EXHIBIT 42

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, :
Defendants. :
_____ :
CHAIN BRIDGE BANK, N.A., :
Third-Party Plaintiff, :
v. :
JPMORGAN CHASE BANK, N.A., :
Third-Party Defendant. :

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Remote Deposition

Thursday, January 28, 2021

Videotaped deposition via Zoom of NATALIE GONZALES, a witness herein, called for examination by

more senior than Mr. Neville at JPMorgan Chase who is responsible for the banking relationship?

A. I don't know.

Q. Okay. And then Ms. Brown, Tamara Brown, what is her role to your knowledge with respect to the banking relationship between JPMorgan Chase and the state treasurer's office?

A. I believe she's Ana's supervisor.

Q. Okay. Okay. In the body of your 8:23 a.m. email, you write, "Hi, Ana, I are released a large wire transfer to Chain Bridge Bank just now."

Do you see that?

A. Yes.

Q. What do you -- do you recall releasing a large wire transfer to Chain Bridge Bank on March 26th?

A. Do I remember it specifically? No. But I know that I did.

Q. Okay. Fair enough.

Do you know the size of the large wire transfer you released to Chain Bridge Bank on March 26th?

A. Yes, I do.

Q. And what was -- how large -- what was the size?

A. It was approximately $468 million.

Q. Okay. Does 456 million and change sound right to you?

A. Sounds better, yes.

Q. Okay. You then continue, "Can you please check on it and ensure it is completed quickly?" Do you see that?

A. Yes.

Q. Why did you write that?

A. I wrote that because large wire transfers of that size can often be delayed and so, as we have a relationship or a customer service representative, in cases of large wire transfers, from time to time I will contact her to let her know that a large wire is coming down the pipeline so that, you know, on her side, I don't know what she does, but to make sure that the wire is completed.

Q. And when you are handling a large wire transfer, do you believe it's important that your

know, maybe because of the size of the wire, the risk, you know, as to the amount of the wire.

Q. Okay. If you turn to the first page of Exhibit 83 and at the bottom of the page, Ms. Prieto replies to you at 8:40 a.m. on March 26th, "Good morning, Natalie. Thank you for letting me know this was initiated. I am working with our internal partners and will let you know as soon as it is released."

Do you see that?

A. Yes.

Q. And then you write back to Ms. Prieto and others at 8:42 p.m., a couple of minutes later, and you say, "Thank you, Ana. JPMC did a call-back with me a few minutes ago." Do you see that?

A. Yes.

Q. What did you mean by JPMC did a call-back with me a few minutes ago?

A. The bank called me. Someone from their -- I don't know what section of the bank they came from. I believe it's typically the wire room or department, and it's not usually a person -- it's not usually one

of our relationship managers or customer service representatives. It's someone in another department of the bank. And I basically just verbally go over the instructions of the wire that we initiated and released.

Q. Okay. And do you recall doing that with respect to this wire?

A. I don't remember the interaction but obviously, based on this email, I did.

Q. And do you remember the name of the person that -- who called you from JPMorgan Chase?

A. No.

Q. At the top of the first page of Exhibit 83, which we'll scroll up to, Ms. Prieto replies to you and others, and here's where it gets tricky with the time zones. I believe the top message is in GMT, and so to get from GMT to Pacific Daylight Time, you need to subtract seven hours.

So I'll represent to you that 4:04 p.m. GMT is 9:04 a.m. Pacific Daylight Time.

A. Okay.

Q. All right. So again, the prior email was

Medical's bank account the previous day?

A. Yes, he did.

Q. Did Mr. Evinger tell you that the bank client who had opened that account was a political lobbyist?

A. Yes, he did.

Q. What if anything did you say in response to Mr. Evinger informing you that a bank client who was a political lobbyist had opened Blue Flame Medical's account the prior day?

A. So Mark and I were both on the phone, and the gist of what we said, I believe we asked him if the money had been credited to the client account at that time, and he said no. And we said, well, please wait until we can find out additional information.

Q. Anything else?

A. To the best of my recollection, that's about the gist of what was said in that phone conversation.

Q. Okay. And why did you ask -- sorry. Did you or Mr. Hariri ask whether the funds had been credited to the client's account, if you remember?

A. I -- I think I might have asked that question.

Q. Okay. And why did you ask that question?

A. I had asked because there was concern expressed about the wire transfer that Chain Bridge Bank had received.

Q. Do you remember communicating to Mr. Evinger in words or substance that you were surprised to learn that Blue Flame Medical's account had been opened only the day before?

A. I don't remember expressing any opinion to Mr. Evinger about it.

Q. Okay. And I believe you said -- well, let me just get it right. Just a second.

You testified that -- that you or Mr. Hariri said, "Please wait until we can find out additional information." Do you recall that testimony?

A. Yes.

Q. What was the additional information you had in mind to find out?

A. Well --

MR. MADDEN: Same objection.

MS. PORTER: Also calls for a legal conclusion.

BY MR. WHITE:

Q. You can answer.

A. I don't know that.

Q. So your concern was that if it had been credited, it may be more difficult and maybe even impossible to claw back, is that correct?

A. Yes.

MS. PORTER: Objection. I think that misstated the testimony, but --

BY MR. WHITE:

Q. Okay. Your answer was yes, is that right, Ms. Gonzales?

A. Yes. It would be more difficult to get it back.

Q. And that's why you requested that Mr. Evinger please wait, either you or Mr. Hariri, I can't remember which it was, but one of you requested that Mr. Evinger please wait for additional information before crediting the money to the

account, is that right?

A. Yes.

Q. So that was the reason for that request, correct?

A. Yes.

Q. Were you aware that Mr. Evinger -- what Mr. Evinger said was incorrect, that the money had actually already been credited to the account?

MR. MADDEN: Objection, foundation.

BY MR. WHITE:

Q. You can answer.

A. I wasn't aware of that, no.

Q. Did you become aware of that later?

A. No. I actually never knew that fact.

Q. Can you think of any reason why Mr. Evinger would not tell you the truth about whether the money had been credited to the account in that conversation?

MR. MADDEN: Objection, foundation.

BY MR. WHITE:

Q. You can answer.

A. No, I can't think of any reason.

Q. Are you aware as well that the person who opened this account has never been a political lobbyist? Did you know that?

A. I did not know that.

Q. Do you know of any reason that Mr. Evinger would not tell you the truth about what the bank's customer actually did for a living previously?

MR. MADDEN: Objection, foundation.

MS. PORTER: Calls for speculation.

BY MR. WHITE:

Q. You can answer.

A. No, I don't know why.

Q. Did you ever find out later that in fact the bank's customer was never a lobbyist? Are you aware of that to this day?

A. No, I was not aware of that.

MR. MADDEN: Objection, foundation.

BY MR. WHITE:

Q. You were asked some questions about -- about what I think of as diligencing counterparties to transactions, whether it's your job or someone else's job to determine the legitimacy of

counterparties to transactions. Do you remember those questions?

A. Yes.

Q. And I think what you said was it was not the treasurer's office job or your job to diligence -- to engage in diligence about counterparts. Am I correctly grasping the concept there?

A. Yes, you're correct.

Q. And that job goes to the people in, I take it, in procurement -- or maybe -- let me ask the question this way, Ms. Gonzales. Whose job is that in the State of California?

A. I think that's a complicated question to answer. You know, we have over 200 different departments that pay a multitude of vendors, individuals, et cetera, so I couldn't speak to whose job it is to, you know, vet their payees.

Q. Let me ask a better question, Ms. Gonzales. I apologize. That was poorly phrased.

In connection with the Chain Bridge Bank transaction that you've been testifying about today,

whose job was it to vet the counterparty?

MS. PORTER: Objection, calls for speculation.

BY MR. WHITE:

Q. You can --

MS. PORTER: Lacks foundation.

MR. WHITE: Okay. Sorry, Ms. Porter.

BY MR. WHITE:

Q. You can answer if you know.

A. I don't know, but the request for the wire transfer was from the department of general services but I don't know who is responsible for vetting.

Q. So it would be somebody inside the department of general services but you don't know who, is that correct?

MS. PORTER: Objection, misstates testimony.

THE WITNESS: I don't know whose responsibility it is to vet.

BY MR. WHITE:

Q. But not your office's responsibility, correct?

A. That's correct.

MS. PORTER: Asked and answered.

BY MR. WHITE:

Q. And it's your understanding that that vetting process is to be completed before a request for a wire transfer lands on your desk, isn't that right?

A. Yes. Any financial transaction between the department and their payee should happen before we're sending the wire transfer.

Q. So when you get the warrant, if I'm using the terms correctly, it is your understanding that that process has been completed and the State of California has approved the transferee of the wire for the purpose stated, correct?

A. Yes. Once we receive the warrant, then -- and it's a duly drawn warrant, then we are legally able to pay that item.

Q. I see. Prior to -- prior to the -- the payment being authorized by your office, was there anything about this transaction that indicated that it was unusual in any -- in any way from what you

Q. Of course. What I'm wondering is was there anything about the process leading up to the transaction that struck you as unusual in terms of -- let's just say in terms of approvals.

A. Not that I'm aware of. I got the warrants, which is our authority to send a wire transfer, so there was nothing out of the ordinary from a transactional or operational standpoint. Just, like I said, the heightened kind of, you know, urgency or anxiety around this wire transfer was different.

Q. And the intention of the State of California was to send this wire transfer to Blue Flame Medical at Chain Bridge Bank, correct?

A. Yes.

Q. This is not a circumstance where the wire was credited to the wrong counterparty, is it?

A. No.

Q. And I know you mentioned that large wires can sometimes be delayed. This one actually went through fairly quickly, isn't that correct?

A. Yes, it did.

Q. So there wasn't a delay of the sort that you were worried about because people wanted to see it done. There wasn't that sort of delay in connection with this wire, is that right?

A. No, there was not.

Q. If we could -- I'm going to move to some documents here, Ms. Gonzales, so it might be a good opportunity for me to take a break and go through my notes.

A. Okay.

Q. And get the ones that Mr. Madden has already -- already asked you about. I also note that it's noon and I want to be sensitive to your need for a lunch break at some point. Does that make sense now?

A. Sure. Yes.

Q. Okay. 45 minutes? Is that enough time, Ms. Gonzales?

A. Yes.

MR. WHITE: Okay.

THE VIDEOGRAPHER: Off the record at 3:00 p.m.

now.

Q. Have you had a circumstance where -- where like a duplicate payment was made and you needed to recall one? Is that one of the circumstances, or has that not happened?

A. I can't recall that specific instance.

Q. Putting this one aside, the ones that you recall being returned previously in your experience are ones where the bank couldn't find the appropriate account or there was not sufficient information to post to an account. Do I have that correct?

A. Yes.

Q. Neither of those circumstances were present here, is that right?

A. Not to my knowledge, no.

Q. This was not a -- nobody ever told you that the bank couldn't find the account or there wasn't sufficient information to determine what account the money was -- was to go to, is that correct?

A. That's correct.

Q. Okay. In circumstances where you've had a

return, is it typical that you would speak with the counterparty's bank as you did in this circumstance?

Does that question make sense, Ms. Gonzales, or should I try it again?

A. No, it's not typical for us to speak to the counterparty's bank.

Q. So there was -- the conversation that you had with Chain Bridge Bank here was unusual, correct?

A. Correct.

Q. And it's unusual for the counterparty's bank to initiate a conversation with you as happened here, correct?

A. Correct.

Q. Is it unique as in this is the only time you can remember that happening or just unusual as in it's happened otherwise?

MR. MADDEN: I'll object to the form, misstates the testimony.

BY MR. WHITE:

Q. You can answer.

A. I cannot recall any other instance of the recipient bank wanting to speak with me directly.

is an internal JPMorgan document that indicates that you confirmed the payments for this wire transmission of $456,888,600 is valid, callback performed to a known telephone number.

Do you know what that means?

Ms. Gonzales?

MR. WHITE: I think her screen may have frozen.

MS. PORTER: It looks like she is -- she is frozen.

THE VIDEOGRAPHER: Would you like to go off the record?

MR. WHITE: Yes, why don't we go off record for a moment. Thanks.

THE VIDEOGRAPHER: Going off the record at 4:24 p.m.

(Recess.)

THE VIDEOGRAPHER: We are now back on the record. The time is 4:30 p.m.

BY MR. WHITE:

Q. Ms. Gonzales, when -- when we were cut off there, I was asking you -- let me ask you this

question. There was an internal JPMorgan document that has -- indicates that you confirmed payment is valid, callback performed on a known telephone number. It's not a document you've seen so I'm not going to show it to you here but do you know what that references in connection with this wire transfer?

A. I believe it's referencing the callback that I did after we released the wire online.

Q. And that's a callback with whom?

A. With the bank. I don't recall the name of the person I spoke with but --

Q. I see.

A. -- a representative will call and ask us to verbally verify the details of wire transfers.

Q. Verbal verification, frequently on a recorded line, for example, is it that sort of conversation?

A. Yes.

Q. Okay. And that would go through the details of exactly the amount and the correspondent bank and the account number and all that sort of

information?

A. Yes. I essentially reiterate what's -- the department provided to me.

Q. Okay. I think the last one, Ms. Gonzales, I want you to take a look at, it's previously introduced as Plaintiff's Exhibit 7. Again, a long email chain. I'm sorry. That's the wrong -- hold on one second.

I lied. There's two documents, this one and one other.

Plaintiff's Exhibit 7, Keni.

And it's only the first page I'm going to ask you about, SCO0585.

A. I see it.

Q. Okay. Ms. Gonzales, this is -- you may have seen part of this email transaction before but all I want to ask you about is the top email from Daniel Kim. "Thank you, everyone. The administration approves the wire transfer. Please proceed."

Can you tell me what that means?

MR. MADDEN: Objection to form.

Q. Okay. And that was you and Mr. Hariri? Am I pronouncing his name correctly?

A. Yes, Hariri.

Q. Now, when the phone call was made, I don't recall you saying that there was any conversation about verifying that the wire amount is legitimate, which is what's referenced here. Was there any conversation in your -- let me start that over.

When you spoke with Mr. Evinger, was there any conversation about verifying the wire amount as legitimate?

A. I don't remember specifically speaking of that, no.

Q. As a matter of fact, the conversation was all about potentially problematic aspects of the transaction involving Blue Flame, isn't that right?

MR. MADDEN: Objection to form, foundation.

BY MR. WHITE:

Q. You can answer.

A. Can you repeat the question?

Q. Sure. Let me try a different one because

it was probably a bad question.

As I heard your conversation previously, the conversation you had with Mr. Evinger was not about whether the wire amount was legitimate, is that right?

A. That's right.

Q. The topics that he raised went to whether there was something problematic with Blue Flame Medical being the recipient of the wire, isn't that right?

MR. MADDEN: Objection to form, foundation, misstates the testimony.

BY MR. WHITE:

Q. You can answer.

A. The conversation was with regard to informing the treasurer's office that the account had just been opened the day prior and that the account holder was a lobbyist. I don't remember specifically speaking about a dollar amount.

Q. I see. So -- so the conversation was not about whether the wire amount was right, correct?

A. That's accurate.

Q. And the conversation was not about whether it was actually credited to the right account, correct?

A. No, it wasn't.

MR. MADDEN: Object -- objection to form.

BY MR. WHITE:

Q. The conversation was about whether this was a legitimate counterparty on the other side, isn't that right?

MR. MADDEN: Objection to form, foundation, misstates the testimony.

BY MR. WHITE:

Q. You can answer.

A. Yeah, I don't know if it was so much legitimacy. It was just I really couldn't speak to why he called. Apparently it was -- there was some concern. So --

Q. But the concern was not about the amount of the wire or whether it got to the correct account, was it?

A. No, in the fact that we didn't discuss the amount or the account number.

Q. The only things Mr. Evinger brought up were that, according to him, the person who opened the account was a lobbyist and that the account had been recently opened. Is that your recollection?

A. That's what I remember.

Q. And what did -- what did that mean to you? Why did you think he was mentioning those issues?

MR. MADDEN: Objection to form, compound.

BY MR. WHITE:

Q. Let me ask one question. Why did you think he was bringing up those issues?

A. Well, I think he was probably concerned because of the size of the wire, though he didn't talk about the dollar amount. I think that it was probably definitely unusual for his bank to receive a wire of that size.

Q. And what did you understand his concern to be?

A. I --

MR. MADDEN: Objection to form, speculation.

THE WITNESS: I don't know.

BY MR. MADDEN:

Q. So you don't know what his concern was?

MR. MADDEN: Same objection.

MS. PORTER: Asked and answered.

THE WITNESS: I don't know what his concern specifically was. I assumed he was maybe doing his due diligence. I don't know.

BY MR. WHITE:

Q. And during that phone call, did Mr. Evinger tell you that the money had already been credited to the Blue Flame Medical account?

A. No, he did not.

Q. Matter of fact, he stated the opposite, correct?

A. He didn't state it. We asked if it had been. He said no, and we asked him to wait.

Q. Ms. Gonzales, I think if we take maybe a five-minute break, I may not have any other questions but I want to check with my cocounsel. So I think the most efficient thing to do would be to go off the record for a few minutes now.

A. Okay.

THE VIDEOGRAPHER: Off the record at 4:42.
(Recess.)
THE VIDEOGRAPHER: We are now back on the record. The time is 4:47 p.m.
BY MR. WHITE:
Q. Just one final area, Ms. Gonzales. You mentioned that you thought that Mr. Evinger was doing his diligence, I think in response to the last question I asked you.
Was he asking you any questions about Blue Flame Medical?
A. I don't remember him asking me any questions.
Q. From what it -- from what you said, it sounds like he was telling you things about Blue Flame Medical that he thought you might not know. Is that accurate?
A. That's what it seemed like.
Q. How is that him doing diligence? What did you mean by that?
MR. MADDEN: Object to form.
THE WITNESS: I don't know. It seemed to