EXHIBIT 1

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

Tuesday, January 12, 2021

Videotape Deposition via Zoom of MIKE GULA, a witness herein, called for examination by

running in California.

Q. Running for the United States Congress?

A. Yes.

Q. Did you develop a personal friendship with Mr. Thomas over the last three years?

A. Of course.

Q. In March of last year, you and Mr. Thomas formed Blue Flame Medical LLC, correct?

A. That's correct.

Q. Can you give me the background as you remember it as to how that came about?

A. John and I wanted to help people. There was a massive need. We had an opportunity to help millions of people and we wanted to help and that's how that business came about.

Q. Whose brainchild was this in the first instance? Was it yours or Mr. Thomas' or somebody else's?

A. I can't recall who came to one another first. It's like we came together at the same time.

Q. When did you first have discussions about forming this enterprise?

paperwork was filed.

Q. Did you form Blue Flame Strategies and Red Line Strategies before you formed Blue Flame Medical?

A. I believe so, yes.

Q. Given that you had those two companies set up, why did you form a new company called Blue Flame Medical?

A. Because those other two companies had other business interests that we did not want to -- that we just wanted a different entity for it, for Blue Flame Medical.

Q. What were the business interests of Blue Flame Strategies and Red Line Strategies?

A. From what I can remember, consulting.

Q. All right. Are you finished?

A. Yes.

Q. So does consulting refer to both Blue Flame Strategies and Red Line Strategies? That was their business?

A. Yes.

Q. Do you know somebody named Matt Littman, L-i-t-t-m-a-n?

Q. What did he say?

A. From the conversations with him, he would not have said he could do something unless he said could do it. And any time I asked him what could be supplied, he gave me an honest answer. And I believed him.

Q. Can we pull up Defendant's Exhibit 19 from yesterday, please. I thought that was tab 54.

A. Okay. I've read the email.

Q. Tab 54 is an email exchange on March 25th at Bates BFM 66391. Have you seen this document before?

A. Yes.

Q. Did you look at it yesterday?

A. No.

Q. At the very bottom, there is an email from Mr. Thomas at 1:09 a.m. on the 25th and it says, "So it doesn't get held up by the FBI or something. Thanks." Right?

A. That's what he said.

Q. And I -- I discussed with Mr. Thomas yesterday, and I believe he agreed, that although the

formatting of this page doesn't include a subject or a Re line, his subject is the one that's up at the top that says, "Gula make sure the bank knows the wire is coming so it doesn't get held up by the FBI or something. Thanks."

Does that make sense to you?

A. Complete.

Q. What did you understand his reference to being held up by the FBI or something to mean?

A. That you need to make sure your bank is very aware of the transaction that's about to happen.

Q. Right. What does the FBI have to do with it?

A. I don't know.

Q. And then you respond, "Got it. From who? California government, correct?" Right?

A. True, yes.

Q. You were confirming that he was referencing the California transaction?

A. That's correct. Because we had a number of transactions that we were working on.

Q. And then there's a reply to all by

Mr. Bearman a few hours later. And he says, "Mike, I was the one who warned John about this. I've worked with banks. Odd money moves raise red flags and can hold up transactions."

Do you see that?

A. I do.

Q. Did you regard that as good advice?

A. Great advice. I didn't regard it as being anything but from legal counsel communicating that he had experience working with banks.

Q. Did you have any experience with the fact that odd money moves could raise red flags?

A. I believe that a large transaction would raise any kind of flag, which is why I want to be very clear with the bank that was receiving the money.

Q. Mr. Bearman goes on to say, "Be very clear," in all caps, "with the bank that we have gigantic orders coming in from the state of California and we will provide documentation of the order," right?

A. Absolutely.

Q. And did you regard that as good advice?
A. Not just good advice, but listened to chief legal counsel and made it very clear to Chain Bridge Bank.
Q. That you had a gigantic order coming in, right?
A. Absolutely.
Q. And -- and that you should provide it with documentation of the order, right?
A. That I should make Chain Bridge Bank very aware of the transaction.
Q. Well, did you -- what did you think of the advice that -- of telling Chain Bridge Bank that we will provide documentation of the order?
A. I --
Q. Did you regard that as good advice? I'm sorry.
A. Chain Bridge Bank? If Chain Bridge Bank asked us for any document, we would have provided it.
Q. Would there be any reason not to provide it?
A. I was very clear with both David and John

that I would provide any documentation, be happy to provide any documentation and to please ask me as many questions as they wanted.

Q. And if -- if a customer failed to provide requested documentation, could that raise a red flag for the banker?

MR. WHITE: Objection. Calls for speculation. You can answer if you know.

THE WITNESS: I don't know. Chain Bridge Bank had a number of opportunities to ask me any further questions or ask me for any documents that they wanted outside --

BY MR. ORSECK:

Q. Did Chain Bridge Bank ever -- I'm sorry. I thought you were finished.

A. -- outside of my extensive conversations with them.

Q. Did Chain Bridge Bank ever ask you for documentation of the order?

A. If Chain Bridge Bank did, I absolutely provided it and proactively sent them a document of where we were going to be wiring the money, without

to come to the bank?

A. I know I was asked by Chain Bridge to come to the bank.

Q. Just the week before, you had opened up bank accounts for Blue Flame Strategies and Red Line Strategies remotely. Why didn't you handle this remotely for Blue Flame Medical?

A. I believe I opened up a remote -- I believe I opened it up remotely with Blue Flame Medical.

Q. And you have other bank accounts or had other bank accounts at Chain Bridge Bank; is that right?

A. Correct.

Q. How long of a banking relationship did you have with Chain Bridge Bank at this point?

A. I believe over 10 years. I believe I started as soon as the bank was opened.

Q. And did you have one account or more than one account at Chain Bridge Bank?

A. I had all my business and personal accounts with Chain Bridge Bank.

Q. Going back roughly 10 years, right?

A. Or longer. As soon as the bank was open, I believe I was a member of the bank.

Q. Did you ever go in person to open any of those bank accounts?

A. I don't believe so. I may have. It's been over 10 years. I may have -- I may have done that. I had a very close relationship with them.

Q. Do you remember Mr. Castagnello? Do you remember meeting with him?

A. Not particularly, no.

Q. Do you remember sitting down with him in person and giving him your estimate of the monthly dollar amount of wires that would be coming in and going out of the new Blue Flame Medical account?

A. I'm very sure I did not actually sit down with him because you were not allowed in the bank at the time due to COVID restrictions.

I do remember him handing me a sheet of paper, which I did fill out in the auxiliary room, you would call it, before you get actually physically in the bank.

1461, which is the second page, includes email traffic we've seen earlier today between you and Maria Cole where she says at 12:28, "Please find the verification letter and wiring instructions."

Do you see that?

A. I do.

Q. And then you responded, "Also need email ASAP when the wire hits California." Remember we looked at that earlier?

A. Yes.

Q. And then if you could go to the first page, she emails you at 4:11 p.m. at the bottom.

Do you see that?

A. At 4:11?

Q. At the very bottom.

A. Yes.

Q. And Maria says, "Hi, Mike. This wire you're waiting for, how much are you expecting and who is the originator," correct?

A. Correct.

Q. And then she says, "Our wire department would like to know it" -- "know to track it and let

you know. I'm assuming is coming to your new account, Blue Flame Medical," right?

A. Correct.

Q. And then you respond at 4:12, one minute later, "450 million from the state of California (not a typo) Blue Flame Medical," correct?

A. Correct.

Q. So by this email, you were telling Maria Cole the size of the wire that she should be expecting, correct?

A. That's correct.

Q. And why did you write "not a typo" in parens?

A. I didn't want there to be any confusion of the size of the wire and they were very clear on the size of the wire.

Q. You wanted to be very clear on the size of the wire?

A. For them to be aware of the size of the wire.

Q. And she responds at 4:21 and says, "Thank you for letting us know. We would like to know how

long you are planning to keep these funds on your account," right?

A. She did ask that.

Q. And then she says, "With such dollar amount, we need to inform our financial department about these funds and how long they will stay in your account."

She emailed you that at 4:21, right?

A. Yes.

Q. And then you ask, "When is the wire cutoff time and what are operational days," correct?

A. That's correct.

Q. Is it fair to say you were eager to receive the wire?

A. Yes, because we needed to order N95s to save lives.

Q. Earlier we looked at the 11:19 email -- well, it's on this same document. No, I guess it's not on this document. Give me a moment.

Yeah, in Exhibit 44, we looked at an 11:00 a.m. email from you to Ms. Cole that said, "Also" -- it's right here. Forgive me. On the very document

Q. What time did the call occur?
A. After 4:12.
Q. How do you know?
A. Because that's what my Verizon records indicate and I know that's what prompted the call.
Q. What prompted the call?
A. My email to Ms. Cole.
Q. I'm lost. What email prompted the call?
A. When I told Maria Cole the size of the wire, that's when the bank president called me.
Q. I see. And that -- you're referring to the 4:12 email from you at page 1434 in Exhibit 54, right?
A. Yes.
Q. Does your Verizon record tell us how long the call lasted?
A. Nineteen minutes.
Q. Did you make a recording of the call?
A. I really wish I did.
Q. Did you tell Mr. Evinger and Mr. Brough that Great Health Companion would be the supplier and that he was a friend of Blue Flame Medical?

A. I told Mr. Evinger and Brough that we had -- we were going to be supplying California with 100 million masks with multiple suppliers. I'm sure I said Great Health Companion was one of them.

Q. Did you say that Mr. Huang's factory or factories would be retooled to make the masks?

A. I'm unsure of that specific point.

Q. Was that your understanding on March 25th?

A. My understanding was that Henry was going to be able to supply 100 million masks for this order if needed.

Q. Forgive me, but I feel like you're evading my question. And I know I'm going to get an objection from that. But I'm asking you something specific and I'm hoping, so that we can get through this, you can say yes, I remember that or no, I don't remember that or something else.

So my question is, was it your understanding on the 25th that Mr. Huang would be retooling his factory or factories in order to make the masks that you intended to supply to California?

A. That's a very odd word choice that I may

(Recess.)

THE VIDEOGRAPHER: We are now back on the record. The time is 3:27 p.m.

BY MR. ORSECK:

Q. Mr. Gula, did Mr. Brough and Mr. Evinger tell you what the purpose of their call at 4:12 p.m. was?

A. They just wanted to know more about the transaction and the wire.

Q. What did you tell them?

A. I told them that we had just received an opportunity to provide 100 million masks for the state of California, that we had a new business, that we were going to be providing PPE all around the world and we had an incredible opportunity to help a lot of people and that we wanted to continue to bank with Chain Bridge Bank.

And I wanted to be open and transparent with them on any aspect and answer any questions that they may have because I had such a long, comfortable, great relationship both personally and professionally with them. And we just went through this new

opportunity and business in my life.

They started the phone call with you're covered by the Bank Secrecy Act. I didn't really know what that meant. But I think it was them saying that what I expressed to them would be held confidential.

Q. Do you remember anything else that they said to you on the call?

A. Oh, yeah. They did ask how long money would be in the account and I said for the foreseeable future. They told me that they could protect the money by, quote, "spreading it out." I didn't really understand what that meant, but I was very comfortable with what they were telling me.

They welcomed the transaction. And at no point was there a hesitation, a brain cell hitting another brain cell that we should not wire 450-plus million dollars to Chain Bridge Bank. They gave me no indication, whether it was by tone or words, that they were not comfortable receiving a wire of this size.

Q. Do you recall them saying anything else at

all?

A. I remember them saying congratulations, that they would be in touch and that they were happy for me because they knew John. They knew everything I've been through. I've been with them since the beginning and they were -- I took it as excitement that they would be instantly banking. We chose specifically to bank with Chain Bridge Bank and not go somewhere else.

Q. Do you recall them saying anything else?

A. No. They honestly didn't do -- or from my recollection -- a lot of talking. I did the majority of the speaking and kept telling them repeatedly, ask me whatever you want. I want you very comfortable and this is what we will be doing.

Q. You said they knew John. You mean John Thomas?

A. John Graham. They knew John Graham.

Q. I see. I see. Did they know John Thomas?

A. I don't believe they knew John Thomas, no.

Q. Did they tell you what prompted their call at 4:19 or 4 -- you said it was 4:12? 4:12, right?

A. It was after the email with Maria.
Q. Oh, yeah. Does your -- does your phone or your Verizon record tell you the time at which that call began?
A. Yes.
Q. Do you know that off the top of your head?
A. No, but I could find it in two seconds.
Q. You can find it while you're sitting there?
MR. WHITE: He's not going to be looking away from the deposition. We could try to find it at a break if that's helpful, but --
MR. ORSECK: Okay.
MR. WHITE: -- not while we're on the record.
MR. ORSECK: All right. That's fine.
Carolyn, can we pull up tab 256, which is going to be Exhibit 55?
(Defendant's Exhibit No. 55 was marked for identification.)
BY MR. ORSECK:
Q. This is an email string running from BFM

Exhibit 55 which we introduced a few minutes ago. This is the email chain between you and Mr. Brough and Mr. Evinger. It begins at BFM 74101.

A. Yes, I have it open.

Q. On the second page of this at 74102, there's an email at, I think it's 1:34 p.m. that actually starts on the bottom of 74101, from you to Brough and Evinger and it says, "Can someone call me ASAP, please," and it gives a phone number.

Do you see that?

A. I do.

MR. WHITE: I don't, Counsel. Can you tell me what page that is again?

MR. ORSECK: Yeah. The header of the email is at the very bottom of the first page, 74101, and then it carries on over to 74102.

MR. WHITE: Now I'm with you. Thank you.

BY MR. ORSECK:

Q. Why were you asking for someone to call you ASAP?

A. Because my account -- my accounts were frozen and I was unable to open any account.

said, "Coming in. Are you there? Need to verify in person," right?

A. Yeah. I don't know what "need to verify in person" means. This was under caution. I don't know if that was autopopulated from him since --

Q. Okay. You wrote the subject line and you're not sure about the rest?

A. That's correct.

Q. And did you go into Chain Bridge Bank that afternoon?

A. I went to Chain Bridge Bank that afternoon.

Q. Do you know what time you arrived?

A. Sometime after 2:16.

Q. What happened when you got there?

A. I met with David and John outside the bank. I asked them what happened. I said, you knew this wire was coming. You were comfortable with the wire. You had no problem yesterday. What changed?

They wouldn't specifically tell me in any detail other than I believe they wouldn't be receiving the transaction and they wanted to close

Blue Flame Medical. I repeatedly asked why very politely, almost embarrassingly, because we specifically had a conversation the day before of the size, why and what we were doing and they had no problem with it. And they just said, I believe, just 'cause. They wouldn't give me an explanation.

I then asked, well, I have other accounts. Are those okay? They said, yes, those are -- accounts are okay and kept those accounts open, which confused me even more.

Q. Do you remember anything else that you said or they said during that meeting?

A. No, they would not -- they were not very forthcoming given the extent of the conversation that I had with them the day before.

Q. How long did the meeting last?

A. Anywhere from five to 15 minutes.

Q. Was anyone other than the three of you in attendance at the meeting?

A. No.

Q. Did you ask -- did they tell you that California's bank had requested return of the wire?

A. No.

Q. Did you ask where the money was at that point?

A. No, I didn't because they sent -- they told me in the email it was sent back. I didn't ask where it was. I just know it wasn't in my account where it was.

Q. The email, which is Defendant's 55, says, "We received official notice from the sending bank to return the wire."

Did anybody ever tell you that, by the time of your meeting, they had returned the wire?

A. No. I just know it was in my account and by the time I showed up, it was not in my account. And I know it was in my account because it was a rather large number next to other small numbers in retrospect.

Q. Did you ask them to -- not to return the money to California or its bank?

A. They didn't ask. They just took it.

Q. Did you ask them during the meeting not to do that?

A. They didn't ask to take money out of my account. They just took money out of my account without asking.

Q. I'm going to try it again. Did you say to them, don't send the money back?

A. I didn't have the opportunity because they had already stolen the money out of my account.

Q. Do you know when the money was sent back to JPMorgan Chase?

A. No, I don't. I just know it was in there along with my other account money, and then it wasn't.

Q. Did you make any notes of this meeting?

A. No, I don't -- I did not make any physical notes.

Q. After the meeting, did you have any conversations with Mr. Thomas or Mr. Bearman or anybody else associated with Blue Flame?

A. Yes.

Q. What conversations did you have?

A. I apologized to them for trusting that Chain Bridge Bank was going to honor what they said,

that they could accept the wire and using Chain Bridge Bank. Had I known Chain Bridge Bank would steal our money, I wouldn't have used Chain Bridge Bank. I said I have no idea why they did what they did given I told them the day before.

Q. Was it a conference call that you had with Mr. Thomas and Mr. Bearman?

A. It more than likely was a conference call at the same time.

Q. Do you remember saying anything else to them besides apologizing to them for trusting Chain Bridge Bank?

A. I believe I remember telling them I truly don't understand their problem given they kept my other accounts open. So I couldn't have been that bad of a guy and I personally couldn't have been anything bad if they kept my other accounts open or they would have just kicked me out of the bank, which they did not do. So if they had a problem with me, they would have canceled everything else.

Q. Did -- and you said that on the call with them?

yet?

A. Well, no, there's a difference. I received an email saying the wire had been received but had not credited my account. There was a time lapse. So "nothing yet" meant in the specific Blue Flame Medical account at Chain Bridge Bank. There's a difference between an incoming wire confirmation and actually hitting our account.

Q. Right.

A. And I saw --

Q. Sorry. We looked earlier at an exhibit that was Exhibit 57 that showed that you got notification of the wire at 11:59 a.m. And this is 8:02 a.m. the same day. So am I right that the wire hadn't arrived at the bank yet?

A. I'd received an incoming wire email and then I saw it credit my account.

Q. Sure. But the incoming wire email didn't come until four hours later than this text message where you say, "Nothing yet," correct?

A. That could have been California time because California would not have sent a wire at 5:00