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

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

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?

bank accounts opened for them shortly before that happened for Blue Flame Medical.

Does that sound right to you?

A. What do you mean by shortly?

Q. It doesn't really matter for --

MR. WHITE: Is the question just about which one was first or something like that?

BY MR. ORSECK:

Q. Yeah. Did you -- did you found Blue Flame Strategies and Red Line Strategies before you founded Blue Flame Medical?

A. Yes.

Q. Why then did you form an LLC called Blue Flame Medical given that you had these other two entities already formed?

A. Well, those other entities were going to do a variety of tasks, not just medical supply distribution. And when it appeared that -- actually, no. When it was clear that, for instance, we were going to execute with California on their order, counsel instructed us that it would make the most sense to have a full-blown medical distribution

company and that's its -- that's its main purpose and sole purpose. So Blue Flame Medical was formed.

Q. Was the forthcoming transaction with California the impetus to form Blue Flame Medical?

A. You know, I don't specifically recall. I know that was one of the main drivers. As the company would -- the California deal served -- sorry. We're having feedback issues.

The California deal served as the seed capital for Blue Flame Medical to become a multibillion dollar company. So we realized at that point that it made most sense to have its, you know, own -- own company and counsel agreed. So we formed Blue Flame Medical.

MR. ORSECK: Carolyn, can we mark as Defendant's Exhibit 3 our tab 149.

MR. WHITE: Counsel, can you give me a description or Bates number because I'm having to pull it up.

MR. ORSECK: Oh, yeah. You know, I can do it more easily once it's posted.

MR. WHITE: Thank you.

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

Q. All right. Why did you tell Mike Gula to make sure the bank knows the wire is coming?

A. Well, it's a large transaction, so I wanted to make sure that they had a heads-up not just, you know, what the wire was -- who it was coming from, but at that moment in time, I also was focused on delays.

We didn't want any delays because we had -- we wanted to be able to get the masks to California as fast as we possibly could. So it was important not just that they knew it was coming, but that they understood what had to happen when the money landed in our account, meaning we needed to pay suppliers because many of these suppliers were requiring prepayment to begin production.

So we wanted to get California their masks as fast as possible. So I just didn't want any delays on the banking side. I thought it would be very wise to let the bank know that not only is the money coming and from whom, but what needs to happen when it arrives.

Q. Why did you make reference to the FBI?

A. I think I was saying that in jest. But it was to make sure the bank is comfortable handling a transaction of this magnitude.

Q. Mr. Bearman responds up at the top. He emails Mike Gula and CC's Jennilee Brown and you and 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 think that was sound advice from Mr. Bearman?

A. You know, I remember Mr. Bearman and I speaking about that it would be a great idea for Mike to talk to the bank in advance. It seemed to make sense, just to make sure that they were aware of and comfortable with it because if they weren't comfortable, I wanted them to tell us. But they told us the exact opposite, that they were comfortable, would welcome the transaction.

Q. The next paragraph says, "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."

Do you see that?

A. I do.

Q. Did you agree with that advice?

A. Yes. Uh-huh.

Q. Why did you think it was important, if you did -- I don't want to put words in your mouth -- that Blue Flame provide documentation of the order to the bank?

A. You know, that wasn't my -- that sentence wasn't obviously my particular advice. But what I did agree with in that sentence was that it's important that not only did we have this one order that was large coming through, but that we were going to have a sequence of large orders coming through.

So the documentation side, I don't see why I would disagree with that. But I -- my -- my focus in talking to Mike was just make sure the bank is very clear and well aware of our business, the California transaction, what has to happen when it comes in so that we can fulfill our obligation to the

state of California, and what's going to be happening on an ongoing basis.

Q. Did you have a view one way or the other as to whether it was important for Blue Flame to provide documentation of the order to Chain Bridge Bank?

A. You know, I don't think -- after -- after I received a phone call from Mike that he spoke with the banking executives that everything is good and that they welcomed the transaction and could spread the risk and that Mike's friend who's an attorney was on the line, I didn't think anything of it after that point, especially when Maria Cole, our banking representative, told me that she was aware of the transaction the morning of and was willing and planning to execute on wiring out money that day to make sure we could send -- send money to suppliers to start delivering to California. So I didn't think anything of it.

Q. Did Mike Gula tell you that the bank had asked for any particular documentation of the order?

A. I don't recall.

THE WITNESS: Okay. I'm ready.

BY MR. ORSECK:

Q. As best I can tell, this is at or around 11:33 p.m. on March 25th. That's what it says at the bottom. Then you say in the first full paragraph, "Lastly, I managed to make it even cleaner tonight. I begged my most trusted manufacturer to make all 100 million units for me for this order. He agreed." Right?

A. Yes.

Q. Was it your intent at this point not to have Ms. Suuchi deliver any portion of the 100 million masks for California and to have Henry deliver all of them?

A. No. What was going on there was Henry had agreed to a supply of 200 million if I requested that volume of him.

Q. Did you ever --

A. Suuchi had six million of live inventory. So that's why we decided to immediately use her.

Q. Can you say that again? I'm afraid I spoke over you.

A. No, it's okay. It's my fault. I was going to say Suuchi had six million masks in live inventory available to ship immediately. That's why we in part decided to use her as a mix of vendors. But Henry had agreed to supply up to 100 million.

Q. At what point had he agreed -- agreed to do that?

A. You know, somewhere within a day or so of this message.

Q. If you go down two paragraphs, you say, "I pray the wire goes through in the morning," right?

A. Yes.

Q. And then you say, "My manufacturer is loading up the jet as we speak and I'm on the hook for it now."

Was that Mr. Huang you were referring to?

A. You know, I don't recall. I know we were under a lot of pressure from Suuchi who had live inventory. I know that Mr. Huang also had some live inventory. I don't recall which -- which manufacturer, but I just know that we were making commitments to -- to vendors that this deal was going

A. Well, I think I reference -- I think I reference it later on in the text that we were talking to both Mercury Air and Henry, of course, our manufacturers, that planes would need to be landing with frequency to deliver the inventory.

Q. And at the bottom of that page that ends in 59, when you say "to meet our deadline for California," are those the deadlines stated on the next page on page 960 in the chart excerpted in the middle of the page?

A. So this was a rough delivery schedule. All I know is we were intending to deliver 100 million masks to the state of California as quickly as possible.

Q. Well, you sent this chart to Mr. Kim. Did you mean for him to understand that the 100 million mask delivery would be completed by April 24th?

A. I believe I said -- hold on. Let me go find it. I'll repeat the sentence. "As Dan and I discussed, my team has put together a list of rough delivery timelines." So that's what I meant.

Q. Okay. And at the bottom of that page,

when you say that you were going to, quote, "to meet our deadline for California," what deadline is that?

A. A deadline to deliver as fast as possible.

Q. That was the deadline, as fast as possible?

A. Yes.

Q. Did you say anything like that to Mr. Kim or Mr. Wong in this text?

A. I'm not sure exactly what you're asking.

Q. Right. I'll be more specific. On page 960 at 11:46 p.m., I think you sent into the text chain the chart, which I believe is the same one that was at DX-24, right?

A. Okay.

Q. What were you attempting to convey by sending that chart to Mr. Kim and Mr. Wong?

A. That there was a rough delivery schedule of when we were pushing to deliver the masks. And this was our internal schedule.

Q. Did you call this an internal schedule in your text?

A. I don't remember.

A. If necessary. I think Henry had it all under control, but if he ran into an issue, Mercury Air had a commercial fleet available.

Q. Let's turn to March 26th. That's the day of the wire transaction. According to the complaint, Maria Cole confirmed to you at 11:59 a.m. her bank had received a wire transfer at that point. Do you remember that phone conversation?

A. I do.

Q. What did she say exactly, to the best of your recollection?

A. Well, I believe the sequence was California had confirmed that they had sent the wire on their side. I believe I spoke with Maria Cole. She was well aware of the transaction incoming as well as -- at that time I don't think the wire had landed at the bank, that -- but we walked through the business, the future business that we'd be doing with their bank. She was well aware of that.

What would need to happen when the money landed in the account and posted in our account, that we would need to wire out money immediately. She

said she was aware of that. And she checked, I believe, on the first phone call to see if the funds had come in the bank. I don't believe they had at that point. She said -- I think she said she would call me when it landed.

Then I was on the phone with Ethan Bearman and my business partner, Mike Gula. Mike was clicking the refresh button on his online portal. When he saw -- first I think we received an incoming wire email notification. Then shortly thereafter, I believe the money posted in our Blue Flame Medical online account that Mike Gula saw.

Mike Gula, I believe -- yes, he confirmed -- I think I heard Claire or Hannah squeal, who was in his office because she, too, saw the money. I then immediately turned around and called Maria Cole again. I said I believe the money is posted in our account and to the best of my recollection, she used the phrase, ooh, boy that's a lot of money. And I said, sure is, Maria. We need to get a chunk of this money out the door, wired out immediately, so we don't miss the wire cutoff for

today because we have to deliver masks to the state of California, we've got a schedule to keep. She said, I understand. Your online portal is not set up for you to execute the wires, but that's not a problem. She has to fill out one piece of paper work. She will be right back and we can just execute the wire and get it to Suuchi's domestic bank.

I believe either at that -- around that same time, Ethan Bearman also emailed wire instructions for Suuchi to Maria Cole, I believe it was. I hung up. Maria said she'd call me back. I didn't think anything of it. Went about our business, talking with other customers.

And then we received an email. Would you like the full sequence of things or --

Q. No, I just wanted to know what -- I just wanted to know what you discussed with Maria Cole.

A. Sure.

Q. And I was told not to interrupt you, so I let you go on.

A. I appreciate that. Thank you.

Q. All right. You learned later that

afternoon that the wire had been canceled. The complaint at paragraph 71 says 3:36 p.m. Eastern Daylight Time. I know you probably don't remember the exact time, but do you recall that happened in the afternoon?

A. Yes.

Q. All right. Can you go back, please -- how did you learn of that, by the way?

A. Learn about what? The wire?

Q. About the -- that California or California's bank requesting return of the wire.

A. Well, when -- I'm trying to think of the sequence of things. We were waiting for Maria to call us back -- call me back to execute the wire out to Suuchi and I think shortly thereafter, Mike Gula was locked out of his online portal. He called me as if some -- because something's wrong.

And then all of us as a company tried to get ahold of somebody at Chain Bridge Bank, not knowing what was going on, but that there might have been a problem. And then I think Mr. Brough, I think that's his last name, emailed us saying they had --

I'm paraphrasing -- but they had stolen our money and sent it back to California.

Q. Mr. Brough said they had stolen your money and sent it back to California?

A. I am editorializing. But he had said that they sent it back to California.

Q. I see. Okay. Would you turn back to DX -- Defendant's Exhibit 5, which is the set of text messages between you and Matt Littman.

A. All right.

Q. And when you have it -- all right. And if you would go to page 200083, please.

A. Do you know what page in the document that is?

Q. I do.

A. I'm almost there. I figured out how to do it.

MR. WHITE: What were the last two digits, Gary?

MR. ORSECK: 83.

MR. WHITE: Thank you.

THE WITNESS: May I read it quickly?

A. He was confused. He was confused and I just made it very clear what the situation was.

Q. He was confused because he thought the deal was for 3M masks and the deal wasn't for 3M masks; is that what you mean?

A. No. I think he was confused in that moment. I'm not sure. You have to ask Mr. Wong actually. I don't want to speak for him.

Q. Okay. At any rate, you had a disagreement in this email chain about what was to be provided under the original invoice, correct?

MR. WHITE: Objection. The document speaks for itself, but you can answer.

THE WITNESS: We had a disagreement, yes.

BY MR. ORSECK:

Q. As of this date, April 10th represented on Exhibit 28, did you remain hopeful that you might complete a transaction with California for N95 masks?

A. I don't know what I remained. Yes, I was hoping, but it was pretty clear that there was no transaction to be had. The deal was blown up.

Q. You continued to engage with California