you feel like you have to immediately just disappear?

Q. Okay. Thank you.

You -- you mentioned, during your testimony today on a few occasions, that you believed there were red flags presented regarding this transaction; is that accurate?

A. Yes. "Red flags" has come up a lot.

Q. All right. I want to focus your attention on the time period at which JPMorgan told you, Mr. Coffey told you, that it was recalling the wire.

You remember we listened to that phone call?

A. Yes.

Q. As of that point in time, what red flags were on your mind regarding this transaction?

A. There were many. Every -- every -- every few minutes another one would pop up. But I mean just going back to the -- the sheer

size of the wire.

Q. Why was the size of the wire itself a red flag?

A. A wire of $456 million is multiple times larger than any other wire that the bank had received, I -- I think by a multiple of about 22 times. So in other words, the previous largest wires that we got were around $20 million. And so that's -- that's -- that's the biggest red flag right there.

And the fact that it was -- it was sent into -- or I'm sorry -- it was sent to a company that had just opened their bank account the previous day and had -- had opened their business three days before. That's a -- that's a very standard red flag.

There was the red flag that Mike Gula and John Thomas were not in the medical supply business. They were in the political influence business. And that's quite a different profession than medical supplies.

The number of masks and the dollar

amount of the transactions didn't match up with press releases from the State of California.

So I think it was before we called Mike -- or that evening. I'm not sure when it was -- we looked up any press releases from the State of California. We did find one that had been issued a couple days before that mentioned that $30 million had been allocated for the purchase of a million masks and the hiring of nurses and the purchase of ventilators. And that was a press release issued by Governor Newsom.

But there was nothing about this transaction, which would have been 20 times larger.

Q. Mr. -- sorry.

Mr. Brough, by the -- by the time that JPMorgan recalled the wire, you knew the transaction was larger than that, right, than one you'd read about?

A. Oh, yes. Definitely. Oh, yeah. We -- we knew about that on the -- the 25th.

Q. So far as you're aware, did Mr. Gula, at the time he opened the account on the 25th, let anybody at the bank know that he was expecting a wire of more than $450 million?

A. No, he did not.

Q. Was that a red flag, in your mind?

A. Yes. That's --

Q. Why?

A. Well, he knew at the time that he was going to be receiving a wire of $456 million. And when asked about -- when -- in order to open the account, we asked that question, you know: What are your anticipated wire volumes?

And he gave us an answer. And it was nowhere near $450 million. As a matter of fact, I think the average wire size was going to be about 5 million.

Q. Were you aware of this as of the time that JPMorgan recalled the wire?

In other words, did you know what Mr. Gula had said to Mariano Castagnello at the