EXHIBIT 127

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

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Remote Deposition

Tuesday, April 6, 2021

Videotape deposition via Zoom of SEAN O'MALLEY, a witness herein, called for examination by

respect to whether those laws were violated or were not violated. I merely point out the one instance where I think it may have happened.

Q. Do you have any opinion on whether funds that had been memo posted to a customer account at Chain Bridge Bank were or were not available in that account for the customer's use?

MR. MITCHELL: Object to the form.

THE WITNESS: I do have an opinion.

BY MR. MADDEN:

Q. What is your opinion?

A. My opinion is that, based on my experience in reviewing, in many cases, transactions going back, you know, years in some instances, that a memo posting is frequently a term used in banking for a transaction.

So in my experience, when I review a set of transactions often in a spreadsheet listing all of a client's activity, it will have a series of dates, amounts and there are -- the term memo posting credit or debit will be used to indicate which way the funds are flowing. So based on my experience, a memo

posting is a transaction.

Q. And then -- sorry. In the spreadsheet you're describing, did I understand you right that there's an indication of either the term "memo posting" or the term "debit" or the term "credit"?

A. No, there -- I'm sorry if I wasn't clear. There are two terms. It's memo posting credit or memo posting debit indicating which way the funds are flowing.

Q. Okay. I think I understand.

A. Okay.

Q. And on the spreadsheet you're thinking about, you understand either memo posting credit or memo posting debit to refer to a transaction?

A. That is correct, yes.

Q. My question, which I think was a little bit different --

A. Okay.

Q. -- is whether you have any opinion on whether funds that Chain Bridge Bank memo posts to a customer's account are or are not available to that customer for its use?

MR. MITCHELL: Object to the form.

THE WITNESS: Well, when you're talking about a memo posting, part of that question, we have to consider the circumstances, right? We are dealing with a wire transfer here. Wire transfers, by their very nature, are designed to be instantaneous or nearly instantaneous.

So in this circumstance, I would interpret memo posting with respect to a wire transfer to mean that the funds have been received by the customer's account. The customer's account now has those funds.

BY MR. MADDEN:

Q. And what's the basis of that interpretation?

A. The basis for that is my experience and understanding with respect to the nature and intent of wire transfers as well as my experience having reviewed transactional activity for, you know, a number of clients where it's quite common to see the phrase memo posting, again, memo posting credit or debit, depending on which way the funds are flowing, to be used to describe a transaction.

So when I see the phrase "memo posting," to me that means transaction.

Q. And is it significant to your opinions in this case that you interpret any memo posting of the wire to Blue Flame Medical's account to have made those funds available to Blue Flame Medical?

MR. MITCHELL: Object to the form.

THE WITNESS: I'm sorry, can you --

BY MR. MADDEN:

Q. I can try, yes.

A. Yeah, sorry about that.

Q. Is your understanding of what it means to memo post a wire to a customer's account significant to your opinions on the reasonableness of Chain Bridge's actions in this case?

MR. MITCHELL: Object to the form.

THE WITNESS: It does influence it because, in my opinion, it indicates that the funds were in Blue Flame Medical's account.

BY MR. MADDEN:

Q. And is it also significant because it indicates that those funds were available for Blue

Flame Medical's use in that account?

A. Well, but the hold had been placed on, so they weren't really available for use based on that fact. They were in the account, but the hold was placed on it so that they could not be withdrawn from the account. So they weren't -- I wouldn't classify them as available for use, but they were in the account.

And the conversation that you played with -- involving John Brough actually reflected that fact, that the funds were in the customer account.

Q. Okay.

MR. MITCHELL: Matt, when you have a -- sorry. I know it's --

MR. MADDEN: We can go off the record.

MR. MITCHELL: It's been over an hour, yeah.

MR. MADDEN: Yeah.

THE VIDEOGRAPHER: Off the record at 5:45.

(Recess.)

THE VIDEOGRAPHER: We are now back on the record. The time is 5:53 p.m.