EXHIBIT 101

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

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

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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

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A. I review the calculation on a monthly basis. It's reported to our regulators on a quarterly basis.

Q. So it would -- Chain Bridge Bank reported its leverage ratio to the OCC shortly after the end of March 2020?

A. We report it in our call reports. The call report for March 31st was not filed until late in April of 2020.

Q. But I believe, as you testified earlier, that the timing of when funds are received -- when a deposit is received by the bank doesn't affect the leverage ratio because that impact is averaged out over the entire quarter?

MR. MADDEN: Objection to the form. The testimony speaks for itself.

THE WITNESS: If assets are elevated for -- yes, that is correct. If assets are elevated for, you know, a short period of time, it's not necessarily going to have a significant impact on the leverage

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ratio because of that averaging mechanism.

BY MR. KETCHAM-COLWILL:

Q. The size of the deposit would have an affect on the average though; correct?

A. Yes, but only for those days in the quarter.

Q. Do you recall what Chain Bridge Bank's total average assets were at quarter end, first quarter end 2020?

A. I don't remember what they were, no.

Q. Do you know what they are today?

A. I know what -- approximately what total assets are today.

Q. And what are they?

MR. MADDEN: Objection to the form.

THE WITNESS: I just want to make sure that it is appropriate for me to be revealing the bank's balance sheet today even though it hasn't been made publicly available.

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MR. MADDEN: The short answer is yes. We'll mark this portion confidential or highly confidential so it will be protected within the litigation. So if you need to take a break to discuss that, that's fine, but --

MR. KETCHAM-COLWILL: I'll just note that to the extent you want to mark it highly confidential, Mr. Bearman is on here right now and he would not be able to hear that testimony if it were highly confidential.

MR. MADDEN: I think at least on this question, we can proceed without waiving any rights.

THE WITNESS: So today, the bank's --

MR. MADDEN: Sorry, just to return to my objection to the question. Are we talking about now the bank's total assets or the total average assets as of some time?

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MR. KETCHAM-COLWILL: Total average assets as of the most recent quarter end.

THE WITNESS: I don't recall off the top -- I'm worried I would misspeak if I gave a guess.

(The following portion continued in highly confidential portion of transcript.)

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WILLIAMSON - HIGHLY CONFIDENTIAL
BY MR. KETCHAM-COLWILL:
Q. Can you provide an estimate?
A. I think that our average assets for the first quarter were 870 million dollars. That was for the first quarter of 2021. But I'm really uncertain about that figure. I haven't studied it and committed it to memory carefully enough.
(Continued in confidential portion of transcript.)

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BY MR. KETCHAM-COLWILL:
Q. So the wire transfer represented more than half of the bank's -- well, that estimate you gave was for this most recent quarter end. Can you give a rough estimate for the bank's total average assets over the first quarter of March -- of 2020, excuse me?
A. I don't know. I can look it up but I don't know off the top of my head.
Q. Is it roughly in the same range as it is -- as of the most recent quarter?
A. I could not say.
Q. Don't you monitor the leverage ratio every month?
MR. MADDEN: Objection to the form, asked and answered.
THE WITNESS: I do monitor the leverage ratio every month.
BY MR. KETCHAM-COLWILL:
Q. And in calculating the leverage ratio, you would have to know the bank's total average assets; correct?
A. Yes, but I don't remember what it

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was from March of 2020. I don't even remember what it was from March of 2021 off the top of my head.
Q. What's the highest the bank's total average assets have ever been?
A. I think we've been around a billion.
Q. And the lowest?
A. Probably that would be around when the bank was formed and I don't remember. I wasn't even an employee of the bank then.
Q. What's the lowest the bank's total average assets have been while you have worked at Chain Bridge Bank?
A. I don't know. I cannot recall.
Q. You can't. Can you recall a rough estimate?
A. I cannot, no.
Q. When the bank uses an ICS account, the one-way sell, I believe you put it, that type of ICS transaction, does the bank -- how much -- sorry, I'll start again.

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You testified that the bank would make money off funds it puts in an ICS account. It gets paid fees by IntraFi; is that right?
A. Yes.
Q. Do you know how much those fees are generally?
A. No, it's based on a rate bridge that fluctuates over time.
Q. Do you know what they are right now?
A. No, I don't.
Q. That's not something you have to know in preparing any financial statements?
A. It's not -- I review it for fluctuation and reasonableness on a month-to-month basis, not the rate bridge itself, just the income that we've recorded.
Q. You said on the recording the wire would have a really big impact on our capital ratios. What did you mean by that?

A. So I think here I am trying to get a handle on what might be the impact on the bank's leverage ratio. And please keep in mind that this is my initial reaction to the transaction. I hadn't actually done any calculations or had an opportunity to really analyze any of the impacts. And after further reflection because there was only six days left in the quarter, and given all the other tools and potential short-term nature of the deposit, I don't believe it would have had a significant impact.

Q. So was your comment that the wire would have a really big impact on our capital ratios stated within the context of the bank keeping that money on its balance sheet?

MR. MADDEN: Objection to the form.

THE WITNESS: I don't -- I don't remember. I don't remember exactly what I was thinking.

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BY MR. KETCHAM-COLWILL:

Q. Could you have been thinking anything else given that if the bank had only kept the money on its balance sheet for a few days, you say the impact would not be significant?

MR. MADDEN: Sorry, just a second. Objection to form. Thank you.

THE WITNESS: Can you say that question again?

BY MR. KETCHAM-COLWILL:

Q. I'm wondering what other possible meaning you could have intended when you told Ms. Schoeppe that the wire would have a really big impact on our capital ratios. You've testified that if the bank had only held the funds on its balance sheet for a period of say six days or some short term, the effect would not be significant. But you're saying in this recording it would have a really big impact.

Were you assuming that the bank would keep the money on its balance sheet

when you said that?

A. I don't know what --

MR. MADDEN: Objection to the form. Sorry, just give me a second. Objection to the form, misstates the testimony and calls for speculation. Go ahead, if you can.

THE WITNESS: What I'm trying to convey is that the statements I made on the phone call, as I've mentioned, I hadn't had an opportunity to do a full analysis or really think through the situation, so these are really fleeting thoughts as I was brainstorming the possible impacts. I hadn't at that point had an opportunity to fully analyze the situation.

BY MR. KETCHAM-COLWILL:

Q. When you made that comment to Ms. Schoeppe that the wire would have a really big impact on our capital ratios, what consequences were you thinking of?

MR. MADDEN: Object to the form.

THE WITNESS: I'm not sure I was thinking in terms of consequences but I think I was trying to figure out what the impacts might be, the asset growth and what the impact might be to the leverage ratio.

BY MR. KETCHAM-COLWILL:

Q. Why would you want to know the impact of the leverage ratio?

A. That's something that we monitor for regulatory compliance. The thought of falling out of regulatory compliance really never crossed my mind but it is still something that I, you know -- monitoring leverage ratio is still something that I am generally trying to be aware of and give consideration to.

Q. When do funds that the bank receives via wire transfer first become reflected on the bank's balance sheet?

A. They are memo-posted to the bank's balance sheet when they are received and then they would be hard-posted, I believe, during the bank's

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overnight batch processing so it would be the end of that day.
Q. Can you explain the term memo post?
A. I will do my best.
My understanding of memo post is that it's really like a notice for a pending transaction, but that transaction isn't completed and reflected in records until a hard post occurs, which occurs during the core processer's overnight batch processing.
Q. You also referred to a hard post?
A. Yes.
Q. And what does that -- is what you were just saying the hard post, when the batch processing gets done, that is how the hard post happens?
A. That's my understanding. I'm not an expert on the processing but yes, that is how I believe it to work.
Q. Were you concerned about any other ratios the bank maintains or monitors when you told Ms. Schoeppe that

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the wire would have a really big impact on our capital ratios?
MR. MADDEN: Object to the form.
THE WITNESS: I didn't -- I don't believe I was expressing concern over any ratios but there weren't any other ratios that I was attempting to give consideration to.
BY MR. KETCHAM-COLWILL:
Q. Was the bank able to hold a 450 million dollar deposit on its balance sheet given its existing capital levels at the time?
A. Yes, it was.
MR. KETCHAM-COLWILL: Angie, can we play the recording from --
MR. MADDEN: Sorry, Greg, if we're going to move on we've been going about an hour and a quarter. Would now be an appropriate time for a break?
MR. KETCHAM-COLWILL: Fine with me.
THE VIDEOGRAPHER: This will end

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media unit 2. We're going off the record at 11:55, April 11, 2021.
(Recess taken from 11:55 a.m. to 12:08 p.m.)
THE VIDEOGRAPHER: We are back on the record. The time is 12:09, April 11, 2021. This will begin media unit 3.
MR. KETCHAM-COLWILL: Ms. Williamson, we are going to play another part of that phone call you had with Ms. Schoeppe on March 25th. This is still Plaintiff's Exhibit 14. We're going to play it from the mark to the 4:25 mark. Go ahead when you're ready, Angie.
(Audio was played.)
MS. GARCIA: That was all you wanted, Greg, until 4:30?
MR. KETCHAM-COLWILL: Yes.
BY MR. KETCHAM-COLWILL:
Q. In that part of the recording, Ms. Williamson, you said you weren't sure if an ICS account could be set up in time

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for the wire coming in the next day; is that right?
A. Yes.
Q. Did you have any reason to believe that an ICS account could not be set up in time?
A. It actually doesn't really matter when the ICS account is set up. We didn't have to have an ICS account set up to receive this transfer, so my statement about in time I believe is misguided because the ICS account can get set up after the fact, after the deposit is received.
Q. Where would the funds be held in that time before they are placed in an ICS account?
A. They would be held on the bank's balance sheet until the ICS account was set up.
Q. Where would they be reflected on the bank's balance sheet during that time?
A. As a deposit.
Q. And what deposit account would

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well, as you may know, every accounting transaction needs a debit and a credit and they need to be equal. In normal cases if the funds were posted to a client's account, then you would just have a debit in the Fed's GL. But in this case, what this corresponding debit tells me is that the funds were never actually credited to the client.

Q. The second row, WT-Blue Flame Medical LLC, that's a debit to an asset account and the asset account is the one we see at the top of this page due from Federal Reserve Bank; is that correct?

A. Yes.

Q. And the fourth row, wire transfer-California State Treasurer with a credit in the same amount is a credit to this very same asset account?

A. It is.

Q. And so what is the purpose of having these offsetting entries, credit and debit entries in the same asset account?

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A. This occurred because the system didn't have a customer account to credit the funds to. So that's why the offsetting credits came back to the Fed GL because there was never a hard-post credits to the client's account.

Q. Is this a document that's generated during the nightly batch processing you referred to before?

A. I don't know exactly how to answer that. I do believe it would be -- I believe it would be created as a result of the nightly batch processing. But as far as the timeline of when this specific report is produced, I'm not sure.

But you can see -- yeah, these GL accounts are normally looked at in the morning after the prior day. So for example, the account history from 3/26 through 3/26 I would see in the morning of the following day. If it was 3/27, that's when I would have this report available to me.

Q. So these four entries, the order

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in which we see them on the page doesn't reflect any sequence in time?

A. Yeah, unfortunately I don't think so because all of these hard posts occurred like I said during overnight batch processing. I don't know that there's a minute-by-minute timestamp on these.

Q. So not to beat a dead horse but this is -- this reflects the entire activity with respect to the wire transfer in Chain Bridge Bank's Federal Reserve Bank account on March 26th?

A. I believe so, yes.

Q. Looking at the balance column, and focusing again on the second and fourth rows which are the incoming wire transfer, the amount for both of those rows is 44,058,474.05; is that correct?

A. That is the balance, yes.

Q. And that -- the balance is the same there because the second row, that amount came in and the third -- and the fourth row that amount went out and so the

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wire transfer had no end-of-day effect on the bank's Federal Reserve Bank account balance?

MR. MADDEN: Objection to the form.

THE WITNESS: I just want to make sure I'm answering you as best I can so can you restate or rephrase that question?

BY MR. KETCHAM-COLWILL:

Q. Sure.

44,058,474.05, does that reflect the end-of-day balance in Chain Bridge Bank's Federal Reserve Bank account?

A. I don't know what the end-of-day balance was because there's other activity. That's where you see nonresponsive. So there was additional activity in the Federal Reserve Bank account. So what you're looking at under balance is just a running total of what the balance was as various transactions posted.

Q. As various transactions posted.

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Why are the amounts different for the wire transfer return entries, rows 1 and 3?

MR. MADDEN: Object to the form.

THE WITNESS: I can't see where they are different.

BY MR. KETCHAM-COLWILL:

Q. Row 1, wire transfer return or RTM-Blue Flame Medical LLC, the balance there says 412,830,125.95.

A. It's just presenting a running total.

Q. I'm wondering why they don't -- why they are not the same like the entries for the second and fourth rows are, if you understand my question.

A. I'm not totally sure that I -- I think I do but it's because the entries are not posted in the natural order of events, so you have a credit followed by two debits followed by another credit.

Q. So maybe backing up for the wire transfer return entries, there is a debit in the third row which is wire transfer

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return-California State Treasurer and that debit reflects an increase in this asset account?

A. Taken in that order, yes.

Q. Why would the wire transfer return reflect -- result in a debit to this asset account?

A. The wire return ordinarily you would see a credit which you see in the first line under wire transfer return. So ordinarily if funds had been hard posted to a client's account, the client's account would receive that debit. In this case the client's account was never credited with the funds, the debit is coming from the Federal Reserve Bank general ledger account. There is no funds credited to the client's account to debit.

Q. And so if we were looking at a document like this for demand deposits on the liability side of a ledger, there would be no offsetting transaction with respect to the incoming wire transfer entries if we are looking at the same day,

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March 26th?

MR. MADDEN: Objection to the form. Answer if you can.

THE WITNESS: They would be -- I'm sorry, can you say that question again?

BY MR. KETCHAM-COLWILL:

Q. In the event the customer's account was deposited with these or was -- yeah, the funds from this wire transfer were deposited into the customer's account, there would be an offsetting entry in the demand deposit account; correct?

MR. MADDEN: Objection to form.

THE WITNESS: If a customer's account was credited with the funds, then yes, the demand account would then be debited for the return.

BY MR. KETCHAM-COLWILL:

Q. For the return?

A. Yes.

Q. And for the incoming wire transfer, there would be a credit, the

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offsetting transaction would be a credit?

A. If the client's account had -- if credit had been given to the client's account, then yes, the incoming wire would be reflected by a credit in the deposit accounts.

Q. What form would that entry take in the demand deposit account?

A. It would be -- I'm sorry, can you give me the whole scenario so I make sure I'm answering the right question?

Q. Yeah.

In the event the wire comes in, and so I guess looking at the second entry here, wire transfer-Blue Flame Medical and then there's a debit for 456 million, and then the bank deposits that money into the customer's account, what would we see in the demand deposit version of this document?

MR. MADDEN: Object to the form.

THE WITNESS: If those circumstances occurred, then we would have a credit.

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BY MR. KETCHAM-COLWILL:
Q. In the same amount?
A. Yes.
Q. Would that literally be what we see or would it be -- or would that amount be added to other customer deposits made that day?
MR. MADDEN: Objection to form. Answer if you can.
THE WITNESS: I think it would be itemized in the client's records.
BY MR. KETCHAM-COLWILL:
Q. What about on the printout of the demand deposit account in this general ledger account history?
A. I'm not sure.
Q. So with respect to any Fedwire funds transfer that comes into the bank's Federal Reserve Bank account, we would see a debit in here to this particular asset account and we would see a corresponding offsetting entry in the demand deposit account, but either -- and both of those entries would appear after batch

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processing or upon batch processing?
MR. MADDEN: Objection to the form.
THE WITNESS: They would remain in a pending state until batch processing occurred.
BY MR. KETCHAM-COLWILL:
Q. So entries get automatically posted here but they are in a pending state until that batch processing occurs?
MR. MADDEN: Objection to form.
THE WITNESS: Yes.
BY MR. KETCHAM-COLWILL:
Q. Would there be something on this document that indicated the entry was a pending one?
MR. MADDEN: Objection to form.
THE WITNESS: I don't know that I can produce these reports. I don't know. I don't know whether I can produce these reports with memo posts or not.
BY MR. KETCHAM-COLWILL:
Q. Is it possible to access this

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general ledger account history the same day the entries are automatically made?
MR. MADDEN: Objection to the form.
THE WITNESS: Can you say your question again?
BY MR. KETCHAM-COLWILL:
Q. I'm wondering if today, say April 11th, you could go into this program, module, whatever it is, for the account history and see the automatic entries being made for that same day.
A. Any entries that show up during the same day are signified as a memo post.
Q. And that's what this printout would say?
A. I don't believe I could get it printed out.
Q. That's what you would see on your computer screen?
A. I think so, yes.
Q. Would there be a separate column for that, a different column than any of the ones that we see here?

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MR. MADDEN: Object to the form.
THE WITNESS: I think I have -- I'm uncertain. I think I would have to select a separate tab to see the intraday memo posts.
BY MR. KETCHAM-COLWILL:
Q. But you could see them, it might be a separate tab, and they might indicate that they are memo posts but you would be able to go onto your computer and view them that day?
MR. MADDEN: Objection to form.
THE WITNESS: Yeah, I'm not sure about the automatic -- excuse me, the system-generated entries. I'm really thinking about manual journal entries that my team might post. And I'm not sure if there would be a difference in what I could see on my computer screen based on the source of the journal entry and that's why I'm having trouble answering your question.
BY MR. KETCHAM-COLWILL:
Q. You never tried to do what I'm