EXHIBIT 2

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

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

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Remote Deposition

Monday, January 11, 2021

Videotape Deposition via Zoom of JOHN THOMAS, a witness herein, called for examination by

Page 2

counsel for Defendant/Third-Party Plaintiff in the above-entitled matter, pursuant to notice, the witness being duly sworn by MARY GRACE CASTLEBERRY, a Notary Public in and for the District of Columbia, taken at 10:07 a.m. EST, Monday, January 11, 2021, and the proceedings being taken down by Stenotype by MARY GRACE CASTLEBERRY, RPR, and transcribed under her direction.

Page 3

APPEARANCES:

On behalf of the Plaintiff Blue Flame Medical LLC:
PETER H. WHITE, ESQ.
GREG KETCHAM-COLWILL, ESQ.
BILL GUSSMAN, ESQ.
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Page 4

APPEARANCES (Continued):

On behalf of the Defendant/Third-Party Plaintiff Chain Bridge Bank, N.A.:
GARY A. ORSECK, ESQ.
CAROLYN FORSTEIN, ESQ.
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On behalf of the Third-Party Defendant JPMorgan Chase Bank:
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Page 5

APPEARANCES (Continued):

On behalf of the Third-Party Defendant JPMorgan Chase Bank:
GABRIEL TORRES, ESQ.
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ALSO PRESENT:
JASON AQUI, Videographer

Page 10

PROCEEDINGS

THE VIDEOGRAPHER: We are now on the record in the matter of Blue Flame Medical LLC versus Chain Bridge Bank, N.A. Today's date is January 11th, 2021. The time on the video monitor is 10:07 a.m. This is the video recorded deposition of John Thomas being taken virtually.

I'm the camera operator. My name is Jason Aqui in association with Trustpoint/Alderson Reporting. The court reporter is Mary Grace Castleberry also in association with Trustpoint/Alderson Reporting.

Will all attorneys please identify themselves and the parties they're representing beginning with the party noticing this proceeding.

MR. ORSECK: Hi. This is Gary Orseck from Robbins Russell representing Chain Bridge Bank and the Chain Bridge Bank defendants. And my partner, Matthew Madden, is in the room with me and Carolyn Forstein is also on the video link.

MR. WHITE: This is Pete White with Schulte Roth & Zabel representing the witness, John Thomas. With me in the room is Greg Ketcham-Colwill. On the phone, other attorneys with my firm, Jason Mitchell, Bill Gussman and Keni Ukabiala. They may come and go as time goes on. Ethan Bearman, who is legal counsel to the firm who's the defendant, is on as well.

MS. SCHOENFELD: This is Alan Schoenfeld for third-party defendant, JPMorgan Chase Bank, N.A. at WilmerHale. I am joined by my colleague, Albinas Prizgintas.

THE VIDEOGRAPHER: Will the court reporter please administer the oath.

Whereupon,

JOHN THOMAS,

was called as a witness by counsel for Defendant/Third-Party Plaintiff, and having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR DEFENDANT/THIRD-PARTY PLAINTIFF

BY MR. ORSECK:

Q. Mr. Thomas, my name is Gary Orseck and I'm going to start by asking you if you can see me and hear me clearly.

A. Yes.

Q. Where are you physically sitting today?

A. I'm sitting in Washington, D.C. in my attorneys' offices.

Q. Are you sitting in the same room as your attorneys?

A. Sorry, could you repeat that?

Q. Yes. I'm trying to find out where you all are. Are you sitting in the same room as Mr. White?

A. Yes.

Q. And you're at the offices of Schulte in D.C.?

A. Correct.

Q. Mr. Thomas, I'm certain your counsel has prepared you for this so I'm not going to run through a list of instructions, but I will remind you of certainly one at the outset and that is that because we're doing this virtually, if we speak over each other, it will be difficult to make a clean record and it will be difficult for the court reporter to record my questions and your testimony.

So I will do my best not to speak over you and I will ask you to try your best to let me finish my questions before you begin to answer. Is that acceptable to you?

A. Yes.

Q. And I typically take a break maybe every hour to hour and a half, but if you need to take a break for any reason, just let me know and unless there's a pending question, we'll just take a break if you need to do that, okay?

A. Okay.

Q. Mr. Thomas, would you please, at a fairly high level of generality, run through your professional experience beginning from the time you graduated from college. Where did you graduate from college?

A. Southern Methodist University.

Q. What year was that?

A. I believe 2007. I could be off by a year.

Q. What did you do professionally from 2007 through the present?

Page 14

A. Several things. Let me see if I can recant them all. I worked in politics running campaigns all over the country. I've worked for several real estate developers. I founded a company called Thomas Partners Strategies that is a political consulting, marketing, public affairs and crisis management firm.

I founded a company called Thomas Partners Research that is a public opinion research company. I founded and run a healthcare real estate development company called Thomas Partners Properties.

I've worked for a company called iHeartMedia. I've worked for a news organization called CNN. Do you care to know the board affiliation I've had?

Q. Sure.

A. I've served on Pepperdine's School of Public Policy board of visitors for multiple years. I served on the board of trustees of the House Ear Research Institute, which is a healthcare research group specifically around auditory issues both from a

Page 15

clinic side as well as a research side.

Q. I couldn't hear the name of that entity.

A. Oh, the House Ear Research Institute.

Let's see. I've served -- on my undergraduate at SMU, I was the president of the alumni chapter for more than four years for LA. I earned -- in addition to my bachelor's, I earned my master's from Pepperdine School of Public Policy. And that's all that comes to mind.

Q. What was your undergraduate degree in?

A. Advertising.

Q. You're a commentator from time to time on Fox or Fox News; is that correct?

A. Correct.

Q. What's your affiliation with CNN that you mentioned?

A. I worked for them as a commentator for approximately two years.

Q. What years were those?

A. Roughly between 2015 and 2017, approximately.

Q. And that was an on-air role as a

Page 16

commentator?

A. That's correct.

Q. You mentioned a healthcare real estate company called Thomas Properties; is that right?

A. Thomas Partners Properties, yes.

Q. Tell us a little about that. What does that company do?

A. It was designed to create, to identify, entitle and sometimes build healthcare real estate projects for different users all over the United States, whether they're, you know, acute facilities, outpatient, mixed-use wellness villages, but to build healthcare projects.

Q. Did that company provide health care or help to develop real estate or something else?

A. Well, it was a little bit of both in the sense of one of our projects was pretty groundbreaking where we created a concept called a wellness village. And essentially that's where you blend outpatient facilities, retail and other uses together adjacent to acute facilities owned by hospitals.

Page 17

And so I worked hand in glove with a major healthcare system, not just to figure out the built environment, but specifically how the built environment would deliver healthcare services.

Q. Okay. So --

A. That means, you know, loading docks to storage of medical supplies, et cetera.

Q. You had involvement in designing the storage for medical supplies?

A. Yeah. Essentially you'd think through how these healthcare users are going to utilize the built environment.

Q. You may or may not remember this, but on March 13th, the President declared an emergency relating to the Coronavirus pandemic.

Does that date sound about right to you?

A. I don't recall that specific date.

Q. As of March 1st of this year, did you have any specialized knowledge in the supply chain for PPE? Do you know what I mean by PPE?

A. Feel free to define it for me if you like.

Q. Personal protective equipment, are you

Page 18

familiar with that term?
A. Yes.
Q. All right. So my question was, as of the beginning of March of this year, did you have any specialized expertise in the supply chain for PPE?
A. Yes, I had relationships with PPE suppliers.
Q. Tell us what that was.
A. You know, I've been cultivating relationships obviously my whole life, but -- you know, particularly with my healthcare real estate development company, it allows me to meet a variety of businessowners from major healthcare systems to PPE manufacturers to pharmacy owners. Just a wide variety of businessowners. So, yes, I did.
Q. So beginning -- as of March, what PPE suppliers did you have relationships with?
A. Can you say that again?
Q. Yes. As of March 1st of this -- of last year, excuse me, of 2020, what PPE suppliers did you have relationships with?
A. And you're referring -- could you define

Page 19

the "you"?
Q. Yes. You, John Thomas. You, John Thomas.
A. Sure. I had a relationship with Great Health Companion.
Q. Any others?
A. Yeah. I had a relationship with William Lee. I had a relationship with Phoenix Medical. You said -- these are healthcare manufacturers or PPE manufacturers; is that what you're asking?
Q. I said --
A. Sorry. I just wanted to be clear.
Q. I said suppliers, but manufacturers -- you can tell us if you had relationships with PPE manufacturers as well.
A. I would imagine there are more, but those are all that come to mind.
Q. Prior to March 1st of 2020, were you directly involved in importing any medical supplies?
A. No.
Q. Were you directly involved with the importing of any kind of manufactured goods prior to March 1st of 2020?

Page 20

A. Yes.
Q. What was that?
A. I imported fireworks from China.
Q. When was the first time you learned what an N95 mask is?
A. I don't recall the specific day, but, I mean, they're very commonly used masks. So most of my life.
Q. Really? Most of your life, you've known what an N95 mask is?
A. Yeah. I grew up in the real estate development world. Construction workers use them all the time.
Q. As of March 1st of 2020, did you have any contracts or pricing agreements with any manufacturers of N95 masks?
A. No.
Q. What about -- the same question, but suppliers of N95 masks. Did you have any contracts or pricing agreements with suppliers?
MR. WHITE: You mean as of the same date --

Page 21

MR. ORSECK: Yes.
MR. WHITE: -- just for clarification?
MR. ORSECK: Let me do that -- let me do that again. That was a mess.
BY MR. ORSECK:
Q. As of March 1st of 2020, did you have any contracts or pricing agreements with suppliers of N95 masks?
A. I don't specifically recall.
Q. As of March 1st, 2020, do you believe that you had the ability to examine an N95 mask and make a determination about its quality?
A. Can you say that again?
Q. Yes. As of March 1st, 2020, did you, Mr. Thomas, have the ability to examine an N95 mask and make a determination about its quality?
A. No. That's a job for a third-party inspection company.
Q. I'm going to jump ahead then in response to your question, Mr. Thomas. You formed an entity called Blue Flame Medical; am I right?
A. Uh-huh.

Page 22

Q. Yes?
A. Yes.
Q. And you worked from time to time with an entity called Velox as well; is that right?
A. Can you define the "you"?
Q. When I say you, I'm talking about you, Mr. Thomas. If I mean something else, I'll try to be more specific about it, okay?
A. Okay. Could you say that one more time then?
Q. Yes. Did you, Mr. Thomas, have a business relationship with an entity called Velox?
A. Another company of mine did, yes.
Q. What company of yours?
A. Blue Flame Strategies.
Q. Okay. So you had a -- you had a company called Blue Flame Strategies, right?
A. Yes.
Q. And you had another company called Red Line Strategies?
A. Yes.
Q. Which of the three companies, Blue Flame

Page 23

Medical, Blue Flame Strategies and Red Line Strategies, had a relationship with Velox?
A. I believe Blue Flame Strategies.
Q. Did anyone -- as of March 2020, did anybody employed by Blue Flame Medical, Blue Flame Strategies, Red Line Strategies or Velox, to your knowledge, have the ability to examine an N95 mask and make a determination about its quality?
A. I'm unclear what you mean by examine.
Q. There's no special meaning I'm ascribing to that verb. I mean, could you tell anybody at those four companies, did anybody -- let me start again.

Did anyone at any of the four companies I just mentioned have the training or expertise to make a determination about the quality of an N95 mask?
A. Yes.
Q. Who?
A. Our chief legal officer, Ethan Bearman.
Q. Anyone else?
A. You know, you'd have to ask Velox. I can't speak for their -- their training

Page 24

certifications. No one -- when you're a medical distributor, you typically don't touch the product to inspect it yourself. You typically use a third-party inspection company that does spot testing.
Q. How --
A. It's an expertise into itself, if that's what you're getting.
Q. Which entities was Mr. Bearman, in March of 2020, the chief legal officer for?
A. I believe Blue Flame Medical.
Q. Was it part of Mr. Bearman's job at Blue Flame Medical to examine or inspect medical supplies?
A. Examine or inspect? I'm happy to restate so you understand the business a little bit better.

Medical distributors don't typically touch the product. That's -- that's something that you would use for a third-party inspection agency where they randomly open up a box in the case of an N95, they cut a mask to check for the layers, and then they give it a stamp prior to a medical distributor accepting the product from a factory.

So I'm not -- I'm not sure -- you're --

Page 25

are you asking if our legal officer was entrusted to go cut the product? Is that what you're asking?
Q. When you use the term "medical distributor," are you referring, in this context, to Blue Flame Medical?
A. Yes.
Q. And you're saying it wasn't the job of Blue Flame Medical to inspect the product; is that right?
A. That's not what I'm saying. I'm saying it's not the job of Blue Flame Medical to -- I'm unclear because you're not defining inspect, so I'm not sure if you mean inspect to physically inspect, inspect to check certifications.

If you're asking about checking certifications, yes, Ethan did that, I did that, a variety of people, our global supply chain manager, does that.
Q. I wasn't asking about certifications. What I'm getting at is was it the job of Blue Flame Medical or anybody employed by Blue Flame Medical to determine whether the product was what it purported

Page 42

Mr. Wong take?
A. A variety of forms.
Q. Some by text?
A. Yes.
Q. Some be email?
A. Yes.
Q. Did the communications between the parties include also your communications with Mr. Kim, Daniel Kim?
MR. WHITE: Counsel, are you asking regarding this particular sentence or in general?
MR. ORSECK: I'm asking with respect to this sentence.
MR. WHITE: Thank you for the clarification.
BY MR. ORSECK:
Q. It reference -- let me make the question clear, if I can, Mr. Thomas.
This refers on page 4 of the Mayer Brown letter to communications between the parties, and I'm asking if those communications referenced here include your communications with Mr. Kim.

Page 43

A. You know, I don't specifically recall, but I would imagine it would most likely be relating to my conversations with Michael Wong.
Q. And same question with respect to Betty Yee. Do the communications referenced here include your texts with Betty Yee?
A. No.
Q. You can put that aside for -- well, we're not putting things aside. It's all virtual. But I'm done with that one for the moment.
MR. ORSECK: Carolyn, can you pull up, please, the Blue Flame interrogatory responses from October? We'll mark that as Defendant's Exhibit 2.
MS. FORSTEIN: Okay. I just dropped that into the chat.
(Defendant's Exhibit No. 2 was marked for identification.)
BY MR. ORSECK:
Q. Do you have that one, Mr. Thomas?
MR. WHITE: I have a hard copy of that one, Gary, so you can go forward as soon as Mr. Thomas has had a chance to look at it.

Page 44

BY MR. ORSECK:
Q. Mr. Thomas, we've marked as Defendant's Exhibit 2 a set of interrogatory responses that Blue Flame served on Chain Bridge Bank on the 13th of October 2020. It's quite a lengthy document and for present purposes, I'm not going to ask you questions about the substance of the responses, but I would ask you to scroll to page 33 of 34 in the PDF and you'll see the word "verification" on the top.
A. Okay.
Q. Are you there?
A. I'm here.
Q. And is that your signature on October 13th, 2020?
A. Yes.
Q. The verification says, among other things, that you've reviewed the foregoing interrogatory responses and the statements set forth therein are to the best of my knowledge, information and belief, true and correct.
Was that in fact your belief at the time?
A. Yes, to the best of my knowledge.

Page 45

Q. I couldn't hear that.
A. Yes, to the best of my knowledge.
Q. Thank you. Mr. Thomas, as of March 2020, did you consider yourself to be a healthcare specialist?
MR. WHITE: Objection. Vague. You can answer if you understand.
THE WITNESS: Yeah, I'm not sure what that means.
BY MR. ORSECK:
Q. Did you hold yourself out to be a healthcare specialist in March 2020?
A. I'm not sure what you mean by -- can you define healthcare specialist?
Q. No. Did you circulate materials publicly claiming that you were a healthcare specialist?
A. Well, forgive me, but if you can't define healthcare specialist, I'm just not sure -- like did I verbatim use the word "healthcare specialist"? I'm -- can you define what you mean by that?
Q. Fine. Did you verbatim hold yourself out as a healthcare specialist?

Page 46

A. On a particular date range?
Q. Same, March and April of 2020.
A. I don't recall if I used those specific words.
Q. Do you consider yourself at any point during 2020 to have been a healthcare specialist?
MR. WHITE: Objection. Vague. Answer.
THE WITNESS: Yeah, I would need you to define what that means. I don't -- I need to understand what you mean by that.
BY MR. ORSECK:
Q. Mr. Thomas, I don't mean anything. I don't know what the words mean. I'm asking you if you publicly held yourself out at any point in 2020 as a healthcare specialist. Did you or did you not? Or don't you remember?
A. I'm having difficulty understanding what you mean by healthcare specialist. It would be really helpful if you could define what that means.
Q. I have no idea -- I have no idea what it means. I'm asking you if you publicly stated in 2020 that you are a healthcare specialist. The answer is

Page 47

yes, no or I don't remember.
A. I don't recall.
Q. If you had publicly stated that you were a healthcare specialist, would that have been an accurate statement?
MR. WHITE: Objection. Vague. That depends on the definition of healthcare specialist.
THE WITNESS: I'd need to hear your definition of healthcare specialist.
BY MR. ORSECK:
Q. What's your definition of healthcare specialist?
MR. WHITE: Objection. Vague. You may answer.
THE WITNESS: It would be relating to someone with some kind of expertise in healthcare.
BY MR. ORSECK:
Q. And if you said that about yourself in 2020, would that have been an accurate statement?
A. Did you say would that have been an accurate statement or did you say an accurate statement?

Page 48

Q. An accurate statement.
A. Yes.
Q. And on what basis would it have been accurate to call yourself a healthcare specialist?
A. Well, likely on multiple fronts. I've successfully run a healthcare real estate development company for a number of years with an expertise in healthcare. And I run Blue Flame Medical, which is a medical supply company that works in the healthcare space. So I think that would be fair.
Q. Any other bases besides those two?
A. Yes.
Q. What are those?
A. Well, I served on the board of trustees for the House Ear Research Institute, which is a healthcare organization, one of the top in the nation.
Q. Anything else?
A. Yes.
Q. I just wanted to hear all of them. So tell me everything you think supports the statement that you're a healthcare specialist.

Page 49

A. Well, I've studied and been involved in crafting healthcare policy over the better part of a decade.
Q. What is that about?
A. I took courses sometimes involving healthcare policy in my graduate program as well as crafting healthcare policies for a variety of candidates and elected officials.
Q. Okay. How did you come to know Mike Gula?
A. Well, Mike and I have known each other personally and professionally for a number of years. First, we were introduced by a mutual friend of ours, Matthew Robbins, who unfortunately passed away due to COVID. We became acquainted with each other on a personal basis and then worked together professionally for a few years on -- he worked with my company, Thomas Partners Strategies. We formed a close relationship, and then decided to open Blue Flame Medical together.
Q. And can you give us some color around the launching of this PPE supply business? How did that come about?

Page 50

A. Which entity are you talking about?
Q. Blue Flame Medical. Let me start again. How did you come to found Blue Flame Medical?
A. Sure. Mike and I were -- well, we were in close communication with one another, personally and professionally, around March, even prior, of course, and we were watching, like the rest of the world was, public reports that there was a shortage of PPE and that healthcare providers were unable to access adequate amounts of PPE supplies. I was reading public reports of that and chatting with Mike about it. He was hearing the same thing.

Then I wanted to confirm that that in fact was the situation, it wasn't reporters who got it wrong. And I started calling up friends of mine that work -- you know, CEOs of hospital systems, local elected officials and others to in fact confirm that that was the case. And they said, yes, that's the case. In fact, major healthcare systems could not even get a return phone call from their longtime medical supply companies that they regularly purchased from because those companies were maxed

Page 51

out. Mike Gula was hearing the same thing.

So then I started calling several relationships of mine, one being Henry Huang at Great Health Companion to further confirm and understand why it is that there were potential shortages. And once I understood that -- verified that in fact there were real shortages to healthcare systems, the public and the private sector were having difficulty procuring these supplies, I negotiated with Henry Huang, among others, to allow us to work with them and procure high quality medical supplies from them.

So Mike and I had a discussion and thought that, in this moment in time, we were uniquely qualified and situated with my relationships in the supply chain, with my business background and with Mike's connections to buyers, that we could bring buyers and suppliers together and successfully deliver lifesaving medical supplies. So we formed Blue Flame Medical.

Q. You just referred to your relationships with the supply chain. Are you referring to Mr. Huang?

Page 52

A. As well as others.
Q. Who other -- who else at the time you founded Blue Flame was in the supply chain for N95 masks that you were aware of?
A. I don't recall the full list, but here are a few. William Lee had been in the procurement business and supply chain business. He put us in touch with a variety of PPE manufacturers.

Suuchi was a large supplier with access to hundreds of factories that submit -- produced medical equipment. Phoenix Medical. NeVap. Glymate. I know there were more. I just don't recall all of the specifics.
Q. Did you or Mr. Gula or both of you invest capital in Blue Flame Medical when you founded it?
A. Yes.
Q. How much did you invest?
A. I believe more than $80,000 a person.
Q. And what were your respective ownership shares in the company?
A. 50/50.
Q. Did you prepare a business plan?

Page 53

A. We had in-depth conversations about how the business would work. Is that what you're asking?
Q. Is there a written document that is a business plan?
A. No. We had cash flow projections, P&L statements, in-depth conversations about the business, the future plans and growth of the business.
Q. You had written cash flow projections and P&L statements at the time of founding the company?
A. That or shortly thereafter, uh-huh.
Q. Have those been supplied to your counsel in this case?
A. Yes.
Q. What employees did you have, let's say, in March of 2020?
A. You know, I have to go back and look at the -- I'm not familiar with the exact dates of the employment agreements, but I can tell you kind of roughly who worked for the company.

Ethan Bearman was our legal officer. Marc Serrio was our chief financial officer. I'm trying

Page 62

A. I don't recall.
MR. ORSECK: Carolyn, can you put up tab 154, please, and that will make Defendant's Exhibit 4.
MS. FORSTEIN: I just dropped it in the chat.
(Defendant's Exhibit No. 4 was marked for identification.)
MR. WHITE: Do you have that, Mr. Thomas?
THE WITNESS: Yes, I do. I'm sorry. I'm looking at it.
BY MR. ORSECK:
Q. All right. We've marked as Exhibit 4 a two-page email string and I'll direct you on the first page to the second -- third email down. It's from you at 8:10 p.m. to Jason Lee. Are you there?
A. I'm here.
Q. And you say, "Jason, can you get us a picture of the product immediately? The team needs proof of product. Just a few snaps of the mask is good," right?
A. Correct.

Page 63

Q. And did you want a picture of the -- well, why did you want a picture of the product?
A. That's fairly standard. It's one of the mechanisms that we use to verify the integrity of the product. It's called proof of life. And that can be with a picture.
Q. So you yourself hadn't seen them by this time, by the evening of March 19th, right?
A. You mean hadn't seen them, you mean in person; is that what you're asking?
Q. At all. Had you seen them at all by the end of the day on March 19th?
A. You know, I don't recall the specific date of when I received a proof of life confirmation. So it's hard for me to say.
Q. He writes you back just above that and says, "I do not have access to the product until we fund escrow."
Do you see that?
A. I do.
Q. Does that refresh your recollection that at least as of the end of the day on March 19th, he

Page 64

hadn't sent you proof of life?
A. You know, I'm not sure because I believe our primary communication was telephonically. I seem to recall we had extensive conversations. And you've got to remember back at that -- back in the month of March, you know, an hour felt like a month. So a lot of things were happening. So I can't actually say by the end of the day. You know, I was working sometimes 22-hour days and so that would leave three and a half hours left in the day, which is a long time.
Q. I haven't seen -- okay. I'm sorry to interrupt. I haven't seen any correspondence of any sort in which Mr. Lee sent you a picture of the product. Do you have any reason to think that he did that at some point later on on March 19th?
A. You know, I don't recall if that was on March 19th. I don't recall.
Q. Did you physically go to the Port of Long Beach to see them yourself on the 19th?
A. You know, I attempted to do it several times, but I don't -- I don't know about March 19th.

Page 65

Q. Did you ever see these masks yourself?
A. What do you mean, in person?
Q. Did you ever see them in any way?
A. I believe I did see proof of life. I was unable to physically visit them in person.
Q. How do you believe you saw proof of life?
A. I seem to recall that I was sent proof of life.
Q. You seem to recall, but you don't have a specific recollection; is that right?
A. Correct.
Q. You think he sent you photos?
A. I seem to recall that, yes.
Q. You may not have the timeline in mind, but we'll get there through the documents. But I'll represent to you that the next day, March 20th, you began to engage with California about a potential transaction. That's Friday, March 20th.
Do you have that date in mind?
A. Can you be a little more specific? What do you mean engage with California? I'm not quite sure what that means.

Page 66

Q. I'm going to withdraw it. It makes no difference.

As of March 20th, 2020, had you or any of your affiliated entities delivered any N95 masks to any customers as of March 20th?

A. What do you mean by affiliated entities?

Q. Did you or any of your companies in which you were an owner, an employee, an investor, deliver any N95 masks to anyone on or before March 20th?

A. Just to be clear, you're not referring to our supply chain. You're referring to Blue Flame Medical. Is that --

Q. Well, I don't know all your -- I don't know all your companies. So you keep asking me these questions, but you're the one who knows the answers.

Here's what I know. You had Blue Flame Strategies, you have Blue Flame Medical and you had Red Line Strategies. I don't know what other companies you may have had.

What I'm asking you is whether any of your companies, any of the three that I just mentioned or any others, had delivered any N95 masks to anybody by

Page 67

March 20th?

A. Any companies that I had ownership in, no, not prior to March 20th.

Q. As of March 20th, did you have written supply agreements with any suppliers of N95 masks?

A. I don't recall the specific date that we started putting together paper with supplier agreements. It was a brand-new company, so I'm not sure when the paperwork started getting put together.

MR. ORSECK: Carolyn, can you please pull up the text chain at BFM 20058 and we'll mark that as Defendant's Exhibit 5.

THE WITNESS: It's downloading.

(Defendant's Exhibit No. 5 was marked for identification.)

BY MR. ORSECK:

Q. Do you have it?

A. About 25 percent, yes.

Q. While you're waiting for it to download, who is Matt Littman?

A. He was a referral partner of ours.

Q. What does that mean?

Page 68

A. It means that he -- well, actually, he did two things for Blue Flame Medical. He was a referral partner and at one point he was a salesperson. But it means that he -- we had an agreement with him to introduce us to prospective buyers that might need medical equipment.

Q. Did you have some sort of written referral agreement with him whereby he would be entitled to some compensation for referring you to partners who ended up doing deals with you?

A. Yes.

Q. And have you provided that to counsel?

A. Yes.

Q. What was -- do you remember the terms of that; in other words, what was Mr. Littman entitled to?

A. You know, we had a bunch of those agreements with different referral partners. I could speak more generally to the terms which were he would receive a fee upon successful completion if he were, you know, essentially the procuring cause or maybe introduction. That was a referral agreement.

Page 69

I think for his sales agreement later on, I think he was offered a retainer as well as a commission of some sort on sales closed, but I'm a little -- I can't speak to the exact numbers, but I think that was the general structure.

Q. With respect to the referral partner agreement, was he entitled to a percentage of any sale that came to fruition?

A. Yes.

Q. And you don't know what the percentage was?

A. You mean a percent -- a percentage of the profit, yes.

Q. What percent?

A. You know, I don't recall the specifics.

By the way, the file has downloaded. Sorry. Go ahead. I didn't mean to cut you off.

Q. You don't remember the percentage he was entitled to; is that right?

A. I don't.

Q. How did you first come to meet Mr. Littman or to become acquainted with him?

Page 70

A. Matt Littman and I have known each other for years. He's a public affairs consultant. He works for government entities, private entities. He's a community activist. I think he used to be a speech writer for Joe Biden. We've known each other personally and professionally for a number of years.
Q. Is he a registered lobbyist, to your knowledge?
A. Not to my knowledge.
Q. Do you have Exhibit 5 open now? Defendant's Exhibit 5?
A. Yes.
Q. If you look at the very top of the first page, Bates 58, there's a text from you to him. The way this is set up, just to take a step back, is that the ones that say "sent" are ones that you sent, and the ones that say "received" are the ones that you received back. Okay?
A. Okay.
Q. So at 7:45 a.m. on the 20th of March, which is a Friday, you say, "Hey, Matt, I have 100 million 3M masks sitting here at the port. Can you

Page 71

reach out to Newsom's people," right?
A. Correct.
Q. And Newsom refers to Governor Gavin Newsom?
A. Yes.
Q. So you were -- you were asking Matt Littman to make some contacts with California state officials with respect to PPE; is that right?
A. Correct.
Q. And at the bottom of that first text from you, you say, "We'll kick you a percentage of our net. Mind making that call?"
Do you see that?
A. I do.
Q. And did that refer to your referral partner agreement with him?
A. You know, I don't know if the agreement was in place at that point. But it would refer to an eventual agreement, yes.
Q. The text at the top says that there are 100 million 3M masks. Do you know what a 3M mask refers to?

Page 72

A. I believe the manufacturer.
Q. And had Jason Lee told you that that was the type of masks that he had in Long Beach?
A. Yes.
Q. You say near the bottom that, "These are the gold standard masks and I've locked them down here." What did you mean by "I've locked them down"?
A. Meant I had access to them.
Q. And did you have access to them?
A. Yes.
Q. If you go down several entries, there's one from you at 7:50 a.m., 7:50 and 10 seconds, it says, and you say, "Sitting in containers here right now. I've inspected the product myself. It's real."
Do you see that?
A. I do.
Q. Had you in fact inspected the product yourself by 7:50 a.m. on the 20th?
A. Yes, I believe I had.
Q. How did you do that?
A. Proof of life from Jason Lee.
Q. You recall that he emailed you the night

Page 73

before around about 8:00 p.m. and said that he couldn't send you any photos, right?
A. I do.
Q. So what makes you think you saw proof of life between then and when you texted Mr. Littman in the morning?
A. Well, I remember in a multitude of phone calls I had with Jason Lee, I pressed him and said, you know, I can't -- I need access -- I need to be able to get proof of life that these exist. I need you to make that happen. And I remember he made it happen.
Q. So it's your testimony that he sent you photos at that point?
A. Yes.
Q. Do you know why none of those have been produced?
A. I don't know why.
Q. Did anybody else at Blue Flame Medical see this proof of life you're referring to?
A. I don't recall.
Q. And did you intend for him to convey to

Page 94

There are some others that are not on this document.
During the time that you were having text exchanges with Ms. Yee, did you ever speak to her on the phone?
A. I believe I did.
Q. What's your recollection?
A. Yes.
Q. Well, okay. What do you remember about those -- was it one conversation or multiple conversations?
A. I believe multiple.
Q. Do you recall when the conversations occurred?
A. Sometime in late March.
Q. What was the subject of any of the conversations?
A. I don't recall.
Q. Do you recall anything at all that you talked about with her?
A. Yes.
Q. What did you talk about?
A. You're speaking on the phone or --

Page 95

Q. Yes.
A. -- via text?
Q. No, I have the texts. I'm asking you what you ever spoke to her about on the phone if you recall.
A. The only phone call I remember having with her was that she was running into a meeting and couldn't talk. And that she texted me.
Q. Did you ever, between March 20th and March 27th -- well, let me back up.
Did you ever tell Betty Yee that prior to March 20th, Blue Flame Medical had not ever supplied an N95 mask to any customer?
A. Could you say that again?
Q. Yes. Did you ever tell Betty Yee that prior to March 20th, Blue Flame Medical had not ever supplied an N95 mask to any customer?
A. No.
Q. Did you have an office on or around March 20th? Let me back up. Did Blue Flame Medical have an office on March 20th?
A. You know, I don't recall the exact date

Page 96

that we signed our office lease. You may not be aware, but the entire state of California was on lockdown with mandatory stay-at-home orders at that time. It was virtually impossible despite repeated attempts to secure office space in the month of March.
Q. Did you have an office on March 20th?
A. You know, I believe I was utilizing, but I don't recall on the exact date, but I think it was in the month of March, multiple conference rooms in the Langham Hotel in Pasadena as that was the only available gathering place that was still open.
Q. Did you tell Betty Yee that Blue Flame Medical did not have an office of its own?
A. You're referring to an office space?
Q. Did you tell Betty Yee that you didn't have an office of your own?
A. Can you define "your"? I'm -- I'm confused. Had offices? I believe, Mr. Orseck, just to be -- if you want to be technical, the legally registered address for the LLC, I believe, was in -- it was a Delaware LLC, but I believe Capital Place

Page 97

was the legally registered address, which I believe my partner physically occupied at that time for Blue Flame Medical. So --
Q. Did you tell Betty Yee anything about the office space out of which you were operating, Mr. Thomas?
A. To be clear, you want to know if I, John Thomas, in my personal capacity, told Betty Yee during mandatory stay-at-home orders where I was operating out of? Is that what you're asking?
Q. I don't think I said any of that. My question is, did you discuss the topic of office space at all at any time with Betty Yee?
A. Let me think. I believe I did. I think I told her I was based in Pasadena, California.
Q. Anything else?
A. I'm not sure why that would be a pertinent topic in a mandatory stay-at-home order in the state of California. But no, I don't believe so.
Q. I'm going to ask you -- I'm going to ask you to answer the question. Did you discuss office space with her at all?

Page 98

MR. WHITE: Objection. Asked and answered already. But you may answer again.

THE WITNESS: Well, as I said before, I'm confident I told her I personally was based in Pasadena, California and I'm not sure why we would discuss any office space or the status of the leases I was looking to procure for our company given we were on mandatory stay-at-home orders. So no.

BY MR. ORSECK:

Q. So no. What does no mean?

MR. WHITE: Objection. Do you really need to know what "no" means?

MR. ORSECK: Well, look, I'm getting these long answers about the rationale of the conversations.

BY MR. ORSECK:

Q. I'm simply asking you if you remember discussing office space with Betty Yee. Yes, no or I don't remember?

A. No, I don't think she doubles as a leasing agent. Sorry for the humor. But no.

Q. Okay. Blue Flame Medical incorporated in

Page 99

Delaware on March 23rd. Do you agree with that?

A. You know, I don't recall the specifics, but that sounds about right.

Q. It says that in the complaint. I could show it to you, but I suggest you take my word for it, that that's when the articles of incorporation are dated and the LLC agreement is dated. They all say March 23rd.

Can we agree on that?

A. Yes.

Q. Did you tell Ms. Yee, when you were emailing with her on March 20th, that Blue Flame Medical didn't exist yet?

A. I don't believe we had a conversation about the legal status of the LLC in Delaware. But I do know that I had been operating under the assumption that Blue Flame Medical did exist for, I believe, several weeks at that point in time. But was the paperwork filed? Did we have a discussion about that? I don't believe we did, but I don't specifically recall that.

Q. Did you tell Ms. Yee, when you spoke to

Page 100

her by text on March 20th, that Blue Flame Medical did not yet have a bank account?

A. I don't recall.

Q. Look, please, at Defendant's Exhibit 6. That's your email exchange with her. And --

A. You mean text?

Q. That's what I meant. Thank you. Your text exchange with her.

The second from the bottom on the first page is a text sent by you at 5:40 p.m. and you say, "We've almost sold all of this first shipment but will have 100m units every week being delivered to Long Beach." Is that right?

MR. WHITE: Objection to the characterization. You can answer.

THE WITNESS: It appears to be, yes.

BY MR. ORSECK:

Q. You used the notation 100 with a little M in that sentence. Does that little M refer to million?

A. I believe so.

Q. You say, "We've almost sold all of this

Page 101

first shipment." Does that refer to the 100 million 3M masks at the Port of Long Beach that you referenced several texts above that on page 1?

A. Yes.

Q. Who did you sell almost all of that first shipment to?

MR. WHITE: Objection to the characterization. It says almost sold all of this first shipment. Go ahead and answer.

THE WITNESS: My partner and I were having a variety of conversations in the selling process with some very large buyers all over the United States and the world. At the time, I'm sure I was referencing several deals that appeared to be imminent of very large magnitude.

BY MR. ORSECK:

Q. Did Blue Flame Medical sell any of the 100 million 3M masks at the Port of Long Beach?

A. No.

Q. Did you have negotiations in place with one or more entities to sell those Long Beach masks?

A. What do you mean by you?

Page 102

Q. I'm sorry, I didn't understand what you said.
A. I'm trying to understand. You said did you have agreements in place with several entities to sell those masks. I'm just not sure exactly --
Q. Sure.
A. -- what you --
Q. You -- you said a moment ago that you had --
A. "You" being me, John Thomas?
Q. Mr. Thomas, you answered me a moment ago and said that at the time, I'm sure I was referencing several deals that appeared to be imminent of very large magnitude.
So my -- my question for you is, did Blue Flame have deals that appeared to be imminent with respect to these 100 million 3M masks at the Port of Long Beach?
A. Yes.
Q. And with whom did you have deals that appeared to be imminent?
A. You know, I don't specifically recall, but

Page 103

you'd have to ask my partner, Mike Gula.
Q. You go on to say in your 5:40 p.m. text, "We'll have 100 million units every week being delivered to Long Beach."
Do you see that?
A. I do.
Q. What was your basis for that statement?
A. Jason Lee had told me that there was a weekly delivery of that size coming into Long Beach.
Q. Did he tell you that by text or on the phone or by email or in some other mechanism?
MR. WHITE: Objection.
THE WITNESS: On the phone.
MR. WHITE: Mr. Thomas, you have to wait until he finishes so that the court reporter -- and until I finish because the court reporter can't take down both at the same time.
BY MR. ORSECK:
Q. Jason Lee is with an outfit called First Alta or he was at the time. Does that ring a bell?
A. It does ring a bell.
Q. Did Mr. Lee or his company ever supply any

Page 104

N95 masks to Blue Flame Medical?
A. No.
Q. What came of the 100 million that you anticipated being delivered every week?
A. You know, I don't know. We didn't have a need to procure those because after your client destroyed my bank account, destroyed my credibility, our demand for that level of volume dramatically decreased. So I don't believe I ever followed up with Mr. Lee to procure any of his products.
Q. To your knowledge, those materials were available. You just had no demand for them. Is that what you're saying?
A. Correct.
MR. ORSECK: Carolyn, can you put up tab 10, please. We'll mark that as Defendant's Exhibit 8.
THE WITNESS: I'm downloading it.
(Defendant's Exhibit No. 8 was marked for identification.)
THE WITNESS: Okay. I have it open.
BY MR. ORSECK:

Page 105

Q. Exhibit 8 is a five-page PDF that consists of a series of emails. And I will direct your attention to the first page where you email Bill Simonson at 8:08 p.m. on March 20th.
Do you see that?
A. I do.
Q. Who is Bill Simonson?
A. I believe he works in the office of risk and insurance management, but in the emergency management department.
Q. The state of California, right? I couldn't hear you.
A. Correct.
Q. And you write to him, "Just about to click send. Sorry I was talking to one of my main manufacturers asking him to speed up delivery on masks. Regarding N95 masks, I can deliver one million units in the air in three days so that you can see a trial and then I can deliver 15 to 25 million in a month and this is just from one of our core suppliers," and then you go on from there.
Do you see that?

Page 114

Q. Okay. I hear you now. I don't know what that was. Are you at page 121?
A. I am.
Q. There's an entry at the top at 11:18 a.m. on March 21st sent by you to Ms. Yee in which you say, "Thank you so much for your help birddogging this."
Do you see that?
A. I do.
Q. She responds, "Got it. Will press governor's folks. All okay with the nurses?" Right?
A. Yes.
Q. What is the reference to the nurses?
A. Hang on one second. May I look at this document just briefly?
Q. Sure.
MR. WHITE: You can always look back and forth through the document if you need to.
THE WITNESS: Okay. Okay. Sorry. Go ahead. Can you ask your question again?
BY MR. ORSECK:
Q. Yes. Can you tell us about the reference

Page 115

to the nurses? And I'll note there are references throughout this text exchange to the California Nurses Association. Is that what that refers to?
A. I think so, yes.
Q. Did you -- were you trying to do a transaction with the California Nurses Association?
A. I believe I had spoken a few times with somebody from the association, but it was very preliminary. Never went anywhere.
Q. Okay. If you go to page 122, there is a text from Ms. Yee to you at 11:14 p.m. and she twice says within the text, "I will keep pushing."
Do you know why Ms. Yee was birddogging and pushing along the prospects of a deal between the state of California and your business?
A. I mean, you'd have to ask her. I would imagine -- I really can't speculate on her intent, but probably because she lives and cares about the state of California and wants them to get lifesaving medical supplies.
Q. Back on page 121 at 3:20 p.m., you write to Ms. Yee, "We are delivering another 100M units of

Page 116

N95 masks and 500K COVID-19 at testing kits to Florida. Just came in. The other states seems to move faster. No offense. LOL."
Do you see that?
A. No, I --
MR. WHITE: Actually, Gary, can you --
THE WITNESS: No, I don't.
MR. WHITE: -- reorient me to where that is as well? I lost you.
MR. ORSECK: We're on Defendant's Exhibit 6.
MR. WHITE: Yeah, I've got that.
MR. ORSECK: And I wasn't finished. And on Bates BFM 200121, which I think is the third page of this exhibit, there is a text message from Mr. Thomas at 3:20 p.m. That's what I'm referring to.
MR. WHITE: I understand. We both have it now. Thank you.
BY MR. ORSECK:
Q. Mr. Thomas, does your reference to 100M units mean 100 million?

Page 117

A. You know, I don't specifically recall, but that looks correct.
Q. Do you think it might mean something else?
A. I'm unsure.
Q. Well, you wrote it. Do you have any reason to think it means anything other than 100 million?
A. No, but it -- no.
Q. No?
A. No.
Q. What was the basis for your reporting to the controller that you were delivering 100 million units of N95 masks to Florida?
A. Well, that would be that my partner was negotiating and almost closing, I believe at that time, talks for very large quantities, sometimes in the quantities of 100 million, to other buyers in other states.
I think in Florida, there were several private and I think one public buyer in Florida. And I think I'm also saying, in reference to this chain, it appears that we're speaking about a lack of

Page 118

responsiveness from procurement officials to begin negotiations with me in the state of California, and other states seemed to move more quickly in being responsive to tell us what they need.

Q. Was it Mr. Gula who was having the negotiations with Florida over the 100 million units?

A. I seem to recall that, yes.

Q. And what entity was he negotiating with?

A. You'd have to ask him. I don't remember.

Q. Did you know at the time?

A. I would imagine I did, but I don't recall.

Q. It says that you're delivering another 100 million units of N95 masks. Was there an earlier delivery of 100 million units?

A. Well, I think the term "delivering" in this text message is likely referring to closing a sale for those masks. And I do know there were several very large different buyers in the state of Florida that wanted a variety of things.

Q. You weren't physically delivering 100 million N95 masks to the state of Florida, were you?

A. Do you mean that I personally was going to

Page 119

lift the masks myself? What do you -- unclear.

Q. When you say "we" in that sentence, who are you referring to?

A. Blue Flame Medical.

Q. Was Blue Flame Medical physically delivering 100 million N95 masks to somebody in the state of Florida?

A. Well, as I stated earlier, we're using delivering in this instance as language to say that we are closing, we are finalizing contracts to deliver large quantities of masks and COVID-19 kits.

Q. So by delivering, you did not mean to convey that you were transporting the masks from one place to the state of Florida?

A. You know, I don't recall specifically. In this instance, it appears that I'm referring to the sales process, but I don't recall specifically.

Q. Did Blue Flame ever in fact physically deliver or cause to be delivered 100 million N95 masks to the state of Florida?

A. No. No, I don't believe we did.

Q. Did you ever deliver one million masks to

Page 120

the state of Florida? By you in this instance, I mean Blue Flame.

A. I don't believe we did. We very well might have, had we had a bank account to transact and had your client not destroyed my California transaction that allowed us to fulfill a lot of orders all over the country. Some of these customers were in Florida. They were unable to take because the California transaction was blown up.

Q. Did you ever deliver any N95 masks to any purchaser in the state of Florida?

A. You know, I don't recall. There were some smaller orders in Florida. I don't recall if they ordered N95s or not. I can't recall.

Q. Did you ever advise Ms. Yee that there in fact would not be a delivery of 100 million or any masks to the state of Florida?

A. Can you say that again?

Q. Yes. You say here on page 121 that Blue Flame is delivering another 100 million units of N95 masks to Florida. Did you ever amend or retract in any way that statement to her?

Page 121

A. I don't recall. I'm sure if she had asked, I would have updated her to the status. But because Chain Bridge Bank accused us of fraud to our client and tortiously interfered with my contract, we didn't have conversations after that point. So I wasn't able to update her on the status of our other clients.

Q. You didn't update her between March 21st and March 27th, did you?

A. I don't recall. And I don't recall the status of those other orders at that time.

Q. If you go further down that page, you say at 7:03 p.m., "Right. Thanks, Betty. I'm about to unlock a bunch of U.S.-based manufacturers too, so if we need to made in America goods too. But we can fill and need the state" -- I think you probably meant any need the state has immediately; is that right? Did I read it correctly?

A. Sorry. I'm reading it. Yes.

Q. What did you mean to convey when you said that "I'm about to unlock a bunch of U.S.-based manufacturers"?

Page 122

A. Well, at that time our supply chain was continuing to expand. On or about that time, I remember working out agreements with suppliers in different parts of California that could make large quantities of everything from hand sanitizers to COVID kits to gowns and masks, a variety of things.

And we had plans internally at Blue Flame to create our own N95 manufacturing facility in Indiana and expedite that to be able to provide customers that require made in America goods. That -- that idea blew up when we lost our seed capital that was the California deal.

Q. Did Blue Flame Medical ever reach any supply agreements with U.S.-based manufacturers?

A. You know, I believe we did, but I certainly had -- I had verbal agreements from several, yes.

Q. Who were they?

A. Oh, goodness. Let me see if I can remember. I'm not sure if I remember the -- oof, maybe I do remember the business names. Steve -- one of the owner's names was Joseph Choi, I -- no. Hold

Page 123

on, Mr. Orseck. Let me remember.

One was called Integrated -- I can't remember the name of the LLC out of, I believe, Fontana, California. I physically inspected that manufacturer. Another one, I can't seem to recall the exact name of the company, was out of Santa Monica, was one of the largest providers of aerosol sprays, gels in America. And we had a variety of others that I had spoken to and had understandings that we were going to be able to procure from them and order from them if needed.

Q. Did Blue Flame Medical ever obtain any N95 masks from any U.S.-based manufacturer?

A. I don't believe we did.

Q. Did Blue Flame Medical ever move forward to create its own manufacturing facilities for N95 masks?

A. No. But we had business plans in place, pro formas in place. We decided not to pursue that for two reasons. One was the seed capital required to buy the equipment which I had sourced, the equipment that I would get, would come from China,

Page 124

hire the labor, to sign a long-term lease to increase our insurance requirements. All of that was planned to use seed capital from the 100 million-unit mask order from California to grow the company to which we did not have.

And the second, Mr. Orseck, is given that we were a preferred supplier with the state of California, we anticipated that as our reputation grew, so would the demand for our products and that we would have increased demand. We -- our demand was dramatically decreased when it was leaked by media outlets that a bank accused us of fraud to one of our clients and that dramatically reduced our company's ability to secure customers.

Q. Did you have -- sorry. Were you finished?

A. Yes.

Q. Did you have a written business plan or pro formas for this manufacturing facility you'd intended to develop?

A. You know, I know I spent substantial amount of time talking about how to revive the concept and some specific numbers with my chief

Page 125

financial officer. And we came to the conclusion for the before mentioned reasons that we had to drop those plans.

Q. You referenced that you had developed business plans and pro formas. I'm asking if they were reduced to writing.

A. Correct, yes.

Q. They were?

A. Uh-huh.

Q. Do you have them somewhere?

A. Well, they would have been in emails to and from my chief financial officer.

Q. Is that Mr. Serrio?

A. Yes.

Q. You referenced to the California transaction providing you seed capital. What do you mean by that?

A. Well, there's a couple of things I mean by that. One was, you know, as we were speaking with dozens and dozens and dozens of very large customers, private buyers, public buyers, many of these buyers could not prepay for product. Meaning, Mr. Orseck,

Page 142

That will be DX-12. Tell me when you're ready.
THE WITNESS: I'm ready.
(Defendant's Exhibit No. 12 was marked for identification.)
BY MR. ORSECK:
Q. DX-12 is a two-page document, Bates BFM 66185. The first page is a 6:38 p.m. email from you to Michael Wong. You say, "Pleasure texting with you. Here's our sales sheet for today."
You then say, "I have some inventory in California, some in Mexico, and a huge global supply chain that can service any need you have going forward."
What was the inventory in California you were referencing?
A. I mean, it was likely a myriad of things. I put together several suppliers, like I mentioned to you, out of Santa Monica, Riverside, Fontana, as well as Long Beach.
Q. Who was the supplier in Santa Monica?
A. You know, I'm trying to remember. I don't remember his name. I don't recall his specific name.

Page 143

Q. Did the Santa Monica supplier ever supply you with any N95 masks?
A. No.
Q. Who was the supplier in Riverside?
A. That was this group I mentioned. It was Jimmy -- hmm. The last name escapes me. But the company is something like Integrated -- I can't remember the full company name. I physically inspected that -- that manufacturer.
Q. Did they ever supply you any N95 masks?
A. No.
Q. Who was the supplier in Fontana?
A. That was the same Integrated group. They had facilities in Riverside and Fontana.
Q. Okay. And you never got supplies from Fontana either, correct?
A. I went and picked up samples from them. I'm trying to -- I don't know specifically if we ended up placing an order with them or not.
Q. And Long Beach, you never got any N95s from Jason Lee at all, right?
A. No.

Page 144

Q. What about Mexico. You mentioned in Defendant's Exhibit 12 that you have inventory in Mexico. What was that a reference to?
A. William Lee had put together a network through him of suppliers across the globe. One of them was in Mexico.
Q. Did you ever obtain any supply of N95 masks from Mexico?
A. No.
Q. And then the next page of this exhibit attached on Defendant's Exhibit 12, that's the same -- that's the same chart you had sent to Abby Browning, right?
A. I'm not sure if it's the exact same because it was -- this document was being updated regularly. But, I mean, if you'd like me to do a line-by-line comparison I could, but -- I mean, it's a similar document, yeah.
Q. Okay. Let's go to tab 21, which will be DX-13.
(Defendant's Exhibit No. 13 was marked for identification.)

Page 145

BY MR. ORSECK:
Q. Defendant's Exhibit 13 begins at BFM 66417.
A. Okay.
Q. I'd like you to turn, please, to page 66423.
A. 423.
MR. WHITE: Counsel, give me a second. It's taking me a while to open it up on my computer. What was the Bates number again?
MR. ORSECK: 66423.
THE WITNESS: Sorry. I'm scanning. One second here.
BY MR. ORSECK:
Q. Take your time.
A. Okay. This is 423 you said?
Q. Yes.
A. Okay.
Q. Just to orient you, Mr. Thomas, at the very bottom of 423 and carrying over to 424 is the very email between you and Mr. Wong we were just discussing a moment ago, but the way these were

Page 146

produced is that they're -- they're sort of broken up.

So there is then an email back to you at the top of 423 and it says, "John, do you have specification sheets for the N95 masks and the COVID-19 test kits? Also, what other options do we have for payment to manufacturers?"

Do you see that?

A. Yes.

Q. And then moving back to page 422 is your response to him, right? Do you see that at 9:43 p.m.?

A. Yeah, sure. Uh-huh.

Q. And you say, "Thanks, Michael. Yes, I have all the specs sheets I'll package up," right?

A. Yes.

Q. Did you send him the spec sheets?

A. I'm fairly certain I did, yes.

Q. You go on to say, "We can do a 75 percent prepayment and the balance upon receipt."

Why did you offer a 75 percent prepayment at that point rather than the 100 percent upfront

Page 147

that you's mentioned earlier?

A. Because we felt that actually, we were giving California a pretty good deal because essentially we were putting off a portion of our profit until we had successfully delivered the masks. So we were saying that what we needed was California to pay much of the costs and we would delay some of our profit because we were so confident that we would be delivering to the state of California. There was no risk for us there.

Q. You continue on, "I have to give them prepayment, but you have the 48-hour inspection period or you can reject the goods and you get a refund."

Do you see that?

A. I do.

Q. You were reiterating that the policy was that they could reject the goods, right?

A. Yes.

Q. Could they reject the goods if the goods turned out to be something other than what they had expected to receive?

Page 148

A. Of course.

Q. You go on to say, "Also, I just got word from my lead manufacturer that we need to place an order for 100 million N95 masks or they will sell them to the UK."

Who is the lead manufacturer that you had just gotten word from?

A. You know, that's a good question. I don't specifically recall. It was likely Great Health Companion. It also could have been Glymate. I do know that both of those groups were selling product and capacity to the UK.

Q. Great Health Companion was in fact your lead -- lead supplier according to the Mayer Brown letter submitted to the House committee, right?

A. You know, at that moment in time, it was probably a split between Glymate and Great Health Companion.

Q. Where is Glymate based?

A. California.

Q. Where?

A. I'd have to check, but I want to say Bell,

Page 149

California or some -- southern California. Somewhere in LA county.

Q. Does Glymate manufacture N95 masks?

A. Yes.

Q. Did Glymate ever supply Blue Flame with N95 masks?

A. No.

Q. You were trying to get Mr. Wong to move quickly, weren't you?

A. I think I was trying to express to him the market conditions on the ground.

MR. ORSECK: Carolyn, can we do tab 28, please, which will be Exhibit 14.

THE WITNESS: Okay.

(Defendant's Exhibit No. 14 was marked for identification.)

BY MR. ORSECK:

Q. Exhibit 14 is a text from you to Betty Yee. Again, they're not all captured in the received/sent document we've been looking at. Some of them are not on there. And this is one of those. The Bates stamp is very tiny on the bottom. I'm not

Page 150

even sure what it says.
But this is a text from you to Betty, which I think is a screenshot from your phone, which is why it was produced by BFM. And if you look at the third paragraph, you say to Ms. Yee, "Payment options are pretty straightforward. 75 percent upfront. The balance on delivery and you can inspect and reject to get 100 percent back if you don't like it/want the product," right?
A. May I read the whole document first?
Q. Of course.
A. Okay.
Q. In the third paragraph that I referenced, am I right that you were making clear to Ms. Yee, just as you had made clear to Mr. Wong, that your policy was that they could inspect and reject and get back 100 percent if they didn't like the product or didn't want the product, right?
A. Correct.
Q. Okay. I'm jumping back and forth a little, but that's the order they're in. If you would turn back to Defendant's Exhibit 6, which is

Page 151

the compendium of texts between you and Betty Yee and turn to page 126.
A. Okay.
MR. WHITE: Which exhibit number again, Counsel? I'm sorry.
MR. ORSECK: Exhibit 6.
MR. WHITE: Thank you.
BY MR. ORSECK:
Q. Page 126. The second text in this chain is from you to Betty at 9:50 p.m. on the 23rd and you say, "Lastly" -- I think you meant to say saw, not sad, but you'll tell me if I'm wrong. "I saw the list of vendors California is talking to. None of them have inventory. I know because they're all asking me for product."
Do you see that?
A. I do.
Q. How did you see the list of vendors California is talking to?
A. I believe I was copied on emails from Abby Browning. And in that email thread down below, they -- the details are foggy, but essentially they

Page 152

had copied, it looked to be, numerous vendors about a call about PPE. I was not on that call, but it was pretty clear, when I started Googling all of the email addresses, that I knew a few of those potential suppliers and I was trying to look after the state saying, you know, don't do business with these people. That's what I was saying.
Q. Who were the suppliers?
A. Oh, gosh. I don't recall. I don't recall. I just remember what happened in the moment.
Q. Had any of them called you up and asked you for product?
A. I believe several had, yes.
Q. How did they even know you were in the business?
A. Word travels very quickly. You know, we were making hundreds of calls to different groups and people knew that we had a fantastic and reliable PPE supply chain. So of course people were going to be reaching out to us.
I also think there was an article in Politico that said we were in the business. So --

Page 153

MR. ORSECK: Okay. Carolyn, I'm not sure which tab this is, but I think I'm looking for 12560, BFM 12560. Ah, yeah, it's tab 25. Tab 25 is going to be DX-15.
THE WITNESS: Okay.
(Defendant's Exhibit No. 15 was marked for identification.)
THE WITNESS: Okay.
BY MR. ORSECK:
Q. Exhibit 15 is a March 24th, 1:35 p.m. email from you to some internal folks. And you say, "Baby steps." And just below that is an email from you from 1:34 p.m. to Mike Wong and you say, "Hi Michael, to be transparent, here's our inventory list for one of my many manufacturers."
And you repeat the inspect/reject point, right?
A. Yes.
Q. If you would scroll down then to the last page of this document, 12560, you'll see the attachment, the inventory list. Do you have it?
A. I'm getting there. Sorry. Okay.

Page 154

Q. Is this the Great Health inventory list?
A. Yeah, it was the products that they had available at that moment in time to procure.
Q. And at that moment in time was March 24th, right?
A. I believe so, yeah. Uh-huh.
Q. I was trying to interpret this document, and you'll tell me if I've gotten it wrong. But the first section is entitled masks and if you go to the bottom of that section, the last six or so entries are for N95 masks; am I right?
A. Yes.
Q. And then the fourth column over says monthly capacity. And I tallied up Great Health Companion's monthly capacity for N95 masks and I get to 11.5 million. If you want to check my math, go ahead.
A. Okay.
Q. Does that appear correct?
A. No. Is it correct it was on the sheet or is it correct that that's their capacity?
Q. First of all, I'm just reading the sheet.

Page 155

Does this indicate that his monthly capacity for N95 masks was 11.5 million?
A. This was more of a guide for what brands of masks and product types Great Health Companion could procure at that moment. Less of an actual capacity. Would you like me to explain why?
Q. Are you asking me?
A. Yes.
Q. You should explain whatever you think you should explain.
A. Okay. So the way a supplier like Great Health Companion works is they contract out with -- here. Let me -- they contract out with manufacturers' facilities.

And Great Health Companion is owned by a company called Hakim. It's a very large publicly traded company. It's a quasi state-owned company, which means Great Health Companion can procure essentially as much PPE as they want. All they have to do is go reach out to manufacturers of PPE and they can up their capacity. So the monthly capacity that was on that sheet really wasn't pertinent to my

Page 156

discussions with Great Health Companion.

Great Health Companion pledged that they could fulfill any amount I needed in part of the California order, for instance. All they have to do is spin up more factories. So that's how that works. So the monthly capacity there is really not an applicable number. It's more the numbers, the model numbers.
Q. This document indicates a monthly capacity of 11 and a half million N95 masks, true?
A. The document indicates that, yes.

MR. ORSECK: Carolyn, can we put up tab 38? This will be DX-16.

THE WITNESS: Can I have a bathroom break in a couple of minutes? We can get through this exhibit.

BY MR. ORSECK:
Q. Sure, sure, sure. I do not mean to impose suffering.
A. Well, not that kind of suffering.
Q. Well, right. Exactly.
A. Sixteen?

Page 157

Q. Yeah.
A. I'm downloading it.

(Defendant's Exhibit No. 16 was marked for identification.)

THE WITNESS: Okay.

BY MR. ORSECK:
Q. Okay. The bottom of the first page, which is Bates stamped 116156, is a March 24th email from you to Michael Wong. And you say, "Michael, here's what we can do."

Do you see where I am?
A. I do. Uh-huh.
Q. The first says, "2 million units - ready in three days - arrive in California on day 7 - Henry."

Is that a reference to Henry Wong from Great Health Companion?
A. Correct.
Q. The next one says, "6 million units - ready immediately - have to ship - SU."

Who does that refer to?
A. I believe it's Suuchi.

Page 158

Q. The next says, "25 to 30 million units - delivered within 30 days - Henry." Henry Wong again? Right?
A. Yes. Uh-huh.
Q. And the last one says, "25 additional units within 30 days," and then again Suuchi. And you say, "We can deliver 63 million masks within 30 days for sure," right?
A. Correct.
Q. And you ask -- you say you assume you cannot accept KN95s. And he responds to you above that they can accept only approved N95s, right?
A. That's correct.
Q. If you flip to the next page, 157, you go on to say, "I can source the other 37 million, but I need to hear back from my other manufacturers before I can quote exact capacities," correct?
A. Yes.
Q. Now, a few days before this, we'd seen you told Abby Browning that you could do 15 to 25 million in a month. That was on Friday and we're here now on Tuesday. How did you manage to get that number up

Page 159

from 15 to 25 all the way up to 63 million in two business days?
A. Sure. So a couple of ways. One, like I may have mentioned, at that point in time, Blue Flame, we were working 22-hour days, further expanding and building out our supply chain. So I had been adding additional -- many additional manufacturers with more capacity. So that's how. And we worked weekends. So quite a few days had elapsed.
And the second is, I was having live conversations with Great Health Companion about the needs not just of California, but of other potential customers. And Henry, to his -- testament to his capabilities, agreed that he would help fulfill up to, as relates to the California order, up to 100 million units to ensure that we satisfactorily delivered for the state of California.
Q. You say that in the interim, you had found additional manufacturers, but the only ones you're referencing here to Michael Wong are Henry and Suuchi, right?

Page 160

A. Correct.
Q. So those weren't additional manufacturers, were they?
A. Well, no. But if you look in -- I can source the other 37 million, but I need to hear back from my other manufacturers before I can quote exact capacities.
Q. Yeah. I'm first asking you about the 63 million. That was going to come, according to you, all from Henry and from Suuchi, right?
A. Correct.
Q. And then you -- you anticipated my next question. When you say I can source the other 37 million, who are you referring to there?
A. Like I said, I was building out my supply chain, waiting for other manufacturers. For instance, LG, out of South Korea, was going to be a potential manufacturer that had a large capacity. And Henry Huang at Great Health Companion, you know, was making additional phone calls to new factories to ensure that he could lock them down if we had this order.

Page 161

Because you've got to remember, look, 100 million masks is quite a few masks, which means there's quite a bit of profit for Great Health Companion. And it means they had serious buying power in some cases to jump to the front of the line and literally bump out other people that had placed existing orders with other manufacturers.
So over the weekend, you would imagine -- well, no, not you would imagine. It's true that Henry Huang was live in the moment expanding his capacities to ensure that I could properly deliver to the state of California. But I don't think the state had committed to 100 million. But anyway.
Q. Did LG from South Korea ever provide you a written commitment of its ability to provide masks, N95 masks?
A. No. But we had conversations and assurances that they could -- that they did have ability -- remember, the California deal never happened which dramatically reduced our -- unfortunately, our company's need to procure from, you know, multiple manufacturers.

Page 170

A. Not that I recall.
MR. ORSECK: Carolyn, could we pull up the document that consists of, I think, what was tab 56 and 85A? And I'll identify it for the record. That's going to be DX-17.
MS. FORSTEIN: Yep, Gary, those are actually two separate emails. I can put them both up, but I think they would be two separate exhibits. They are consecutive Bates numbers, but they're separate documents.
MR. ORSECK: With consecutive Bates numbers. Well, okay. Let's just start with tab 56, then. That will be DX-17.
MS. FORSTEIN: Okay. The first in time one is tab 85. Sorry.
MR. ORSECK: All right. Let's do that first then.
MS. FORSTEIN: Okay.
BY MR. ORSECK:
Q. Let me know when you have that downloaded, Mr. Thomas.
A. I'm working on it.

Page 171

(Defendant's Exhibit No. 17 was marked for identification.)
THE WITNESS: I have it. Sure.
MR. WHITE: Give me one second, Gary. My computer is being -- I have it now. Thank you.
MR. ORSECK: Now, I'd like to just put this one aside. I skipped one that comes before it that I'd like to do. Let's come back to this and make Exhibit 18 should be, Carolyn, tab 50.
(Defendant's Exhibit No. 18 was marked for identification.)
BY MR. ORSECK:
Q. Tab 50 is DX -- Defense Exhibit 18. We're still on Tuesday. And on the bottom of page 110967, Mr. Huang says to you, "Yes, we would like a PO for 100 million. I'll work the 75 percent payment piece first thing in the morning."
Do you see that?
A. I do.
Q. He was referring to N95 masks, right?
A. Yes, specifically for models per his exact request.

Page 172

Q. Right. So by 7:00 p.m. on Tuesday the 24th, you understood that California wanted you to fill a purchase order for 100 million masks, right?
A. Yes.
Q. And at that point, Blue Flame Medical has not yet opened its bank account, right?
A. I don't know the exact date the account was open.
Q. And Blue Flame Medical had no reseller agreements with Great Health Companion or Suuchi or anybody else by that point?
A. You know, I can't speak to the paperwork. But I know definitively I had verbal agreements from all of them.
Q. All right. Now let's go back to Exhibit 17.
A. Okay.
Q. If I'm at the right place, Mr. Thomas, there is an email from you in Exhibit 17 that's at 1:55 a.m. in the morning on March 25th and it's addressed to, "Team, I realized we need to do quite a bit of work tomorrow to get the wire through."

Page 173

Do you have that in front of you?
A. Yes, I do.
Q. You go on to say, "Need to source inventory amounts to tell California what we'll be sending them."
What did you mean by that?
A. I think it was we needed to make sure that I talked to all my suppliers to see exactly what's available and by when now that it looks -- now that we have the specificity we were looking for from California because prior, you know, we didn't know exactly what they wanted. Now we know the quantity, we know the price and we know the models.
Q. And when you say "need to source inventory," that means you haven't yet sourced inventory by that time, right?
A. No, no. It just means we need to put a little finer point on the matter. Remember, there potentially were several potential strategies of how we were going to fulfill the California order. Part of how you keep your supply chain alive is by feeding them, right?

Page 174

So even though Henry had agreed that he could fulfill the entire order along with Suuchi, I had put together a large supply chain and I wanted them to stay with me and be responsive. And so I wanted to touch base with all of them so that we could decide internally, you know, perhaps we spread some of the California order to several other manufacturers to keep them fed.

Q. But at that point, you -- you knew you had the ability to provide 100 million masks.

A. Yes.

Q. Do you have experience prior to this time in supply chain management?

A. No.

Q. The next sentence says, "Gula has Henry's latest numbers."

A. Hold on for a second.

Q. Sorry.

A. I'm sorry. I was just going to add something to that.

Q. Oh, sure.

A. I was going to say as a businessperson,

Page 175

when you have a multitude of vendors, whether they're manufacturers or service providers, it's pretty well recognized that you have to spread the love. You have to keep them fed, to make sure that they're available for when you need them for other projects.

So this was -- this strategy was no different to supply chain management as it is vendor management in any other business.

Q. You'd never managed the supply of millions of anything before, had you?

A. Well, millions of dollars, yes.

Q. I'm of course talking about products, widgets of any sort.

A. No.

Q. If you look back at page 12806, another sentence down in your 1:55 a.m. email says, "I think we are still short, but I have other sources."

You meant we're still short of being able to fulfill the 100 million mask requirement, right?

A. One second. I'm looking. What -- what page is this?

Q. This is page 12806 and we're in Exhibit

Page 176

17.

A. Six. You mean 4?

Q. I'm sorry, you're probably right. I have a different page. 12804, uh-huh.

A. Okay. Let me look real fast here. I want to make sure I'm with you.

MR. WHITE: Gary, can you reorient him and get him where you were, what sentence you were asking about?

MR. ORSECK: Yeah.

BY MR. ORSECK:

Q. This is a two-page document. The first page is a March 25th email and the fourth sentence in your email says, "I think we are still short, but I have other sources."

Do you see that?

A. Yep.

Q. And my question was, did you mean you were still short of 100 million masks?

A. No, because I -- I'm not sure what I was referencing there. But I had every confidence and belief that Henry as well as our other suppliers

Page 177

could have fulfilled the California order.

So I'm not entirely sure other than, you know, it also could have been that my partner was talking to a bunch of other potential customers. I just wanted to make sure that we had capacity for all of those orders. Could have been, but it's not specific or I'm not certain.

Q. I want to make sure you have a chance to explain clearly in response to my question. You said in reference to -- right after you said we need to source inventory amounts to tell California what we'll be sending them, you say, "I think we are still short." And it's your testimony that that does not refer to your ability to procure 100 million masks; am I right?

A. Correct.

Q. Okay. And what do you think it refers to? You're short on what?

A. I'm not entirely sure, to be honest. I know my partner was talking to a bunch of customers. So I'm not sure what he had promised. But I know, based upon my conversations with Great Health

Page 178

Companion and other manufacturers, there was no doubt that we could fulfill that order.
Q. You're not sure what we're still short refers to?
A. No.
Q. But you are sure that it does not refer to the 100 million masks?
A. Yeah. Because I know for 100 percent confidence and certainty that we could have delivered for California for all of their needs.
Q. The next sentence says, "I need your guys' help to figure out how to write the invoice with flexibility." Do you see that?
A. Yes.
Q. And the next sentence says, "Perhaps we just list the models and say 100 million units in any mix of these models," right?
A. Yes.
Q. What did you mean when you said you wanted help to figure out how to write the invoice with flexibility?
A. Well, in some cases, certain manufacturers

Page 179

make a particular brand and might have a much larger capacity of one brand or model of masks and fewer of the others.
So to most quickly get to the 100 million units, we wanted to have it flexible so that if we want to deliver more of one model and less of the other in order to get California these lifesaving masks the fastest, we have that flexibility to do so.
Q. And that's because at that point, you didn't have certainty about how many of each of the brands of masks California wanted you could supply, right?
A. Could you say that again?
Q. Yeah. Isn't it true that the reason you wanted the flexibility is because at that point, you didn't have certainty about how many of each of the brands of masks California wanted you could supply?
A. I had not had the specific conversation with, for instance, Henry Huang about how many exactly of each model number he would be delivering other than that he would deliver 100 million units of the approved models.

Page 180

Q. He didn't even tell you roughly how many of each brand he would deliver to you, right?
A. I don't recall.
Q. He didn't tell you anything at all one way or the other on that topic, did he?
A. I don't recall. We had extensive conversations about his ability to deliver the approved four models of N95 masks.
Q. During the days from March 20th to March 27th, how frequently did you speak to Henry Huang on the phone?
A. Between what dates?
Q. March 20th, when you first exchanged texts with Betty Yee, and March 27th, which is the day after the wire transaction.
A. Oh, very frequently.
Q. The next sentence here says, "Perhaps we just list the models and say 100m units in any mix of these models," right?
A. Yes.
Q. And the little M again means million, after the number 100?

Page 181

A. Yes.
Q. And I don't want to put words in your mouth, so correct me if I'm not getting it right. But is the idea here that you would achieve the flexibility by simply saying we'll provide you 100 million units of the models you want, but not to state in the invoice how many of each you were going to supply?
A. Yes.
Q. If you go further down on that page, two paragraphs down, there's a sentence that begins, "Once the wire is cleared."
Do you see that?
A. Yes.
Q. The next sentence says, "Also, let's lock down our office space. I can't stand working remotely." Does that refresh your recollection whether you had an office as of March 25th?
A. I know that I had been -- well, not necessarily. I know we operated out of a conference room at a hotel for several weeks. I don't remember when we began that versus when we formally signed an

Page 238

Q. Did anybody -- did anybody in words or substance from the state of California say to you that the deal was off or canceled?
A. It was clear to me that the deal was canceled by their actions.
Q. Okay. No one ever said that to you?
A. It was clear to me by their actions that the deal was canceled.
Q. You're declining to answer my question?
A. I'm not declining. I'm answering your question.
Q. Okay. Did you come up with a workaround, you or Mr. Serrio or anybody at Blue Flame, whereby Blue Flame would require no prepayment from California and instead demand payment only upon delivery?
A. You know, I know we were working on a variety of different scenarios, none of which came to fruition because California, the deal was blown up. So we -- I know we struck a deal with a credit company later on, Atlas something or other. I can't remember the full name. But, you know, we tried

Page 239

repeatedly to come up with scenarios to revive the deal after Chain Bridge blew it up.
Q. Did you tell California, within the day of two after March 26th, that you had a workaround by which they would have to pay no money upfront?
A. Is there a document you're referring to?
Q. I'm asking for your recollection. Do you recall any such thing?
A. You know, I tried repeatedly to get ahold of the state of California. I don't recall everything I said to them.
Q. All right. I'll show you what I have. Defendant's Exhibit 6 is your text exchange with Betty Yee. And if you go to Bates 200132, I'm going to ask you about the two texts at the bottom.
A. One moment. Okay. I'm on that page.
Q. At 3:30 on March 26th, you send Betty a text that says, "Hi, Betty, sorry to bug you, but I have an issue that I need your help with. Can you call me when you have a moment?" Right?
A. Uh-huh. Yes.
Q. The next morning at 8:05 a.m., you say,

Page 240

"Hi, Betty, I'm sure you heard about my bank bouncing payment hours after it went through. Unbelievable. However, I've come up with a workaround for the product I have en route."
Do you see that?
A. I do.
Q. And again, was there product en route at that time on the 27th?
A. You know, I know that several suppliers were getting things in motion.
Q. Okay. You go on to say, "Just to keep you in the loop, here's what I'm trying to get of Dan Kim about. I can take payment upon receipt, inspection and acceptance for each delivery. This should make the state feel comfortable." Right?
A. I see that.
Q. Does that refresh your recollection that that was your workaround or one of your workarounds?
A. You know, I know that after Chain Bridge blew up our transaction and lied about us, I tried a multitude of ways to have the California deal reinstated. This might have been one of those.

Page 241

Q. My question was, do you recall or does this refresh your recollection that that was one of your proposed workarounds?
A. It appears to be.
Q. Do you have any recollection of it?
A. Vaguely.
Q. If you flip the page to 133, Ms. Yee responds to you at 8:50 a.m. and says, "John, please communicate with Dan directly and please cease to keep me in the loop. It is not helpful," right?
A. I see that.
Q. And then she says, "I'm sure if he takes your call, he will rightfully ask why you required prepayment of the state but now can take payment upon receipt and inspection."
Do you see that?
A. I do.
Q. Did you answer her question in that regard?
A. Well, I think --
MR. WHITE: In terms of what? Clarification. What question are you talking about?

Page 242

BY MR. ORSECK:
Q. Did you respond, Mr. Thomas, as to why you were now able to take payment upon receipt and inspection?
A. I believe I followed her instructions in the sentence prior, which was please cease to keep me in the loop. So why would I have --
Q. Sorry.
A. -- further.
Q. What is the answer as to why you were able to receive payment only upon receipt?
A. Well, we had come up with a variety of potential workarounds that were not ideal, but only because at the time, we had no idea that it was greedy bankers that tried to blow up our transaction to save their own asses -- sorry, pardon for my language -- accuse us of fraud to the state of California. We had no idea. So at the time, we were trying to come up with something that made the state comfortable.
Q. All right. None of the -- none of the circumstances of the financing or logistics had

Page 243

changed. It's just that you were willing to accept a less ideal option at this point; is that right?
A. We were coming up with creative solutions to solve a problem that we had no idea was created by the bank that had nothing to do with the state of California.
Q. Okay. After March 26, did you continue to have exchanges with Michael Wong in an attempt to revive this transaction?
A. I believe we spoke, yes.
Q. Do you recall telling Mr. Wong on April 8th that you're confident you can provide the 100 million masks and that you might be able to get help from the Rams and the Chargers and Fed Ex?
A. Vaguely. Is there a document you have that I can examine?
Q. You could, but I'm just asking if you remember that exchange.
A. Vaguely.
MR. ORSECK: Carolyn, can we put up 301, which will be Exhibit 27.
(Defendant's Exhibit No. 27 was

Page 244

marked for identification.)
THE WITNESS: Downloading it.
BY MR. ORSECK:
Q. Exhibit 27 is a two-page document Bates stamped BFM 72285 and 86.
A. I'm reading it. One second here.
Q. Are you ready?
A. Almost ready. Okay. I'm ready now.
Q. On Wednesday, April 8th, you email Michael Wong and you began by saying it was a pleasure speaking with you today. Do you remember speaking with Michael Wong? And I mean this as a yes or no question.
A. Yes.
Q. Was it in fact a pleasant call?
A. I believe so.
Q. Professional and cordial?
A. Yes.
Q. Did Mr. Wong say to you on that call that Chain Bridge Bank had accused you of fraud?
A. I don't believe we discussed it.
Q. Did Mr. Wong ever tell you that Chain

Page 245

Bridge had accused you of fraud?
A. I don't recall.
Q. Did anybody from California ever tell you that Chain Bridge had accused you of fraud?
MR. WHITE: I take it you mean an official with the state of California or something like that?
MR. ORSECK: Thank you.
BY MR. ORSECK:
Q. Did any California state official ever tell you that Chain Bridge had accused you of fraud?
A. Well, there was public testimony in the state legislature to that effect.
Q. You're talking about Ms. Ma, Fiona Ma?
A. Correct. And I think I recall -- is it Mark Ghilarducci? I can't pronounce his last name. But I believe he gave similar testimony.
Q. And you think Ms. Ma testified that Chain Bridge Bank accused you of fraud? Is that your recollection?
A. My recollection is that she, in news reports, reported that bankers from Virginia said something to the state of California that was so

Page 246

egregious that it caused them to break our contract and claw the money back.

Q. That's your recollection of Ms. Ma's testimony; is that right?

A. You know, I don't remember whether it was Ma or Ghilarducci or a combination.

Q. Have you ever personally spoken to Ms. Ma?

A. No.

Q. Or corresponded with her in any way?

A. No.

Q. Same questions for Mr. Ghilarducci. Ever spoken to him or corresponded with him in any way?

A. No.

Q. Did any California state official ever say to you that Virginia bankers or Chain Bridge Bank accused you of fraud?

A. I'm thinking. No, but it was quite obvious that's what happened.

Q. If you look further down this Exhibit 27, in the middle of the second paragraph, you say, "Two options we have been exploring are with the Rams and Chargers about loaning us their team jets as well as

Page 247

working with Fred Smith, owner of FedEx, to provide at-cost air freight to the states."

Who had had those conversations with the Rams and the Jets and FedEx?

MR. WHITE: I believe it's Rams and Chargers. Is that the part you're talking about?

MR. ORSECK: That was a -- that was a Freudian slip there.

MR. WHITE: I'm so sorry.

BY MR. ORSECK:

Q. The Rams and the Chargers and FedEx, who had those conversations?

A. Benny and the Jets?

Well, several people. I believe Matt Littman had had high-level conversations with corporate officers at the Rams about their willingness to do this. I think the Chargers was actually Marc Serrio, our CFO's connection. I think he had had some preliminary conversations.

And this came to light because I want to say a week or two before -- it wasn't the Eagles. It was -- it was the Patriots. I believe the Patriots

Page 248

lent their jet to procure some PPE from China, so we wanted to piggyback on that idea.

And as it related to FedEx, oh, gosh, it would likely have been Mike Gula and Brielle Appelbaum from our company that were in high-level discussions. I know that I had several discussions with a senior person at FedEx to provide us a drastic discount for any PPE to the state. So I hope that puts a little bit of color on it.

Q. Sure. You never reached any final agreements with them, I take it?

A. You'd have to --

Q. I'm going to withdraw the question. I'm going to withdraw the question, okay? I don't want to wade through it.

You say in the third paragraph, "Our account manager at Bank of America is Josh Gross."

Do you see that.

A. I do.

Q. By April 8th, had you opened an account at -- had Blue Flame Medical opened an account at Bank of America?

Page 249

A. Yes.

Q. When did that happen?

A. I believe the Saturday after Chain Bridge Bank blew up our transaction, Bank of America moved at breakneck speed over the weekend to open up an account for us and -- go ahead. I'm done.

Q. Did the Bank of America account have the capability to allow you to receive wires and send wires?

A. Yes.

Q. And has Blue Flame ever sent and received wires through that bank?

A. Yes.

Q. Do you still have that account open? Does Blue Flame? I interrupted you. Does Blue Flame still have that open?

A. No.

Q. No. When did it close?

A. You know, I don't specifically recall. I want to say approximately two months after it was open.

Q. Why did you close that one?