EXHIBIT 4

CONFIDENTIAL UNDER PROTECTIVE ORDER

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

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

EXPERT REPORT OF THOMAS C. BAXTER, JR. ON BEHALF OF THIRD-PARTY DEFENDANT JPMORGAN CHASE BANK, N.A.

MARCH 12, 2021

situation that results in indemnity – where the beneficiary's bank is acting in reliance on the circumstances communicated to it by the sender and accommodating the sender's concerns. After all, as discussed below, the reversal in such a joint-decision scenario would not be initiated "by the sender," as required by Section 4A-211.

46. But in this highly unusual factual context, Chain Bridge asked JPMC to send it a reversal request, and JPMC accommodated the request. There is an important technical detail that needed to be addressed in order to execute Chain Bridge's decision to reverse the Wire Transfer rather than to "hold" its proceeds. Based on my experience, in a Fedwire reversal situation like this, there is a need to reverse the accounting entries effected to accounts at the Federal Reserve; the Chain Bridge account at the Federal Reserve Bank of Richmond would be debited for the $457 million transfer and JPMC's account at the New York Fed would need to receive a corresponding credit. Tying the reversing entries to the original Wire Transfer is important as a housekeeping and accounting matter. These are not insignificant accounting entries, and the books and records of the respective Federal Reserve Banks need to be accurate about what is reflected. The administrative actions taken by JPMC not only tied the reversal to the original Wire Transfer, but the associated entries were necessary to execute another important element of Article 4A's architecture – and this was getting California its money back. JPMC's actions were thus a direct result of Chain Bridge's decision to cancel the Wire Transfer.

47. Finally, there is the decision by Chain Bridge to close the Blue Flame account.[40] This unilateral decision by Chain Bridge evidences just how uncomfortable Chain Bridge was with Blue Flame. Chain Bridge was so uncomfortable that it decided to sever the customer

[40] *See, e.g.*, Brough Dep. 325:5-19.