EXHIBIT 21

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF VIRGINIA

(Alexandria Division)

- - - - - - - - - - - - - - - - X

BLUE FLAME MEDICAL LLC, : Civil Action No.

Plaintiff, : 1:20-CV-00658

vs. :

CHAIN BRIDGE BANK, N.A., :
JOHN J. BROUGH, and :
DAVID M. EVINGER, :

Defendants. :

- - - - - - - - - - - - - - - - X

CHAIN BRIDGE BANK, N.A., :

Third-Party Plaintiff, :

vs. :

JPMORGAN CHASE BANK, N.A., :

Third-Party Defendant. :

- - - - - - - - - - - - - - - - X

CONFIDENTIAL

Remote Videotaped Deposition Of ETHAN BEARMAN

Thursday, January 21, 2021

9:34 a.m. (EST)

Reported by: Dana C. Ryan, RPR, CRR

Page 2

January 21, 2021
9:34 a.m. (EST)

Remote Videotaped Deposition of ETHAN BEARMAN, held via Zoom video teleconference, before Dana C. Ryan, Registered Professional Reporter, Certified Realtime Reporter and Notary Public in and for the State of Alabama.

Job No. 98495
Pages: 1 - 326
Reported by: Dana C. Ryan, RPR, CRR

Page 3

A P P E A R A N C E S

ON BEHALF OF THE PLAINTIFF
BLUE FLAME MEDICAL LLC AND THE WITNESS:
WILLIAM GUSSMAN, Esquire
JASON M. MITCHELL, Esquire
PETER H. WHITE, Esquire
GREG KETCHAM-COLWILL, Esquire
KENI UKABIALA, Esquire
Schulte Roth & Zabel LLP
901 Fifteenth Street, Northwest
Suite 800
Washington, D.C. 20005
Telephone: (202) 729-7470
Email: bill.gussman@srz.com
Email: jason.mitchell@srz.com
Email: pete.white@srz.com
Email: gregory.ketcham-colwill@srz.com
Email: ekenedilichukwu.ukabiala@srz.com

Page 4

A P P E A R A N C E S C O N T I N U E D

ON BEHALF OF THE DEFENDANT/THIRD-PARTY PLAINTIFF CHAIN BRIDGE BANK, N.A.:
MATTHEW M. MADDEN, Esquire
LESLIE ESBROOK, Esquire
GARY A. ORSECK, Esquire
Robbins, Russell, Englert, Orseck, Untereiner & Sauber
2000 K Street, Northwest
4th Floor
Washington, D.C. 20006
Telephone: (202) 775-4500
Email: mmadden@robbinsrussell.com
Email: LEsbrook@robbinsrussell.com
Email: gorseck@robbinsrussell.com

Page 5

A P P E A R A N C E S C O N T I N U E D

ON BEHALF OF THE THIRD-PARTY DEFENDANT JPMORGAN CHASE BANK, N.A.
ALBINAS PRIZGINTAS, Esquire
MARGARITA BOTERO, Esquire
Wilmer Cutler Pickering Hale & Door LLP
1875 Pennsylvania Avenue, Northwest
Washington, D.C. 20006
Telephone: (202) 663-6900
Email: albinas.prizgintas@wilmerhale.com
Email: margarita.botero@wilmerhale.com

Also present:
Jason Aqui, Videographer

Page 186

number 805. I guess that's the only page of it.
A I see it.
Q Okay. You see at the top of this attachment it says, GHC products catalog?
A I do.
Q Okay. And GHC, you understand to mean Great Health Companion?
A I do.
Q And at least, in form, if not necessarily every number on every row, you'll agree with me this matches the attachment we just saw to Exhibit 15?
MR. GUSSMAN: Objection.
THE WITNESS: I mean, it looks like it.
BY MR. MADDEN:
Q Okay. And do you recall reviewing this attachment?
A I don't recall specifically reviewing this attachment.
Q Okay. And -- but it's your testimony that by Wednesday, March 25th, at 4:43 in the morning Pacific time, you had come not to rely on

Page 187

the information in the allocatable inventory column of a GHC products catalog; is that correct?
A Yeah, I -- correct.
Q Okay. And the same question for the monthly capacity column. By this time, you had come not to rely on that information in GHC products catalogs; correct?
A That's --
MR. GUSSMAN: Objection.
THE WITNESS: -- correct.
BY MR. MADDEN:
Q Okay. On the first page of Exhibit 17 under the See Attached email at the top, Mr. Thomas writes to you and others at 1:55 in the morning on Wednesday, March 25th.
Do you see that email?
A I do.
Q Starting with the second sentence, Mr. Thomas writes, Need to source inventory amounts to tell California what we'll be sending them. Gula has Henry's latest numbers broken down by model for what California needs. I think we

Page 188

are still short, but I have other sources.
Do you see that?
A I do.
Q Did you disagree with Mr. Thomas as of the time you received this email that Blue Flame Medical was still short in terms of fulfilling California's mask order with available supplies?
MR. GUSSMAN: Objection to form.
THE WITNESS: (Reviews document.)
It's possible. I -- I don't recall specifically.
BY MR. MADDEN:
Q Okay. Well, do you recall telling Mr. Thomas, in words or substance, that you disagreed with that statement?
A I do not recall that.
Q Okay. Okay.
MR. MADDEN: Let's look at Exhibit 22, please, Leslie.
THE WITNESS: I have it, Counsel.
MR. GUSSMAN: I don't have it.
BY MR. MADDEN:

Page 189

Q Okay. Exhibit 22, which has been previously marked as an email, Bates numbered BFM13558 and its attachment 559.
MR. GUSSMAN: I have it now. Thank you.
MR. MADDEN: Okay.
BY MR. MADDEN:
Q Mr. Bearman, you see Exhibit 22 is an email from you to Mr. Thomas, Mr. Gula and Ms. Brown, 9:15 p.m. Pacific on Wednesday, March 25th.
Do you see that?
A I do.
Q Okay. And then there's an attachment to your email that's an Excel spreadsheet; is that right?
A That looks right.
Q Okay. And the -- if you see on the email, it lists the name of the attachment -- the file name is California N95 order.
Do you see that?
A Yes.

Page 190

Q Okay. Did you create this document?
A Yes, I did.
Q And for what purpose did you create it?
A At the request of Mr. Thomas to help lay out a schedule for California, and this was the first draft.
Q Okay. And did Mr. Thomas explain to you why a schedule was needed?
A Yes.
Q What did he say?
A I believe he said that he wanted to lay out a schedule -- delivery schedule to give to California officials at DGS.
Q Okay. On the spreadsheet, you see there's a column labeled Arrival Date?
A Yes.
Q And is the information in that column intended to reflect the arrival date of various tranches of mask shipments to California in -- at its delivery point?
MR. GUSSMAN: Objection to form.
THE WITNESS: I believe so. I -- I

Page 191

can't recall if it was for coming through the port or actual arrival at their facility because of variability between the port and their facility.
I don't recall which.
BY MR. MADDEN:
Q Okay. And you called this a first draft; right?
A Yes.
Q And you prepared the, sort of, quantities of masks associated with various arrival dates in this first draft; correct?
A Yeah, I -- I literally just plugged in numbers to get the spreadsheet started for us to fill out.
Q Okay. And what was the basis on which you came up with these numbers?
A I don't believe there was a basis. I believe I was just starting to plug in numbers for our discussion to fill it out.
Q You just made this up?
MR. GUSSMAN: Objection to form.
THE WITNESS: And let me clarify. The

Page 192

first line was the purchase order I had negotiated with Suuchi, Inc. The third line was, I believe, a purchase order we were going to issue to Henry for an initial order that he, if I recall correctly, had ready to ship, and that was communicated to California officials.
And then the remainder lines that are all identical were placeholders.
BY MR. MADDEN:
Q And just to be clear, those lines, the placeholders, are the ones that start with the 3 million masks with an arrival date of April 8; correct?
A Correct.
Q Okay. And those you filled in without any basis, as just placeholders. Do I have that right?
A To the best of my recollection, yes --
Q Okay.
A -- so we could work on the spreadsheet as Mr. Thomas had more detail than I had at that moment.

Page 193

Q Okay. On the first line that says the supplier is Suuchi, there's no arrival date filled in.
Do you see that?
A Correct.
Q Why was that?
A Because I didn't enter a date.
Q Did you have a date -- an arrival date corresponding to masks coming from Suuchi for the State of California?
A I don't believe so. I don't believe I had an arrival date yet.
Q Okay. You see at the bottom of the spreadsheet the total number of masks reflected is 58 million; is that right?
A Yep. Yes, that is what is there.
Q Okay. And then remaining, there's a number in red, 42 million, below it.
Do you see that?
A Yes.
Q And the remaining masks, am I right, are the 42 million masks for which no arrival date

Page 194

or supplier is provided in this version of the spreadsheet; correct?

MR. GUSSMAN: Objection to form.

THE WITNESS: Can you ask that again, please?

BY MR. MADDEN:

Q Sure.

The 42 million remaining masks listed at the bottom of this spreadsheet in Exhibit 17, that reflects 42 million masks for which no supplier and no arrival date is reflected in this version of the spreadsheet; correct?

A I dispute that categorization, no. It's a mathematical formula that just simply said, okay, we're delivering 100 million masks. I plugged in numbers as previously testified to that were placeholders, and it just says you're 42 million short.

Q Okay.

A So it -- I don't -- it has no meaning beyond that.

Q Okay. And if you take the 58 million

Page 195

masks in the total line and subtract the 6 million masks for which Suuchi is listed as the supplier, you'll agree with me that the rest of the 52 million masks, at least according to this spreadsheet, are coming from Great Health Companion?

MR. GUSSMAN: Objection to form; misleading.

THE WITNESS: Again, just arithmetically, just math, the 58 million minus 6 million equals 52 million, based on placeholders for a draft, sure.

BY MR. MADDEN:

Q Okay. And what you call the placeholders in here are 3 million masks being supplied by Great Health Companion every day from April 8th through April 30th.

Is that -- do I have that right?

A That -- yes, that's what it says.

MR. GUSSMAN: Objection to form.

MR. MADDEN: Okay. Let's look at Exhibit 23, please.

Page 196

MS. ESBROOK: Sure. Here it is.

THE WITNESS: My turn to get the network errors. Okay. I have it, Counsel.

MR. MADDEN: All right. I'm not sure I do. Sorry. Just give me a minute to make sure I'm looking at the right thing.

MR. GUSSMAN: I have it.

Matt, after this exhibit, could we take a break -- a short break?

MR. MADDEN: Yeah. Of course.

BY MR. MADDEN:

Q Okay. Just to make sure we're looking at the same thing, Exhibit -- sorry. I need to open up the chat version. Now, I have the network error.

MR. MADDEN: Why don't we take a break now while I figure this out. Is that all right?

MR. GUSSMAN: That's fine.

MR. MADDEN: All right. Let's go off the record.

THE VIDEOGRAPHER: Off the record at 2:30.

Page 197

(Recess -- 2:30 p.m.)

(After recess -- 2:40 p.m.)

THE VIDEOGRAPHER: We are now back on the record. The time is 2:40 p.m.

BY MR. MADDEN:

Q Okay. Mr. Bearman, we were just -- we were just looking at Exhibit 22, which is a 9:15 p.m. Pacific email you sent on March 25th.

Are you with me?

A Yes.

Q Okay. And we've put in the chat what's been previously marked Exhibit 23, which is an email and its attachment.

Do you have that?

A Yes.

Q Okay. And Exhibit 23 is an email, Mr. Bearman, that you sent to Mike Gula, John Thomas and Jennilee Brown at 5:25 p.m. on March 25th; correct?

A Yes.

Q So this is ten minutes after you had sent the email that's Exhibit 22; right?

Page 242

buyers and what we were seeing when other people were trying to sell Blue Flame masks.
Q Other than what you were hearing from buyers and seeing when other people were trying to sell Blue Flame masks, do you recall any other information that Blue Flame considered in terms of what the market was bearing?
A I don't recall other factors.
Q Okay. And I believe you said one of the factors considered was what was fair and reasonable; is that correct?
A Is that what the transcript says?
MR. GUSSMAN: Maybe rephrase your question.
MR. MADDEN: Sure.
BY MR. MADDEN:
Q Was one of the factors Blue Flame considered in setting the price on the California order whether it was fair and reasonable?
A I don't recall that specific phrase.
Q Do you recall a substance of a factor along the lines of fairness and reasonableness?

Page 243

A Yes. Again, that's -- I recall that is, again, within the range of what other people are charging, and potentially -- although it's never achieved that, not even near it -- what price laws may guide.
Q Okay. Did you discuss the $4.76 per mask price with Mr. Thomas?
A I'm sure we did.
Q How about with Mr. Gula?
A I don't specifically recall discussing that price with Mr. Gula.
Q Okay. Did Mr. Thomas instruct you, in words or substance, to set the per-mask price for the California order just below the upper end of a price range he had previously provided the state?
MR. GUSSMAN: Objection to form.
THE WITNESS: I don't remember him communicating that to me.
BY MR. MADDEN:
Q Okay. The next line down in your email that's Exhibit 74 says, Shipping, and then the figure next to that is $95.2 million.

Page 244

Do you see that?
A Yes.
Q Did you determine that shipping cost for the California invoice?
A I believe I may have calculated that, yes, I think so.
Q And how did you go about calculating that?
A If I recall correctly, it was based on what suppliers had said the going rate of air freight for N95 masks from China to California would be.
Q Which suppliers do you have in mind who had provided Blue Flame that information?
A It's most likely the -- Great Health Companion as the primary source of that information.
Q And was that information on the going rate of air freight a per-shipment figure, a per-mask figure?
How was that information presented, if you recall?

Page 245

A I don't recall if it was per mask or per pallet, but that's a typical way of measuring it.
Q Which is a typical way of measuring that?
A Any. Per unit, per pallet, per carton.
Q It could be any of those?
A Yes.
Q Okay. Do you recall specifically receiving information from Great Health Companion on what its shipping cost would be for the California order?
A I don't remember that specifically, but I -- I don't remember that specifically.
Q Okay. The last line -- well, I'll take a step back.
The second-to-last line of the -- I'll call it chart in your email that reads, $609,184,800, do you see that?
A I do.
Q And that was the total order amount for the California order?

Page 246

A That looks correct.
Q Okay. And then the next line in your email reads, Deposit (75 percent), and then the figure $456,888,600.
Do you see that?
A I do.
Q What did that line, Deposit (75 percent), reflect?
A 75 percent of that number above it.
Q And why was that part of the California invoice?
Let me -- let me rephrase.
Why --
MR. GUSSMAN: Objection --
BY MR. MADDEN:
Q -- were you --
MR. GUSSMAN: -- to form. Yeah, this is not an invoice.
MR. MADDEN: Yeah. Let me -- let me --
MR. GUSSMAN: Are you talking about why it's a part of this email --
MR. MADDEN: I said --

Page 247

MR. GUSSMAN: -- or something else?
MR. MADDEN: Bill, I said I'd rephrase.
MR. GUSSMAN: Okay. I didn't hear you.
MR. MADDEN: Okay.
BY MR. MADDEN:
Q Why were you providing that "deposit (75 percent)" information to Mr. Thomas in this email in connection with the California invoice?
A Communicating information as the calculation.
Q Yeah. My question is why.
A I -- I don't know specifically why. I don't recall that specifically.
Q Do you recall generally why you were providing information on what a 75 percent deposit would be in connection with the California invoice?
A Generally speaking, that would be logical because there was discussion of a 75 percent deposit, and if the numbers are being calculated, it looks -- above and that number is $609,184,800, then I would calculate that for --

Page 248

potentially for Mr. Thomas' ease of use.
Q Okay. And was it your understanding at the time you sent this email that Blue Flame Medical was requiring California to prepay a 75 percent deposit on the total order amount?
A I -- if I recall correctly, I was under the understanding that there was a 75 percent deposit.
Q And that that was a deposit that Blue Flame Medical was requiring of California in connection with this transaction; correct?
A Yes.
Q Okay. Shifting gears a little bit, who is Suuchi Ramesh?
A She's the, I believe, founder and chief executive officer of Suuchi, Inc.
Q And how did you come -- did you -- sorry. Strike that.
You communicated with Ms. Ramesh about the potential supply of N95 masks in March 2020; is that right?
A Yes, I did.

Page 249

Q And how did you come to be communicating with Ms. Ramesh about that topic?
Who reached out to whom? How did you link up?
A Which question do you want me to answer?
Q Fine.
How did you come to be communicating with Ms. Ramesh about that topic?
A I have a cousin who at the time was vice president or senior vice president working at Suuchi, Inc., and I believe I had seen a post on LinkedIn that they were trying to provide PPE, and so I reached out to my cousin and said, oh, my gosh, get me more information.
Q And what's that --
A So that's how I linked up with Suuchi.
Q Okay. And what's that cousin's name?
A His name is Jason Bunin, B-U-N-I-N.
Q Do you have an understanding as to whether Suuchi, Incorporated was, itself, a mask manufacturer?

Page 250

Let me rephrase. Strike that question.
Did you have an understanding in March 2020 as to whether Suuchi, Incorporated, itself, made N95 masks?
A I do not recall that I believed that they actually manufactured N95 masks, but I don't recall specifically. I might have thought it at the time.
Q Okay. In late March 2020, what understanding did you have, if any, as to what Suuchi, Incorporated's principal business was?
A At the time -- if I recall correctly, I felt -- apologies.
When I first -- the time frame that you're asking for is -- is broad.
Q Okay.
A Can you narrow that for me?
Q Sure.
By March 25th, 2020, what did you understand Suuchi, Incorporated's principal business to be, if you had an understanding?
A If I recall -- the best way I know how

Page 251

to explain what my understanding was is they were a supply chain -- let me rephrase that.
They were a clothing and PPE manufacturer with an extensive network of factories and software to manage all of that along with people on the ground around the world to ensure high quality.
Q And as of March 25th, 2020, did you believe that Suuchi, Incorporated was, itself, a PPE manufacturer?
A Yes, at that time I believe I believed that they were making some PPE products.
Q Okay. Did you later come to believe that -- or understand that Suuchi, Incorporated does not, itself, manufacture PPE products?
A I -- I'm not sure. I'm not -- I'm just not sure how to answer that. I -- I'm not clear.
Q Okay. Well, as you sit here today, do you have an understanding as to whether Suuchi, Incorporated, itself, makes PPE?
A I believe that factories in Suuchi's network manufactures some PPE products.

Page 252

Q But that Suuchi, Incorporated, itself, does not manufacture PPE; correct?
A I'm not sure.
Q Okay. Sorry. Just a second.
Were you the principal person at Blue Flame Medical communicating with Suuchi about its PPE supply?
A Yes.
Q Okay. On or about March 24 -- Tuesday, March 24, 2020, did you have an understanding one way or the other as to whether Suuchi had 6 million N95 masks that were ready to ship immediately?
A I don't recall if it was March 24th, specifically, but, yes, somewhere around that date we were -- we fully believe that she had 6 million N95 masks ready.
Q And by "ready," you mean you believe she had 6 million N95 masks already manufactured and ready to ship; is that right?
A That she had access to the inventory, yes.

Page 253

Q Okay. And what was the basis of that belief?
A Based on the company, Suuchi, Inc.'s, representations to Blue Flame Medical and myself.
Q That was going to be my question. Were those representations made to you or to others at Blue Flame?
A I believe both.
Q Okay. In terms of the representations made to you, who at Suuchi made those representations to you?
A I don't actually recall all of the people I spoke with, but Suuchi Ramesh is the name I recall off the top of my head as the CEO who I believe I had most contact with, and I believe she had a -- like a head of procurement, and I seem to recall that he also shared that kind of information --
Q Okay.
A -- of masks.
Q And was it your understanding that Suuchi's inventory of 6 million N95 masks was