EXHIBIT 78

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
(Alexandria Division)

BLUE FLAME MEDICAL LLC, Plaintiff,	)
vs.	) Civil Action
CHAIN BRIDGE BANK, N.A., JOHN BROUGH, and DAVID M. EVINGER, Defendants.	) No. 1:20-cv-00658
CHAIN BRIDGE BANK, N.A., Third-Party Plaintiff,	)
vs.	)
JPMORGAN CHASE BANK, N.A., Third-Party Defendant.	)

CONFIDENTIAL

REMOTE VIDEOTAPED DEPOSITION OF
JOANNA WILLIAMSON
located in McLean, Virginia
Sunday, April 11, 2021

Reported By:
CATHI IRISH, RPR, CRR, CLVS

April 11, 2021
9:34 a.m.

Remote videotaped deposition of JOANNA WILLIAMSON, with all participants appearing via videoconference, before Cathi Irish, a Registered Professional Reporter, Certified Realtime Reporter, and Notary Public of the State of New York.

A P P E A R A N C E S:

SCHULTE ROTH & ZABEL LLP
Attorneys for Plaintiff
919 Third Avenue
New York, New York 10022
BY: GREGORY J. KETCHAM-COLWILL, ESQ.
ANGELA GARCIA, ESQ.
JASON T. MITCHELL, ESQ.
EKENDILICHUKWU E. UKABIALA, ESQ.
NATHANIEL PALMER, ESQ.

ROBBINS RUSSELL ENGLERT ORSECK & UNTEREINER
Attorneys for Defendants and Third-Party Plaintiff
2000 K Street, N.W.
Fourth Floor
Washington, D.C. 20006
BY: MATTHEW M. MADDEN, ESQ.
ZACHARY N. FERGUSON, ESQ.

A P P E A R A N C E S: (continued)

WILMER HALE LLP
Attorneys for Third-Party Defendant JPMorgan Chase Bank
7 World Trade Center
250 Greenwich Street
New York, New York 10007
BY: MARISSA MEDINE, ESQ.
TODD CLAYTON, ESQ.

ALSO PRESENT:
PHIL GLAUBERSON, videographer
ETHAN BEARMAN
BETSY SHARON

THE VIDEOGRAPHER: Good morning. We are going on the record at 9:34 a.m. Eastern time April 11, 2021.

Please note that microphones are sensitive and may pick up whispering and private conversations. Please mute your microphone whenever possible. Audio and video recording will continue to take place unless all parties agree to go off the record.

This is media unit 1 of the video recorded deposition of Joanna Williamson in the matter of Blue Flame Medical LLC versus Chain Bridge Bank N.A., et al. filed in the United States District Court, Eastern District of Virginia, 1:20-CV-00658.

This deposition is being held remotely.

My name is Phil Glauberson from the firm Veritext and I am the videographer. The court reporter is Cathi Irish from Veritext.

I am not authorized to administer

WILLIAMSON - CONFIDENTIAL

are essentially buying deposits.
BY MR. KETCHAM-COLWILL:
Q. They are buying deposits, okay. And they would -- why would those banks buy deposits?
MR. MADDEN: Same objection.
THE WITNESS: If they needed liquidity they might buy those deposits. But there could be other reasons that I don't know because I don't work for those banks.
BY MR. KETCHAM-COLWILL:
Q. Do those receiving banks pay interest on the portion of the deposited funds that they hold?
MR. MADDEN: Same objection.
THE WITNESS: I don't know if interest is the correct term because again, how much they would pay into IntraFi would be based on a rate bridge.
BY MR. KETCHAM-COLWILL:
Q. What's a rate bridge?
A. We're getting a little bit more

WILLIAMSON - CONFIDENTIAL

complex than I feel I'm equipped to discuss. But my general understanding, and I don't work for IntraFi, is that a rate bridge is the difference between the stated rate for deposit accounts and the -- with the customer versus the rate that another bank or any bank will pay for the deposit. It is a very -- it is a very complicated calculation and it varies for each customer.
Q. Okay. Going back to the recording, Ms. Schoeppe asked you if the bank should say it didn't want the account. Do you recall that?
MR. MADDEN: Objection to the form, misstates the recording.
THE WITNESS: I don't have a recollection of her saying that but I do believe she did from the audio recording you just played.
BY MR. KETCHAM-COLWILL:
Q. And your response was she would need to ask Mr. Brough about that?
A. That was my response.

WILLIAMSON - CONFIDENTIAL

Regardless, I'm not the right person to ask so someone else at the bank would need to be consulted.
Q. Do you have an opinion one way or the other about whether Blue Flame's account should have been opened?
A. I have no involvement in account opening so I don't have an opinion.
Q. I believe after that exchange in the recording that you brought up the possibility of an ICS account. One thing we didn't touch on just now, what's the maximum limit for an ICS account, how much money can an ICS account hold?
A. 150 million dollars.
Q. And then I believe you said that this would probably be too short-term to put into an ICS account; is that right?
A. I said that but again, I'm thinking out loud. I don't actually know about how ICS accounts are set up so I'm really just talking out loud. And regardless, I tell her we'll do whatever we need to do. So any notions that I have

WILLIAMSON - CONFIDENTIAL

at that point in time aren't so substantial that I don't think we'll accept the wire.
Q. How often does Chain Bridge Bank use ICS accounts?
A. Fairly regularly.
Q. What is the typical reason for using an ICS account?
MR. MADDEN: Objection to form, foundation.
THE WITNESS: The primary reason for ICS accounts is to allow FDIC insurance for customers that would otherwise be uninsured.
BY MR. KETCHAM-COLWILL:
Q. So if a customer had more than $250,000 in an account, its account at Chain Bridge Bank would only be FDIC insured up to that amount and if they want to be insured more than that, they would -- the bank would put the money into an ICS account?
A. I don't work directly with clients in determining whether or not they

go into an ICS account, but that is my understanding about why a client would generally want to.

Q. And you said you are not generally involved in setting up ICS accounts?

A. No, I don't set up any accounts.

Q. Did you have any experience with ICS accounts from any of your jobs prior to Chain Bridge Bank?

A. Not that I recall, no.

Q. You're not involved in setting up ICS accounts but -- I'll strike that. We'll get there later.

You then say in the recording but it's a lot of money and that would enable us to take it off the balance sheet.

Was that an accurate statement?

A. Yes, putting money into an ICS account, when we do that we have the option of putting the funds into a one-way sell position which would move the funds off of the bank's balance sheet.

Q. And can you explain how that

works from an accounting perspective?

A. The deposits are not on the balance sheet. They are then deposits of another bank's balance sheet.

Q. Why were you interested in taking these funds off the bank's balance sheet in this call with Ms. Schoeppe?

MR. MADDEN: Objection to the form.

THE WITNESS: Managing the bank's size.

BY MR. KETCHAM-COLWILL:

Q. That's something you do as CFO?

A. I would say that I try to be generally aware of the bank size, yes.

Q. For what purpose?

A. For monitoring the leverage ratio and liquidity purposes and those are just the things that come to mind right now. There could be other reasons why.

Q. What would be the effect on the bank's liquidity if it kept these funds on the balance sheet?

MR. MADDEN: Object to the form,

speculation.

THE WITNESS: If the funds were kept on the bank's balance sheet, we would have very high liquidity.

BY MR. KETCHAM-COLWILL:

Q. Because you'd have that much cash in your cash account?

A. Yes, which high liquidity is favorable for banks.

Q. What about the impact on the leverage ratio, what would that have been if the funds had been kept on the bank's balance sheet?

MR. MADDEN: Objection to the form, speculation.

THE WITNESS: Well, in thinking just about the first -- so we were in the first quarter during this transaction, so thinking just through the first quarter, the -- and as you know, the leverage ratio is calculated as tier 1 equity divided by average assets, and so assets would have been elevated for the last I believe six or

so days of the first quarter if the full amount was kept on the bank's balance sheet. Because of that averaging mechanism, it's okay to keep elevated assets for a day or a couple of days or even a few weeks without having a really significant impact on your leverage ratio. So there would have likely been an impact but not a very -- not a very substantial one.

BY MR. KETCHAM-COLWILL:

Q. So you said the assets of the bank would have been elevated for those last six or so days of the first quarter, but in calculating the average assets for the bank, the denominator in that leverage ratio calculation, if the average is across the entire quarter?

A. Exactly. And so since we were already 80 some days into a 90- to 92-day quarter, that reduces the possible impact.

Q. Did you calculate the potential impact on the bank's leverage ratio on March 25th or March 26th?

WILLIAMSON - CONFIDENTIAL
MR. MADDEN: Objection to form.
THE WITNESS: I don't recall any calculations, no.
BY MR. KETCHAM-COLWILL:
Q. Did you calculate the potential impact of California's wire transfer on the bank's leverage ratio at any time?
A. I don't recall making any calculations. Because everything unfolded so quickly, there didn't really seem to be a need for it that I can think of. I was not asked to.
Q. Do you know if anyone else at the bank made that calculation?
A. I'm not aware. I really didn't have much communication with the folks at the bank that were handling the transaction.
Q. Can you remind me what tier 1 capital consists of?
A. For Chain Bridge Bank, that is common stock plus surplus for additional paid in capital plus retained earnings.
Q. Why is having a leverage ratio

WILLIAMSON - CONFIDENTIAL
below 5 concerning?
MR. MADDEN: Objection to the form.
THE WITNESS: Well, I would have to make assumptions about what the regulators who developed that benchmark were thinking.
BY MR. KETCHAM-COLWILL:
Q. Would you be concerned if the bank's leverage ratio dipped below 5?
A. I think that the bank is -- takes so little risk and has such high risk-based capital ratios that dipping below 5 percent doesn't cause me great concern, especially if I think it's just for a short term.
Q. How short-term would it need to be for you to remain unconcerned?
MR. MADDEN: Objection to the form, misstates the testimony.
THE WITNESS: It's hard to say because it would depend on likely many other facts and circumstances that aren't laid out here in this question.

WILLIAMSON - CONFIDENTIAL
BY MR. KETCHAM-COLWILL:
Q. Okay. What are some of those facts and circumstances that would bear on your concern?
MR. MADDEN: Objection.
THE WITNESS: Well, if the bank has low capital levels but it continues to be very liquid with few problematic assets, and is within its policies for interest rate risk in asset liability management figures, that would be different. That would lead me to believe that it would be okay for longer.
BY MR. KETCHAM-COLWILL:
Q. Are funds -- funds held in the bank's Federal Reserve account aren't problematic assets, are they?
A. They are not problematic assets, no.
Q. And funds held in the ICS account aren't assets at all of the bank?
A. They can be. It depends on how we place the funds into the ICS program.

WILLIAMSON - CONFIDENTIAL
But if we move them off of the balance sheet, then no, they would not be assets at all.
Q. What are the different ways the banks can place money in an ICS account?
A. The bank can -- once the customer establishes an ICS account, the bank can select to either put the funds into a one-way sell position, thereby moving them off of the balances sheet, or they can select a reciprocal position which means deposits that the bank puts out into the network, they get reciprocal deposits back.
Q. And so in that second case, funds in the ICS program would be reflected on the bank's balance sheet?
A. Yes.
Q. As assets? Or I suppose as assets and liabilities?
A. Right.
Q. When is the leverage ratio calculated for Chain Bridge Bank, how frequently?