

O6H1GU01

1 UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

2 -----x  
UNITED STATES OF AMERICA,

3 v.

23 Cr. 118 (AT)

4 MILES GUO,

5 Defendant.

Trial

6 -----x

New York, N.Y.  
June 17, 2024  
9:30 a.m.

8 Before:

10 HON. ANALISA TORRES,

11 District Judge  
-and a Jury-

12 APPEARANCES

13 DAMIAN WILLIAMS

14 United States Attorney for the  
Southern District of New York

15 BY: RYAN B. FINKEL

JULIANA N. MURRAY

16 Assistant United States Attorneys

17 SABRINA P. SHROFF

Attorney for Defendant

18 PRYOR CASHMAN LLP

19 Attorneys for Defendant

20 BY: SIDHARDHA KAMARAJU

MATTHEW BARKAN

21 CLARE P. TILTON

22 ALSO PRESENT:

Isabel Loftus, Paralegal Specialist, USAO

23 Robert Stout, Special Agent, FBI

Ruben Montilla, Defense Paralegal

24 Tuo Huang, Interpreter (Mandarin)

Shi Feng, Interpreter (Mandarin)

25 Yu Mark Tang, Interpreter (Mandarin)

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Collins - Direct

1 (Trial resumed; jury not present)

2 THE COURT: Good morning. Please make your  
3 appearances.

4 MR. FINKEL: Good morning, your Honor, Ryan Finkel and  
5 Juliana Murray for the government. We're joined at counsel  
6 table by Isabel Loftus and Special Agent Robert Stout.

7 MR. KAMARAJU: Good morning, your Honor, Sidhardha  
8 Kamaraju, Sabrina Shroff, Matthew Barkan, and Clare Tilton on  
9 behalf of Mr. Guo, who is seated at counsel's table with us.

10 THE COURT: Please have the jurors brought in.

11 (Jury present)

12 THE COURT: Please be seated.

13 Good morning, jurors, and welcome back.

14 THE JURORS: Good morning.

15 THE COURT: We will now continue with the direct  
16 examination of Mr. Collins.

17 You may inquire.

18 MR. FINKEL: Thank you, your Honor.

19 JAMES ROBERT COLLINS JR., resumed.

20 DIRECT EXAMINATION

21 BY MR. FINKEL:

22 Q. Good morning, sir.

23 A. Good morning.

24 Q. So I remind you, you're still under oath, okay?

25 A. Yes.

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1 MR. FINKEL: If we can please display for the witness  
2 what's been marked for identification as Government  
3 Exhibit 113.

4 Q. Mr. Collins, who is depicted in Government Exhibit 113?

5 A. I don't remember his name, but he was held out as the  
6 president of the Himalaya Exchange.

7 MR. FINKEL: If we can please display what's in  
8 evidence as Government Exhibit BR208A.

9 Can you scroll down, please, Ms. Loftus.

10 Can you zoom in on the bottom.

11 Q. Mr. Collins, please take a look at that and let me know if  
12 it refreshes your recollection.

13 A. It does.

14 MR. FINKEL: And if we could please go back,  
15 Ms. Loftus, to Government Exhibit 113.

16 Q. Who is the individual depicted in Government Exhibit 113?

17 A. Jesse Brown.

18 MR. FINKEL: Government offers 113.

19 MR. KAMARAJU: No objection.

20 THE COURT: It is admitted.

21 (Government's Exhibit 113 received in evidence)

22 MR. FINKEL: If you could publish that, please.

23 Q. Mr. Collins, you said that this individual, Jesse Brown,  
24 was held out as the president of the Himalaya Exchange. Can  
25 you explain to the jury what you mean by that.

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1 A. He represented that that was his title. Other team members  
2 in the Himalaya Exchange referenced him that way also.

3 Q. Who?

4 A. Jesse Brown.

5 Q. What did William Je, if anything, say about Jesse Brown's  
6 role at the Himalaya Exchange?

7 A. Other than—other than handing, you know, discussing his  
8 title, we didn't have a lot of discussion about Jesse.

9 Q. Where was Jesse Brown located, to your knowledge?

10 A. The British Virgin Islands.

11 Q. Did you have an understanding about why Mr. Brown was  
12 located in the British Virgin Islands?

13 A. I believe the type of license they had in the BVI required  
14 an officer, if not the main officer, to be located there.

15 Q. Approximately how many interactions did you have personally  
16 with Mr. Brown concerning the Himalaya Exchange?

17 A. In a group or just one on one?

18 Q. Either.

19 A. All combined, probably three or four.

20 Q. Who did you primarily interact with regarding the Himalaya  
21 Exchange?

22 A. William Je, Georgette Adonis-Roberts, and Priya Patel.

23 THE COURT: Mr. Finkel, if you would get closer to the  
24 microphone, please.

25 MR. FINKEL: Yes, your Honor.

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1 Q. And Mr. Collins, what was your understanding of who ran the  
2 Himalaya Exchange?

3 A. It is clear to me that William Je was running the business.

4 Q. And why was it clear to you that William Je was running the  
5 Himalaya Exchange?

6 A. People deferred to him ultimately on pretty much any  
7 decision that was made around Himalaya Exchange.

8 MR. FINKEL: If we can please display Government  
9 Exhibit 103.

10 Q. Mr. Collins, did there come a time, if ever, where you met  
11 Mr. Je in person?

12 A. Yes.

13 Q. And where did you meet him?

14 A. I met him in their offices just outside of London.

15 Q. Whose offices just outside of London?

16 A. Himalaya Exchange.

17 Q. And when, approximately, was that?

18 A. Approximately the fall of '21.

19 Q. And can you describe, please, to the jury the nature of  
20 your conversation with Mr. Je about the Himalaya Exchange in  
21 his London offices.

22 A. He was excited to tell us about their offering; they were  
23 just in the midst of launching the Himalaya Coin, and the  
24 Himalaya Dollar, which was both listed on the exchange. He was  
25 very much engaged in taking advantage of the market interest in

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1 digital assets, and they held out this exchange as being the  
2 next big thing.

3 Q. What do you mean he was interested in taking advantage of  
4 the market in digital assets, at that time?

5 A. There was a lot of interest generically, publicly,  
6 globally, in investing in digital assets.

7 Q. And when you say "digital assets," based on your  
8 understanding in the fall of 2021, can you give some examples.

9 A. Well, the biggest digital asset and perhaps the most  
10 notable is Bitcoin. It's often referred—the market is often  
11 referred to as crypto. Ethereum is another coin. There's I  
12 think currently 20,000 different coins listed.

13 Q. At the time that you had this meeting with Mr. Je in  
14 London, had you heard of the Himalaya Coin?

15 A. No.

16 Q. Had you heard of the Himalaya Dollar?

17 A. No.

18 Q. And to your knowledge at that time was the Himalaya Coin or  
19 Himalaya Dollar available on any other cryptocurrency exchange?

20 A. Not that I'm aware of.

21 Q. Did you have any conversations with Mr. Je at that time  
22 about Miles Guo?

23 A. I believe I mentioned that we had informed their staff that  
24 we had concerns about Miles's profile, and I asked him to  
25 confirm that Miles's money wasn't involved in the accounts that

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1 we would be onboarding, and that Miles was not in any way a  
2 control person of the enterprises.

3 Q. And what did Mr. Je say in response to your request for  
4 confirmation that Miles Guo was not in any way a control person  
5 of the enterprise?

6 A. He confirmed that Miles was not a UBO or that his money was  
7 being used in the exchange.

8 THE COURT: What does UBO mean?

9 THE WITNESS: Ultimate beneficial owner. It's sort of  
10 a Bank Secrecy Act term of art.

11 Q. Did Mr. Je explain anything about whether the Himalaya  
12 Dollar was backed by gold?

13 A. He did not mention that.

14 Q. Did you meet with an individual named Priya Patel when you  
15 were in London?

16 A. Yes.

17 Q. Who is Priya Patel?

18 A. Priya Patel was held out as the most senior legal officer  
19 of the company.

20 Q. Which company?

21 A. The ones I know about are Hamilton, the various funds run  
22 by Hamilton, and the Himalaya Exchange.

23 Q. What is your understanding of what Hamilton was?

24 A. There were several different entities that utilized the  
25 name Hamilton. So for example, Hamilton special Opportunities

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1 Fund, that collection of Hamilton entities generally was, from  
2 my understanding, investment vehicles that were investing  
3 William and his investors' money.

4 Q. And what was your understanding of who ran the Hamilton  
5 entities?

6 A. William.

7 Q. William, what's the last name?

8 A. William Je.

9 Q. Did you review—well, withdrawn.

10 MR. FINKEL: Ms. Loftus, if we can play for the  
11 witness and the jury what's in evidence—but outside of Trial  
12 Director, please—GX C370-V.

13 Play just a few seconds of that, please.

14 (Video displayed)

15 MR. FINKEL: Can you pause that, please.

16 BY MR. FINKEL:

17 Q. Mr. Collins, around the time that Mercantile Bank was  
18 considering onboarding the Himalaya Exchange as a client, did  
19 you watch this video?

20 A. I watched a few videos. This seems familiar.

21 MR. FINKEL: You could play it, please, Ms. Loftus.

22 (Video displayed)

23 MR. FINKEL: You can stop there.

24 Q. Mr. Collins, at the time you watched this video what was  
25 your reaction to it, if any?



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1 A. I saw it as pure marketing. I didn't really have a strong  
2 reaction one way or the other.

3 Q. In making a decision to onboard a client, does Mercantile  
4 Bank consider marketing of a client?

5 A. Sometimes.

6 Q. Did you in this case?

7 A. I believe we did holistically, in conjunction with my Bank  
8 Secrecy Act team.

9 Q. Mr. Collins, there is a phrase in this video that we just  
10 watched that says "to the moon." Did you see that and hear  
11 that?

12 A. Yes.

13 Q. Are you familiar with that phrase, "to the moon"?

14 A. I mean, it's from an old black-and-white TV series, but  
15 yes.

16 Q. What about in the context of cryptocurrency, are you  
17 familiar with the phrase "to the moon"?

18 A. Somewhat.

19 Q. What does it mean?

20 A. It means that the price will go infinitely high.

21 Q. And is that a phrase that people in the cryptocurrency  
22 community use, "to the moon"?

23 A. I've heard it before.

24 MR. FINKEL: We can take that down, Ms. Loftus.

25 Q. Mr. Collins, did ultimately Mercantile Bank take on the

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1 Himalaya Exchange as a client?

2 A. Yes.

3 Q. And approximately how many bank accounts did the Himalaya  
4 Exchange open with your bank?

5 A. I don't recall the specific number, but somewhere between  
6 four and six.

7 Q. And when you took on the Himalaya Exchange as a client, did  
8 you believe the Himalaya Exchange was a legitimate business?

9 A. Yes.

10 Q. Did Mercantile Bank store gold for the Himalaya Exchange?

11 A. No.

12 Q. Did there come a time, if ever, when G/CLUBS transferred  
13 money into a Himalaya Exchange bank account?

14 A. I believe so.

15 MR. FINKEL: If we can please display for the witness  
16 what's been marked for identification as Government Exhibit  
17 MER1203.

18 Q. Do you see it on your monitor, Mr. Collins?

19 A. Yes.

20 Q. Please take a look at that and let me know what Government  
21 Exhibit MER1203 is.

22 A. Can you—can I read it from the bottom up.

23 Q. Sure.

24 A. There we go. That's good.

25 Okay.

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1 Q. What is MER1203?

2 A. This is me facilitating a movement from G Club to the  
3 Himalaya Exchange.

4 Q. And who was making that request, for the movement?

5 A. Alex H.

6 Q. And he works for what company, based on your understanding?

7 A. G Club.

8 MR. FINKEL: Government offers MER1203.

9 MR. KAMARAJU: No objection.

10 THE COURT: It is admitted.

11 (Government's Exhibit MER1203 received in evidence)

12 MR. FINKEL: Could we publish that, please,  
13 Ms. Loftus. You can scroll to the bottom while that's coming  
14 up.

15 THE COURT: Sir, when you say a movement, what do you  
16 mean?

17 THE WITNESS: A wire transfer.

18 THE COURT: If you would speak up, please.

19 THE WITNESS: A wire transfer.

20 BY MR. FINKEL:

21 Q. Mr. Collins, can you read the email at the, well, now the  
22 top of your screen, December 1, 2021, from Alex H to Georgette  
23 and you, beginning with, "I was told."

24 A. Okay.

25 Q. Can you read that, please.

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1 A. You want me to read the email?

2 Q. Yeah, from "I was told."

3 A. Out loud?

4 Q. Yes, please.

5 A. Okay. "I was told the account is open and ready to accept  
6 funds.

7 "Can you please share the wire information for  
8 Himalaya International Clearing Ltd account at Mercantile so I  
9 may schedule transfer of 50mm USD."

10 MR. FINKEL: If we can scroll up, please.

11 Q. And what do you say in response to that email?

12 A. "Would you like me to facilitate this.

13 "I don't want to share your account numbers/details  
14 with him without your approval."

15 That was my comment to Georgette.

16 MR. FINKEL: If we can scroll up again, please,  
17 Ms. Loftus.

18 Q. And after Georgette responds, "This will need to be  
19 facilitated through the CFO," Mr. Collins, can you read what  
20 you wrote back.

21 A. "Sounds good. John, can you work with Mahsud for this  
22 authorization (communicating to directly G Club the wiring  
23 instructions with Himalaya's account number) so that G Club can  
24 move money from the G Club account to the Himalaya account that  
25 is already open for their purchase of coins."

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1 MR. FINKEL: If we can please display for the witness  
2 what's been marked for identification as Government Exhibit  
3 MER1204.

4 Q. Did there come a time, if ever, Mr. Collins—while that's  
5 coming up—that Mr. Je asked for help with what he called VIP  
6 clients?

7 A. Yes.

8 Q. Can you see that document on your screen, sir?

9 A. It's just a header, yes.

10 MR. FINKEL: Can you scroll down, please, Ms. Loftus.

11 Q. Mr. Collins, what is this document, MER1204?

12 A. It looks like a series of messages between me and William.

13 MR. FINKEL: Government offers MER1204.

14 MR. KAMARAJU: No objection.

15 THE COURT: It is admitted.

16 (Government's Exhibit MER1204 received in evidence)

17 MR. FINKEL: If we could publish that, please.

18 Q. Mr. Collins, what's the month and year of these messages  
19 between you and Mr. Je?

20 A. March of 2022.

21 Q. And can you read your third message at 5:45 p.m. on  
22 March 17, 2022.

23 A. "There is NO universe that I will be carrying 100 mill of  
24 BTC on a thumb drive to Dubai."

25 Q. What is BTC?

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1 A. That's the acronym for Bitcoin.

2 Q. Why did you write "There is NO universe that I will be  
3 carrying 100 mill of BTC Bitcoin on a thumb drive to Dubai"?  
4 Why did you send that to William Je?

5 A. In a discussion about—when we were having these messages,  
6 William asked me the question, if I'd be open to that.

7 Q. Open to what?

8 A. Carrying a hundred million dollars of BTC on a thumb drive.

9 Q. Did he provide any information, did William Je provide any  
10 information why he wanted you to do that?

11 A. No.

12 Q. Why did you decline?

13 A. There's many reasons. Perhaps first and foremost is my  
14 personal safety; second is, that would sidestep every single  
15 BSI—BSA requirement; and I'm pretty sure—I don't remember  
16 when laws were exactly passed, but it may have been a felony to  
17 transmit or to carry more than \$10,000 of value across the  
18 border without disclosing it.

19 Q. So you declined.

20 A. Yes.

21 MR. FINKEL: Okay. We can scroll down, please,  
22 Ms. Loftus.

23 Right there.

24 Q. So on March 17, 2022, at 11:38 p.m., can you read what  
25 William Je messaged you.

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- 1 A. I'm sorry. At what time?
- 2 Q. 11:38 p.m.
- 3 A. You want me to read it?
- 4 Q. Yes, please.
- 5 A. "Hi, could you help to check if the below account has been  
6 opened? If not, any outstanding issue?  
7 "-UK Himalaya Ltd.  
8 "-Director: Jianfeng Dai."  
9 His email, and then he says "Thanks."
- 10 Q. Do you know who David Dai is?
- 11 A. I don't recall that person.
- 12 Q. What was your understanding of why William Je was asking  
13 you about this individual, Mr. Dai?
- 14 A. I don't recall that we really spoke about him. I think he  
15 is the signatory for UK Himalaya Ltd., and that would have—I'm  
16 not sure we ever discussed the purpose of that operating  
17 entity's account.
- 18 MR. FINKEL: We can take that down.
- 19 Q. Mr. Collins, did there come a time, if ever, when William  
20 Je asked for your help in making a money transfer related to a  
21 loan?
- 22 A. Yes.
- 23 Q. And when approximately was that?
- 24 A. I remember it around Easter of '22.
- 25 Q. And what did Mr. Je tell you about this loan?

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1 A. The loan was being made to an escrow account related to the  
2 bankruptcy of Mr. Guo as security for a substantial piece of  
3 collateral that they had moved from the United States to the  
4 Mediterranean, being a large yacht, and the loan was to satisfy  
5 the court's demand in time because they didn't have time to  
6 steam the yacht back to America, and it was a short-term loan  
7 to facilitate Mr. Guo's freedom.

8 Q. What do you mean by that?

9 A. I was told that if the loan wasn't facilitated right away,  
10 that he would be imprisoned.

11 Q. Mr. Guo?

12 A. Yes.

13 Q. And Mr. Je told you that?

14 A. Yes.

15 Q. And what was the collateral? Can you explain how that  
16 works, in your understanding of it, based on this conversation  
17 with Mr. Je.

18 A. So in the normal lending arrangement, the lender will take  
19 collateral as security for the loan, so if the loan doesn't get  
20 repaid, they can foreclose on that collateral and sell it to  
21 pay the loan.

22 Q. And so what was the issue with collateral being moved out  
23 of the country? Can you explain that.

24 A. My understanding—I'm not an attorney, but—the bankruptcy  
25 trustee was upset that some significant assets of the estate



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1 had been moved outside of USA jurisdictional reach.

2 Q. Whose estate?

3 A. Mr. Guo's.

4 Q. Bankruptcy attorney for what bankruptcy?

5 A. Mr. Guo's.

6 Q. What kind of asset was moved out of the jurisdiction, based  
7 on your understanding from the conversation?

8 A. The yacht.

9 Q. What yacht?

10 A. I don't remember the name of it.

11 Q. And so how would this loan sort of solve Mr. Je and  
12 Mr. Guo's problem?

13 MR. KAMARAJU: Objection.

14 THE COURT: Sustained.

15 Q. How would this loan facilitate this issue, based on what  
16 Mr. Je told you?

17 MR. KAMARAJU: Same objection.

18 THE COURT: Sustained.

19 Was there a request for a loan?

20 THE WITNESS: The request was not a loan from me. The  
21 loan that was being made was by William Je and his—one of his  
22 companies to a relative of Miles Guo, who I think was listed as  
23 the owner at the bank, but the trustee had identified this  
24 yacht as a substantial asset of the estate.

25 BY MR. FINKEL:

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1 Q. So what was Mercantile's role with respect to this  
2 potential loan, if it wasn't a loan from you?

3 A. We were just wiring money under the control of William Je  
4 to the escrow account of an attorney involved in the case.

5 Q. And the William Je account, do you know what business it  
6 was associated with?

7 A. I vaguely remember it was one of the Himalaya entities, but  
8 I don't recall specifically.

9 Q. And when you say Himalaya entities, entities of what?

10 A. One of the Himalaya companies that had an account with us.

11 Q. Meaning the Himalaya Exchange?

12 A. Yes.

13 Q. At the time did this seem like a reasonable business  
14 transaction?

15 A. It was unusual, but it seemed reasonable.

16 Q. And you said that there was a woman involved in the  
17 process?

18 A. Yes, the—I don't recall—I didn't see the actual title  
19 work to the yacht, but my understanding was the loan was made  
20 to the bankruptcy at—well, I don't remember who the signatory  
21 of the loan was, but it was somebody I'd never met before. It  
22 was held out as a relative of Miles Guo, whose name I think was  
23 actually on the yacht title.

24 Q. And did Mercantile Bank facilitate this wire payment from  
25 the Himalaya entity to an escrow account for this loan?

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1 A. Yes. Yes.

2 Q. Okay.

3 MR. FINKEL: Government offers, pursuant to the—may I  
4 have a second.

5 (Counsel conferring)

6 MR. FINKEL: Pursuant to a stipulation regarding bank  
7 record documents, the government offers GX MER138.

8 MR. KAMARAJU: No objection, your Honor.

9 THE COURT: It is admitted.

10 (Government's Exhibit MER138 received in evidence)

11 BY MR. FINKEL:

12 Q. By the way, Mr. Collins, what did William Je tell you, if  
13 anything, about the nature of his relationship with Miles Guo?

14 A. Do you have a specific point in time in mind or—

15 Q. In general.

16 A. He mentioned that Miles Guo was his best friend, that Miles  
17 trusted him more than any individual in the world, and that  
18 they were very close.

19 Q. Can you see on your screen Government Exhibit MER138? I  
20 think it's published, but—

21 A. Yeah.

22 Q. What type of document is this? You recognize the  
23 formatting?

24 A. Looks like a monthly statement from Mercantile Bank.

25 Q. And what's the name of the entity whose monthly statement

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1 this is?

2 A. Himalaya International Financial Group Ltd.

3 Q. And is that one of the Himalaya/William Je accounts?

4 A. Yes.

5 Q. And do you see where in the amount it says minus

6 37 million?

7 A. Yes.

8 Q. What is that?

9 A. I believe that's the amount that we wired related to the  
10 yacht and the loan in the escrow account.

11 Q. And it also says Zeisler & Zeisler, PC IOLTA account. Do  
12 you see that?

13 A. Yes.

14 Q. What is your understanding of what that means, Zeisler &  
15 Zeisler, PC IOLTA account?

16 A. That's the escrow account I've been referencing.

17 Q. And so the \$37 million wire was the loan that you spoke  
18 about prior?

19 A. That was a loan William and Himalaya made to Miles Guo.

20 Q. After the loan was processed, what reaction, if any, did  
21 Mr. Je have?

22 A. I just want to correct what I just said. I don't know the  
23 loan was made to Miles Guo. It was related to Miles Guo's  
24 bankruptcy estate, but technically I think the loan was made to  
25 another person.

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1 Q. Okay. What was Mr. Je's reaction after this wire was  
2 processed, if any?

3 A. His reaction after it was processed? I think he was  
4 grateful that we were able to process this so quickly.

5 MR. FINKEL: You can take that down, Ms. Loftus.

6 Q. Aside from the business that the Himalaya Exchange had with  
7 Mercantile Bank, what other business discussions, if any, did  
8 you have with William Je?

9 A. Maybe you can narrow that question down for me.

10 Q. Did you contemplate entering into a business transaction  
11 with Mr. Je aside from opening accounts at Mercantile Bank?

12 A. Yes.

13 Q. What was the nature of that transaction?

14 A. We discussed, early in the relationship, investing in the  
15 exchange—I'm sorry—in our bank—technically our holding  
16 company—which he did, initial investment. And then that  
17 conversation grew to much larger conversation about essentially  
18 buying a controlling interest in the bank.

19 Q. I'm sorry. Who was that who was contemplating buying a  
20 controlling interest in the bank?

21 A. William Je, through one of his entities called I think  
22 Hamilton Special Opportunities Fund.

23 Q. And when you say the bank, you mean Mercantile?

24 A. Yes.

25 Q. How far advanced did those negotiations get about selling a

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1 controlling interest in Mercantile Bank to William Je's  
2 company?

3 A. They resulted in an actual closing on September 16th,  
4 according to what we had agreed to, the terms.

5 Q. And what was the approximate price that Mr. Je was willing  
6 to pay for a controlling interest in Mercantile?

7 A. Ultimately he would be investing almost a hundred million  
8 dollars. The first tranche was 49½ million.

9 Q. Is there a regulator who regulates Mercantile Bank?

10 A. Yes.

11 Q. And what's the name of that regulator?

12 A. Our prudential regulator, if you will, is a firm who's most  
13 easily referenced as their acronym, called OCIF, O-C-I-F. It's  
14 the agency, the banking agency of Puerto Rico.

15 Q. In connection with the potential purchase of Mercantile  
16 Bank by William Je, was Mr. Je required to make any  
17 representations to OCIF?

18 A. Yes.

19 Q. About Miles Guo?

20 A. About many things, but—

21 Q. Were some of those representations that Mr. Je was required  
22 to make to OCIF about Miles Guo?

23 A. Yes.

24 Q. And what did Mr. Je represent to OCIF about Miles Guo, if  
25 anything?

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1 A. That Miles was not a UBO, that none of the money involved  
2 in the fund that was actually making the investment was part of  
3 Miles Guo's money or estate.

4 Q. To your knowledge did he make those representations?

5 A. Yes.

6 Q. When was this transaction supposed to close, the sale of  
7 Mercantile to Hamilton Special Opportunities?

8 A. The original closing date was set for August 24th, and we  
9 had to extend that to September 16th.

10 THE COURT: Of what year?

11 THE WITNESS: Of 2022.

12 Q. Did the transaction close on September 16th of 2022?

13 A. Yes.

14 Q. Did Mercantile receive final payment on September 16, 2022?

15 A. No.

16 Q. How much was Mercantile expecting to receive on  
17 September 16, 2022?

18 A. \$49½ million.

19 Q. Why did Mercantile not obtain \$49½ million on September 16,  
20 2022?

21 A. Why didn't we receive it?

22 Q. Yeah.

23 A. The money was seized in transit by the U.S. Marshals.

24 Q. And how did you learn about that?

25 A. Well—

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1 Q. At first.

2 A. The wire was initiated on a Friday afternoon in the United  
3 States, and we weren't surprised that it hadn't cleared that  
4 day, just because it was late in the day. So Monday, we were  
5 looking for the wire. We were in London at the time. And the  
6 wire wasn't showing up. It didn't show up on Tuesday. I think  
7 by Wednesday, we realized that there was some sort of problem.

8 Q. Did you speak with Mr. Je about the potential problem?

9 A. Yes.

10 Q. And what did he say?

11 A. He said they hadn't had any communications from their  
12 banks, that they didn't have any knowledge about why the wire  
13 had not cleared, and I asked them to look into it, and I also  
14 asked them if I could look into it.

15 Q. Did you?

16 A. I did.

17 Q. What did you learn?

18 A. I happened to know the CEO of Silvergate Bank, which is  
19 where the wire initiated from, so I called him, and we had a  
20 brief conversation, wondering where the wire was, and he didn't  
21 know anything about it, so he said he would look into it. And  
22 the next day I got an email from him saying that he was not in  
23 a position to discuss the account any further and that he—that  
24 I should ask the account owners to contact them immediately.

25 Q. Did you do that?



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Collins - Direct

1 A. I did.

2 Q. What happened next?

3 A. William and Priya reached out to them, I think they had a  
4 phone call, and it was then that it was revealed that the wire  
5 had been seized.

6 Q. After the seizure, did Mr. Je make any requests concerning  
7 the Himalaya Exchange?

8 A. I don't—I mean, there were many conversations and several  
9 requests, so maybe you could narrow it down for me.

10 Q. Sure.

11 MR. FINKEL: If we can display for the witness what's  
12 been marked for identification as Government Exhibit MER1205.

13 If you can scroll down so Mr. Collins can take a look  
14 at this, please.

15 Q. What is MER1205, this document, Mr. Collins?

16 A. This is a series of WhatsApp communications between me and  
17 William Je.

18 Q. What's the date?

19 A. September 23, 2022.

20 MR. FINKEL: Government offers MER1205.

21 MR. KAMARAJU: No objection.

22 THE COURT: It is admitted.

23 (Government's Exhibit MER1205 received in evidence)

24 MR. FINKEL: Could we publish that, please.

25 And we can zoom in at the top, please, Ms. Loftus.

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Collins - Direct

1           That's fine.

2 BY MR. FINKEL:

3 Q. So the first message says, "I will speak to Mahsud at 11."

4 Is that correct? That's from you?

5 A. Yes.

6 Q. Who is Mahsud?

7 A. Ehsan Mahsud is the—was held out as the CFO of Himalaya  
8 Exchange.

9 Q. And why did you ask is he aware of what is happening?

10 A. These are—for me, these are incredibly unusual  
11 circumstances, and I didn't want to be in a position of saying  
12 something out of—out of place with the wrong person at the  
13 wrong time, partly because of commercial liability, and so I  
14 just wanted to understand what Ehsan understood about what was  
15 happening around them, because it was—it was a very confusing  
16 time, there was—there was a lot of information flowing around  
17 that was extreme, and I just wanted to be careful.

18           (Continued on the next page)

19

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21

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25

1 BY MR. FINKEL:

2 Q. I'm just going to ask you to move the mic somewhat down a  
3 bit so everyone can hear you.

4 Mr. Collins, when you said aware of what is happening,  
5 what does the "what" refer to?

6 A. Several things. That Silvergate funds were frozen or  
7 seized. We had learned that FV bank, another bank that we were  
8 familiar with had also had a major seizure related to the  
9 Himalaya universe, and we didn't know what else was out there.  
10 Generically I would just say, my question was, is he aware of  
11 what's happening related to the seizures, because even the most  
12 senior executives were not necessarily aware in realtime.

13 Q. And then a couple of messages below William Je at 9:03 a.m.  
14 says, We are just doing normal redemption of a client. Thanks.  
15 Did I read that right?

16 A. Yes.

17 Q. What was your understanding of what that meant?

18 A. A redemption typically means that they were substituting  
19 HDO for cash or HCN for cash.

20 Q. Why, based on your understanding, was Mr. Je talking about  
21 a normal redemption of a client at this time?

22 MR. KAMARAJU: Objection.

23 THE COURT: You may state what your understanding of  
24 the statement was.

25 A. Well, my understanding is that he wanted to redeem, at this

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Collins, Jr. - Direct

1 point in time, that he wanted to redeem one of the coins on the  
2 Himalaya Exchange for U.S. dollars related to a normal client.

3 Q. At that time after the seizure first, did Mr. Je identify  
4 who that client was?

5 A. Not at first.

6 Q. How did he describe that client at first, Mr. Je?

7 A. He described him as -- well, he just said a normal  
8 redemption of a client, and I believe later he mentioned it was  
9 a VIP client.

10 Q. And what was the amount of the redemption that Mr. Je  
11 sought for this client shortly after the seizure from the banks  
12 that you mentioned?

13 A. Somewhere between 42 and 50 thousand -- \$50 million.

14 Q. Did Mr. Je provide documents to facilitate this redemption  
15 to Mercantile bank?

16 A. Yes.

17 THE COURT: In a redemption, the money goes from where  
18 to where?

19 THE WITNESS: I would say there's a nomenclature  
20 problem here in the sense that, what he's calling a redemption  
21 here, we would think of as a trade, so he is selling his HCN  
22 for U.S. dollars. He's calling it a redemption because they  
23 happen to control the platform, and so they can redeem it by  
24 picking a value. But later I believe they sent us what we  
25 would call trade confirmations that actually show that it's

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Collins, Jr. - Direct

1 more similar to a trade than a redemption.

2 Q. To redeem, if a redemption or trade is going to be  
3 processed, what sort of the real world event that Mercantile  
4 would facilitate?

5 A. Well, our role in what he's referring to as redemption is  
6 simply the wiring of the money. We're not involved in the  
7 transaction. We're not involved in the mechanics of the  
8 redemption. We just respond to the request. We ask for  
9 supporting documentation because that fulfills our bank's  
10 Secrecy Act requirements.

11 Q. If we can take that down, Ms. Loftus, and display for the  
12 witness what's been marked as Government Exhibit MER-5 and  
13 MER-6 for the witness.

14 Mr. Collins, who signed these documents?

15 A. William Je.

16 Q. What are these documents?

17 A. These are what I would call a trade confirmation.

18 Q. And does this pertain to the trade we were just discussing?

19 A. Yes.

20 MR. FINKEL: Government offers MER-5 and 6.

21 MR. KAMARAJU: No objection.

22 THE COURT: They are admitted.

23 (Government's Exhibits MER-5 and MER-6 received in  
24 evidence)

25 BY MR. FINKEL:

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Collins, Jr. - Direct

1 Q. Can we publish please, Ms. Loftus.

2 Mr. Collins, what is your understanding about why  
3 Mercantile was provided these two documents that you said were  
4 trade confirmations?

5 A. I presume this was part of our document collection related  
6 to our compliance function.

7 Q. And on the left side of the screen it says seller sales  
8 1,308,000 and some more HCN at 24.46 per HCN, seller receives  
9 32 million HDO. Do you see that?

10 A. Yes.

11 Q. What was your understanding of what that meant?

12 A. That meant the seller, which is listed just below, it says  
13 the name of the seller account William K. Je@ACap.com was  
14 selling HDO -- I'm sorry. He was selling HCN in exchange for  
15 HDO.

16 Q. And what was HDO described to you as?

17 A. A stable dollar. I'm sorry, a stable coin.

18 Q. What was the price of HDO described to you as?

19 A. The price was always equal to one, because it was backed  
20 one to one by the stable -- I'm sorry, by the U.S. dollar.

21 Q. And HCN was described to you as what?

22 A. HCN is a digital asset that is more akin to a true crypto  
23 coin like Bitcoin.

24 Q. And that's how it was described to you?

25 A. Yes.

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Collins, Jr. - Direct

1 Q. So by selling this HCN, it says seller receives 32 million  
2 HDO, what's the U.S. dollar value of that?

3 A. \$32 million.

4 Q. And then seeing the name of the seller account, did that  
5 provide any information to Mercantile about who this VIP client  
6 was?

7 A. I believe our compliance department would have picked up on  
8 it at the time.

9 Q. And so who was this VIP client that Mr. Je said he was  
10 helping redeem?

11 A. It's William K -- well, it's either William Je or a firm  
12 called ACA Capital.

13 Q. And the document on the right side of the screen where it  
14 says seller sells 572,000 and change at HCN, seller receives 14  
15 million HDO, what is your understanding of the U.S. dollar  
16 value of that 14 million HDO?

17 A. 14 million.

18 Q. So 32 million plus 14 million is how much?

19 A. 46 million.

20 Q. Is that the amount of money William Je was requesting to be  
21 transferred shortly after the bank seizure?

22 A. Yes.

23 Q. Upon learning that the client -- excuse me. Upon learning  
24 that the client for this transfer, this redemption, was William  
25 Je or ACA Cap, what reaction did you have to that, if any?

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Collins, Jr. - Direct

1 A. I don't recall a specific reaction other than being annoyed  
2 that it wasn't forthcoming from the beginning.

3 Q. That what wasn't forthcoming?

4 A. That this was an account controlled by him.

5 Q. That who just said this was an account --

6 A. I'm sorry, William Je.

7 Q. Ms. Loftus, if we can please put back up MER-1205. Can we  
8 go to the next page, please. Can you zoom in from the 9:03  
9 a.m. line.

10 At 9:03 a.m. Mr. Je says, We are just doing normal  
11 redemption of a client, correct?

12 A. Yes.

13 Q. What was your understanding of that redemption referred to  
14 what transaction, if any?

15 A. The transaction we just reviewed.

16 Q. And a few lines down at 12:31 p.m. Mr. Je says, What  
17 documents you need for ACA? I can send you all. Do you see  
18 that, sir?

19 A. Yes.

20 Q. What's your understanding of why Mr. Je was asking what  
21 documents you needed for ACA?

22 MR. KAMARAJU: Objection.

23 THE COURT: I'll allow the question.

24 A. Can you ask the question again.

25 Q. What was your understanding why Mr. Je was asking you what



1 documents you, Mr. Collins, needed for ACA?

2 A. William knew that we ran a rigorous compliance function.

3 And in order for us to send a transaction of that size, we  
4 would have to do what we would call KYC on the receiver as well  
5 as the sender which we had already done.

6 THE COURT: What do you mean by KYC?

7 THE WITNESS: I'm sorry. A Know Your Customer. It's  
8 a reference to being sure that you understand the bona fides of  
9 who's receiving \$50 million, well, 46.

10 Q. At this time, what was your understanding of what ACA was?

11 A. I had come across ACA in some news articles early on in the  
12 relationship and didn't know much about it other than it was an  
13 entity facilitated with William Je, so that's all.

14 Q. At the time you were having this conversation, September  
15 23, 2022, shortly after the bank seizure, the wire seizure,  
16 were you contemplating processing this transaction that Mr. Je  
17 was requesting?

18 A. No.

19 Q. Why not?

20 A. It was clear that something was amiss. At that point in  
21 time we counted approximately \$1.2 billion that had been seized  
22 by the U.S. government between two other banks.

23 Q. Mr. Collins, why then were you requesting documentation  
24 from Mr. Je if you weren't going to process this transfer?

25 A. Well, we have a commercial responsibility to consider

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Collins, Jr. - Direct

1 request, and we were doing that.

2 Q. If we can scroll down a little bit please, Ms. Loftus.

3 At 1:37 p.m., can you read what Mr. Je wrote?

4 A. 1:37 p.m.?

5 Q. Yes, sir.

6 A. Okay. I could send you all the documents to show that I  
7 own ACA. Do you still need to go through your portal? We need  
8 the execution today or it is meaningless.

9 Q. At the time what was your understanding of why it had to be  
10 executed today or it was meaningless?

11 A. I had no understanding of that. I was confused by the  
12 term.

13 Q. Why were you confused by the term "meaningless?"

14 A. Because it didn't -- from my perspective it didn't appear  
15 meaningless.

16 Q. Can we scroll down some more, Ms. Loftus.

17 Can you read what Mr. Je wrote at 4:03 p.m. on  
18 9/23/2022?

19 A. Send you all the ACA stuff. I have some updated  
20 information in Hong Kong, but I think the information is more  
21 than enough. We are just redeeming.

22 Q. What did you understand the term to mean "just redeeming?"

23 A. They were liquidating their holdings for dollars.

24 Q. And then at 4:50 p.m., can you read what Mr. Je wrote?

25 A. Masud does not know about ACA. If any questions, call me.

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Collins, Jr. - Direct

1 Thanks.

2 Q. Can you read what Mr. Je wrote at 8:12 p.m. on that same  
3 day, September 23?

4 A. Please let me know if you need further information. We are  
5 redeeming and need to be done today. Other, it is meaningless.

6 Q. After the wire was seized, did Mr. Je explain to you what  
7 the urgency was with respect to this redemption?

8 A. No.

9 Q. You can take that down. If we can display please what's  
10 been marked as Government Exhibit MER-8.

11 By the way, in any of those messages that we just  
12 looked at, did Mr. Je blame the Chinese Communist Party for the  
13 troubles he was having with banking?

14 A. I don't recall.

15 Q. Can you see on your screen MER-8?

16 A. Yes.

17 Q. Take a look at that document. Who signed it?

18 A. William Je.

19 Q. What is this document?

20 A. This looks like it's called a redemption request form, but  
21 it's really a request to wire funds.

22 MR. FINKEL: Government offers MER-8.

23 MR. KAMARAJU: No objection.

24 THE COURT: It is admitted.

25 (Government's Exhibit MER-8 received in evidence)

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Collins, Jr. - Direct

1 BY MR. FINKEL:

2 Q. You said it's a redemption request form, but it's really  
3 what?

4 A. It's a request to transfer funds to a bank called First Abu  
5 Dhabi Bank.

6 Q. And what is the account holder of the First Abu Dhabi bank  
7 account?

8 A. ACA Capital Group Limited.

9 Q. Where is First Abu Dhabi bank located?

10 A. Abu Dhabi in the UAE.

11 Q. You can zoom out of that. It says at the bottom HDO  
12 redemption amount. You see that?

13 A. Yes.

14 Q. That amount 46 million HDO, what is your understanding at  
15 that time of how much in U.S. dollars that was worth?

16 A. \$46 million.

17 Q. And this 46 million, does it pertain to the transaction  
18 documents that we've looked at in the chats you were having  
19 with Mr. Je at the time?

20 A. Yes.

21 Q. What effect, if any, did the fact that Mr. Je's request to  
22 send this \$46 million to the Middle East have on you as a  
23 banker?

24 A. I'm sorry. Could you ask the question again.

25 Q. The fact that Mr. Je was requesting the \$46 million be sent

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Collins, Jr. - Direct

1 to Abu Dhabi after this wire seizure related to this redemption  
2 for a client he didn't identify at first, what effect did that  
3 have on you in your consideration whether to process this wire?

4 MR. KAMARAJU: Objection, form and compound.

5 THE COURT: Sustained. It's compound.

6 Q. What effect did the fact that Mr. Je was requesting you  
7 send this wire to Abu Dhabi have on consideration whether to  
8 process it as a banker?

9 A. It felt uncomfortable. It appeared to be an attempt to  
10 move money outside of the jurisdiction of the United States.  
11 We're not clear on the various agreements between UAE and the  
12 United States, but it's known to be a jurisdiction that doesn't  
13 always cooperate with seizures.

14 Q. Did you process the wire?

15 A. No.

16 Q. We can display what's been marked for identification as  
17 MER-1206. Go to the next page, please, Ms. Loftus. Can you  
18 zoom in so, Mr. Collins can see it. Thank you.

19 What is this document?

20 A. This is more messages between me and William.

21 MR. FINKEL: Government offers MER-1206.

22 MR. KAMARAJU: No objection, your Honor.

23 THE COURT: It is admitted.

24 MR. FINKEL: If we could publish that please.

25 (Government's Exhibit MER-1206 received)

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Collins, Jr. - Direct

1 BY MR. FINKEL:

2 Q. If we could publish that please. What's the date of these  
3 messages?

4 A. September 24, 2022.

5 Q. Can you read Mr. Je's message to you at 11:14 p.m.?

6 A. Yes. Hi, Bo, Rene, Priya and our lawyer spoke today. Our  
7 lawyer's negotiating with the DOJ and releasing the funds money  
8 to complete the transaction. We need a simple letter from your  
9 bank to show that you will suffer if the deal did not go  
10 through. If you want to inform the PMA on the matter, we are  
11 okay. I can assure you that none of the money comes from Miles  
12 and our independent fund administrator. Our internal  
13 compliance and the banking regulator have verified this  
14 already. Rene seems to doubt about this and even asked our  
15 lawyers on this. This will jeopardize our relationship with  
16 our lawyer.

17 Q. Who is Rene?

18 A. Rene Carson is the general counsel of MGH and MBI.

19 Q. Meaning Mercantile?

20 A. Yes.

21 Q. What's the nature of your relationship with Rene Carson  
22 aside from her being the general counsel?

23 A. She's my wife.

24 Q. And then here it says, Want to inform PMA, what's PMA?

25 A. PMA is a law firm based in Puerto Rico that represented

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Collins, Jr. - Direct

1 Hamilton Opportunity Fund.

2 Q. What was your understanding of what Mr. Je meant when he  
3 messaged you, Rene seems to doubt about this and even asked our  
4 lawyers on this. This will jeopardize our relationship with  
5 our lawyer?

6 A. He was responding to my message above that says, I'm  
7 shocked at what I just heard, which was that he didn't want us  
8 giving notice, which we were required to give in our commercial  
9 agreement, of the closing of any sort of default. So he did  
10 not want us communicating with PMA about the circumstances of  
11 this event.

12 Q. Who is he, whose the "he?"

13 A. William and Priya did not want us communicating with their  
14 attorneys about the circumstances of this event.

15 Q. When you say this event, what do you mean?

16 A. The seizures.

17 Q. Did Mr. Je explain to you why he didn't want Mercantile  
18 communicating with Je's lawyers about the seizure?

19 A. He wrote in the bottom that it would jeopardize our  
20 relationship with our lawyer.

21 Q. Did Je explain why the seizure would jeopardize their  
22 relationship with their lawyer?

23 A. He didn't offer me details.

24 Q. In this message Mr. Je also request a simple letter from  
25 your bank Mercantile to show that you will suffer if the deal

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Collins, Jr. - Direct

1 did not go through. What was your understanding of what that  
2 meant?

3 A. They were representing to us that they were in daily  
4 communication with the DOJ at that point, that they were  
5 requesting at a minimum the 49.5 million be released because it  
6 was injuring a third party and they wanted us to validate that.

7 Q. Did Mercantile provide a letter?

8 A. I believe so.

9 Q. And below that it says, I can assure you that none of the  
10 money comes from Miles and our independent fund administrator.  
11 What is your understanding of who Miles refers to?

12 A. Miles Guo.

13 Q. Did Mercantile receive a warrant, a seizure warrant from  
14 the U.S. government?

15 A. Initially we received a freeze and then later a seizure.

16 Q. What's a freeze?

17 A. A freeze means we can't move the money anywhere.

18 Q. And what accounts did the freeze pertain to?

19 A. I believe all the accounts related to William Je.

20 Q. And then you said you received a seizure, what's the  
21 difference between a seizure and a freeze?

22 A. A seizure means that we actually wire the money to the U.S.  
23 marshal office, and it becomes under the custody of the United  
24 States.

25 Q. Did Mercantile do that, did Mercantile transfer the



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Collins, Jr. - Direct

1 Himalaya money to the United States government?

2 A. Yes.

3 Q. Did Mercantile retain any of the money that was in the  
4 Himalaya and G/Club accounts?

5 A. Yes.

6 Q. Why?

7 A. We have commercial provisions in our contracts that allow  
8 us to offset for compliance and legal fees related to an  
9 account.

10 Q. As a result of that, did you have a legal dispute with  
11 Hamilton?

12 A. I don't recall a legal dispute on that issue, but I'm fuzzy  
13 on that.

14 Q. Did you have any legal dispute with Hamilton, you meaning  
15 Mercantile?

16 A. Yeah. Actually, I don't think we have any, other than we  
17 filed for an arbitration.

18 Q. What do you mean by you, Mercantile?

19 A. Mercantile Global Holdings.

20 Q. Why did Mercantile file for an arbitration?

21 A. Because they defaulted on the closing requirements?

22 Q. Who is they?

23 A. Hamilton Special Opportunity Fund.

24 Q. Is there also an arbitration with G/Club?

25 A. I believe there is one pending that's been stayed.

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Collins, Jr. - Cross

1 MR. FINKEL: One moment. Nothing further at this  
2 time. Thank you, Mr. Collins.

3 THE COURT: Cross-examination.

4 MR. KAMARAJU: Thank you, your Honor. Just for  
5 planning purpose, are we taking the morning break at 11 or  
6 11:30?

7 THE COURT: 11:30 will be our half an hour break, and  
8 then we'll take another break at 2:30.

9 MR. KAMARAJU: Thank you, your Honor.

10 CROSS-EXAMINATION

11 BY MR. KAMARAJU:

12 Q. Good morning, Mr. Collins.

13 A. Good morning.

14 Q. Now, could we bring up Government Exhibit MER-1205, please,  
15 which is in evidence.

16 Now, Mr. Finkel asked you some questions about this on  
17 direct, correct?

18 A. I presume so. I only see a header.

19 Q. We could scroll through real quick so you can take a look.

20 A. Yes, this is what we discussed.

21 Q. And this was the exchange of Whatsapp messages about the  
22 redemption request, correct?

23 A. Yes.

24 Q. And you testified on direct that that redemption request  
25 never happened, right? Withdrawn.

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Collins, Jr. - Cross

1           You testified on direct that you never wired any money  
2 pursuant to this redemption request, correct?

3       A. We did not.

4       Q. In fact, you were never intending to wire any money  
5 pursuant to this redemption request, correct?

6       A. That's correct.

7       Q. Could we go to page three of the document, please.

8           Do you see a message there from Mr. Je at 9:03 p.m.,  
9 the second from the bottom?

10      A. Hi, please hold until Monday.

11      Q. He's referring to this redemption request, right?

12      A. Yes.

13      Q. And you had never told him that you didn't intend to honor  
14 this redemption request, right?

15      A. I never told him that.

16      Q. So, in fact, Mr. Je called it off on his own accord,  
17 correct?

18      A. Yes.

19      Q. And that was before you processed it, correct?

20      A. Yes.

21      Q. We can take that down for a second.

22           Now, the transaction that you described between  
23 Hamilton and Mercantile Bank, that was for Hamilton to acquire  
24 a stake in the bank, right?

25      A. Technically the holding company that wholly owns the bank,

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Collins, Jr. - Cross

1 but yes.

2 Q. So indirectly buying the bank by buying an interest in the  
3 holding company, right?

4 A. Right.

5 Q. You testified on direct I believe that that transaction  
6 closed September 16 of 2022, right?

7 A. Yes.

8 Q. And prior to the transaction closing, you had to receive  
9 authorization for something you called OCIF?

10 A. Correct.

11 Q. You made an application to OCIF, correct?

12 A. I think technically the application was made by William Je  
13 and Hamilton Special Opportunity Fund.

14 Q. Did Mercantile not have any submission to the OCIF as part  
15 of it.

16 A. I don't recall what was required. We had attorneys  
17 handling it, both inside and outside counsel.

18 Q. You understood that in connection with that application, it  
19 was going to the entity that regulated your bank, right?

20 A. Correct.

21 Q. And so it was important to you to honor your commitments to  
22 that regulator, correct?

23 A. Correct.

24 Q. And in fact you said that to Mr. Je on several occasions,  
25 right?

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Collins, Jr. - Cross

1 A. Yes.

2 Q. And you didn't want to be associated -- withdrawn.

3 You didn't want your regulator to associate you with  
4 any kind of misconduct, right?

5 A. Correct.

6 Q. That would have a negative impact on your bank, right?

7 A. Correct.

8 Q. And that application that went in, whether it was for  
9 Hamilton or Mercantile, that went in, in April of 2022, right?

10 A. That sounds about right.

11 Q. And that's right around Easter of that year, right?

12 A. Yeah, I don't recall the specific dates.

13 Q. But that is around the time that the loan went in, right?

14 A. Correct.

15 Q. Now, could we pull up Government Exhibit MER-1204, please.

16 And this is in evidence so we can put it up for the jury.

17 A. It's just a header for me.

18 Q. I'm going to have it scrolled through once the jury can see  
19 it. Okay. So could we just scroll through that so the witness  
20 can take a look at it.

21 Do you recall testifying about this exchange of  
22 messages on direct?

23 A. Yes.

24 Q. And you remember Mr. Finkel asking you questions about this  
25 line, There is no universe that I will be carrying 100 million

06HBGU02

Collins, Jr. - Cross

1 of BTC on a thumb drive to Dubai, right?

2 A. Yes.

3 Q. You sent that message on March 17, 2022, correct?

4 A. Yes.

5 Q. So that's before you submitted the OCIF application,  
6 correct?

7 A. I don't -- could you tell me the date of the OCIF  
8 submission? I don't recall it.

9 Q. Sure. Maybe we can put up side-by-side with this  
10 defense -- actually, let's take this down and just for the  
11 witness put up DX-60554.

12 Do you see that?

13 A. Yes.

14 Q. Is this the application?

15 A. It appears to be a letter to OCIF. If you could reduce it  
16 back. That describes the transaction. Can we go down the  
17 letter so I can see the whole thing?

18 Q. Sure.

19 A. Okay. That's signed by Hamilton's counsel.

20 Q. Before we do that. Is this the application?

21 A. I believe this is the application that Hamilton submitted.

22 Q. And this was the application submitted to OCIF?

23 A. Yes.

24 Q. And it's in connection with the Mercantile/Hamilton  
25 transaction?

O6HBGUO2

Collins, Jr. - Cross

1 A. Yes.

2 MR. KAMARAJU: The defense offers DX-60554, your  
3 Honor.

4 MR. FINKEL: I have a question for clarification.  
5 This is Hamilton's application?

6 THE WITNESS: I'm unclear. We can look at the last  
7 page. We went through it very fast.

8 BY MR. KAMARAJU:

9 Q. How about you just blow up the first paragraph just for the  
10 witness.

11 A. So that is a request for the approval.

12 Q. I'm sorry. I meant the very first paragraph.

13 A. That paragraph, I'm not trying to be pedantic, but it  
14 describes that we are requesting approval for this transaction,  
15 but that is not necessarily the application. I think there's a  
16 distinction.

17 Q. Understood. Is this a letter submitted to OCIF in  
18 connection with the application related to the  
19 Mercantile/Hamilton transaction?

20 A. Yes.

21 Q. Is it a letter submitted on behalf of your bank?

22 A. I believe so.

23 MR. KAMARAJU: The defense offers DX-60554.

24 A. Can I look at the signatories again. I'm a little confused  
25 on that.

O6HBGU02

Collins, Jr. - Cross

1 Q. Feel free.

2 A. Yeah, so, it's signed by our counsel and Hamilton's  
3 counsel, so that may be perhaps why I don't recall the letter,  
4 but okay.

5 THE COURT: Is there any objection?

6 MR. FINKEL: Yes. Objection, hearsay, authenticity,  
7 couple of things.

8 MR. KAMARAJU: I'm not offering it for the contents of  
9 the letter. I'm simply offering it for the fact that it was  
10 submitted.

11 THE COURT: You're not offering it for the contents,  
12 but merely for the fact that the letter was submitted?

13 MR. KAMARAJU: Yes.

14 THE COURT: It is admitted.

15 (Defendant's Exhibit 60554 received in evidence)

16 MR. KAMARAJU: Could we publish that.

17 MR. FINKEL: Can I ask one question. Have you seen  
18 this letter before?

19 THE WITNESS: I don't recall seeing it by memory.

20 MR. FINKEL: I renew the objection.

21 THE COURT: I'm going to permit the letter.

22 Q. Can we publish it, please. So you see the date of this,  
23 it's April 18, 2022?

24 A. Yes.

25 Q. So it's fair to say that at this time as of this date you



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Collins, Jr. - Cross

1 were still pursuing the transaction with Hamilton, correct?

2 A. Yes.

3 Q. So now if we could go back and put up Government Exhibit  
4 MER-1204, please. If we could go to the second page, and if we  
5 could blow up the message that starts, There's no universe.

6 You see that?

7 A. Yes, sir.

8 Q. So you sent that message on March 17, 2022?

9 A. Yes, sir.

10 Q. You sent this message before the letter we just looked at  
11 was submitted to OCIF?

12 A. Yes, sir.

13 Q. Nothing about your conversation with Mr. Je about carrying  
14 \$100 million of Bitgo on a thumb drive to Dubai caused you to  
15 cancel that transaction with Hamilton, correct?

16 A. No.

17 Q. And you didn't report this request to OCIF, right?

18 A. Well, I'm not sure we have an obligation to report it to  
19 OCIF, but we have an obligation to report it on SARS.

20 Q. I'm not asking about your legal understanding of anything,  
21 I'm just asking the fact of it is that you did not submit it  
22 OCIF?

23 A. Yes.

24 Q. Let's pull up Government Exhibit GX-MER-138. We can  
25 publish that as well.

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Collins, Jr. - Cross

1           This is the bank statement that shows the loan going  
2 out, right?

3 A. I believe so.

4 Q. So it's fair to say that your conversation with Mr. Je  
5 about the loan going out occurred before this transaction,  
6 right?

7 A. Yes.

8 Q. And the wire goes out April 15 of 2022, correct? If you go  
9 down to where it says withdrawal 37 million.

10 A. Looks like April 15.

11 Q. So the loan also went out before the OCIF letter that we  
12 just looked at was submitted, correct?

13 A. Correct.

14 Q. And nothing about this loan request made you cancel the  
15 transaction with Hamilton, correct?

16 A. Correct.

17 Q. You didn't report the loan to OCIF either, did you?

18 A. I don't recall what we did or didn't report, but it doesn't  
19 come to mind.

20 Q. We can take that down.

21           Now, you were asked a question on direct about a  
22 phrase, "To the moon," right?

23 A. Yes.

24 Q. And you saw a video with Mr. Guo when which that phrase was  
25 used, correct?

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Collins, Jr. - Cross

1 A. Yes.

2 Q. And you described it as marketing material basically,  
3 right?

4 A. Yes.

5 Q. And I think you said that the phrase "To the moon"  
6 originally came from an old black and white TV show, right?

7 A. Yeah, I think it was the Honeymooners.

8 Q. That's what I was going to ask. It was the Honeymooners,  
9 right?

10 A. Yes.

11 Q. It's a common phrase in the cryptocurrency industry, right?

12 A. Yes.

13 Q. Mr. Guo is not the only person who's ever used that phrase,  
14 right?

15 A. No.

16 Q. Elon Musk used that phrase about Dogecoin, correct?

17 MR. FINKEL: Objection.

18 A. I don't know.

19 THE COURT: Sustained.

20 Q. You heard that phrase in the course of your following the  
21 cryptocurrency industry, correct?

22 A. Yes.

23 Q. And Mercantile Bank, I understand it's winding down --  
24 withdrawn.

25 Mercantile Bank was a bank based in Puerto Rico,

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Collins, Jr. - Cross

1 right?

2 A. Yes.

3 Q. When was it founded?

4 A. I believe we received our license to organize around  
5 December of '16 -- I'm sorry, December of '18, and we began  
6 operating in the Spring of '19.

7 Q. Now, prior to founding Mercantile Bank, you were also  
8 looking at starting a cryptocurrency exchange, right?

9 A. That was part of our original plan.

10 Q. And you were going to call it the San Juan Mercantile  
11 Exchange, right?

12 A. Correct.

13 Q. What is your understanding of what a cryptocurrency is?

14 MR. FINKEL: Objection.

15 THE COURT: Overruled. When you say that it was  
16 contemplated that you may start such an entity, are you  
17 speaking of yourself personally or the bank?

18 THE WITNESS: The holding company. So Mercantile  
19 Global Holdings owned two -- at that time we owned two assets,  
20 one was a bank, and the other was what we called San Juan  
21 Mercantile Exchange, and the two were meant to operate  
22 together.

23 THE COURT: You may answer the question as to what  
24 your understanding of a cryptocurrency exchange is.

25 A. A cryptocurrency exchange matches buyers and sellers of a

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Collins, Jr. - Cross

1 given crypto asset, usually for some fiat currency. Sometimes  
2 for a different crypto asset.

3 Q. Now, the San Juan Mercantile Exchange never actually  
4 launched, correct?

5 A. Correct.

6 Q. But Mercantile the bank did have a cryptocurrency focus,  
7 correct?

8 A. Correct.

9 Q. And I think you testified on direct that your vision for  
10 the bank was that it would be a settlement bank to the digital  
11 asset industry. You remember that?

12 A. Yes.

13 Q. What's a settlement bank?

14 A. A settlement bank means that we are facilitating a clearing  
15 of funds related to transactions on an exchange.

16 Q. So that, if I understand you correctly, the clearing of  
17 those funds occurs after there's a transaction on the exchange;  
18 is that right?

19 A. It depends on how the transactions being handled, but it  
20 could be described as contemporaneous, but either instantly or  
21 soon thereafter.

22 Q. And that's what you mean by settlement, right?

23 A. Correct.

24 Q. You also testified that Mercantile was the first bank in  
25 the U.S. to have a license to hold and transmit digital assets,

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Collins, Jr. - Cross

1 correct?

2 A. Correct.

3 Q. What do you mean by hold and transmit digital assets?

4 A. We could custody your digital assets. So let's just use  
5 Bitcoin as an example. If you wanted to deposit Bitcoin with  
6 our bank, we could hold that asset in custody for you. We  
7 could also transmit it.

8 Q. And that's one of the offerings that your bank marketed,  
9 right?

10 A. Yes.

11 Q. And I think you testified on direct that there are 20,000  
12 cryptocurrencies to your knowledge?

13 A. I've lost track of the number.

14 Q. Fair to say thousands?

15 A. At least.

16 Q. And so would your bank provide custody services for all of  
17 those?

18 A. No.

19 Q. Why might your bank not provide custody services for a  
20 cryptocurrency asset?

21 A. That industry is rife with projects that won't succeed.  
22 There are some projects that are not cognizant of laws that we  
23 have to follow. And quite frankly from a commercial  
24 perspective, there's just not enough business in 99 percent of  
25 the coins --

1 THE INTERPRETER: Your Honor, interpreter is  
2 requesting all parties to slow down a little bit.

3 THE COURT: Please slow down both the questioner and  
4 the witness.

5 MR. KAMARAJU: Understood, your Honor.

6 A. I'll start over. There are dubious projects in crypto that  
7 are problematic that don't necessarily respect the laws of our  
8 jurisdiction, and then there are commercial concerns about the  
9 effort to onboard a specific coin as it relates to just  
10 economic activity.

11 Q. And so your bank picks and chooses between which  
12 cryptocurrencies it will service for lack of a better word  
13 after evaluating those factors, correct?

14 A. Correct.

15 Q. You also testified that Mercantile was a corresponding  
16 bank. Do you remember that?

17 A. We had one corresponding relationship.

18 Q. What does that mean? What is a corresponding bank?

19 A. Typically that just means that two banks have accounts with  
20 each other.

21 Q. And correspondent banking is often used when you have  
22 transactions in different currencies, right?

23 A. That's one purpose, yeah.

24 Q. Can you explain how that would work to the jury?

25 A. So I'll try to create a simple example. I think that's the

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Collins, Jr. - Cross

1 easiest way to consider it. If JPMorgan has a client that owns  
2 dollars and needs to purchase industrial equipment in Germany  
3 that has to be transacted in euros, then often they will use a  
4 bank account that they have with a bank in Germany where they  
5 keep money in both dollars and euros and they'll simply accept  
6 money from their client in the United States in dollars and  
7 then they will make the payment to the German manufacturer out  
8 of the German corresponding account that JPMorgan has in euros.  
9 So there's a simultaneous transmission of value and an exchange  
10 between one currency and the other. So it's the most efficient  
11 way to manage international multicurrency transactions.

12 Q. Right. And that's because a bank user, example JPMorgan  
13 and the United States, may not just be able to send euros from  
14 New York to Berlin, right?

15 A. Yes, fair enough.

16 Q. And for an international banking institution like  
17 Mercantile, having corresponding relationships that allowed  
18 U.S. dollar transactions was pretty significant, right?

19 A. Yes. We did not have a direct account with a federal  
20 reserve, so we depended on our own bank accounts with other  
21 banks to facilitate transactions on behalf of our clients.

22 Q. I'm going to come back to the federal reserve.

23 At the time that G/Clubs became a client, you had a  
24 correspondent banking relationship with Medici Bank, correct?

25 A. Yes.



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Collins, Jr. - Cross

1 Q. But Medici wasn't the first correspondent banking  
2 relationship that Mercantile had entered into, right?

3 A. We had other accounts at other banks that I guess you could  
4 describe as corresponding banks.

5 Q. Well, you had a corresponding banking relationship with  
6 Signature Bank, right?

7 A. Correct.

8 Q. And when you did that, Mercantile was processing  
9 transactions for --

10 A. No. No. I'm sorry. I misstated that. I don't believe we  
11 had an account. Our account with Signature Bank I believe was  
12 purely an operating account which is different from a  
13 corresponding account.

14 Q. Are you familiar with a company called Bittrex?

15 A. Yes.

16 Q. Was Bittrex ever a client at Mercantile Bank?

17 A. Briefly.

18 Q. Did you use Signature Bank to process transactions on  
19 behalf of Bittrex?

20 MR. FINKEL: Objection, 401, 403.

21 THE COURT: You'll step up, please.

22 (Continued on next page)

23

24

25

1 (At the sidebar)

2 THE COURT: How is all of this relevant?

3 MR. KAMARAJU: I don't have a lot of questions. I'm  
4 just trying to clarify the kind of account. My understanding  
5 from his 3500 material was that this client Bittrex was using  
6 Mercantile to do corresponding banking transactions through  
7 Signature, so I'm just trying to clarify that. I don't intend  
8 to dwell on this topic at all.

9 THE COURT: Why is it relevant?

10 MR. KAMARAJU: Well, corresponding banking  
11 relationships are relevant, that's all. Because he goes from  
12 here to -- he loses this banking relationship. He then  
13 struggles to find another corresponding banking relationship.  
14 It's his belief that that has, one, to do with the fact that  
15 the bank is in Puerto Rico. And two, it has to do with  
16 cryptocurrency. I' just establishing that in fact it can be  
17 difficult to establish banking relationships. The issue of that  
18 is going to be relevant throughout the trial.

19 MR. FINDEL: I don't see how Mercantile's  
20 relationships with other customers is relevant, in particular a  
21 customer like Bittrex. The defense moved to make sure that  
22 Mr. Collins was not used as a pseudo-cryptocurrency expert,  
23 that's why I objected to the question about the cryptocurrency  
24 exchanges initially. That question in and of itself was fine.  
25 I was worried about the line had been drawn. I think if the

1 defense is trying to use Mercantile's relationships with other  
2 clients, particularly crypto clients like Bittrex to try to  
3 draw comparisons and parallels to the Himalaya Exchange, that's  
4 inappropriate. That's a 403 problem. It's a 702 problem, but  
5 the relevance question I think predominates. While there has  
6 been evidence at this trial about the difficulty of G/Clubs,  
7 for example, or Guo's enterprise to obtain banking  
8 relationships, Bittrex ability to obtain banking relationships  
9 is not relevant at all to this trial. And it wouldn't be  
10 appropriate to draw a comparison between entities in the Guo  
11 enterprise and Bittrex, and that's the only possible relevance  
12 to that question. To the extent it is relevant, it would be  
13 confusing to the jury.

14 THE COURT: What is Bittrex?

15 MR. KAMARAJU: It's a cryptocurrency exchange.

16 THE COURT: Is this one of those widely considered  
17 legitimate exchanges?

18 MR. FINKEL: Yes.

19 MR. KAMARAJU: It is. But, first of all, it's not  
20 Bittrex that has the difficulty with maintaining banking  
21 relationships. It's Mercantile. I have no intention of  
22 suggesting anything about Bittrex's banking relationships or  
23 comparing the exchange to Bittrex. I just understood that it  
24 was a corresponding banking relationship that he had with  
25 Signature. He told me it wasn't. I was trying to clarify that

1 through at least what was in the 3500. I don't intend to  
2 either here or during summation to say anything about the fact  
3 that Bittrex, the fact that Bittrex was a client of Mercantile  
4 has anything to do with the exchange. I'm literally just  
5 trying to get to point of Mercantile's own banking  
6 relationships, not Bittrex.

7 MR. FINKEL: Then the question should be, did  
8 Mercantile have problems obtaining corresponding banking  
9 relationships. By that description itself, I think basically  
10 concedes that Bittrex's point has no relevance, because the  
11 point can be made without Bittrex. The only reason I objected  
12 is because of the Bittrex reference.

13 MR. KAMARAJU: I only responded to the fact that the  
14 witness said there was a corresponding banking relationship. I  
15 was just trying to get back to that. If you want, I'll ask  
16 that question if that's the only reason for asking about  
17 Bittrex.

18 THE COURT: I think that's a better question.

19 MR. KAMARAJU: That's fine, your Honor. I would just  
20 note that the witnesses sometime have difficulty with longer  
21 questions or more generalized questions, which is why I was  
22 trying to more specific in the first instance.

23 THE COURT: All righty.

24 (Continued on next page)

25

1 (In open court; jury present)

2 THE COURT: Sustained.

3 BY MR. KAMARAJU:

4 Q. Did there come a point where Mercantile Bank had  
5 difficulties obtaining corresponding banking relationships?

6 A. Yes, we always tried to maintain more than one, and  
7 corresponding banking is difficult at best.

8 Q. And it's particularly difficult for banks based in Puerto  
9 Rico, correct?

10 A. I believe so.

11 Q. And it's particularly difficulty for -- withdrawn.

12 What is your understanding as to why it's difficult  
13 for banks based in Puerto Rico to obtain corresponding banking  
14 relationships?

15 A. There's a perception bias. I can't say I'm an expert on  
16 what drives the bias, but at the end of the day it's human  
17 beings making a decision. That would be mostly the issue I  
18 think.

19 Q. And banks that primarily service cryptocurrency clients, do  
20 they similarly have problems obtaining corresponding banking  
21 relationship?

22 MR. FINDEL: Objection.

23 THE COURT: I'll allow the question.

24 A. Yes.

25 Q. And what's your understanding of why that is?

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Collins, Jr. - Cross

1 MR. FINKEL: Same objection as to other banks.

2 THE COURT: So you're asking about banks based in  
3 Puerto Rico. What is the question?

4 MR. KAMARAJU: I asked about banks based in Puerto  
5 Rico. Now I'm asking about banks that predominantly facilitate  
6 cryptocurrency customers.

7 THE COURT: If you'll just stick to his bank.

8 MR. KAMARAJU: Sure.

9 Q. Mercantile is a bank that had a focus on cryptocurrency,  
10 correct?

11 A. Correct.

12 Q. And that was one of the factors that you believed made it  
13 difficult for Mercantile to obtain corresponding banking  
14 relationships, correct?

15 A. Correct.

16 Q. Why did you believe that?

17 A. Because it was shared with us by corresponding banks that  
18 we had made applications to.

19 Q. By the way, do you know what Sharps Pixley?

20 A. Sharps Pixley. Can you spell Sharps?

21 Q. Common spelling, S-H-A-R-P-S.

22 A. And Pixley?

23 Q. P-I-X-L-E-Y.

24 A. I'm not sure I'm familiar with that term.

25 Q. You do know what FV Bank is, right?

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Collins, Jr. - Cross

1 A. Yes.

2 Q. FV Bank is another bank in Puerto Rico, right?

3 A. Yes.

4 Q. And its offices are close to Mercantile offices, right?

5 A. I don't actually know where their offices are.

6 Q. Fair enough. Now, you testified on direct that you were  
7 first introduced to G/Club through an individual called Alex H,  
8 right?

9 A. No.

10 Q. Who introduced you first to G/Club?

11 A. Our introduction came through essentially Medici because we  
12 were processing transactions for Medici who was processing  
13 transactions for G/Club.

14 Q. After Medici made that introduction, you had a meeting at  
15 your home with Ana Izquierdo and Limarie Reyes, right?

16 A. Yes.

17 Q. And you understand they were executives at G/Club?

18 A. Yes.

19 Q. Why was that meeting at your home?

20 A. It was convenient for me at the time. My office -- I  
21 believe this was not -- we were still in a strange environment  
22 related to Covid, and it was just more convenient for me to  
23 meet there.

24 Q. And I think you testified on direct that the Chinese  
25 Communist Party did not come up during that meeting, right?

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Collins, Jr. - Cross

1 A. Yeah, I don't recall it.

2 Q. But you also testified on direct that you had a discussion  
3 with Ms. Reyes and Ms. Izquierdo that there was a Chinese  
4 diaspora of like-minded people that were interested in these  
5 types of offerings, do you remember that?

6 A. Yes.

7 Q. What do you mean Chinese diaspora?

8 A. Generally I mean by that Chinese either current or former  
9 citizens who left China that reside somewhere else.

10 Q. And when you use the phrase "like-minded people," what do  
11 you mean by that?

12 A. People that wanted to leave China because of the political  
13 system.

14 Q. When you talk about these types of offerings, you refer to  
15 G/Club offerings, right?

16 A. Can you state that question again.

17 Q. Sure. The types of offerings that members of the Chinese  
18 diaspora that you were describing, those were the offerings  
19 that G/Clubs was marketing, correct?

20 A. Yes.

21 Q. Now, at the time that you met with Ms. Reyes, they were  
22 looking to switch banks, fair enough?

23 A. Yes.

24 Q. They were no longer satisfied with Medici services,  
25 correct?



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Collins, Jr. - Cross

1 A. Yes.

2 Q. And they ultimately did make that switch, right?

3 A. Yes.

4 Q. Did they explain to you why they were not satisfied with  
5 Medici?

6 A. They didn't like the amount of communication and they felt  
7 the technology was not sufficient.

8 Q. Now, once Mercantile opened the G/Club bank accounts, there  
9 were millions of dollars that flowed into those accounts,  
10 right?

11 A. I can't recall the timeline of transactions. I believe the  
12 bulk of those transactions happen before we had a direct  
13 relationship with G/Clubs.

14 Q. Fair enough. Regardless of before or after Medici, there  
15 was millions of dollars flowing into G/Clubs accounts held at  
16 Mercantile, correct?

17 A. Yes.

18 Q. How does Mercantile earn revenue from its banking business?

19 A. Usually we earn money through transaction fees and through  
20 an interest rate spread, because for digital assets, typically  
21 banks don't pay any interest on the funds.

22 Q. So if there are U.S. dollars sitting in a bank account at  
23 Mercantile, can you explain to us how Mercantile might make  
24 money off of that?

25 A. We deposit that in short-term overnight funds with double A

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Collins, Jr. - Cross

1 rated banks, and we receive essentially the fed funds rate.

2 And -- that I don't remember the exact rate at the time, but  
3 since we started the bank, that's range from one percent to as  
4 high as five and a quarter percent.

5 Q. And so the more money that's in an account, the more money  
6 the bank earns, right?

7 A. Correct.

8 Q. So the bank earned those same payments off the G/Clubs  
9 inflows, right?

10 A. Yes.

11 Q. And on direct you were asked questions about the due  
12 diligence process that Mercantile engaged in with new clients.  
13 Remember that?

14 A. Mm hm.

15 Q. You testified that you understood that that kind of due  
16 diligence was required under the Bank Secrecy Act, correct?

17 A. Yes.

18 Q. And part of that process is determining who the UBO is,  
19 right?

20 A. Yes.

21 Q. Tell us again what UBO stands for?

22 A. Ultimate beneficial owner.

23 Q. How does Mercantile determine typically who the UBO is?

24 A. So we have a compliance team that collects data. They  
25 evaluate the data. They ask people to make certain

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Collins, Jr. - Cross

1 attestations about what percentage they own of a company, what  
2 control they have. And based on those answers, they make an  
3 evaluation.

4 Q. And you testified on direct that another part of the due  
5 diligence process was determining the source of funds, right?

6 A. Yes.

7 Q. So same question, how does Mercantile determine the source  
8 of funds coming in from a potential client typically?

9 A. That's a more complicated process that involves a lot of  
10 research that my team takes care of. I'm not an expert in  
11 that.

12 Q. You have a team at the bank who's responsible for doing  
13 that?

14 A. Right.

15 Q. Now, you are aware at the time G/Club was seeking to open  
16 bank accounts that there was a relationship or a connection  
17 between G/Clubs and Miles Guo, right?

18 A. Yes.

19 Q. And you testified on direct that you had concerns about  
20 that connection, and in particular Mr. Guo based on risk  
21 profile and his history with the Chinese government, right?

22 A. Yes.

23 Q. What did you mean by his history with the Chinese  
24 government?

25 A. My understanding was he had been accused of criminal

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Collins, Jr. - Cross

1 activity, that he had fled the country and was seeking asylum  
2 or was granted asylum in the U.S., and that is quite frankly  
3 too much information for us to unpack.

4 Q. I didn't hear the last part.

5 A. Too much information for us to unpack.

6 Q. And by "unpack" you mean that was enough for the bank  
7 basically?

8 A. To make a determination if it was true, what crimes had  
9 been committed or not committed, like it's a very complicated  
10 situation. And we took the more conservative position that  
11 that was a risk profile we could not tolerate.

12 Q. And that risk profile would be problematic for the bank if  
13 Mr. Guo was the UBO of G/Club, right?

14 A. Yes.

15 Q. And it would be problematic for the bank if the source of  
16 G/Club's money was Mr. Guo, correct?

17 A. Correct.

18 Q. And so the bank did in fact run its due diligence process  
19 on G/Clubs, correct?

20 A. Correct.

21 Q. And you have no reason to believe that that process was any  
22 different than what it runs on any of its other customers,  
23 right?

24 A. Correct.

25 Q. You don't believe the bank took it easy on G/Club, right?

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Collins, Jr. - Cross

1 A. Correct.

2 Q. And as a result that due diligence process revealed that  
3 Mr. Guo was not the UBO, correct?

4 A. As far as our research concluded, that's the case.

5 Q. And same with respect to the source of funds, it concluded  
6 that they did not come from him, correct?

7 A. That is true.

8 Q. You also testified about the same thing with respect to  
9 G Fashion, right?

10 A. I believe so.

11 Q. So you open accounts for G Fashion, correct?

12 A. Yes.

13 Q. You had the same concerns with respect to G Fashion and its  
14 connection to Mr. Guo, right?

15 A. Correct.

16 Q. The bank ran due diligence on G Fashion, correct?

17 A. Correct.

18 Q. And as a result of its due diligence, it opened accounts  
19 for G Fashion, right?

20 A. Yes.

21 Q. And Mr. Finkel asked you a number of questions about if the  
22 bank had known that Mr. Guo had operational control of G/Club,  
23 would the bank had opened the account, correct? You remember  
24 those questions?

25 A. Yes.

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Collins, Jr. - Cross

1 Q. So at the time that the bank opened the G/Club account, the  
2 bank concluded that Mr. Guo did not have operational control of  
3 G/Club, correct?

4 A. Correct.

5 Q. And it determined that he did not have operational control  
6 of G Fashion, correct?

7 A. Correct.

8 Q. And sitting here today, you have never seen any evidence  
9 that he has operational control of G/Club, correct?

10 A. Correct.

11 Q. And you have never seen any evidence sitting here today  
12 that he has operational control of G Fashion, correct?

13 A. Correct.

14 Q. And you have never seen any evidence sitting here today  
15 that he has operational control of Himalaya Exchange, correct?

16 A. Correct.

17 Q. And, in fact, during all of your negotiations with Mr. Je,  
18 whether it was about the acquisition, the loans, the redemption  
19 request, you never communicated with this man Mr. Guo, correct?

20 A. Correct.

21 Q. In fact, you have never spoken to Mr. Guo, right?

22 A. Not to my knowledge.

23 Q. Sitting here in this courtroom is the first time you've  
24 ever seen him in person, right?

25 A. Correct.

06HBGU02

Collins, Jr. - Cross

1 Q. Now, I like to talk about Yield Esta. Can you remind us  
2 what Yield Esta is. Am I saying that right first.

3 A. Yield Esta, yes.

4 Q. Can you remind us what it is?

5 A. It was an investment vehicle for futures trading based on  
6 algorithmic programs.

7 Q. When you say investment vehicle, is that another word for  
8 hedge fund?

9 A. I wouldn't describe this as a hedge fund, but it's similar.

10 THE COURT: Mr. Kamaraju, if you would spell out what  
11 it is you're describing.

12 Q. So it's Yield Esta. correct me if I'm wrong,  
13 Y-E-L-D-E-S-T-A. Is that right, sir?

14 A. It's the word "Yield" with Esta.

15 THE COURT: If you'll speak into the microphone,  
16 please.

17 A. It's the word "yield" with Esta on it.

18 THE COURT: Go ahead.

19 Q. And you just mentioned it was focused on algorithmic  
20 trading?

21 A. Yes.

22 Q. I'm not going to dive into the details of it. I want to  
23 say, is it fair to say that algorithmic trading is an  
24 investment strategy of some sort?

25 A. Yes.

06HBGU02

Collins, Jr. - Cross

1 Q. And it's the investment strategy that Yield Esta employs,  
2 right?

3 A. Yes.

4 Q. A when you say it's focused on futures trading, a future is  
5 just a particular kind of asset class, right?

6 A. Correct.

7 Q. So Yield Esta employs a particular investment strategy tied  
8 to a particular asset class, right?

9 A. Correct.

10 Q. And who sets the strategy, for that investment strategy for  
11 Yield Esta?

12 A. I did.

13 Q. It wasn't the folks at G/Clubs who invested that set the  
14 strategy, right?

15 A. No.

16 Q. Are you a registered investment advisor, sir?

17 A. No, I don't have to be.

18 Q. I wasn't asking about the obligation.

19 When G/Clubs invested in Yield Esta, you provided them  
20 certain information about the, I'll use investment your term  
21 "investment vehicle," right?

22 A. Correct.

23 Q. They decided if they wanted to invest, right?

24 A. Correct.

25 Q. They sent you subscription documents, right?



06HBGU02

Collins, Jr. - Cross

1 A. Yes.

2 Q. They sent you money, right?

3 A. Yes.

4 Q. And, in fact, they sent you money before they were even  
5 allowed to open accounts at the bank, right?

6 A. I don't remember that.

7 Q. Withdrawn. Once G/Club sent the money to you, it was your  
8 decision how to invest it though, right?

9 A. Yes.

10 Q. And you do have experience advising clients on investments,  
11 right?

12 A. Yes.

13 Q. You worked at a fund before, right?

14 A. Yes.

15 Q. Before you got into the banking space?

16 A. Yes.

17 Q. What was the name of that fund?

18 A. Mother Rock.

19 Q. Now, after G/Clubs had opened its accounts, we'll stick  
20 with Alex H, Alex H suggested that you should meet another  
21 potential client, right?

22 A. Yes.

23 Q. And that was the cryptocurrency exchange Himalaya Exchange,  
24 right?

25 A. Yes.

06HBGU02

Collins, Jr. - Cross

1 Q. And I think you testified that was in late summer or early  
2 fall of 2021, right?

3 A. Yes.

4 Q. So the exchange had not -- was not up and running yet at  
5 this time, right?

6 A. No.

7 Q. It was still in developmental phases, right?

8 A. We had not pursued plans to launch the exchange very early  
9 in our process.

10 Q. I'm sorry. I think I may have confused you with my  
11 question.

12 I was referring to the Himalaya Exchange was not up  
13 and running by the late summer of 2021?

14 A. I don't think so.

15 Q. How many -- again, I'm not asking for names, was it unusual  
16 for you to have a cryptocurrency exchange as a client?

17 A. No.

18 Q. So you had others, right?

19 A. Over time. Timeline is important in all these questions.

20 Q. Fair enough. And I'm not trying to pin you down to  
21 anything.

22 Prior to beginning to engage with the Exchange,  
23 Mercantile had had other exchanges as clients in the past,  
24 that's my question?

25 A. Yes.

06HBGU02

Collins, Jr. - Cross

1 Q. Now, at the time you first learned of the Himalaya  
2 Exchange, Mercantile was experiencing a bit of a cash crunch,  
3 right?

4 A. Yes.

5 Q. And you had been trying to raise money to keep the bank's  
6 operations going, right?

7 A. Correct.

8 Q. And you were telling potential investors that you needed  
9 cash to keep the bank going, right?

10 A. Yes.

11 Q. And one of the investors that you, let's say recorded for  
12 lack of a better phrase, was a company called Tingo, right?

13 A. Yes.

14 Q. What is Tingo?

15 A. At the time I understood Tingo to be a company doing  
16 commodity transactions in Europe and Africa who had ambitions  
17 to go public.

18 Q. Based on what you knew at the time, so I'm just asking for  
19 what you knew, sir. Did you know if Tingo had any  
20 cryptocurrency operations?

21 MR. FINKEL: Objection, pertains to what we talked  
22 about at the sidebar.

23 THE COURT: Sustained.

24 MR. KAMARAJU: Could I have a very brief sidebar on  
25 this, your Honor?

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THE COURT: Okay.  
(Continued on next page)

1 (At the sidebar)

2 MR. KAMARAJU: So the only reason I asked that is  
3 because the timeline, as I understand it is, he is discussing a  
4 transaction with Tingo. He then meets William Je, and William  
5 Je proposes a transaction, and he opts to go with William Je's  
6 transaction over Tingo, including in part because his bank and  
7 the Exchange had synergies, on the cryptocurrency front. The  
8 only reason I was asking about Tingo was to point out that he  
9 switched courses so to speak mid-race to go with the company  
10 that better fit his business. That's the entire point.

11 THE COURT: I think it's understood that a bank may be  
12 courting a number of clients or a number of clients may be  
13 looking to open accounts with the bank. I don't see why you  
14 need to specifically go into Tingo.

15 MR. KAMARAJU: I'm not going into Tingo -- the only  
16 reason -- my point is not that there's a bunch of different  
17 suitors for the bank. My point is actually that he picked the  
18 suitor. He had the choice and he picked the suitor that best  
19 suited his interest.

20 THE COURT: You don't need to make that point by  
21 comparing it to an entity that's not relevant to this case.  
22 You can ask him why did he pick.

23 MR. KAMARAJU: Okay. But if his answer is why did you  
24 pick and he sells, well, Tingo, didn't have cryptocurrency  
25 capability and the Exchange does, then are we in the same

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place?

THE COURT: Then you can go into Tingo.

(Continued on next page)

1 (In open court; jury present)

2 BY MR. KAMARAJU:

3 Q. So, Mr. Collins, we were talking about the fact that you  
4 were discussing a potential transaction with Tingo, right?

5 A. Yes.

6 Q. And in November of 2021, you traveled to London to meet  
7 with them?

8 A. Yes.

9 Q. At the same time you also met with Mr. Je, right?

10 MR. FINKEL: Objection.

11 THE COURT: Sustained.

12 Q. In November of 2021 you traveled to London, right?

13 A. Yes.

14 Q. You met Mr. Je there, right?

15 A. Yes.

16 Q. You decided to engage in a commercial transaction with  
17 Mr. Je's companies, right?

18 A. Yes.

19 Q. Why did you pick Mr. Je's companies as opposed to any other  
20 potential suitors the bank might have had?

21 A. In part my memory was they improved the price. I believed  
22 them to be liquid. I was unclear of Tingo's liquid. Tingo is  
23 still evolving relative to their public ambition, which was  
24 interest but pose some risk. I would say those are the major  
25 factors.

06HBGU02

Collins, Jr. - Cross

1 Q. Now, just stick with your meeting with Mr. Je for a second  
2 please.

3 So you testified on direct that he ran the Himalaya  
4 Exchange, right?

5 A. Yes.

6 Q. And you visited his office in London during this trip?

7 A. It's a suburb of London, but yes.

8 Q. Those offices occupied several floors of a building, right?

9 A. I don't recall being on more than one floor.

10 Q. You testified that there was an arbitration, correct?

11 A. Where are we in the timeline?

12 Q. Well, you testified on direct that the bank filed an  
13 arbitration against Hamilton, correct?

14 A. Correct.

15 Q. And you submitted a declaration in that arbitration,  
16 correct?

17 A. I don't recall the documents that were part of it.

18 Q. How many sworn statements do you recall submitting in  
19 connection with that arbitration?

20 A. I have no idea.

21 Q. Was it more than one?

22 A. I don't know.

23 Q. Did you testify in the arbitration?

24 A. I believe I did.

25 Q. Prior to testifying in the arbitration, did you submit any



O6HBGU02

Collins, Jr. - Cross

1 sworn statements?

2 A. I don't recall.

3 Q. Just for the witness could we show him DX60551, please.  
4 Could we just scroll through it, please. If we could go to  
5 page 19, please.

6 Do you recognize this?

7 A. Yes.

8 Q. Is this the declaration you submitted in connection with  
9 the arbitration?

10 A. I believe so.

11 Q. Could we turn to page eight and highlight paragraph, just  
12 the last sentence of paragraph 46 and please just read it to  
13 yourself, sir.

14 THE COURT: So it's now 11:30, so we will take our  
15 break. Members of the jury, remember that you're not allowed  
16 to discuss the case amongst yourselves or with anyone else.  
17 Don't permit anyone to discuss the case in your presence.  
18 Don't read, watch or listen to anything from any source about  
19 anything that touches upon the subject matter of this trial.  
20 Sir, you may step out. Don't discuss your testimony.

21 THE LAW CLERK: Jury exiting.

22 THE COURT: You may be seated. You may step out, sir.

23 (Witness temporarily excused)

24 (Continued on next page)

25

1 (Jury not present)

2 THE COURT: Is there anything before we resume at  
3 noon?

4 MR. KAMARAJU: Nothing from the defense.

5 MR. FINKEL: Just to avoid a sidebar when we resume.  
6 I think defense counsel is going to a proper place with the  
7 declaration, which is either to refresh his recollection or  
8 impeach. But to the extent the defense is seeking to introduce  
9 the 20-page declaration, we would object to that. And we can  
10 settle that not at a sidebar. It seems like we're going to a  
11 proper place. But to efficient, I just wanted to put that on  
12 the record.

13 MR. KAMARAJU: I don't plan to try to admit the  
14 declaration. I was going to try to use it for, refresh his  
15 recollection. I guess possibly impeach him. To the extent it  
16 is used for impeachment, I think what I will do if it makes  
17 sense to your Honor is, simply ask to admit the specific  
18 statement that is reflected in the declaration and only publish  
19 that statement to the jury. And then we can have a redacted  
20 version down the road before it goes to the jury. That's what  
21 I would propose.

22 THE COURT: That seems appropriate.

23 MR. FINKEL: Thank you.

24 MR. KAMARAJU: Thank you, your Honor.

25 (Recess)

O6H1GU03

Collins - Cross

1 (Jury not present)

2 THE COURT: Please have the witness resume the stand  
3 and please bring the jurors in.

4 (Jury present)

5 THE COURT: Please be seated.

6 Remember that you're still under oath.

7 THE WITNESS: Yes, ma'am.

8 THE COURT: You may continue your cross-examination.

9 MR. KAMARAJU: Thank you, your Honor.

10 BY MR. KAMARAJU:

11 Q. So I think when we left off, you were reviewing a document  
12 on your screen. I'm just going to direct you—to help to  
13 orient you, I'm happy to show you the first page again, but  
14 otherwise, I'm going to direct you to the last sentence of this  
15 paragraph.

16 A. My memory is this is a document produced out of the  
17 arbitration.

18 Q. Okay. And does this document help refresh your  
19 recollection as to whether Mr. Je's offices in London occupied  
20 several floors of an office building?

21 A. Yes. I'm not sure I went to any other floors than the one  
22 I was on.

23 Q. Okay. That wasn't my question; just simply that there were  
24 multiple floors of the business, right?

25 A. According to this statement, yes.

06H1GU03

Collins - Cross

1 Q. And it was your impression that the businesses employed a  
2 lot of people, right?

3 A. Mm-hmm.

4 Q. More than a hundred?

5 A. My memory is it was approximately 200.

6 MR. KAMARAJU: We could take that down for now. Thank  
7 you.

8 Q. Now I think before we looked at that, you were explaining  
9 some of the reasons why you chose to go with Hamilton and the  
10 Himalaya Exchange companies for the acquisition, right?

11 THE COURT: Mr. Kamaraju, speak into the microphone.

12 MR. KAMARAJU: Sorry, your Honor.

13 Q. And one of those reasons was that you perceived a synergy  
14 between the bank and the exchange, right?

15 A. Yes.

16 Q. And you were telling your shareholders that, right?

17 A. Yes.

18 Q. Okay. Can you explain what you thought the synergy would  
19 be between the bank and the exchange.

20 A. Well, we had always planned on having a crypto exchange, a  
21 digital asset exchange, as part of our offering, and had not  
22 launched it yet, so there was the potential for us to work  
23 closely with a digital asset exchange that happened to own a  
24 large portion of us.

25 Q. And given your prior interest in starting an exchange, you

06H1GU03

Collins - Cross

1 had some ideas as to how to improve the Himalaya Exchange,  
2 right?

3 A. Yeah. We didn't get very far along that path.

4 Q. Sure. But you made some initial suggestions, right?

5 A. I don't remember what they were.

6 Q. Okay. Well, let me ask you this: You previously invested  
7 in Bitcoin, right?

8 A. Yes.

9 Q. Okay. One of the ideas that you suggested to the exchange  
10 was that they should list Bitcoin too, right?

11 MR. FINKEL: Objection. 401, 403.

12 THE COURT: You may answer.

13 A. I don't remember that specific suggestion, but it seems  
14 reasonable.

15 Q. Okay. You were aware at the time that the Himalaya  
16 Exchange started that it only listed two tokens, right?

17 A. Yes.

18 Q. Okay. And that was H Coin and H Dollar, right?

19 A. Yes.

20 Q. And so it made sense to you that it should list more  
21 tokens.

22 A. That's reasonable.

23 Q. Now you discussed some of those suggestions with David  
24 Fallon, right?

25 A. That's who I would have discussed it with, probably.

06H1GU03

Collins - Cross

- 1 Q. Who is Mr. Fallon?
- 2 A. I would best describe Dave as the head trader of the firm.
- 3 Q. Okay. And just so we're clear, when you say "the firm,"
- 4 which firm are you referring to?
- 5 A. Well, he was like many of their employees, who worked for
- 6 many of the firms.
- 7 Q. Okay. Did he work for Hamilton as one of those?
- 8 A. Yes.
- 9 Q. Okay. Did he work for the exchange as one of those?
- 10 A. The Himalaya Exchange?
- 11 Q. Yes, sir.
- 12 A. Yes.
- 13 Q. Okay. So he played a role at several of Mr. Je's
- 14 companies, correct?
- 15 A. Yes.
- 16 Q. And I believe you testified to this, but Hamilton was a
- 17 hedge fund owned by Mr. Je, correct?
- 18 A. Owned is a difficult word, but controlled by Mr. Je would
- 19 be better.
- 20 Q. Okay. Fair enough. He controlled it, right?
- 21 A. Yeah.
- 22 Q. All right. And prior to reaching your deal with the
- 23 exchange, you did due diligence on the exchange, right?
- 24 A. Yes.
- 25 Q. And the exchange did due diligence on the bank, right?

06H1GU03

Collins - Cross

- 1 A. I believe so.
- 2 Q. And as part of that mutual due diligence process, you  
3 traveled to London, right?
- 4 A. Yes.
- 5 Q. You spent a few weeks there at Mr. Je's offices, correct?
- 6 A. Yes.
- 7 Q. On the bank side, were you the only person involved in that  
8 due diligence?
- 9 A. No.
- 10 Q. Okay. Who else was involved?
- 11 A. My compliance team, my legal team, my CFO.
- 12 Q. Okay. And on the exchange's side, who did you interact  
13 with when it came to that due diligence?
- 14 A. Priya Patel, Georgette, David, there was a young gentleman  
15 that was sort of an analyst, whose name I can't recall. Oh,  
16 Harrison was his name.
- 17 Q. Okay. So as part of that due diligence process, you didn't  
18 speak to Mr. Guo, right?
- 19 A. No.
- 20 Q. Okay. You didn't speak to Yvette Wang, right?
- 21 A. No.
- 22 Q. Now as part of that due diligence process, there was an  
23 independent valuation done, right?
- 24 A. Yes.
- 25 Q. And that was of what the bank would be worth with the

06H1GU03

Collins - Cross

1 investment, correct?

2 A. Correct.

3 Q. Okay. I'm not going to ask you to get into particulars,  
4 but you provided the information for that valuation, right?

5 About the bank, I mean.

6 A. We provided the information that related to the bank for  
7 that valuation.

8 Q. Yes. Sorry. My question was unclear. Specifically, just  
9 so the record is clear, the information that went into the  
10 independent valuation about the bank came from you, not  
11 Mr. Je's companies, correct?

12 A. I believe so.

13 Q. Okay. And you believed that this transaction could  
14 generate significant value for the bank, right?

15 A. I did.

16 Q. Okay. Both in the short term because of your cash flow  
17 crunch, right?

18 A. Correct.

19 Q. But then also on longer term, right?

20 A. I'd like to go back to timelines, because you're conflating  
21 a bunch of information as though it all happened at once.

22 The first investment that Mr. Je made occurred long  
23 before we were working on any analysis of the valuation. The  
24 valuation, as I recall, occurred, or began, around February or  
25 March, and I don't remember exactly when we received a report;



06H1GU03

Collins - Cross

1 and the larger-investment dollar amounts, those discussions  
2 didn't happen until after he had made his first investment. So  
3 that's the answer to your question.

4 Q. Okay. So just so we're clear, you had long-term plans for  
5 the bank, right?

6 A. Define long-term.

7 Q. Okay. You had plans to help try to grow the bank, right?

8 A. Yes.

9 Q. And they weren't going to happen the day after you signed  
10 the deal, right?

11 A. No.

12 Q. Okay. How long did you think it was going to take to grow  
13 the bank to the scale that you envisioned?

14 A. Several years.

15 Q. Okay. That's what I mean by long-term then, okay?

16 A. Okay.

17 Q. So over the course of a—withdrawn.

18 So some of the money that Mr. Je was going to invest  
19 was intended to fuel long-term growth, right?

20 A. Yes.

21 Q. And you believed that that could greatly increase the value  
22 of the bank, correct?

23 A. Yes.

24 Q. In fact, you told Mr. Je at one point that you thought the  
25 bank could be worth a billion dollars, right?

O6H1GU03

Collins - Cross

1 MR. FINKEL: Objection.

2 THE COURT: Overruled. You may answer.

3 A. I don't recall having that specific conversation, but there  
4 is a scenario where it could be worth that.

5 Q. Okay. Now I think in the answer you gave a second ago, you  
6 alluded to this, but the total money that was going to be sent  
7 from Mr. Je's companies to your companies was broken up into  
8 chunks, right?

9 A. Three parts.

10 Q. Okay. So can you explain to us just what the three parts  
11 are.

12 A. There was the initial investment, which required very  
13 little approval and no approval by the regulator. I believe  
14 that amount was roughly 2.7 to \$3 million.

15 There was what we would call the September 16th close,  
16 which was 49½ million additional, and it was contemplated that  
17 in or about six months later, we would fund another 50 million  
18 into the bank.

19 THE COURT: What do you mean by "we would fund"?

20 THE WITNESS: I'm sorry. Well, post September 16th,  
21 our executives of the bank would be working for William Je and  
22 the Hamilton enterprises, so that's what I meant by "we"  
23 collectively, but it would have been Hamilton's money.

24 THE COURT: Go ahead.

25 BY MR. KAMARAJU:

06H1GU03

Collins - Cross

1 Q. And the latter of the two chunks that you talked about—so  
2 not the initial investment that didn't require OCIF approval  
3 but the two chunks after that—are we clear?

4 A. Yeah.

5 Q. Those were each to be made pursuant to separate agreements,  
6 right?

7 A. Yes.

8 Q. But both sets of agreements were signed on September 16,  
9 2022, right?

10 A. Which agreements specifically were signed?

11 Q. Sorry. I mean the agreement related to the second chunk  
12 and the third chunk, right?

13 A. I don't—I don't recall if we documented the third chunk on  
14 the September 16th closing.

15 Q. Okay. So what agreements were signed? What agreements  
16 were signed as part of the September 16th closing?

17 A. A number of agreements. Quite a few, actually.

18 Q. Do you remember any?

19 A. I couldn't enumerate them for you.

20 Q. Okay. Those agreements were agreements that upon—well,  
21 withdrawn.

22 Pursuant to the agreements signed on September 16,  
23 2022, you were expecting that Hamilton was going to wire you  
24 money, right?

25 A. Yes.

06H1GU03

Collins - Cross

1 Q. So at least there was one agreement signed on September 16,  
2 2022, that obligated, in your mind, Hamilton to send you money,  
3 right?

4 A. Yes.

5 Q. Okay. And how much money did you believe Hamilton was  
6 supposed to send you?

7 A. \$49½ million.

8 Q. Okay. So there was one agreement signed on September 16th  
9 of 2022 that you believed obligated Hamilton to send you  
10 approximately \$49 million, correct?

11 A. Yes.

12 THE COURT: And when was the money due?

13 THE WITNESS: It was actually due on the 16th.

14 Q. Okay. And you testified on direct that you actually didn't  
15 get the money on the 16th, right?

16 A. Correct.

17 Q. And you weren't expecting it because it was late in the day  
18 on a Friday, right?

19 A. It's reasonable to assume that the wire process might have  
20 been slower than hoped, but it could have—it could have  
21 cleared. It wasn't that late in the day.

22 Q. Got it. But it didn't shock you.

23 A. It did not shock us.

24 Q. But you had received notification that Hamilton had  
25 actually tried to send the wire, right?

06H1GU03

Collins - Cross

1 THE INTERPRETER: Counsel, please slow down.

2 Q. Sorry. You had received notification that Hamilton had  
3 tried to send the wire by that time, right?

4 A. We received a copy of the wire instructions and receipt  
5 that was sent to Hamilton.

6 Q. All right. So you testified on direct that the reason why  
7 the money never made it to Mercantile was because I think you  
8 said the U.S. Marshals seized it, right?

9 A. Yes, sir.

10 Q. Now after the money didn't show up on the 16th, you  
11 continued to communicate with Hamilton about the wire, right?

12 A. Yes.

13 Q. Because you still thought there was a chance for the deal  
14 to go through, right?

15 A. We didn't know what was happening until almost Thursday of  
16 the following week, so about the 22nd or 23rd.

17 Q. Okay. And you were following up with Hamilton because you  
18 wanted to see if there was a way for the deal to keep going,  
19 right?

20 A. We wanted to receive the \$49½ million.

21 Q. Yeah. Pursuant to the investments that Hamilton was going  
22 to make, right?

23 A. Correct.

24 Q. And you testified that wire was supposed to come from the  
25 Silvergate Bank account, right?

06H1GU03

Collins - Cross

1 A. Yes.

2 Q. And you thought that—well, let me ask you this.

3 Withdrawn.

4 There was a OCIF approval in place for the  
5 transaction, correct?

6 A. Correct.

7 Q. And did the OCIF approval set a deadline for when the  
8 transaction would have to happen?

9 A. Yes.

10 Q. When was that deadline?

11 A. September 16th.

12 Q. Okay. So did you believe that the deal was dead pursuant  
13 to the OCIF approval—

14 A. No.

15 Q. —when the—okay. Just to be clear, so I can ask the  
16 question—

17 A. Sorry.

18 Q. That's okay.

19 When the money didn't arrive on the 16th, in your  
20 view, did that kill the deal under the OCIF approval?

21 A. No.

22 Q. Okay. So the deal could have still gone through even  
23 though the OCIF deadline had been missed, right?

24 A. Our initial view was, if it were nothing more than clerical  
25 error, that OCIF would have viewed money received on Monday or

06H1GU03

Collins - Cross

1 Tuesday as sufficient, but that wasn't ultimately the cause of  
2 the delay.

3 Q. Right. But in essence, if you missed the deadline by a few  
4 days due to an explainable error, you thought OCIF would let it  
5 slip, right?

6 A. I wouldn't use that terminology, but—

7 Q. Let it go through.

8 A. They would understand.

9 Q. Fair enough. But there was some urgency there then to get  
10 that situation resolved, right?

11 A. Yeah.

12 Q. That's why you reached out to the CEO of Silvergate, right?

13 A. Correct.

14 Q. You wanted to push this along, right?

15 A. Yes.

16 Q. Because the faster it got resolved, the better, right?

17 A. Yes.

18 Q. Because at some point—you never know—OCIF's patience may  
19 run out, right?

20 A. I think that's a fair assessment.

21 Q. Now Hamilton advised you that the Marshals had seized the  
22 funds, right?

23 A. Yes.

24 Q. Silvergate Bank wouldn't give you that information, right?

25 A. Correct.

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Collins - Cross

1 Q. And you then had another discussion with Mr. Je about  
2 potential options to fund the transaction, right?

3 A. I don't recall that.

4 Q. You don't recall speaking to him on the phone about other  
5 options?

6 A. No.

7 Q. Okay. So the Silvergate reachout was the last option you  
8 thought they had; is that right?

9 A. Once we learned that the funds had been seized by the U.S.  
10 government, we did not believe—we wanted to be in a position  
11 with our regulator to close the transaction because there has  
12 to be good reason for funds to be seized.

13 Q. I'm sorry, sir. I don't understand the connection between  
14 we wanted to complete the transaction and there had to be a  
15 good reason for funds being seized. Can you explain that to  
16 us.

17 A. Until—until we learned what had happened to the money,  
18 which was about I believe Thursday the 22nd, we did not know  
19 what had happened to the money. If it was simply a clerical  
20 issue, then I believe OCIF would have accepted the transaction  
21 and we would be moving on. But that's not what happened. It  
22 was seized by the U.S. government, and there's  
23 requirements—I'm not a lawyer, I can't describe what those  
24 requirements are, but there are requirements of having some  
25 legitimacy to seizing the money, and I believe it has to be



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1 approved by a court. So from the perspective of BSA and our  
2 relationship with the regulator, it did not—it did not make  
3 sense to expect that the transaction would eventually close  
4 with him or anybody else involved in his side of the  
5 organizations—him being William Je.

6 Q. Did you tell Mr. Je that?

7 A. I'm not sure if I did.

8 Q. Now you have personally spoken with the commissioner of  
9 OCIF before, right?

10 A. Yes.

11 Q. Did you call the commissioner up and say, hey, this money  
12 has been seized, we're calling the transaction off?

13 A. That would be very unlike me to do that so I don't believe  
14 I did.

15 Q. Okay. Did you direct your counsel to write a letter to  
16 OCIF saying, hey, the money's been seized, let's call the deal  
17 off?

18 A. That is most likely how we communicated, or our counsel  
19 called on our behalf.

20 Q. Okay. But you don't know one way or the other, right?

21 A. I don't recall.

22 Q. Now you testified during the arbitration proceeding,  
23 correct?

24 A. Yes.

25 Q. And that testimony was under oath, right?

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Collins - Cross

1 A. Yes.

2 Q. Just like you're under oath today, right?

3 A. Yes.

4 Q. And you remember being asked during your testimony, "Now,  
5 do you recall a WhatsApp conversation with William where he was  
6 trying to redeem his own cash, his own HDO into cash, to try to  
7 complete this transaction?" and responding, "I recall a  
8 conversation about that, yes"?

9 MR. FINKEL: Object. This mischaracterizes what  
10 defense counsel is trying to impeach on. That's not what the  
11 witness testified about at all.

12 THE COURT: Sustained.

13 Q. Okay. Did you have a WhatsApp conversation with William to  
14 try to discuss him redeeming his HDO to fund the transaction?

15 A. We had many WhatsApp conversations during that period. It  
16 would not have been unreasonable for me to have one about that.  
17 I don't recall the specific details.

18 Q. Okay. You don't recall.

19 A. The details.

20 MR. KAMARAJU: Okay. Then I'd like to pull up just  
21 for the witness—I only want you to read it to yourself, okay?  
22 And just for the record, I'm showing just the witness and the  
23 parties and the Court what's been marked with the Bates number  
24 Mercantile DOJ0078835.

25 Q. Okay. Sir, could you just read lines 13 to 17, to

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1 yourself, please.

2 A. Can you take the blowup down. I'm sorry. Yeah. Thank  
3 you.

4 Okay.

5 Q. Does this refresh your recollection about whether you had a  
6 WhatsApp conversation with Mr. Je about his trying to redeem  
7 his HDO into cash to fund the transaction?

8 A. It does.

9 MR. KAMARAJU: Okay. Now could we take that down and  
10 could we show just the witness and the parties what's been  
11 marked for identification as DX 60556, please.

12 Q. Take a look at that on your screen, sir. Do you have it  
13 there?

14 A. Yeah, I do.

15 Q. Okay. These are WhatsApp messages that you received from  
16 Mr. Je, correct?

17 A. Yes.

18 Q. And you received them on September 23, 2022, at 2:01 a.m.,  
19 correct?

20 A. Yeah, the time stamps are unclear if they're U.S. times or  
21 Ireland times, which is where I was at the time.

22 Q. Okay. But at least what's reflected on the document is  
23 2:01 a.m.?

24 A. Yeah, that's what it says.

25 Q. Correct. And the subject matter of Mr. Je's messages

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1 involve redeeming money, right?

2 A. Yes.

3 MR. KAMARAJU: Okay. The defense will offer DX 60556,  
4 your Honor.

5 THE COURT: Any objection?

6 MR. FINKEL: No objection.

7 THE COURT: It is admitted.

8 (Defendant's Exhibit 60556 received in evidence)

9 MR. KAMARAJU: Okay. Could we publish that, please.

10 And could we actually bring up alongside it  
11 GX MER1205, which is in evidence.

12 BY MR. KAMARAJU:

13 Q. Okay. Do you have both documents on your screen?

14 A. Yes. The one ending in 1205 is just a header.

15 Q. I'll flip through it in a second, but—

16 MR. KAMARAJU: Okay. So let's turn the page on 1205  
17 to the first page, please.

18 Q. Okay. Do you see, at the very top of both documents, where  
19 it says, "Messages in chronological order"?

20 A. Yes.

21 Q. Okay. And on the left document, do you see what's in the  
22 parentheses there?

23 A. "Times are shown in GMT + 00."

24 Q. Okay. And then on the right document, do you see the same  
25 message?

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Collins - Cross

- 1 A. Yes.
- 2 Q. Okay. So you would agree with me, sir, that both these  
3 messages reflect the same time zone, correct?
- 4 A. I just agree that's what the document says.
- 5 Q. Okay. Fair enough. These two exhibits both reflect that,  
6 right?
- 7 A. That's what the document says.
- 8 Q. Okay. And so the document on the left, DX 60556, says that  
9 those messages were sent before the messages on the document on  
10 the right, right?
- 11 A. Yes. Yes.
- 12 Q. Okay. Now you testified on direct that Mr. Je did not tell  
13 you who this redemption was going to be for initially, correct?
- 14 A. Yes.
- 15 Q. Now on the left, in the message from 2:01 a.m., could you  
16 please read that to the jury.
- 17 A. They're both from 2:01 a.m.
- 18 Q. Let's start with the one at the top.
- 19 A. Okay. "Hi, as discussed, my company would like to redeem  
20 some money so that we could continue to support the operation  
21 of your bank and other entities."
- 22 Q. And then what does he go on to say?
- 23 A. "Will send you the instruction in the morning."
- 24 Q. Okay. And then in Government Exhibit 1205, he sends you  
25 the instruction, right?

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1 A. I can't see. Oh.

2 MR. KAMARAJU: You can just put 1205 up on the screen.  
3 You can take the other one down.

4 A. We talk about my meeting with Mahsud, we talk about FV  
5 Bank, he mentions he's doing a normal redemption of a client.  
6 Scroll down some more, please.

7 I mention I'm on a call with my attorney. He  
8 mentioned documents for ACA.

9 Do I need to go further?

10 Q. Government Exhibit MER1205 reflects the only redemption  
11 request that Mr. Je sent you on September 23, 2022, correct?

12 A. Correct.

13 Q. Okay. And in the exhibit we were looking at, DX 60556,  
14 which had the WhatsApp chats from earlier this morning, he said  
15 he was going to send you instructions for a redemption,  
16 correct?

17 A. Yes.

18 Q. So the instructions were for this redemption that's  
19 referred to in Government Exhibit 1205, correct?

20 A. I don't believe the two things are connected.

21 Q. Okay. So did he send you instructions for any other  
22 redemption later that morning?

23 A. To be clear, William and I never talked about him using  
24 funds to invest in our bank after this moment. He sent a  
25 message at 2:01 in the morning that I didn't respond to, and

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1 then later, he sent in separately a redemption request via ACA  
2 Capital.

3 Q. Okay. So my question was: Did he send you any other  
4 redemption requests on the morning of September 23, 2022?

5 MR. FINKEL: Asked and answered.

6 THE COURT: Sustained.

7 MR. KAMARAJU: Then I'm going to move to strike his  
8 last answer as nonresponsive.

9 THE COURT: Answer is stricken.

10 Q. So let me try that question again. Did you—

11 THE COURT: So I sustained the asked and answered  
12 objection.

13 MR. KAMARAJU: I'm sorry, your Honor. I thought once  
14 it was stricken, I had the chance to go back. Fine.

15 Q. How many redemption requests did Mr. Je send you on the  
16 morning of September 23, 2022?

17 A. I believe one.

18 Q. If we can scroll down to page 3 of this exhibit. do you see  
19 there's a message from Mr. Je at 8:29 p.m.?

20 Sorry. Go back. It's the second message from him at  
21 8:29 p.m. Do you see that?

22 A. "Will call you on how to complete your banking deal as  
23 well."

24 Q. Right. You only had one banking deal going on with Mr. Je  
25 at that time, right?

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Collins - Cross

1 A. Yes.

2 Q. And that was the acquisition of Mercantile, right?

3 A. Correct.

4 Q. Now you didn't say to Mr. Je, during this Government  
5 Exhibit MER1205, hey, William, we can't do a redemption request  
6 because the money's been frozen, right?

7 A. I don't recall making that statement.

8 Q. You didn't make any similar statement either, right?

9 A. I don't recall.

10 Q. You at no point communicated to him that you had a concern  
11 about the seizure impacting this redemption request, correct?

12 A. Once I learned of the seizure, I was in listening mode.

13 Q. Okay. So you didn't convey it to him, right?

14 A. I don't recall making a statement like that.

15 Q. Now you said you were in listening mode. You were in  
16 listening mode because you anticipated commencing an  
17 arbitration, correct?

18 A. We were just simply trying to sort out what was happening.

19 Q. Okay. But you did commence an arbitration, correct?

20 A. We did.

21 Q. And you commenced that arbitration after learning that the  
22 Department of Justice had seized the money, right?

23 A. Yes.

24 Q. And in fact, you commenced that arbitration pretty quickly  
25 after learning that fact, right?



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1 A. Yes.

2 Q. Within days. Right?

3 A. I don't know the specific number, but it was quickly.

4 Q. And how about September 30, 2022, is that when you started  
5 the arbitration?

6 A. That sounds about right.

7 Q. Now the DOJ had seized the money, right?

8 A. The wire.

9 Q. Had seized the wire. You were suing for those funds,  
10 right?

11 A. Correct.

12 Q. That's what you were claiming as damages, right?

13 A. Correct.

14 Q. How was Hamilton going to pay you that money if the DOJ had  
15 seized it?

16 MR. FINKEL: Objection.

17 THE COURT: Sustained.

18 Q. Okay. What was your understanding of how Hamilton was  
19 going to do it?

20 MR. FINKEL: Objection.

21 THE COURT: Sustained.

22 Q. Okay. Why did you file an arbitration seeking the wire  
23 money knowing that DOJ had seized it?

24 MR. FINKEL: Objection.

25 THE COURT: Sustained. He did not testify that he was

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1 seeking the wire money.

2 MR. KAMARAJU: He did, your Honor.

3 THE COURT: No.

4 Q. Okay. Let me try it this way: Why did you file an  
5 arbitration asserting damages based on Hamilton's failure to  
6 send the wire to you?

7 A. Why did we do that?

8 Q. Mm-hmm.

9 A. Because I have a responsibility to my shareholders to  
10 protect the asset of the bank.

11 Q. Did you believe that Hamilton had other money that it could  
12 use to pay you?

13 MR. FINKEL: Objection.

14 THE COURT: You may answer.

15 A. I don't think that's important to the analysis, given the  
16 fact that we had an obligation to protect our legal interest.

17 Q. So you spent money on the arbitration, correct?

18 A. I think that's confidential and privileged.

19 Q. You paid lawyers, right, sir?

20 A. Yes, so that's privileged, I believe.

21 Q. Well, the judge is right there. I'm not asking you for any  
22 communications that you've had. I'm simply saying you paid  
23 lawyers.

24 THE COURT: So what you and your lawyer talked about,  
25 that's what's privileged, but the fact of making a payment is

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Collins - Cross

1 not privileged.

2 THE WITNESS: I did not make a payment.

3 Q. I'm sorry. I just want to make sure. You did not pay?

4 A. We did not. We took a contingency arrangement. There  
5 might be some minor out-of-pocket fees that we paid for.

6 Q. Okay. Now prior to filing the arbitration, you had  
7 visibility into the bank accounts that Hamilton had at  
8 Mercantile, right?

9 A. Yes.

10 Q. Okay. There was money in those accounts, right?

11 A. Yes.

12 Q. Millions of dollars, right?

13 A. Yes.

14 Q. And there were Himalaya Exchange accounts there too, right?

15 A. Yes.

16 Q. And there were millions of dollars in those?

17 A. Yes.

18 Q. Okay. Did you ever ask Mr. Je to use any of that money  
19 that was at Mercantile Bank to fund the transaction?

20 A. It became clear to us at that point in time, once we  
21 learned of the government seizure, that the regulator would not  
22 support a closing transaction, nor do I think we could suggest  
23 that it would pass BSA standards.

24 Q. What about before you learned about the seizure?

25 A. What about—what's the question about "before you learned"?

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Collins - Cross

1 Q. Before you learned about the seizure, did you go to Mr. Je  
2 and say, why don't you just use the money that's already at the  
3 bank?

4 A. No.

5 Q. Now as of September 16, 2022, it's fair to say that  
6 Mercantile had more than \$300 million on deposit, right?

7 A. We had a lot. I don't remember the exact number.

8 Q. Okay. Hundreds of millions?

9 A. Yes.

10 Q. Okay. And most of that money came from either the Himalaya  
11 Exchange or Hamilton, right?

12 A. I believe so.

13 Q. North of 80 percent, right?

14 A. I—it was substantial.

15 Q. Okay. Also hundreds of millions of dollars, right?

16 A. Yes.

17 Q. And of those hundreds of millions of dollars, a significant  
18 portion was meant for Himalaya Exchange customer redemptions,  
19 right?

20 MR. FINKEL: Objection, foundation.

21 THE COURT: You may answer.

22 A. They communicated with our compliance department about the  
23 nature of the funds. I don't believe they communicated to us  
24 about what their future purpose would be.

25 Q. Okay. When we looked at the redemption request from

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Collins - Cross

1 Mr. Je—

2 A. Yes.

3 Q. —that was to redeem money from Mercantile—

4 A. No.

5 Q. Well, Mercantile was being asked to send a wire, correct?

6 A. Yes, but the redemption was between ACA Capital and  
7 Hamilton Exchange [sic].

8 Q. Understood. But the end product of that redemption, from  
9 Mercantile's perspective, was to wire out money, right?

10 A. We received instructions to wire money that was related to  
11 the redemption between ACA Capital and the Hamilton  
12 Exchange—I'm sorry—the Himalaya Exchange.

13 Q. Okay. And you didn't honor that redemption request, right?

14 A. We did not.

15 Q. But if you had honored it—

16 A. Well, I object to calling it a redemption. From our  
17 perspective, it's not a redemption request, it's simply a wire  
18 request. I did not honor the wire request.

19 Q. Okay. So let's use that term.

20 A. Okay.

21 Q. Wire request. So let's just make sure we're clear. There  
22 was a redemption event that happened, in your mind, within the  
23 exchange, right?

24 A. Mm-hmm. Yes.

25 Q. Okay. And then as a product of that request, then your

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Collins - Cross

1 bank would have wired money out of a specific account at the  
2 bank, right?

3 A. Correct.

4 Q. And there was an account designated at the bank for that  
5 purpose, right?

6 A. Correct.

7 Q. And that bank was not—withdrawn.

8 That account was not limited to only redemption  
9 requests related to Mr. Je or his companies, right?

10 A. I don't know what you mean by limited. The account was in  
11 the name of the Himalaya Exchange, the funds redeemed owned by  
12 the Himalaya Exchange. They had exclusive authority over the  
13 funds, so I don't know what you mean by designation or—it's  
14 pretty simple.

15 Q. I just mean if somebody other than—if another Himalaya  
16 Exchange customer other than Mr. Je had wanted to do a  
17 redemption and then receive a wire, they would have come from  
18 that same account.

19 MR. FINKEL: Calls for speculation.

20 THE COURT: Sustained.

21 Q. Okay. Prior to Mr. Je making that request, had Mercantile  
22 Bank wired out any money based on a Himalaya Exchange  
23 redemption request?

24 A. I don't recall.

25 Q. Okay. Was that the first one you had ever come in contact

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Collins - Cross

1 with?

2 A. Me personally? Yes.

3 Q. Okay. Now you testified that FV Bank is another bank in  
4 Puerto Rico, right?

5 A. Yes.

6 Q. And you learned that the Department of Justice had also  
7 seized exchange money that was held at FV Bank, correct?

8 A. That was our understanding, based on rumor.

9 Q. I'm sorry. That was based on rumor?

10 A. Yes.

11 Q. Okay. Well, Mr. Je also told you that, right?

12 A. Later, yes.

13 Q. Well, as of September 23, 2022, you guys both knew about  
14 that fact, right?

15 A. I don't recall the exact day he told us, but they did  
16 communicate that.

17 MR. KAMARAJU: Okay. Could we pull up GX MER1205,  
18 please.

19 THE INTERPRETER: Your Honor, can you please ask both  
20 parties to slow down. Thank you.

21 THE COURT: All right. Please slow down.

22 MR. KAMARAJU: I will slow down, your Honor. I  
23 apologize.

24 BY MR. KAMARAJU:

25 Q. Okay. Could you read the third message down.

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Collins - Cross

1 A. "He only knows FV Bank is frozen. He did not know the fund  
2 nor the transaction issues."

3 Q. Okay. So that's Mr. Je talking to you, right?

4 A. Yes, on September 23rd.

5 Q. Okay. And you understood what he meant when he said "He  
6 only knows FV Bank is frozen," right?

7 A. Yes.

8 Q. That's the seizure, the DOJ seizure at FV Bank, right?

9 A. Well, it says frozen, so it might have been a freeze. It  
10 was unclear.

11 THE COURT: Who is "he" referring to?

12 THE WITNESS: Mahsud, who's the CFO. If you look up  
13 earlier, I'm saying I'm speaking to Mahsud at 11, and I asked  
14 if he was aware of what's happening, and he said, "He only  
15 knows FV Bank is frozen."

16 Q. Now at the time of this message, the Department of Justice  
17 had not seized any money yet at Mercantile Bank, right?

18 A. No.

19 Q. That wouldn't happen until much later, right?

20 A. Correct.

21 Q. But based on the FV Bank seizure, you had concerns that the  
22 DOJ would come and seize money at Mercantile, right?

23 A. I'm sorry. Can you ask the question again.

24 Q. Sure.

25 MR. KAMARAJU: I'm sorry, but would you mind reading



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Collins - Cross

1 it back, please.

2 THE COURT: Go ahead.

3 (Record read)

4 A. We just didn't know. If you say I have concerns, we had  
5 concerns about many things.

6 Q. That was one of them.

7 A. Yes.

8 Q. And so you approached the exchange about taking a  
9 compliance fee, right?

10 A. We didn't approach them. We notified them.

11 Q. Okay. You told them—

12 A. Yes.

13 Q. —we're going to take a compliance fee?

14 A. Legal and compliance.

15 Q. Okay. And the legal and compliance fee was going to be  
16 10 percent of what was in the Himalaya and Hamilton accounts at  
17 your bank, right?

18 A. That sounds about right.

19 Q. Okay. And the exchange objected, right?

20 A. Yes.

21 Q. You took the money anyway, right?

22 A. Yes.

23 Q. And it was about roughly \$28 million, correct?

24 A. That sounds about right.

25 Q. And you pulled that money out of the customer bank

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Collins - Cross

1 accounts, right?

2 A. No.

3 Q. You put it into its own restricted account, right?

4 A. I didn't pull the money out of the customer bank accounts.

5 Q. Okay. So the \$28 million that we've been talking about, it  
6 stayed in the same Hamilton accounts?

7 A. Oh, I'm sorry. I misunderstood what you were saying.

8 Q. Okay. Sorry. It might have been a confusing question. Go  
9 ahead.

10 A. We took the money out of the Himalaya- and Hamilton-related  
11 accounts, and put it aside.

12 Q. Okay. Into its own account, right?

13 A. I don't recall the specific structure, but that sounds  
14 right.

15 Q. But an account that wasn't in Hamilton or Himalaya  
16 Exchange's name, right?

17 A. Correct. Correct.

18 Q. And as a result—withdrawn.

19 And you did that because you were worried that the  
20 Department of Justice was going to seize the Hamilton and  
21 exchange accounts at Mercantile and thus you wouldn't be able  
22 to take that \$28 million, correct?

23 A. I have legal opinions from my internal and external counsel  
24 that—

25 Q. No, no. I just want to—

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Collins - Cross

1 A. Let me answer the question.

2 Q. No, no. I just want to make sure you didn't disclose any  
3 of the actual—

4 A. That's why I'm flagging it. Much of that was handled by  
5 them, so it's hard for me to agree with the characterization of  
6 your words, but that is not unreasonable.

7 Q. Okay. And like I said, not asking for your communications  
8 with counsel, just for what's in your head. That made sense to  
9 you, right?

10 A. That's a reasonable approach.

11 Q. And that's the approach you took.

12 A. I believe that's the approach we—we took.

13 Q. Now the Department of Justice came and asked for that money  
14 back, right?

15 A. Yes.

16 Q. And you gave them some of that money back, right?

17 A. Yes.

18 Q. But not all of it, right, sir?

19 A. No.

20 Q. Mercantile kept around \$5 million, right?

21 A. I don't remember the precise number, but that's  
22 approximately right.

23 Q. Okay. And I'm not holding you to a precise dollar figure,  
24 but it's in that area, right?

25 A. Yup.

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Collins - Cross

1 Q. And Mercantile spent that money, right?

2 A. We posted it with attorneys to—

3 Q. I'm sorry. I didn't understand.

4 A. We posted it with attorneys, that we felt like we needed  
5 representation because of all the noise that's going around.

6 Q. Okay. So you used it to hire lawyers, right?

7 A. Yes.

8 Q. And you were using it to pay the bank's legal fees, right?

9 A. Yes.

10 Q. And that was money that had come from Himalaya Exchange  
11 customers, right?

12 A. No.

13 Q. So it was not your understanding that the ultimate source  
14 of that money was Himalaya Exchange customers, sir; that's your  
15 testimony?

16 MR. FINKEL: Asked and answered.

17 THE COURT: Sustained.

18 Q. Now you originally took your legal and compliance fee  
19 because you thought you had certain obligations to the  
20 government, right?

21 A. And we needed to defend ourselves because we didn't know  
22 what was happening.

23 Q. Right. And both your defense obligations and your  
24 obligations to the government required you to respond to  
25 requests for information, right?

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Collins - Cross

- 1 A. Yes.
- 2 Q. And you wanted to be able to pay lawyers to do that, right?
- 3 A. Yes.
- 4 Q. But you didn't want to spend your own money on that, right?
- 5 A. I'm not following you.
- 6 Q. Well, you didn't want to spend money that the bank already
- 7 had, right?
- 8 A. We didn't believe we contractually needed to. We could
- 9 spend the deduction that we took out of the account because
- 10 that's what the contract says.
- 11 Q. Okay. And that contract that you're referring to says that
- 12 you can take money out for compliance and legal costs, right?
- 13 A. Yes.
- 14 Q. But that's not all you used the money for, is it, sir?
- 15 A. I'm not sure.
- 16 Q. Well, didn't you use some of the money to buy an F1
- 17 sponsorship?
- 18 A. No.
- 19 Q. You don't recall testifying to that during arbitration?
- 20 A. I don't believe we used the money for legal and compliance
- 21 to buy an F1 sponsorship. We did buy an F1 Academy
- 22 sponsorship, which was much cheaper than an F1 sponsorship.
- 23 That was the first women's league for F1 drivers.
- 24 Q. Okay. Did the bank have its own money that it could spend
- 25 on that academy sponsorship?

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Collins - Cross

1 A. Yes.

2 Q. So the bank had the money to spend on the academy  
3 sponsorship, but not on its own legal bills, right?

4 MR. FINKEL: Objection.

5 THE COURT: Overruled. You may answer.

6 A. We were just operating according to our contractual rights.

7 Q. Did your contractual rights allow you to exercise control  
8 over fraud proceeds?

9 A. That's a question that really an attorney needs to answer.

10 Q. I'm just asking your understanding, sir.

11 A. I don't have an understanding of it.

12 Q. So that never occurred to you.

13 A. I think we had it reviewed by counsel and they responded.

14 Q. Okay. So even though you moved money out of those accounts  
15 and then spent it on corporate expenses, the Department of  
16 Justice has never suggested that they were going to charge you  
17 or anybody at Mercantile with a crime, right?

18 A. They have never said that they would not charge me with a  
19 crime.

20 Q. I asked the other question, sir.

21 A. What was the other question?

22 Q. Have they ever said that they're going to?

23 A. No.

24 Q. These folks here have never said that to you, right?

25 A. No.

06H1GU03

Collins - Redirect

1 Q. And you're here, you don't have any kind of agreement with  
2 them with respect to that, right?

3 A. Be more specific. I don't know what you mean.

4 Q. Have you ever heard of a nonprosecution agreement?

5 A. Not really. This is my first criminal trial.

6 Q. Okay. So it's fair to say you don't have one with them,  
7 right?

8 A. I do not have a nonprosecution agreement.

9 MR. KAMARAJU: No further questions at this time, your  
10 Honor.

11 THE COURT: Redirect?

12 REDIRECT EXAMINATION

13 BY MR. FINKEL:

14 Q. Mr. Collins, do you know what representations Miles Guo  
15 made to customers of the Himalaya Exchange concerning  
16 whether—well, do you know what representations Miles Guo made  
17 to the customers of the Himalaya Exchange?

18 A. Other than some of the marketing material I've seen, which  
19 I'm not sure I'd style as representations, I don't really have  
20 knowledge.

21 Q. Do you speak Mandarin?

22 A. No.

23 Q. Do you know what the H Coin lockup is?

24 A. No.

25 Q. Do you know what AIAI is?

06H1GU03

Collins - Redirect

1 A. No.

2 Q. What about A10; do you know what that is?

3 A. A10. I feel like that came across in something I looked  
4 at, but I really don't know what it is.

5 MR. FINKEL: If we can pull up MER8, please.

6 Q. You were asked some questions during cross-examination  
7 about the redemption or wire transfer that William Je sought to  
8 get out of Mercantile Bank; is that correct, sir?

9 A. Yes.

10 Q. Now can you tell us, please, where William Je wanted to  
11 send that redemption, that wire.

12 A. To a bank called First Abu Dhabi Bank based in the UAE.

13 Q. Did he suggest sending it to Silvergate Bank?

14 A. No.

15 Q. Did he suggest sending it to Mercantile Bank?

16 A. No.

17 Q. You were asked on cross about whether you thought there was  
18 a difference between the messages that you received at 2 a.m.  
19 and the sort of rest of the messages with respect to a  
20 different transaction. Do you believe there's a difference  
21 between the two?

22 A. Very much so.

23 Q. Can you explain why.

24 A. As I mentioned, I didn't respond to the prior messages. We  
25 never had a conversation about how they could continue the



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Collins - Redirect

1 transaction with the bank because we made it—it was clear to  
2 us that the regulator wouldn't approve the transaction, nor did  
3 I feel comfortable proceeding with a partner that appeared to  
4 be the target of serious criminal prosecutions.

5 Q. You were asked some questions about Mercantile's due  
6 diligence—is that correct—on cross-examination?

7 A. Yes.

8 Q. And I believe you said that part of the due diligence  
9 process is relying on attestations by the client?

10 A. Yes.

11 Q. What do you mean by that?

12 A. We—we ask all clients to make certain attestations for  
13 some—some of it's simple, like who are the UBOs of the  
14 business, and we rely on their statements in part to understand  
15 the reality.

16 Q. So the passing of due diligence by Himalaya Exchange relied  
17 on statements made by employees of the Himalaya Exchange; is  
18 that fair to say?

19 A. Very much so.

20 Q. And the passing of due diligence by G/CLUBS relied on  
21 statements made by employees of G/CLUBS; is that fair to say?

22 A. Very much so.

23 Q. And same for G Fashion; is that true as well?

24 A. Yes.

25 Q. And you were asked some questions about what evidence you

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Collins - Redirect

1 may have seen regarding the Himalaya Exchange and the UBO of  
2 that. Do you remember those questions?

3 A. Vaguely.

4 Q. Have you attended this trial?

5 A. No.

6 Q. Do you know who the other witnesses are at this trial?

7 A. No.

8 Q. Do you know what the testimony has been or the exhibits  
9 that have been introduced?

10 A. No.

11 Q. Is part of the due diligence process at Mercantile Bank  
12 obtaining recordings of meetings between Miles Guo, Yvette  
13 Wang, and William Je about use of funds?

14 MR. KAMARAJU: Object to the form.

15 A. No.

16 THE COURT: Overruled. You may answer.

17 A. No.

18 Q. Have you heard recordings of William Je, Miles Guo, and  
19 Yvette Wang discussing use of G/CLUBS funds?

20 A. No.

21 MR. KAMARAJU: Same objection.

22 THE COURT: Overruled.

23 Q. Fair to say those recordings are not part of your due  
24 diligence process at Mercantile?

25 A. I'm not sure we knew they existed.

06H1GU03

Frosini - Direct

1 Q. Do you know who Haitham Khaled is?

2 A. No.

3 Q. The term "like-minded individuals," was that your term or  
4 Ana Izquierdo's term?

5 A. Honestly, I don't have a strong recollection of who uttered  
6 that into existence.

7 MR. FINKEL: One moment, please.

8 Q. Did you ever buy HCN?

9 A. No.

10 Q. Did you ever buy HDO?

11 A. No.

12 MR. FINKEL: Nothing further.

13 THE COURT: Recross?

14 MR. KAMARAJU: No, thank you, your Honor.

15 THE COURT: You may step out.

16 (Witness excused)

17 THE COURT: And the prosecution may call its next  
18 witness.

19 MS. MURRAY: Thank you, your Honor. The government  
20 calls Christine Frosini.

21 THE LAW CLERK: Please raise your right hand.

22 (Witness sworn)

23 THE LAW CLERK: Please be seated.

24 THE COURT: Please state your name and spell it.

25 THE WITNESS: Christine Frosini. C-H-R-I-S-T-I-N-E,

06H1GU03

Frosini - Direct

1 Frosini, F-R-O-S-I-N-I.

2 THE COURT: You may inquire.

3 CHRISTINE FROSINI,

4 called as a witness by the Government,

5 having been duly sworn, testified as follows:

6 DIRECT EXAMINATION

7 BY MS. MURRAY:

8 Q. Good afternoon, Ms. Frosini.

9 A. Good afternoon.

10 Q. What kind of work do you do?

11 A. I'm a broker associate.

12 Q. If I could ask you to speak into the microphone. If you  
13 could just pull it towards you.

14 A. I'm a broker associate for Prominent Properties Sotheby's.

15 Q. And what is Prominent Properties Sotheby's?

16 A. Real estate firm.

17 Q. How long have you been a realtor?

18 A. For 22 years.

19 Q. What sort of properties do you buy or sell?

20 A. Mostly residential.

21 Q. What types of clients do you have?

22 A. All sorts. I have first-time buyers, repeat buyers, all  
23 different levels.

24 Q. What geographic area do you work in?

25 A. Bergen County.

06H1GU03

Frosini - Direct

1 Q. And in what state is that?

2 A. New Jersey.

3 Q. Were you involved with the purchase of the property located  
4 at 675 Ramapo Valley Drive in Mahwah, New Jersey?

5 A. Yes.

6 Q. What is the name by which you know that property?

7 A. Crocker Mansion.

8 MS. MURRAY: Ms. Loftus, if we could please pull up  
9 for the witness Government Exhibit 134.

10 Q. Ms. Frosini, do you recognize Government Exhibit 134?

11 A. Yes.

12 Q. What is it?

13 A. Crocker Mansion in Mahwah, New Jersey.

14 MS. MURRAY: Your Honor, the government offers  
15 Government Exhibit 134.

16 MS. SHROFF: Your Honor, may I just ask one question.

17 THE COURT: Yes.

18 MS. SHROFF: Thank you.

19 VOIR DIRE EXAMINATION

20 BY MS. SHROFF:

21 Q. You didn't take the photograph, right, Ms. Frosini?

22 THE WITNESS: No.

23 MS. SHROFF: Thank you very much. No objection, your  
24 Honor.

25 THE COURT: It is admitted.

06H1GU03

Frosini - Direct

1 (Government's Exhibit 134 received in evidence)

2 MS. MURRAY: If we could publish that, please.

3 BY MS. MURRAY:

4 Q. And if you could describe for the jury, please,

5 Ms. Frosini, what part of the Crocker Mansion are we looking at  
6 at the front of this picture?

7 A. This is the front of the estate.

8 Q. And so if you could describe where, if at all, one would  
9 approach the mansion, based on this photo.

10 A. This is the front of the estate where you have a circular  
11 drive.

12 MS. MURRAY: And Ms. Loftus, we can take that down.

13 If we could now put up, for the witness only, please,  
14 Government Exhibits 145 and 146.

15 Q. Starting on the left with 145, Ms. Frosini, do you  
16 recognize what's depicted in Government Exhibit 145?

17 A. Yes, that's the—that's the entryway from Ramapo Valley  
18 Road to the estate.

19 Q. And looking on the right at Government Exhibit 146, do you  
20 recognize what's depicted in that exhibit?

21 A. You know, the house is kind of small there, but it looks  
22 like the property.

23 Q. Which property?

24 A. The property of Crocker Mansion.

25 MS. MURRAY: Your Honor, the government offers

06H1GU03

Frosini - Direct

1 Government Exhibits 145 and 146.

2 MS. SHROFF: May I just, your Honor?

3 THE COURT: You may.

4 VOIR DIRE EXAMINATION

5 BY MS. SHROFF:

6 Q. Ms. Frosini, you didn't take these photographs either,  
7 correct?

8 A. No.

9 MS. SHROFF: I have no objection.

10 THE COURT: They are admitted.

11 (Government's Exhibits 145 and 146 received in  
12 evidence)

13 MS. MURRAY: If we could please publish, Ms. Loftus.

14 And now that the jury can see it, Ms. Loftus, on the  
15 left, on Government Exhibit 145, could you please zoom in on  
16 the plaque that is shown.

17 Q. And Ms. Frosini, could you please read what's on that  
18 plaque.

19 A. Crocker Mansion, 675 Ramapo Valley Road.

20 MS. MURRAY: Thank you, Ms. Loftus. We can take that  
21 down.

22 Q. Ms. Frosini, what was your role, if any, in the purchase of  
23 the Crocker Mansion?

24 A. I represented the buyer.

25 Q. And again, if you could just pull the microphone straight

06H1GU03

Frosini - Direct

1 in front of you.

2 A. I'm sorry.

3 Q. Acoustics are tricky here. Thank you.

4 Who was the buyer that you represented?

5 A. The buyer was Taurus Fund.

6 Q. Approximately when did your involvement with this real  
7 estate purchase begin?

8 A. November 27, 28 of 2021.

9 Q. And who was your primary contact for the buyer, the Taurus  
10 Fund?

11 A. An attorney called Aaron Mitchell.

12 Q. Did you know Aaron Mitchell before this real estate deal  
13 had started?

14 A. No. Actually, the call came in from Sotheby's  
15 International, and they had answered that incorrectly.

16 Q. And when you say the call came in, can you describe what  
17 you mean by that.

18 A. Yes, the—Aaron Mitchell contacted Philip White, who's the  
19 CEO of Sotheby's International Real Estate, and Philip White  
20 contacted the co-owner of Prominent Properties Sotheby's to  
21 tell him that he had a client that wanted to see a couple of  
22 homes, and then I was called in on it to help the buyer.

23 Q. Did there come a time when you had a discussion with Aaron  
24 Mitchell regarding his interest in purchasing a property?

25 A. He contacted—yes, they contacted me to tell me the



06H1GU03

Frosini - Direct

1 properties they were interested in seeing.

2 Q. And what properties, if any, did you discuss with Mitchell  
3 during that initial conversation?

4 A. The two properties that they wanted to see, which was  
5 Crocker Mansion and another property in Hyde Park, New York.

6 MS. MURRAY: Ms. Loftus, if we could please put up and  
7 publish Government Exhibit 128.

8 Q. Ms. Frosini, do you recognize the individual depicted in  
9 Government Exhibit 128?

10 A. It looks like Aaron Mitchell.

11 MS. MURRAY: Thank you, Ms. Loftus. We can take that  
12 down.

13 Q. Ms. Frosini, in order to show those two properties you  
14 mentioned, what, if anything, did you need from Aaron Mitchell?

15 A. I needed proof of funds. When you show properties at that  
16 level, the sellers require proof of funds from the buyer.

17 Q. And what do you mean by proof of funds?

18 A. Proof of funds basically is that the buyer can afford the  
19 property and you either—it either comes in the format of a  
20 letter from the buyer's attorney or some people provide bank  
21 accounts and they blank out the bank numbers.

22 Q. And did Aaron Mitchell provide you with proof of funds?

23 A. Yes.

24 MS. MURRAY: Ms. Loftus, if we could please show the  
25 witness what's marked as Government Exhibit 1100.

06H1GU03

Frosini - Direct

1           If we could just flip through a few of the pages,  
2 please.

3 Q. Ms. Frosini, what is this Government Exhibit, Government  
4 Exhibit 1100?

5 A. What—

6 Q. What information is contained in this exhibit?

7 A. Right here is a copy of the listing for Crocker Mansion.

8 Q. And flipping through the remaining pages of this Government  
9 Exhibit, is it fair to say that this is your file from the deal  
10 for the Crocker Mansion?

11 A. Yes, the executed contract. That's the executed contract  
12 where both parties signed.

13           THE COURT: Ms. Frosini, if you would draw the  
14 microphone close to your mouth so that we can hear you.

15           THE WITNESS: I'm sorry. Mm-hmm.

16           THE COURT: You can move closer and move the chair  
17 closer.

18           MS. MURRAY: Your Honor, the government offers  
19 Government Exhibit 1100.

20           THE COURT: Any objection?

21           MS. SHROFF: No, your Honor.

22           THE COURT: It is admitted.

23           (Government's Exhibit 1100 received in evidence)

24           MS. MURRAY: Ms. Loftus, if we could please publish  
25 Government Exhibit 1100 at page 63.

06H1GU03

Frosini - Direct

1           And we can zoom in on the top portion.

2 BY MS. MURRAY:

3 Q. Ms. Frosini, what is this?

4 A. Yes. That's the proof of funds.

5 Q. And what is the date on this letter?

6 A. November 25, 2021.

7 Q. Who sent this letter?

8 A. Aaron Mitchell.

9 Q. Looking at the top left, what is the name that's associated  
10 with the letterhead on this letter that Aaron Mitchell sent?

11 A. Lawall & Mitchell, LLC.

12 Q. And what does the subject line or the regarding line read  
13 for this letter?

14 A. Family Trust Real Estate Purchase.

15 Q. If I could ask you now to read the main paragraph of this  
16 letter, starting with "This firm."

17 A. This firm represents Mei Guo and her Family Trust and has  
18 done so for many years. I am aware of Ms. Guo's financial  
19 wherewithal and can confirm that she is in funds to purchase  
20 real estate in cash in an amount she determines, up to the full  
21 asking price of the property she currently wishes to view and,  
22 further, that such funds shall be held in escrow by this firm  
23 to complete any transaction entered into by Ms. Guo or her  
24 designated entity. I trust this is sufficient, but should you  
25 have any questions, do not hesitate to contact me."

06H1GU03

Frosini - Direct

1 Q. Ms. Frosini, at this time did you know who Mei Guo was?

2 A. No.

3 Q. Today, do you know who Mei Guo is?

4 A. I've met her.

5 Q. Who is she?

6 A. The daughter.

7 Q. The daughter of whom?

8 A. Of Mr. and Mrs. Guo.

9 Q. What, if anything, did you understand Mei Guo's involvement  
10 to be with this real estate purchase?

11 A. To purchase the home.

12 Q. How, if at all, was Mei Guo involved in the purchase?

13 A. Excuse me?

14 Q. How, if at all, was Mei Guo, the daughter, involved in the  
15 purchase?

16 MS. SHROFF: Asked and answered, your Honor.

17 THE WITNESS: I met her.

18 THE COURT: Overruled. You may answer.

19 THE WITNESS: I'm sorry?

20 THE COURT: Go ahead.

21 A. I met Ms. Guo once or twice at the house, Crocker Mansion.

22 Q. And this letter refers to the property she currently wishes  
23 to view. What property, if any, is that referring to?

24 A. So this was used to view Hyde Park and Crocker Mansion.

25 Q. And did there come a time when you showed those two

06H1GU03

Frosini - Direct

1 properties to members of the Guo family?

2 A. Yes.

3 Q. Which property did you show first?

4 A. Hyde Park.

5 MS. MURRAY: We can take that down, Ms. Loftus, for  
6 the moment.

7 Q. Can you please describe the Hyde Park property for the  
8 jury.

9 A. Hyde Park was a unique property that was located on the  
10 Hudson River, very modern style.

11 Q. What was the approximate size of that property?

12 A. You know what, I don't recall the square footage of that  
13 home.

14 Q. Would you describe it as a large home?

15 A. Not really. I mean, to some it may be large, but, you  
16 know, it wasn't like—it wasn't huge.

17 Q. And who, if anyone, went to the showing at the Hyde Park  
18 property?

19 A. Mr. and Mrs. Guo and then there were the driver—I drove  
20 myself and met them there, but they had a driver and a couple  
21 of security personnel.

22 Q. Do you know Mr. Guo's first name?

23 A. Miles.

24 Q. And his wife, do you know her name?

25 A. No.

06H1GU03

Frosini - Direct

1 Q. Did Mei Guo attend that showing of the Hyde Park property?

2 A. She couldn't, and Aaron Mitchell said she couldn't go—

3 MS. SHROFF: Objection to the hearsay, your Honor.

4 THE COURT: Don't say what someone else said. Just  
5 answer, did she or did she not attend.

6 THE WITNESS: I'm sorry.

7 A. No.

8 Q. Did Aaron Mitchell attend that showing?

9 A. No.

10 Q. Can you describe how long the showing took at the Hyde Park  
11 property.

12 A. Maybe an hour.

13 Q. During that showing did you communicate with Mr. Guo?

14 A. A little.

15 Q. How did you communicate with him?

16 A. I introduced myself. We walked through the house with the  
17 other brokers. You know, there was always a little bit of a  
18 communication—I couldn't understand with the English that  
19 well.

20 Q. In what language did you communicate with Mr. Guo?

21 A. Me? English.

22 Q. Do you know whether he speaks any other languages?

23 A. Chinese. I don't know what dialect.

24 Q. And Ms. Frosini, do you speak any dialect of Chinese?

25 A. No.

06H1GU03

Frosini - Direct

1 Q. Do you understand any dialect of Chinese?

2 A. No.

3 Q. So during the Hyde Park showing what, if anything, did Guo  
4 say about that property?

5 MS. SHROFF: Objection. It's hearsay.

6 THE COURT: Overruled. You may answer.

7 A. They just really walked through the rooms.

8 Q. And when you say "they," to whom are you referring?

9 A. Mr. and Mrs. Guo.

10 Q. When was the second showing of the Crocker Mansion?

11 A. After. So from that estate, we went to Mahwah, to Crocker  
12 Mansion.

13 Q. Was that the same day?

14 A. Yes.

15 Q. Before we talk about the showing, can you describe the  
16 Crocker Mansion for the jury.

17 A. Crocker Mansion is an estate, a replica of an estate in  
18 England, big estate, on 12 acres.

19 MS. MURRAY: Ms. Loftus, if we could please publish  
20 Government Exhibit 1100 at page 1.

21 Q. Ms. Frosini, what type of document is this?

22 A. This is called a listing.

23 Q. And for which property?

24 A. This is for Crocker Mansion.

25 MS. MURRAY: Ms. Loftus, if we could zoom in on the

06H1GU03

Frosini - Direct

1 top portion, please.

2 Q. Looking at the photo here, Ms. Frosini, is that a photo of  
3 the Crocker Mansion?

4 A. Yes, it is.

5 Q. And to the right, kind of the first line of text, "Last  
6 LP," do you see that?

7 MS. MURRAY: We could highlight it, Ms. Loftus.

8 A. Yes.

9 Q. What does that refer to?

10 A. That means the last listing price, which means, you know,  
11 that was the current listing price at that time.

12 Q. And then looking down several lines, there's Original LP.

13 MS. MURRAY: If we could highlight that, Ms. Loftus.

14 Q. Ms. Frosini, what does that refer to?

15 A. The original listing price.

16 Q. And so for the Crocker Mansion, actually, on what date was  
17 this report run, looking at the top right?

18 A. So looking at the top, this was listed February 16, 2021.

19 Q. And for that listing, the last listing price was what?

20 A. The last listing price was 33 million.

21 MS. MURRAY: If we could zoom out on that portion,  
22 please, Ms. Loftus, and zoom in on the paragraph that begins  
23 down the page.

24 Q. Ms. Frosini, can you please read this paragraph from the  
25 listing description for Crocker Mansion.



06H1GU03

Frosini - Direct

1 A. "One of the world's magnificent and rare estates,  
2 Darlington is an architectural masterpiece located within 25  
3 miles of New York City. Originally constructed in 1907—"

4 MS. SHROFF: Your Honor, may we just have her slow  
5 down because of the translation, please. Thank you.

6 THE COURT: So just speak more slowly, please.

7 A. Okay. "Originally constructed in 1907, this estate has  
8 been meticulously restored, offering approximately 50,000  
9 square feet of spectacular living space, and more than 12 acres  
10 of marvelous grounds framed by the Ramapo Mountains. 21  
11 bedrooms, 19+ bathrooms, rare woods, stonework and  
12 craftsmanship throughout. Reception rooms of grand proportions  
13 include great hall, library, tea room, and formal dining room.  
14 Restaurant-style kitchen, movie theater, billiard room, indoor  
15 lap pool with spa, massage room, wine room, game room, gym,  
16 outdoor pool with cabana, majestic gardens with two fountains,  
17 tennis court, 8-car garage, interior design and furnishings by  
18 the world's top designers and artisans. For detailed property  
19 information, see link on Amenity Report (added to documents)."

20 Q. And in the first sentence there's a reference to  
21 Darlington. What does that refer to?

22 A. I'm not the listing agent. So—

23 Q. Do you have an understanding whether this paragraph refers  
24 to what you know as the Crocker Mansion?

25 A. Yes.

O6H1GU03

Frosini - Direct

1 MS. MURRAY: Ms. Loftus, can we please go to page 64  
2 of Government Exhibit 1100.

3 Q. Ms. Frosini, what is this document?

4 A. This is what's called an amenity sheet, which highlights  
5 home features of the home.

6 (Continued on next page)

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O6HBGUO4

Frosini - Direct

1 BY MS. MURRAY:

2 Q. And focusing at the top of this document, can you read what  
3 the bolded text reads?

4 A. Welcome to Darlington, 675 Ramapo Valley Road, Mahwah.

5 Q. And that address, 675 Ramapo Valley Road, that's the  
6 address of the Crocker mansion, correct?

7 A. Correct.

8 Q. If we could zoom in on the top third, please, Ms. Loftus.

9 Are these photos of the Crocker mansion?

10 A. Yes.

11 Q. Let's go to the next page, please, Ms. Loftus. If we could  
12 zoom in a bit so it's easier to see.

13 Ms. Frosini, generally speaking, what is this?

14 A. This is a list of the renovations that the seller did from  
15 2008 to 2018.

16 Q. I'm not going to go through bullet by bullet. Ms. Loftus  
17 if we could go to the next page, please, and then the next  
18 page.

19 Ms. Frosini, generally speaking, what was the extent  
20 of the renovations that had been done as of the time of the  
21 showing?

22 A. Enormous extent.

23 Q. And what areas of the Crocker mansion had been renovated at  
24 the time of the showing?

25 A. The entire home.

06HBGUO4

Frosini - Direct

1 Q. So that's 1100 at page 67, can we put that back up. If you  
2 could just focus on the very last line of text there.

3 Ms. Frosini, can you read that last line here?

4 A. Approximate cost of material and labor performed between  
5 2008/2018 is \$19 million.

6 Q. Thank you, Ms. Loftus. We can take that down now.

7 So turning to your showing of the Crocker mansion, who  
8 attended that showing?

9 A. Mrs. and Mr. Guo, myself, the seller, the driver, the  
10 Guo's driver and a couple security men.

11 Q. What type of car did the Guos arrive in for that showing?

12 A. I don't remember.

13 Q. Did you ride with the Guos to that showing?

14 A. No.

15 Q. Approximately how long did the showing take?

16 A. It was longer than Hyde Park. I'm guessing to say over an  
17 hour.

18 Q. What, if anything, did Mr. Guo say about the Crocker  
19 mansion during that showing?

20 MS. SHROFF: Same objection, your Honor.

21 THE COURT: Overruled. You may answer.

22 Q. What, if anything, did Miles Guo, Mr. Guo, say about the  
23 Crocker mansion during the showing?

24 A. Comments about the detail of the home basically.

25 Q. What are some examples of those comments?

O6HBGU04

Frosini - Direct

1 A. The detail of the millwork of the home and the quality of  
2 the home.

3 Q. Based on your observations during that showing, what  
4 impression, if any, did you have of how Mr. Guo intended to use  
5 the Crocker mansion?

6 MS. SHROFF: Objection.

7 THE COURT: If you'd step up, please.

8 (Continued on next page)

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O6HBGU04 Frosini - Direct

1 (At the sidebar)

2 THE COURT: You said based on your observations how  
3 did he intend to use the home. I don't know that she can state  
4 his intention other than by what he may have said.

5 MS. MURRAY: Right. So it is based on her  
6 observations. It's 701 opinion. She's a real estate broker  
7 for 22 years. She taken people on showings. The question is  
8 whether she formed an understanding during the showing from, as  
9 your Honor said, from what she overheard or what she observed  
10 or conversations she had; for example, whether it was to be a  
11 family home, a residence.

12 THE COURT: I would like you to be more specific about  
13 observation.

14 MS. MURRAY: I can draw that out a little more.

15 MS. SHROFF: Your Honor, we have a relevance  
16 objection.

17 THE COURT: This is very relevant. Ms. Shroff, this  
18 is highly relevant as to the purpose of the home.

19 MS. SHROFF: I know you're ruling against me, but I  
20 just want to make my record for a minute. It's fine. Of course  
21 the Court's ruling is always fine. I do believe that a real  
22 estate agent's impression or observation of why a person is  
23 buying a property is actually not relevant. The only relevance  
24 here would be nobody's impression. Whether or not the  
25 government can prove why he did or did not buy Mahwah is

06HBGU04

Frosini - Direct

1 something they can prove elsewhere, but not by a real estate  
2 agent's impression of what she thinks.

3 THE COURT: What he stated, what he communicated.

4 MS. SHROFF: But he never stated anything.

5 THE COURT: That has not been established that he  
6 stated nothing. He talked about comments about the millwork.

7 MS. SHROFF: As to the purpose. The purpose of the --  
8 I don't feel well today so you're going to have to excuse me.  
9 The purpose of the mansion is not impacted at all by the  
10 millwork. And also it's again her impression of why he was  
11 buying the property is irrelevant. And most importantly here,  
12 they've projected that it is May Guo who is the buyer of the  
13 property, so it's May Guo's letter they have introduced as the  
14 potential buyer of the property.

15 THE COURT: She can comment about statements made to  
16 her, statements she may have overheard that may indicate the  
17 intended use of the property. That's my ruling.

18 (Continued on next page)

19  
20  
21  
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24  
25

O6HBGUO4

Frosini - Direct

1 (In open court)

2 BY MS. MURRAY:

3 Q. Ms. Frosini, directing your attention again to the showing  
4 of the Crocker mansion, what, if anything, do you recall about  
5 what Miles Guo said about the property during that showing.

6 A. Not really any comments, that I love the home or anything  
7 like that. Thank you very much. We'll talk it over and get  
8 back to you.

9 Q. What, if anything, did Miles Guo say during that showing  
10 about potential alteration or renovation to the property?

11 MS. SHROFF: Objection. She's answered to what Miles  
12 Guo said.

13 THE COURT: You may answer.

14 A. Can you repeat that. I'm sorry.

15 Q. What, if anything, did Miles Guo say during the showing  
16 about potential alterations or renovations to the property?

17 A. Nothing. That was the first time that they saw the house.

18 Q. Now, after the showing of the Crocker mansion, what  
19 happened next?

20 A. Next was -- and again, you know, this was 2021, but I  
21 got -- I don't remember the time, the exact day, but I got a  
22 call from Aaron Mitchell that they wanted to proceed with an  
23 offer.

24 Q. The "they" you're referring to, Aaron Mitchell said they  
25 want to proceed with an offer, whom did you understand him to



O6HBGU04

Frosini - Direct

1 be referring to?

2 A. He said his client.

3 MS. SHROFF: Objection to the hearsay. Objection.

4 THE COURT: Overruled. You may answer.

5 A. His client.

6 Q. And, Ms. Frosini, generally speaking how did you  
7 communicate with Aaron Mitchell involving the Crocker mansion  
8 deal?

9 A. We text and phone calls.

10 Q. Ms. Loftus, if we can display for the witness what's been  
11 marked as Government Exhibit 1101, and if we could scroll  
12 through this.

13 Ms. Frosini, what type of document is in Government  
14 Exhibit 1101?

15 A. These are text that I received from Aaron Mitchell and my  
16 responses, so it's both of our text back and forth.

17 MS. MURRAY: Your Honor, the government offers  
18 Government Exhibit 1101.

19 MS. SHROFF: Objection. Your Honor. It's hearsay.

20 THE COURT: Overruled. It is admitted.

21 (Government's Exhibit 1101 received in evidence)

22 BY MS. MURRAY:

23 Q. Ms. Loftus, if we could please publish this, and we can  
24 zoom in on this top portion that's the full screen. Thank you.

25 Ms. Frosini, the name of the contact here at the top

06HBGU04 Frosini - Direct

1 of this chat message, can you read that?

2 A. Aaron.

3 Q. And the first message we see here, what is the date of  
4 that?

5 A. November 27, 2021.

6 Q. Now, in these messages are the messages that you sent in  
7 blue or in gray?

8 A. Blue.

9 Q. And then the gray messages are from Aaron Mitchell; is that  
10 right?

11 A. Correct.

12 Q. If we could go, please, Ms. Loftus to page three.

13 So looking at the date here --

14 A. November 28, 2021.

15 Q. And looking at the bottom message in blue, can you read  
16 what that message says, that's from you to Aaron Mitchell?

17 A. Wanted to keep conversation going. They can have estate  
18 for 28 million furnished. FYI, original asking price was 39  
19 million, adjusted price to 33 million in June. You can call me  
20 later. Thanks.

21 Q. And the reference in that letter to estate, what is that  
22 estate?

23 A. Crocker mansion.

24 Q. If we could go to the next page, please. Looking in the  
25 middle in the gray message from Aaron Mitchell. What does that

O6HBGUO4

Frosini - Direct

1 message read?

2 A. The nothing crazy one?

3 Q. Correct.

4 A. Nothing crazy about the property, right? Violent history,  
5 stories of haunting, etc.

6 Q. What was your response to that message from Aaron Mitchell?

7 A. Mr. Guo ask me that about ghost, no violence that I know  
8 of. Call me when you're done with dinner.

9 Q. What were you referring to here with respect to some  
10 conversation you had with Mr. Guo about ghost?

11 A. Sometimes buyers will ask if there's been any violence in  
12 the homes or oddities in the homes.

13 Q. With respect to Mr. Guo in particular, what was your  
14 conversation with him?

15 A. About that question?

16 Q. Correct.

17 A. That I would find out.

18 Q. What, if anything, did he ask you?

19 A. I'm sorry.

20 Q. What, if anything, had he asked you that's referenced here?

21 MS. SHROFF: Objection, your Honor. That's hearsay  
22 and it's asked and answered about this exact conversation twice  
23 before.

24 THE COURT: Overruled. You may answer.

25 A. He asked, you know, if there were any ghost in the house.

O6HBGUO4

Frosini - Direct

1 Q. When had he asked you that?

2 A. When we were at the property, when he saw the property.

3 Q. And the next message, Ms. Frosini, what is the date of  
4 that? It's at the bottom of this page.

5 A. November 29, 2021.

6 Q. Ms. Loftus, if we can zoom on that message from  
7 Ms. Frosini.

8 Ms. Frosini, there's a reference in this message to  
9 the foundation. Can you read that sentence. It starts with  
10 please let?

11 A. Please let the foundation know that the owner is putting a  
12 detail package of information together for them to review. I  
13 will forward to you tomorrow. It's a lot of detail. I can  
14 also go to the town and request to look at the file as well.  
15 As far as known cemetery, fires, etc., the answer is no.  
16 Chris.

17 Q. Now, Ms. Frosini, what's the foundation that you're  
18 referring to here?

19 A. The buyer.

20 Q. And what was the name of that buyer?

21 A. Well, again, the name on the proof of funds was May Guo  
22 Family Trust, but the name of the buyer when we're in contract  
23 is Taurus Foundation.

24 Q. And, Ms. Loftus, if we could go to the next page, please.  
25 Actually, the following page, excuse me.

O6HBGUO4

Frosini - Direct

1 Ms. Frosini, focusing on your message here, the second  
2 message on the page, what date and time was that sent?

3 A. December 1, 2021.

4 Q. And can you read just the first sentence of that message  
5 after "Hi Aaron."

6 A. Owner ask me to put in writing so I will put together a  
7 contract of sale. Please email me the title of who's  
8 purchasing the property along with their address.

9 Can we put 10 percent right after attorney review  
10 concludes, which is usually a three-day deal? Let me know  
11 about closing date. Let me know about closing date owners are  
12 fine with now December or January, and who is going to be  
13 signing this, you?

14 Q. Now, Ms. Frosini, what were you asking for with the  
15 language about the title of who's purchasing the property?

16 A. Because I needed to know who the title of the buyer would  
17 be on the contract when I write it up.

18 Q. And what were you asking about in the last sentence when  
19 you said, Who's going to be signing this, you?

20 A. Because we do contracts electronically now, so I needed to  
21 know whose name or LLC or whatever it was going to be, I needed  
22 to know who that was in order for me to finalize the contract.

23 Q. And if we could go to the next page, please, Ms. Loftus.

24 Looking at the top, same date you texted Aaron  
25 Mitchell again, and what was his response at 5:47 p.m. on

O6HBGU04

Frosini - Direct

1 December 1?

2 A. Need to speak to someone in UK repurchasing entity. Will  
3 get back to you tomorrow a.m.

4 Q. Ms. Frosini, do you know whom Aaron Mitchell was going to  
5 speak with?

6 A. No.

7 Q. By this point in the sale had you heard of Taurus Fund SP?

8 A. No.

9 Q. It continues here, if we could look at the next message  
10 from Aaron Mitchell. It says, Would it be possible for the  
11 father to come back to the house tomorrow (10 a.m.) and meet  
12 Vinny as well. Who did you understand the father to be?

13 A. Mr. Guo.

14 Q. And who did you understand Vinny to be?

15 A. He managed the property for the seller.

16 Q. The next message from Aaron Mitchell begins with, one  
17 concern the mother had was the AC was loud. Do you see that?

18 A. Yes.

19 Q. Who did you understand the mother to be?

20 A. Mrs. Guo.

21 Q. And that's Miles Guo's wife; is that right?

22 A. Correct.

23 Q. If we can go to the next page please, Ms. Loftus.

24 Looking at the second message on this page from Aaron  
25 Mitchell, the second gray message on this page.

O6HBGUO4

Frosini - Direct

1 A. December 2, 2021.

2 Q. And Aaron Mitchell text, They are five minutes out. Who  
3 did you understand that to refer to?

4 A. The buyers.

5 Q. And then at 2:59 p.m. that same day, what did you text to  
6 Aaron Mitchell?

7 A. What did I text?

8 Q. Mm hm. In the blue if we could highlight that, Ms. Loftus.

9 A. FYI, they just left.

10 Q. Ms. Frosini, do you recall a visit to the Crocker mansion  
11 by the Guos on December 2, 2021?

12 A. Yes, we had a visit. I just, you know, the date, again it  
13 was two years ago; but, yes, we were there.

14 Q. What happened during that visit?

15 A. They looked at the house in more detail.

16 Q. Can you walk us through what you recall about that visit on  
17 December 2nd?

18 A. That they went through the house in more detail, every  
19 room, and I wasn't with them all the time because I just let  
20 the buyers go off, especially when they're there a second time.  
21 They want to talk amongst themselves.

22 Q. And for this visit who attended? Who were the buyers that  
23 came to that visit?

24 A. You know what, I don't really remember.

25 Q. Do you remember whether Mr. Guo, Miles Guo, attended that

O6HBGUO4

Frosini - Direct

1 visit?

2 MS. SHROFF: Objection, asked and answered.

3 THE COURT: You may answer.

4 A. Yes, and the daughter may have been there that day. I  
5 don't remember the days; but, yeah, I don't remember exactly  
6 who was there. I mean, Mr. Guo was there, and I believe maybe  
7 the daughter that day. But again, I can't promise it was that  
8 day.

9 Q. Focusing on Mr. Guo in particular, did you have any  
10 discussions with Mr. Guo that day during that visit?

11 A. Casual conversation possibly. Again, there was a language  
12 little difficulty, but casual conversation here and there.  
13 Again, I didn't walk through the whole entire house with them.

14 Q. If we could go, Ms. Loftus, to the next page, please.  
15 Looking at the top text here from you to Aaron Mitchell, what  
16 is the date?

17 A. December 3, 2021.

18 Q. Can you read that message.

19 A. Aaron, if I were to get seller to agree to 26 closing  
20 December 20, do you think that would work?

21 Q. What is the "26" here a reference to?

22 A. You know what, I'm looking at this myself here. You know  
23 what, I don't know.

24 Q. Looking down a bit further there's a text from Aaron  
25 Mitchell middle of the page. What information is he requesting



O6HBGUO4

Frosini - Direct

1 about the seller?

2 A. Do you have seller's full name so I can put in a letter.

3 Q. And then a few messages down he sent another text that  
4 begins with email. Do you see that?

5 A. Emailed you letter. Let me know if you need anything else.

6 Q. If we could go to the next page, please, Ms. Loftus. This  
7 is again the same day, December 3rd. The message from Aaron  
8 Mitchell that begins, Hi, can you read that, please?

9 A. Hi, Chris, do you have the floor plans for Crocker.

10 Q. And what was your response?

11 A. I'll get it. Were they happy with sellers accepting their  
12 offer? Seller may want to wait for me to send it until we have  
13 the signed contract. I'll let you know.

14 Q. And what was Aaron's Mitchell's response to that text?

15 A. They were more focused on getting it ready for their taste,  
16 so if I can get them quickly, great.

17 Q. Ms. Frosini, did you have an understanding of who the  
18 "they" was that Aaron Mitchell was referring to?

19 A. Yes.

20 Q. Who?

21 A. Again, the buyers.

22 Q. And who were the buyers?

23 MS. SHROFF: Objection, asked and answered.

24 THE COURT: Overruled. You may answer.

25 A. The buyers were the Guo family.

O6HBGU04

Frosini - Direct

1 Q. Ms. Loftus, we can take that down. If we could pull up for  
2 the witness, please, Government Exhibit 1102. If we could  
3 scroll through.

4 Ms. Frosini, do you recognize the document in  
5 Government Exhibit 1102?

6 A. These were the floor plans that were given to me by the  
7 seller.

8 Q. Have you reviewed this exhibit previously?

9 A. When I received it.

10 Q. Are these various documents relating to the Crocker mansion  
11 deal?

12 A. Correct.

13 MS. MURRAY: Your Honor, the government offers  
14 Government Exhibit 1102.

15 MS. SHROFF: Objection, your Honor. May we have a  
16 sidebar?

17 THE COURT: Okay.

18 (Continued on next page)

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O6HBGU04

Frosini - Direct

1 (At the sidebar)

2 MS. SHROFF: Your Honor, the document is an email  
3 exchange between a person named Gladys Chow and the realtor.  
4 There is no relationship or co-conspirator argument that would  
5 make these exchanges admissible, and they are written hearsay.  
6 So for those reasons, the email exchanges between Ms. Chow and  
7 the real estate agent we would object to.

8 THE COURT: What do they say?

9 MS. SHROFF: She asks a lot of questions and the real  
10 estate agent replies. She ask about furnishings. She ask for  
11 recommendation for decorators. She asks for how and who she  
12 should use to refurbish the place. There's no hearsay  
13 exception to Ms. Chow's interaction with the real estate agent.

14 THE COURT: Who is Ms. Chow?

15 MS. SHROFF: Ms. Chow is an employee.

16 THE COURT: Of?

17 MS. SHROFF: I believe she's an employee -- I'm not  
18 sure technically who she is an employee for. I really think  
19 you should not laugh or scoff at me, Mr. Finkel.

20 MR. FINKEL: I'm not laughing at you. I was laughing  
21 at your response.

22 MS. SHROFF: That's the same thing, my response.

23 MR. FINKEL: I apologize, Ms. Shroff.

24 MS. SHROFF: Ms. Chow's communication with the real  
25 estate agent are hearsay, and for those reasons we would

06HBGU04

Frosini - Direct

1 object.

2 MS. MURRAY: Your Honor, Ms. Chow is an agent of Miles  
3 Guo. She is communicating with the real estate agent as she's  
4 communicated with various other people on behalf of Mr. Guo,  
5 asking questions for Mr. Guo, taking responses back to Mr. Guo.  
6 Indeed, Gladys Chow was on the list of potential  
7 attorney/client privilege that defense counsel provided to the  
8 government a year ago. Because they said that she was an  
9 interpreter in an assistant relationship with Mr. Guo. She was  
10 so close that she might be privy to privileged communication.  
11 She is frequently communicating, not only with Mrs. Frosini,  
12 but with various other people, including; for example, Paolo  
13 Sozzi, one of the government's anticipated witnesses about  
14 additional renovations. And she is conveying information from  
15 Mr. Guo and providing it back to Mr. Guo. She's clearly an  
16 agent and there's an exception.

17 THE COURT: These emails come in. Let's move on.

18 MS. SHROFF: There's no evidence in the record about  
19 the facts that Ms. Murray has recited at sidebar. There's been  
20 no testimony to this effect. There's been no testimony about  
21 Ms. Chow. There's been no testimony about a potential witness  
22 to come obviously because the witness has not yet testified.  
23 There's no establishment of an agency relationship between  
24 Ms. Chow and Mr. Guo. And the fact that she would be on a  
25 privilege could also reflect the fact that she translated for

O6HBGU04

Frosini - Direct

1 him after his arrest in the jail. So for those reasons,  
2 there's been no establishment of an agency relationship between  
3 Gladys Chow and Mr. Guo. Additionally, your Honor, the  
4 government knows this full well because they approached  
5 Ms. Chow and sought to speak to her, and she declined. None of  
6 this is in evidence, therefore, I continue to object on  
7 hearsay.

8 MS. MURRAY: Your Honor, I certainly intend to ask  
9 Ms. Frosini the next question who Ms. Chow was and what the  
10 nature was of her interaction with Ms. Chow.

11 THE COURT: The email comes in.

12 (Government's Exhibit 1102 received in evidence)

13 (Continued on next page)

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O6HBGU04 Frosini - Direct

1 (In open court; jury present)

2 THE COURT: Go ahead.

3 BY MR. FINKEL:

4 Q. Ms. Loftus if you can publish what's now in evidence as  
5 Government Exhibit 1102. Let's go to page 63. If we could zoom  
6 in on this email at the bottom, please.

7 Ms. Frosini, what is the date of this email?

8 A. December 3, 2021.

9 Q. And who sent this email?

10 A. Aaron Mitchell.

11 Q. If you could read the email that you received from Aaron  
12 Mitchell?

13 A. Does this work to show interest intent? Let me know if he  
14 wants deposit, etc. or if he is good with the number. His  
15 attorney can speak to our attorney handling the closing.

16 Q. And if we could go to the next page, please, Ms. Loftus,  
17 and zoom in on the content portion here.

18 Ms. Frosini, what is this?

19 A. This is a letter of intent.

20 Q. For what property?

21 A. For 675 Ramapo Valley Road, Crocker mansion in Mahwah.

22 Q. What is the date of this letter of intent?

23 A. December 3, 2021.

24 Q. I'm going to read the letter. Thank you for taking the  
25 time to show representatives of my client your property at 675

O6HBGUO4 Frosini - Direct

1 Ramapo Valley Road in Mahwah, New Jersey. My client has  
2 authorized me to formally offer 26 million to purchase the  
3 property. This would be a cash deal. Per your request closing  
4 would occur on or before December 20, 2021.

5 First of all, who did you understand the  
6 representatives of my client to be in this letter?

7 A. I don't know why he wrote it that way.

8 Q. This refers to --

9 MS. SHROFF: Objection. Move to strike as  
10 non-responsive.

11 THE COURT: Sustained. If you'll read back the  
12 question, please, and listen to the question and answer that  
13 question.

14 A. You said thank you for taking the time to show  
15 representatives of my client. I don't know what he means,  
16 Aaron Rogers means by show representatives instead of saying my  
17 client or the buyers. Maybe that's his term to say  
18 representatives.

19 MS. SHROFF: Your Honor, I move to strike everything  
20 after "I don't know what he means."

21 THE COURT: From "maybe" I'm striking. Go ahead.

22 Q. Ms. Frosini, the reference here to showing certain people  
23 the property, whom did you show the property to who was  
24 associated with Aaron Mitchell?

25 MS. SHROFF: Objection to the leading.

O6HBGU04

Frosini - Direct

1 A. The Guo family.

2 THE COURT: Sustained. Who did you show the property  
3 to.

4 THE WITNESS: The Guo family.

5 Q. If we could go to Government Exhibit 1102 at page 19,  
6 please. Looking at this email at the top, what is the date of  
7 this email?

8 A. December 6, 2021.

9 Q. And what property is this regarding according to the  
10 subject line?

11 A. 675 Ramapo Valley Road.

12 Q. At the top of the content of the email starting with sent,  
13 there's some text in bold and italics. Do you see that?

14 A. Yes.

15 Q. What does that read?

16 A. Sent on behalf of Bruce E. Whitaker.

17 Q. Who is Bruce E. Whitaker?

18 A. The seller's attorney.

19 Q. And looking at the first sentence here, start with attach,  
20 what does that read?

21 A. Attach is a fully executed contract. Please note that I  
22 have made one modification to paragraph 3C which is to have the  
23 deposit held in our trust account. Please have buyer initial  
24 this modification.

25 Q. And if we could go, Ms. Loftus, to page 21. That's the



O6HBGU04 Frosini - Direct

1 attached contract.

2 Ms. Frosini, if we could focus on item seven down to  
3 the bottom, Ms. Frosini. Ms. Frosini, who's listed as the  
4 seller on this signed contract?

5 A. Crocker Mansion Estate, LLC.

6 Q. And who was the buyer?

7 A. Taurus Fund SP.

8 Q. What did you understand Taurus Fund SP to be?

9 A. I don't know. I didn't ask.

10 Q. In your real estate practice, how often, if at all, are  
11 entities the buyers of properties?

12 MS. SHROFF: Objection.

13 THE COURT: Overruled. You may answer.

14 A. For significant properties, people will put -- they won't  
15 put their personal name. It will be either LLCs or trusts.

16 Q. Do you see the Taurus Fund's signature --

17 A. Yes.

18 Q. -- on this contract. How did you get a signed copy of this  
19 contract?

20 A. Electronically.

21 Q. Do you know the corporate structure of Taurus Fund SP?

22 A. No.

23 Q. Looking at the bottom right here, is that your electronic  
24 signature on this contract?

25 A. Yes.

O6HBGUO4

Frosini - Direct

1 Q. If we could go to page 18 of this exhibit, Ms. Loftus, and  
2 focus on the email from Ms. Frosini.

3 What is the date of this email, Ms. Frosini?

4 A. December 6, 2201.

5 Q. And to whom did you send this?

6 A. To Aaron Mitchell.

7 Q. If you could read the body of this email?

8 A. Congrats to the foundation. Attached is a fully executed  
9 contract. Please see attorneys note below.

10 Q. Why did you say, Congrats to the foundation?

11 A. Cause I always congratulate the buyer.

12 Q. Ms. Loftus, we can take this down. If we could please go  
13 to Government Exhibit 1101, page 12.

14 Starting at the top message, what is the date of this  
15 message, this text message from Aaron Mitchell?

16 A. Any luck with the plans? They have called me three times  
17 today. My or May and the mother really want to see them. I  
18 want to keep them happy.

19 Q. And looking first at the date of this message which is just  
20 at the top of this screenshot, what was the date that Aaron  
21 Mitchell sent you that text message?

22 A. December 4, 2021.

23 Q. Who did you understand May to refer to?

24 A. The daughter.

25 Q. Whose daughter?

O6HBGUO4

Frosini - Direct

1 A. Mr. and Mrs. Guo's daughter.

2 Q. Who did you understand the mother to refer to?

3 A. Mr. Guo's wife.

4 Q. And at the bottom here there's a message from you, the last  
5 text from you on this page. It indicates, Just emailed you  
6 floor plans. Please confirm receipt.

7 And on what date had you emailed Aaron Mitchell the  
8 floor plans?

9 A. December 4, 2021.

10 Q. Ms. Loftus, if we could go now to Government Exhibit 1102  
11 page one, focus on the email.

12 Ms. Frosini, who sent this email?

13 A. Gladys Chow.

14 Q. Who is Gladys Chow?

15 A. Gladys Chow worked with the family. I don't know her exact  
16 tight.

17 Q. Just to be clear, which family did Gladys Chow work with?

18 A. The Guo family.

19 Q. What is the email domain used to send you this message?

20 A. HCHKTECH.com.

21 Q. Do you know what HCHKTECH is?

22 A. No.

23 Q. And what's the date of this email from Gladys Chow?

24 A. December 6, 2021.

25 Q. That's about two days after the text message of the floor

O6HBGUO4

Frosini - Direct

1 plan?

2 MS. SHROFF: Objection to the testifying.

3 THE COURT: Sustained.

4 Q. Ms. Loftus, if we could pull up page 12 of Government  
5 Exhibit 1101, focusing on the middle here.

6 The blue message from you, on what date did you send  
7 these two messages to Aaron Mitchell regarding the floor plans  
8 to the Crocker mansion?

9 A. December 4.

10 Q. And, Ms. Loftus, let's go back to 1102, page one, please.

11 How many days later did you receive this email from  
12 Gladys Chow?

13 A. December 6.

14 Q. Who is copied on this email?

15 A. Aaron Mitchell.

16 Q. Ms. Frosini, can you read this email?

17 A. Hope you had nice weekend. We met the other day in the  
18 Darlington tour, and I just have a few more questions. One,  
19 would you know any interior kitchen designers, shades and rugs  
20 company both New Jersey and New York that can recommend to us.

21 Number two, other than the attached floor plans, do  
22 you have any other drawings that can be provided to us.

23 Number three, I have circled three areas on page three  
24 of the floor plan. If we want to empty each one out and  
25 convert each of them into one single room, around how long

O6HBGUO4 Frosini - Direct

1 would that take. Thank you for your help.

2 Q. Ms. Loftus, we can zoom out of that, and if we could go  
3 through the next few pages of Government Exhibit 1102. Stop  
4 there for a moment.

5 Ms. Frosini, what is this?

6 A. This is a floor plan.

7 Q. For what property?

8 A. 675 Ramapo Road.

9 Q. If you could let us know what part of that property does  
10 this floor plan represent?

11 A. I don't have my glasses, first floor.

12 Q. Thank you. We can zoom out of that. Let's go to the next  
13 page. What part of the property is this?

14 A. Second floor.

15 Q. And the next page, please?

16 A. Third floor.

17 Q. Now, do you see red boxes on this floor plan?

18 A. Yes.

19 Q. Is it your understanding that those are the red boxes that  
20 Ms. Chow was referring to in her email to you? We could go  
21 back to the first page, Ms. Loftus.

22 Looking again at item three here in Ms. Chow's email,  
23 do you see that, Ms. Frosini?

24 A. Yes.

25 Q. Let's go back to page four, please, Ms. Loftus. Based on

O6HBGUO4 Frosini - Direct

1 that email, is it your understanding that these red boxes  
2 indicate a portion?

3 MS. SHROFF: Objection to the leading.

4 Q. What is your understanding of what is indicated by the red  
5 box?

6 A. I never answered this question because I wasn't involved in  
7 any of that.

8 Q. Understood. Setting aside any response, if any, you might  
9 have given to the question, what was your understanding of what  
10 the question was?

11 MS. SHROFF: Objection, form.

12 THE COURT: Are you asking her whether she sees any  
13 relationship between the question and what is on the screen?

14 MS. MURRAY: Yes, your Honor.

15 THE COURT: You may answer.

16 A. I really never commented on this at all.

17 Q. If we can go to the next page, please, Ms. Loftus.

18 Which part of the house does this reflect, Ms.  
19 Frosini?

20 A. Basement.

21 Q. And then the next page, if we could focus on this.

22 Ms. Frosini, this is an email from you, correct?

23 A. Correct.

24 Q. Who did you send this to?

25 A. Gladys Chow.

O6HBGUO4

Frosini - Direct

1 Q. Copying who?

2 A. Aaron Mitchell.

3 Q. What was your reply?

4 A. Thanks for your email. I will get names designers to you  
5 tomorrow and will call the home manager regarding number two  
6 and number three below.

7 Q. Who was the home manager?

8 A. The home manager was Vinny Labarberi.

9 Q. Let's go to the next page, please, Ms. Loftus.

10 Ms. Frosini, what is Gladys' response to that email  
11 that you had sent?

12 A. Thank you. It would be nice if you get us some -- she said  
13 DWG. I'm thinking drawing -- files of the home both 2D and 3D.  
14 Thank you.

15 Q. Ms. Loftus, we can go two pages down to page 10, please.

16 Ms. Frosini, what's the subject of this email that you  
17 sent?

18 A. Floor plans.

19 Q. What did you provide with this email?

20 A. Additional floor plans that I had gotten from the seller.

21 Q. Ms. Loftus, let's go back down another two pages. Looking  
22 at this on the kind of top right of our screen, Ms. Loftus, if  
23 you could zoom in on what portion of the home this reflects.  
24 Zoom out of that.

25 On the top right along the side, what level are these

O6HBGUO4 Frosini - Direct

1 additional floor plans relating to?

2 A. Basement level flooring finish plan.

3 Q. And, Ms. Loftus, if we could go to the next page and  
4 similar exercise. This is on the left, bottom left.

5 A. Crocker residence first level furniture floor plan.

6 Q. And the next page, Ms. Loftus, please. This one is on the  
7 bottom left, which portion of the home are these additional  
8 plans relating to?

9 A. Crocker residence, second level furniture floor plan.

10 Q. And the next page, please.

11 A. Crocker residence second level furniture floor plan.

12 Q. And finally the next page, please, Ms. Loftus.

13 A. Crocker residence third level furniture floor plan.

14 Q. If we could zoom out of that.

15 Ms. Frosini, how many levels were in the Crocker  
16 mansion?

17 A. I don't know if I'm mixing. I believe there was above the  
18 finish lower level there are three.

19 Q. If we could go to the next page, please, Ms. Loftus.

20 Ms. Frosini, what is the subject of this email?

21 A. Designers.

22 Q. And the date?

23 A. December 15, 2021.

24 Q. Who did you send this to?

25 A. Gladys.



O6HBGUO4

Frosini - Direct

1 Q. At a high level, what did these designs you sent to Gladys  
2 do?

3 A. I just submitted the list to her.

4 Q. What type of designers are these?

5 A. Interior designers.

6 Q. All right. Ms. Loftus, let's go down to two pages down.  
7 Let's zoom out. I think we're looking to go another page down.  
8 Let's go back, Ms. Loftus, to Government Exhibit 1101, page 19.

9 These are again from the text messages with Aaron  
10 Mitchell. The message at the top with Aaron Mitchell reads,  
11 Yes, Yvette will be arriving with everyone at noon. Who is  
12 Yvette?

13 A. Yvette worked with Mr. Guo.

14 Q. And then at the bottom here, what is the date of that  
15 message if we look at the bottom half of these text?

16 A. December 13, 2021.

17 Q. What did you write to Aaron Mitchell on that date?

18 A. FYI, everyone is here.

19 Q. What was Aaron's response?

20 A. On my way. Thought we were meeting at noon.

21 Q. And then your next two responses, understanding one is a  
22 bit cuff off?

23 A. So did I. They changed.

24 Q. And then you write, just spoke to Yvette. Do you see that?

25 A. Right. I think it finishes on just spoke to Yvette.

O6HBGU04

Frosini - Direct

1 They --

2 Q. Can we go to the next page, Ms. Loftus. Actually, let's go  
3 back up one page.

4 Ms. Frosini, do you recall a meeting on December 13,  
5 2021?

6 A. We were doing -- I'm just thinking of when the inspection  
7 was. I don't have my notes. I don't know when the inspections  
8 were. We had inspections of the home, and then we have  
9 structural inspection on another day, and that may have been  
10 that day.

11 Q. And who, if anyone, attended those inspections?

12 A. The home inspection -- and I may be wrong, the family  
13 wasn't there. I was the whole time. Then again, I'm sorry,  
14 but I'm just guessing. And then another day we had a  
15 structural inspection, and I believe that's when they were  
16 there.

17 MS. SHROFF: Objection, your Honor, to the guessing.

18 THE COURT: So don't guess. Just state what you know.

19 Q. Ms. Loftus, let's go to page 25 of this exhibit. Ms.

20 Frosini, in the first message from Aaron Mitchell, the  
21 first gray message, can you read that message?

22 A. My message in the gray?

23 Q. Sorry, the gray from Aaron Mitchell.

24 A. Thanks, is any time going to be there Thursday or can  
25 someone be there to let Scott in with contractor.

O6HBGUO4

Frosini - Direct

1 Q. Who is Scott?

2 A. Scott was a security position. Don't know his title.

3 Q. Can we go to the next page, please, Ms. Loftus, focusing on  
4 the top portion of this message.

5 Do you see the text message that you sent to Aaron  
6 Mitchell there?

7 A. Yes.

8 Q. It reads in part, I sent Gladys per her request a bunch of  
9 high-end designers. Let me know if you guys need anything from  
10 me. What type of designers had you sent Gladys the names of?

11 A. Interior designers.

12 Q. And let's go to the next page, please. If you could read  
13 your first text message on this page to Aaron Mitchell?

14 A. I'll meet seller tomorrow morning. In fact, he wanted me  
15 to schedule time between architect and principle, when or  
16 tonight. Let me know.

17 Q. Who is principle?

18 A. The client, the buyer.

19 Q. And which individual in particular were you referring to  
20 when you wrote principle?

21 A. The buyers, the family.

22 Q. Which family, Ms. Frosini?

23 A. The Guo family.

24 Q. And then looking down about two thirds of the way down the  
25 page. There's a message from Aaron Mitchell starts with Scott.

O6HBGUO4

Frosini - Direct

1 Can you read that in your response?

2 A. Scott will be there at 11.

3 Q. And what was your response?

4 A. Yes, I'm meeting him.

5 Q. If we could go to the next page, please, and read the top  
6 two text messages, the first from Aaron Mitchell?

7 A. Can the architect and Vinny come to New York to discuss  
8 plans.

9 Q. And then what was your response?

10 A. I'll ask when. Just a thought, don't you think it would be  
11 best to meet at the home in case they need to walk the rooms.

12 Q. And then looking down a bit in this chain on December 17,  
13 2021, the second message from Aaron Mitchell. So the last  
14 message from him on this page, what does that read?

15 A. Can you send Amy the structural inspection invoice.

16 Q. Who's Amy?

17 A. Amy Buck is the real estate attorney.

18 Q. What real estate attorney?

19 A. She's the one that handled the closing for the buyer.

20 Q. And let's go to the next page, please, Ms. Loftus.

21 We could zoom in on that. Looking here at the last  
22 message on this page from Aaron Mitchell, what does he write to  
23 you, starting with Did you?

24 A. Did you get a receipt for the \$1500.

25 Q. Can you read that message again. I think you might have

O6HBGUO4 Frosini - Direct

1 missed one of the words.

2 A. Did you get Y, the letter Y, a receipt for the \$1500.

3 Q. Who did you understand "Y" to refer to?

4 A. Did you get Yvette a receipt for the \$1500.

5 Q. Let's go to the next page, please, Ms. Loftus.

6 Ms. Frosini, you wrote, Sent revised you and Amy.

7 Aaron Mitchell responded. Then your next message that starts  
8 with Aaron. Can you please read that text message?

9 A. Aaron, please congratulate the buyers for me. They are so  
10 nice and so is there staff. I need to talk to you about what I  
11 can do for them to thank them as well. Thanks again, Aaron.

12 Q. In this message, Ms. Frosini, what individuals were you  
13 referring to when you said the buyers?

14 A. The Guo family.

15 Q. And when you indicated their staff, what staff were you  
16 referring to?

17 A. The security guys, Yvette.

18 Q. And those are staff of whom?

19 A. You know, I use the word "staff." Maybe that was  
20 inappropriate, but these are the people that I met through the  
21 Guo family.

22 Q. And let's look at the next message that you sent. What  
23 date did you send, Hi Aaron?

24 A. December 22, 2021.

25 Q. Can you read that message?

O6HBGUO4

Frosini - Direct

1 A. Hi, Aaron. Tomorrow, do you have a minute to talk. I'd  
2 like to get the buyers something. In the meantime, is it corny  
3 to send them a nice holiday beautiful floral arrangement?  
4 Being the privacy factor, I don't know if they would want me to  
5 send something to their Connecticut home. We can talk  
6 tomorrow. Thanks.

7 Q. Ms. Frosini, did Aaron Mitchell ever respond to that text  
8 message?

9 A. No.

10 Q. We can take that down, Ms. Loftus.

11 Ms. Frosini, after the purchase of the Crocker  
12 mansion, do you have any knowledge of any renovations, if any,  
13 that were done to the property?

14 A. No, I was never there.

15 Q. Do you know if at all that property was furnished?

16 A. No.

17 Q. Did you have any additional or further contact with Aaron  
18 Mitchell?

19 A. No.

20 Q. Did you have any further contact with the Guo family  
21 directly?

22 A. After the closing of the house?

23 Q. Correct.

24 A. Maybe about like two months after.

25 Q. What was the nature of that contact?

O6HBGUO4

Frosini - Direct

1 A. To potentially look at commercial space.

2 Q. Where was that commercial space?

3 A. In Bergen County.

4 Q. Who, if anyone, contacted you about looking at commercial  
5 space?

6 A. Aaron Mitchell was the contact, initial contact.

7 Q. And what happened?

8 A. And then I talked to the security, mostly the security  
9 guys.

10 Q. Talk to them about what?

11 A. About potential commercial space.

12 Q. Did there come a time, if ever, when you did a showing of  
13 potential commercial space in Bergen County?

14 A. Yes, there were a couple of buildings.

15 Q. Who, if anyone, did you show those buildings to?

16 A. Two security and Mr. Guo, just a couple of occasions, but  
17 mostly security.

18 Q. What types of commercial space did you show to security in  
19 Bergen County?

20 A. Office space.

21 Q. Did you have an understanding of who was going to use the  
22 office space that you were showing?

23 A. Whatever business that the family --

24 MS. SHROFF: Objection.

25 THE COURT: You may answer.

O6HBGUO4

Frosini - Direct

1 A. Whatever business, you know, the family needed the office  
2 space for. I shouldn't say the family, Mr. Guo.

3 Q. Did there come a time when you learned the name of any  
4 business that was going to be looking into that space?

5 A. No, never did a contract together.

6 Q. Was there any offer made on any of the commercial space  
7 that you showed?

8 A. We never put a contract together.

9 Q. After those interactions, Ms. Frosini, relating to the  
10 commercial space, did you have any other contact with the Guo  
11 family?

12 A. No.

13 Q. And after the commercial space, did you have any contact  
14 with the Guo family staff?

15 A. The staff.

16 MS. SHROFF: Objection to the phrase, Guo family  
17 staff.

18 THE COURT: Overruled. You may answer.

19 A. No, just on the commercial.

20 Q. But after the commercial showings that you had?

21 A. No.

22 Q. What contact did you have with the --

23 A. The family, no.

24 MS. MURRAY: May I have a moment, your Honor.

25 THE COURT: You may.



O6HBGUO4

Frosini - Direct

1 Q. Ms. Frosini, based on your interactions representing the  
2 buyer of the Crocker mansion, what was your understanding of  
3 why the buyer was purchasing the Crocker mansion?

4 MS. SHROFF: Objection.

5 THE COURT: Overruled. You may answer.

6 A. For their home.

7 Q. Ms. Loftus, if we could please pull up Government Exhibit  
8 Z12 and go to page 19. This is in evidence.

9 Ms. Frosini, looking at the top of this document, top  
10 left, what is the name of the company that's in the top left  
11 corner in the box of this document?

12 MS. SHROFF: Objection. There's no question other  
13 than to read the document. That's improper. She can ask a  
14 question about the document.

15 THE COURT: Is the document in evidence?

16 MS. MURRAY: It is, your Honor.

17 THE COURT: And the question is again.

18 Q. The name of the entity listed on the top left here?

19 MS. SHROFF: Objection.

20 THE COURT: Overruled. You may answer.

21 A. Crane Advisory Group, LLC.

22 Q. And then the name on the top right in the box?

23 A. Top right.

24 Q. Yes?

25 A. Crane Advisory Group, LLC.

O6HBGUO4

Frosini - Direct

1 Q. And, Ms. Frosini, have you seen this document before?

2 A. Never.

3 Q. Looking at the first box in the middle of the page with the  
4 yellow outline, do you recognize the name of the entity listed  
5 there?

6 A. Lawall & Mitchell, LLC.

7 Q. Do you recognize that company?

8 A. Yeah, that's Aaron Mitchell.

9 Q. And then looking at the bottom here, the three different  
10 companies that are listed along the bottom starting at the  
11 bottom left, what is that?

12 A. McDonnell Whitaker Attorney Trust.

13 Q. And the middle?

14 A. Insight Title Services LLC Trust.

15 Q. And the top middle right?

16 A. Buck Esquire LLC Attorney Trust account.

17 Q. Are you familiar with the Buck Esquire LLC?

18 A. That's Amy Buck, the attorney.

19 THE COURT: Attorney for whom?

20 THE WITNESS: The buyer, the real estate attorney.

21 The one that did the real estate transaction.

22 THE COURT: Go ahead.

23 Q. Let's go to the next page, please, and focus in on the top  
24 portion.

25 Ms. Frosini, do you see the property location listed

O6HBGU04

Frosini - Cross

1 here, it's under item G?

2 A. Property location 675 Ramapo Valley Road Mahwah, New  
3 Jersey.

4 Q. That's the Crocker mansion, correct?

5 A. Correct.

6 Q. Looking to the right of that in item H, the settlement  
7 agent, who is listed as the settlement agency?

8 A. Insight Title Services, LLC.

9 Q. And looking back over to the left a bit, item D here, name  
10 and address of borrower, what's the name and address of the  
11 borrower?

12 A. Borrower is Taurus Fund, LLC.

13 Q. And then finally item 101 on the left near the bottom of  
14 the screen we're looking at here, what is listed as the  
15 contract sales price of the Crocker mansion?

16 A. 26 million.

17 MS. MURRAY: Just a moment again, your Honor, please.  
18 No further questions.

19 THE COURT: Cross-examination.

20 MS. SHROFF: Thank you, your Honor. Could I actually  
21 have that exhibit back up. Thank you.

22 CROSS-EXAMINATION

23 BY MS. SHROFF:

24 Q. Could I have the first page of that document.

25 Good afternoon, Ms. Frosini, how are you?

O6HBGU04

Frosini - Cross

1 A. Fine. Thank you.

2 Q. Ms. Frosini, you were just shown this document by  
3 government counsel, correct?

4 A. Correct.

5 Q. And you met with government counsel before today, correct?

6 A. Via zoom.

7 Q. Zoom or otherwise, you met with her, right?

8 A. I met with Micah Fergenson, and the first time I met her on  
9 a Friday via zoom.

10 Q. Last Friday?

11 A. With Micah Fergenson, yes.

12 Q. And she showed you this document; is that correct?

13 A. No.

14 Q. I'm saying on direct right now she showed you this  
15 document?

16 A. Yes.

17 Q. Right?

18 A. Yes.

19 Q. Asked you to read it, correct?

20 A. Correct.

21 Q. Could you take a look at the document for me please, again.  
22 You've never seen it before you said, correct?

23 A. Correct.

24 Q. You have no idea whether it's accurate or not, correct?

25 A. Correct.

06HBGU04

Frosini - Cross

1 Q. Could you tell me where in the document you see the name  
2 Miles Guo?

3 A. I see the name who?

4 Q. Miles Guo.

5 A. No.

6 Q. How about May Guo?

7 A. No.

8 Q. How about wife of Miles Guo?

9 A. No.

10 Q. How about daughter of Miles Guo?

11 A. No.

12 Q. How about staff of Miles Guo?

13 A. No.

14 MS. MURRAY: Your Honor, we stipulate Miles Guo is not  
15 on this document.

16 THE COURT: All righty.

17 Q. So she also asked you about this group called Crane  
18 Advisory, correct?

19 A. Correct.

20 Q. When you met with the prosecutors on Friday, did she ask  
21 you about Crane Advisory?

22 A. No.

23 Q. Because you don't know anything about Crane, right?

24 A. Correct.

25 Q. And obviously you don't know anything about Hamilton

06HBGU04

Frosini - Cross

1 Opportunity Fund, correct?

2 A. Correct.

3 Q. And the only thing you know on here are the people that you  
4 worked with, correct?

5 A. The two attorneys.

6 Q. Right?

7 A. Correct.

8 Q. And that's Lawall & Mitchell, right?

9 A. Yes, McDonnell Whitaker and Buck Esquire. I don't know  
10 Buck Esquire personally, but I know the name.

11 Q. So we can take that down, please.

12 Now, if I could just go to Government Exhibit 1100,  
13 and if I could just have you look -- could I have it made  
14 bigger, please. Thank you so much. Could you tell the jury  
15 who generated this document?

16 A. The listing agent, the sellers agent.

17 Q. And what's a listing agent?

18 A. The listing agent represents the seller.

19 Q. And where is this document made public, who sees it?

20 A. This was made public via New Jersey multiple listing  
21 service.

22 Q. Like if somebody wants to buy a house, they see it?

23 A. Correct.

24 Q. And is it like advertisement come by my house kind of  
25 thing?

06HBGU04

Frosini - Cross

1 A. Sure. It notifies the public that the home is on the  
2 market.

3 Q. And it tries to sell the home, right?

4 A. Correct.

5 Q. It highlights the plus points of the property, correct?

6 A. Correct.

7 Q. And if you can avoid it, and if it's not required by law,  
8 you don't necessarily publish the minus parts of the property,  
9 correct?

10 MS. MURRAY: Objection, calls for speculation.

11 THE COURT: Overruled. You may answer.

12 A. Can you repeat that.

13 Q. Sure. And if it's not called for by the law, the  
14 disclosure is not called for by the law, you don't necessarily  
15 highlight the negative aspect of a property, correct?

16 A. I mean if there's something negative, I mean, you need to  
17 disclose what's on the property. I really don't understand  
18 what you're asking.

19 Q. So say if the third bedroom didn't get any sunlight, you  
20 wouldn't put it on this report, right?

21 MS. MURRAY: Objection, your Honor, same basis.

22 THE COURT: Overruled.

23 Q. You wouldn't put that on --

24 A. It's not a highlight of the house, so you wouldn't put that  
25 on there.

06HBGU04

Frosini - Cross

1 Q. So you put the highlights of the house on that listing,  
2 right?

3 A. Correct.

4 Q. So let's just scroll down for a minute, and could we keep  
5 going down, please. And here is the description of the  
6 property, correct?

7 A. Correct.

8 Q. And you did not prepare this, right?

9 A. No, I did not prepare it.

10 Q. And in talking to you about this property, the government  
11 counsel also ask you about a second property, correct?

12 A. Correct.

13 Q. And that was at Hyde Park?

14 A. Correct, Hyde Park, New York.

15 Q. Was that the name of the property or the place?

16 A. That's the town.

17 Q. And do you know the name of that property sitting here  
18 today? Do you remember it?

19 A. Ledge something, and I can't remember.

20 Q. Do you know which of the two properties was more expensive?

21 A. Ledge.

22 Q. Ledge was more expensive. The Hyde Park property was more  
23 expensive than this one?

24 A. Correct.

25 Q. Can you please keep scrolling down and keep going. If I



06HBGU04

Frosini - Cross

1 could just have that made larger. Could I ask you, is this  
2 like a standard contract?

3 A. The National Association of Realtors, this is the contract  
4 that realtors put together when you start negotiating a  
5 transaction.

6 Q. And you use the standard format, right?

7 A. Yes.

8 Q. And if we could scroll down to the signature line, and it's  
9 signed here, right?

10 A. Yes.

11 Q. And it's signed on the left side by the seller of Crocker  
12 Mansion Estate LLC, right?

13 A. Yes.

14 Q. And who's that?

15 A. The seller.

16 Q. Yeah, but who is Crocker Mansion Estate, LLC?

17 A. That's the seller's LLC.

18 Q. You don't know who it is, right?

19 Is there a Mr. and Mrs. Crocker Mansion Estate LLC?

20 A. No.

21 Q. And the buyer is whom here?

22 A. Taurus Fund SP.

23 Q. And you received this document obviously cause you E-signed  
24 it below, right?

25 A. Correct.

06HBGU04

Frosini - Cross

1 Q. And for all your purposes, the buyer is Taurus Fund SP,  
2 correct?

3 A. Correct.

4 Q. It's not Miles Guo, right?

5 A. It's Taurus Fund SP.

6 Q. And it's not Miles Guo, correct?

7 A. I don't know who it is. I didn't ask. I just prepare the  
8 contract and it goes to the attorneys.

9 Q. Right. But it doesn't say Taurus, Miles Guo, right?

10 MS. MURRAY: Asked and answered.

11 THE COURT: Sustained.

12 A. It says Taurus Fund SP. I don't know who's included in the  
13 fund.

14 Q. You knew a fund was purchasing it, correct?

15 A. When I asked the attorney who to write the contract, I was  
16 told to put Taurus Fund SP.

17 Q. If somebody wants to sell this property now, the only  
18 seller could be Taurus Fund SP, right?

19 A. I'm not an attorney. I don't know. If they changed the  
20 name, I don't know.

21 Q. I'm telling you if that document remained in place?

22 A. Right.

23 Q. The only person that could sell it, entity that could sell  
24 it, is the Taurus Fund SP, right?

25 A. Right.

O6HBGU04

Frosini - Cross

1 Q. And you reviewed this document and sent it back to whom?

2 A. I sent this document to -- once the buyer sells this  
3 document, then it goes to the seller to sign, and then it goes  
4 directly to the attorney.

5 Q. Whose attorney?

6 A. It goes to both attorneys, the sellers' attorney and the  
7 buyers' attorney.

8 Q. And is it you who sent it to both the buyers and the  
9 sellers attorney?

10 A. I distribute to the seller's attorney and buyer's, yes.

11 Q. You sent it to both the seller's attorney and buyer's  
12 attorney?

13 A. No, I think I just sent it to the buyer. Sometimes what we  
14 do if we're representing the buyer, we send it to the buyer's  
15 attorney, the listing agent who is representing the seller who  
16 then sends it to the seller's attorney, but they both get this  
17 contract.

18 Q. And once they both get the contract, are you essentially  
19 done with your part of the job?

20 A. Yes, the only thing -- yes, they disapprove of the contract  
21 and they put the riders together. And my only part after that  
22 is to schedule the inspections.

23 Q. Who files the title of the property?

24 THE COURT: All right. It is now 2:30. We're now  
25 going to take half an hour break. You may step out. Don't

O6HBGU04

Frosini - Cross

1 discuss your testimony. we'll resume at 3:00 p.m. Remember,  
2 don't discuss the case amongst yourselves. Don't permit others  
3 to discuss it in your presence. Don't read, listen or watch  
4 anything from any source that touches on the subject of this  
5 trial.

6 THE LAW CLERK: Jury exiting.

7 (Jury not present)

8 THE COURT: You may be seated. Is there anything  
9 before we resume?

10 MS. MURRAY: Not from the government, your Honor.

11 MS. SHROFF: No, your Honor. Thank you.

12 (Recess)

13

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06H1GU05

Frosini - Cross

1 (Jury not present)

2 THE COURT: Please have the jurors brought in.

3 (Jury present)

4 THE COURT: Please be seated.

5 Remember, Ms. Frosini, you're still under oath.

6 THE WITNESS: Yes.

7 THE COURT: You may continue the cross-examination.

8 MS. SHROFF: Thank you, your Honor.

9 BY MS. SHROFF:

10 Q. Ms. Frosini, you had deep experience in the real estate  
11 market in Mahwah, correct?

12 A. Correct.

13 Q. And did you live yourself—I don't need an address or  
14 anything—but did you live in that vicinity?

15 A. Yes.

16 Q. And had you sold property there before?

17 A. In Mahwah?

18 Q. Yes.

19 A. Yes.

20 Q. And would it be fair to say in fact that you were chosen to  
21 make this sale when they identified this particular property  
22 that was of interest to them?

23 A. Yes.

24 Q. Is that correct?

25 A. Yes.

O6H1GU05

Frosini - Cross

1 MS. SHROFF: Okay. If I could just pull up just for  
2 the witness and me Defense Exhibit 60612.

3 Q. Now do you know what the National Register of Historical  
4 Places is?

5 A. The—again, I'm not the listing agent, but the home,  
6 because of its historic being, was registered, but I don't know  
7 into what registries.

8 Q. And could you explain a little bit further about the  
9 historic significance of this property.

10 MS. SHROFF: You can take that down. I'm sorry.

11 A. Again, I'm not the listing agent so I don't have that  
12 detail.

13 Q. Well, you familiarized yourself with the property before  
14 you marketed it, right?

15 A. I didn't market the property. I'm not the listing agent.

16 Q. I'm sorry. I apologize. Before you were going to sell it,  
17 correct?

18 A. Yes, I know about—I know about Crocker Mansion, but I'm  
19 not sure, you know, which—where it's registered as far as  
20 historic value.

21 Q. Did you know that it was registered as an historic—

22 A. Yes, it's on the documentation that we received.

23 MS. SHROFF: Okay. And so if I could just bring 60612  
24 back up just for the witness.

25 Q. And if you could just peruse the document, if you will. If

06H1GU05

Frosini - Cross

1 I could have you look at page 1, maybe 2, 3.

2 Do you recognize this form?

3 A. No, I've never seen this form.

4 Q. I know you may not have seen it, but do you know what a  
5 National Register of Historical Places registration form is?

6 A. I've never registered a home, historically.

7 Q. Okay. But do you know what it means to be on the National  
8 Register of Historic Places?

9 A. Again, I'm familiar with registered homes as far as what  
10 you can do and what you can't do when a home is registered.  
11 But I don't—I can't answer to that.

12 Q. Okay. And do you, sitting here today, recall the many ways  
13 that this home could be used as it was registered?

14 A. No. They had it listed as a residential home.

15 Q. So do you remember if it was listed for more than one use?

16 A. No. Residential.

17 MS. SHROFF: You can take that document down.

18 Q. So according to you, this home was only registered as a  
19 residential home; that's your—

20 MS. MURRAY: Objection. Asked and answered.

21 THE COURT: Sustained.

22 Q. Do you—oh, I'm sorry.

23 A. This was listed—

24 Q. I think the judge sustained the objection so you don't—

25 THE COURT: Don't answer.

06H1GU05

Frosini - Cross

1 THE WITNESS: I'm sorry.

2 Q. And sitting here today, Ms. Frosini, do you know if that  
3 house was in fact registered to be used as a social clubhouse?

4 A. No. It's residential.

5 Q. I didn't ask you if it was residential or not. My question  
6 was: Sitting here today, do you know if that house could be  
7 used as a social clubhouse?

8 MS. MURRAY: Objection. Asked and answered.

9 THE COURT: Sustained.

10 Q. Did you familiarize yourself with the different uses this  
11 house could be put to before you sold it?

12 A. No.

13 Q. Had you been trying to sell that house before being  
14 approached by the Taurus SB Fund?

15 A. No, before this time, no.

16 Q. And when you started to sell—is it fair to say you wanted  
17 the house to sell?

18 MS. MURRAY: Objection, your Honor. Mischaracterizes.  
19 Ms. Frosini is the buyer, not the seller.

20 THE COURT: So she's not representing the seller in  
21 the transaction, she's representing the buyer. Sustained.

22 Q. You wanted somebody to buy the home, right?

23 A. I'm not the listing agent, so the seller wants the house to  
24 sell. I represented the buyer, not the listing—not the  
25 seller. I didn't represent the seller.



06H1GU05

Frosini - Cross

- 1 Q. Okay. You represented the buyer, right?
- 2 A. Correct.
- 3 Q. Do you make any money if the house is bought?
- 4 A. Yes. The broker gets a commission.
- 5 Q. Right. So if you're representing the buyer, you still want
- 6 the house to be bought, right?
- 7 A. That's our business.
- 8 Q. Exactly. How else are you going to make money, right?
- 9 A. Correct.
- 10 Q. Okay. And you wanted to make sure that the buyer went
- 11 ahead and bought, right?
- 12 A. I want the buyer to buy a house, if not from me, if it's
- 13 right for the buyer.
- 14 Q. And also it's good for you, right?
- 15 A. I can't answer the—my focus is on my clients, on my
- 16 sellers and my buyers and what's best for them. I'm not
- 17 looking at my pocket. This is my work, but I don't look at my
- 18 pocket. I do the best for my sellers and buyers.
- 19 Q. Okay. And when you want to make sure that you want to do
- 20 the best for your buyer, you want to make sure you have all the
- 21 information about the property, correct?
- 22 A. Correct.
- 23 Q. You want to be accurate about what the buyer can put the
- 24 property to use for, correct?
- 25 A. Correct, but I'm showing it as a residential home.

06H1GU05

Frosini - Cross

1 Q. You think you're selling it as a residential home, correct?

2 MS. MURRAY: Your Honor, objection. Again,  
3 mischaracterizes as the seller.

4 THE COURT: So—

5 MS. SHROFF: I'll rephrase, your Honor.

6 THE COURT: Yes.

7 Q. The buyer did not ask to see a residential home, correct;  
8 the buyer asked to see a specific property?

9 THE COURT: You may answer.

10 A. The home is listed on—as a residential. It says it on the  
11 MLS, home. The buyer asked to see the two homes, yes.

12 Q. The buyer asked to see the two properties.

13 A. The two properties, yes.

14 Q. Correct? Never said homes, said properties, correct?

15 MS. MURRAY: Objection, your Honor. The witness is  
16 testifying, not Ms. Shroff.

17 THE COURT: So you can ask her whether the buyer used  
18 the word "home" or "property."

19 Q. The buyer used the word "properties," correct?

20 A. I don't remember.

21 Q. Okay. And let me show you again what is marked as Defense  
22 Exhibit 60612 just for identification.

23 MS. SHROFF: And if I could go to page 3 of 4.

24 Your Honor, actually, could I just have one moment,  
25 please.

06H1GU05

Frosini - Cross

1 THE COURT: Yes, go ahead.

2 Q. And do you recall if this property was called Crocker  
3 McMillin Mansion/Immaculate Conception Seminary?

4 MS. SHROFF: You can take that down, please.

5 A. I personally never saw that.

6 Q. And sitting here today, do you know if various people have  
7 visited that property and that it was part of the marketing,  
8 that it was visited by certain people?

9 A. I don't—I didn't represent it for the seller so I don't  
10 know who they showed the house to.

11 Q. Okay. So because you're representing the buyer, you  
12 weren't really trying to sell, quote-unquote, the property,  
13 correct?

14 A. I wasn't marketing it. I was working for the buyer, and if  
15 the buyer wanted the property, then absolutely, I, you know,  
16 helped the buyer purchase the property.

17 Q. Fair enough. And do you know if the seller had ever  
18 marketed it as a place that made it clear it could be used as a  
19 social clubhouse?

20 MS. MURRAY: Objection, your Honor. How would  
21 Ms. Frosini know that?

22 MS. SHROFF: Because she would interact with the  
23 seller, and the seller's agent.

24 THE COURT: You may answer the question.

25 A. The seller, you know, I don't know what he did with the

O6H1GU05

Frosini - Direct

1 house.

2 Q. Fair enough.

3 MS. SHROFF: Thank you. I have nothing further.

4 THE COURT: Redirect?

5 MS. MURRAY: Thank you, your Honor.

6 REDIRECT EXAMINATION

7 BY MS. MURRAY:

8 Q. Ms. Frosini, you were asked some questions on  
9 cross-examination about the Taurus Fund. Do you recall those?

10 A. Yes.

11 Q. Who told you that the purchasing entity of the Crocker  
12 Mansion was the Taurus Fund SB?

13 A. Aaron Mitchell.

14 Q. And what individuals did Aaron Mitchell introduce you to in  
15 connection with the purchase of the Crocker Mansion?

16 A. The Guo family.

17 MS. MURRAY: Ms. Loftus, if we could please pull up  
18 Government Exhibit 1101 at page 8.

19 Q. Focusing on the first Aaron Mitchell text, Ms. Frosini,  
20 this is a question regarding the purchasing entity for the  
21 Crocker Mansion; is that correct?

22 MS. SHROFF: Objection, your Honor. Beyond the scope.

23 THE COURT: Overruled. You may answer.

24 A. What—Aaron said he needed to check to see who was going to  
25 be, yes, the purchasing entity.

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FROSINI - RECROSS

1 Q. And do you know with whom, if anyone, in the UK Aaron  
2 Mitchell checked to find out the name of the purchasing entity?

3 A. No.

4 MS. MURRAY: Thank you, your Honor. Nothing further.

5 MS. SHROFF: May I, your Honor?

6 THE COURT: You may.

7 MS. SHROFF: Could you put that back up, please.

8 Thank you.

9 Can we make it larger.

10 RECROSS EXAMINATION

11 BY MS. SHROFF:

12 Q. You're texting back and forth with Aaron Mitchell, correct?

13 A. Correct.

14 Q. "Aaron, please call me. Thx." That's you texting?

15 A. Yes.

16 Q. And then he texts you back, correct?

17 A. Correct.

18 Q. December 1, 2021?

19 A. Correct.

20 Q. At 5:47 p.m.?

21 A. Correct.

22 Q. "Need to speak to someone in UK re: purchasing entity."

23 A. That's what Aaron said.

24 Q. What's an entity?

25 A. Because I had asked—

06H1GU05

Frosini - Redirect

1 Q. What's an entity?

2 A. Entity who's purchasing the property, the home.

3 Q. It's not a person, correct?

4 A. The—correct.

5 Q. It's not an individual, correct?

6 A. Correct.

7 Q. And he says, "Will get back to you tomorrow am," and he's  
8 going to talk to someone in the UK?

9 A. Yes, correct.

10 Q. And you say, "Thanks Aaron," correct?

11 A. Correct.

12 Q. Nothing further from you on that topic, correct?

13 A. Correct.

14 Q. No question who's the entity, correct?

15 A. Correct.

16 Q. Nothing at all about the purchasing entity, correct?

17 A. Correct.

18 MS. SHROFF: Nothing further.

19 MS. MURRAY: Just briefly, your Honor.

20 REDIRECT EXAMINATION

21 BY MS. MURRAY:

22 Q. Ms. Frosini, do you know where William Je lives?

23 A. William Je?

24 MS. SHROFF: Objection. Beyond the scope.

25 THE COURT: Overruled. You may answer it.

06H1GU05

Reyes - Direct

1 A. Excuse me. Who?

2 Q. William Je.

3 A. No.

4 MS. MURRAY: Thank you. Nothing further.

5 MS. SHROFF: I have one more question, your Honor.

6 RECROSS EXAMINATION

7 BY MS. SHROFF:

8 Q. Do you even know who William Je is?

9 A. No.

10 MS. SHROFF: All right. Thank you.

11 THE COURT: All righty. So you may step out. Thank  
12 you.

13 THE WITNESS: Thank you.

14 THE COURT: And the government may call its next  
15 witness.

16 (Witness excused)

17 MR. FINKEL: The government calls Limarie Reyes.

18 THE LAW CLERK: Would you please raise your right  
19 hand.

20 (Witness sworn)

21 THE LAW CLERK: Thank you.

22 THE COURT: All righty. Please be seated. And bring  
23 the microphone very close to your mouth so that we can hear  
24 you. Speak up. Say your name and spell it.

25 THE WITNESS: My name is Limarie Reyes, spelled

06H1GU05

Reyes - Direct

1 L-I-M-A-R-I-E, R-E—

2 THE COURT: So I'm having trouble hearing you, so you  
3 really have to bring the microphone all the way to your mouth  
4 and speak loud, into the microphone.

5 THE WITNESS: My name is Limarie Reyes, spelled  
6 L-I-M-A-R-I-E, R-E-Y-E-S.

7 THE COURT: You may inquire.

8 MR. FINKEL: Thank you, your Honor.

9 LIMARIE REYES,  
10 called as a witness by the Government,  
11 having been duly sworn, testified as follows:

12 DIRECT EXAMINATION

13 BY MR. FINKEL:

14 Q. Good afternoon.

15 A. Good afternoon.

16 Q. What area of the country do you live in?

17 A. Puerto Rico.

18 Q. Where do you currently work?

19 A. I've been unemployed. I'm working right now in my business  
20 for events.

21 Q. For what?

22 A. Event planning.

23 Q. What's the name of that business?

24 A. Sprinkle Events.

25 Q. What kind of events does Sprinkle Events plan?



06H1GU05

Reyes - Direct

1 A. We do kids' parties, birthday parties, small corporate  
2 events as well.

3 Q. How many employees does Sprinkle Events have?

4 A. Just me.

5 Q. How many events has Sprinkle Events planned?

6 A. Roughly around five.

7 Q. And you said kids' parties. How old are the children for  
8 the parties?

9 A. One year, mainly, and 10.

10 Q. How long have you worked at—or had Sprinkle Events?

11 A. Since November.

12 Q. What's the approximate budget of the events at Sprinkle  
13 Events, for those five events?

14 A. Roughly around 2500.

15 Q. Now you said before Sprinkle Events that you were  
16 unemployed for a bit?

17 A. Yes.

18 Q. Before that, where did you work?

19 A. I worked at G/CLUBS.

20 Q. And what was your role at G/CLUBS?

21 A. Changed over time. I started as VP of marketing and  
22 events; later on I became the interim CEO and later the CEO.

23 THE COURT: So I'll need you to just get very close to  
24 the microphone so that everyone in the courtroom can hear you.

25 Q. When did you start at G/CLUBS, approximately?

06H1GU05

Reyes - Direct

1 A. December 2020.

2 Q. And what was your title when you started?

3 A. VP of marketing and events.

4 Q. And when did you become, you said, the interim CEO?

5 A. Around February 2021.

6 Q. And when did you become the CEO?

7 A. Around summer 2021.

8 Q. Ms. Reyes, as the CEO of G/CLUBS, did you have final  
9 decision-making authority on all matters concerning G/CLUBS?

10 A. No, I did not.

11 Q. Were you in charge of G Club?

12 A. No, I was not.

13 Q. As part of your role as CEO, did you get updated on the  
14 revenues, the monthly revenues of G/CLUBS?

15 A. Not on a regular basis, no.

16 Q. Did you set the budget at G/CLUBS?

17 A. No.

18 Q. As the CEO of G/CLUBS, who did you report to?

19 A. I reported to the ultimate beneficial owner, UBO, Mr. He.

20 THE COURT: Okay. So your voice is very low, and I  
21 need for you to speak up because the reporter here is writing  
22 down what you say, and also all the people in the back row,  
23 they need to hear you, so speak loudly.

24 THE WITNESS: Sorry.

25 Q. Who did you report to? When you were the CEO of G/CLUBS,

06H1GU05

Reyes - Direct

1 who did you report to?

2 A. Mr. He.

3 Q. What was his first name?

4 A. Haoran He.

5 Q. How do you spell He?

6 A. H-E.

7 Q. Did you report to anybody else?

8 A. Yes, I reported to Yvette as well.

9 Q. What's her last name?

10 A. Wang.

11 Q. When did you leave G/CLUBS?

12 A. March 2023.

13 Q. So in total, Ms. Reyes, how long were you the interim and  
14 CEO of G/CLUBS?

15 A. I was with G/CLUBS around two and a half years.

16 Q. And what was your understanding of what G/CLUBS was  
17 supposed to be?

18 A. It was a membership club that provided benefits to its  
19 members.

20 Q. Was G/CLUBS a political organization?

21 A. No.

22 Q. How much did it cost to become a G/CLUBS member?

23 A. It depended on the different tiers. It would range from  
24 \$10,000 to \$50,000, depending on the tier.

25 Q. And how many tiers were there?

06H1GU05

Reyes - Direct

1 A. Five.

2 Q. How much did each tier cost?

3 A. Tier 1 was 10,000; tier 2, 20,000; tier 3, 30,000; tier 4,  
4 40,000; tier 5, 50,000.

5 Q. Was there a yearly fee for membership?

6 A. Yes. So after the initial fee, the yearly fee was  
7 5 percent of their tier.

8 Q. And if a member didn't pay their yearly fee, what happened  
9 to their membership?

10 A. It would get inactivated.

11 Q. And if it was inactivated, could the member use the  
12 benefits that G/CLUBS provided?

13 A. No.

14 Q. Ms. Reyes, did G/CLUBS provide its members stock in  
15 G/CLUBS?

16 A. No, it did not.

17 Q. Did G/CLUBS provide its members stock in G Fashion?

18 A. No.

19 Q. Did G/CLUBS provide its members stock in any company?

20 A. No.

21 Q. Was G/CLUBS an investment club?

22 A. No.

23 MR. FINKEL: Ms. Loftus, if we can please display  
24 what's in evidence as GX C160-V. Go to 11:35.

25 Q. Ms. Reyes, do you recognize the individual on your screen?

06H1GU05

Reyes - Direct

1 A. Yes.

2 Q. Who is it?

3 A. Mr. Guo.

4 Q. What's his first name?

5 A. Miles Guo.

6 Q. Do you know him by any other names?

7 A. Kwok.

8 Q. How do you spell that?

9 A. K-W-O-K? I'm not sure.

10 Q. Did people that you worked with at G/CLUBS and yourself  
11 call Miles Guo by any other titles?

12 A. I've heard Boss, principal.

13 MR. FINKEL: Ms. Loftus, you can play that, please.

14 (Video played)

15 MR. FINKEL: Pause right there.

16 Q. Ms. Reyes, is what Mr. Guo just said, that if you get a  
17 \$50,000 membership with G Club you get G Fashion stocks, true?

18 A. No.

19 Q. Do you see Mr. Guo in the courtroom here today?

20 A. Yes.

21 Q. Can you point him out—

22 MR. KAMARAJU: We'll stipulate to identity, your  
23 Honor.

24 THE COURT: All righty. Go ahead.

25 Q. Is it true that memberships at G Club were limited, that

06H1GU05

Reyes - Direct

1 there was only certain space available?

2 A. No.

3 MR. FINKEL: You can take that down.

4 Q. At the time that you were working at G/CLUBS, had you seen  
5 that video that we just watched here in court?

6 A. Not that I recall, no.

7 Q. When you were the CEO of G/CLUBS, Ms. Reyes, did there come  
8 a time when you became aware that G/CLUBS members expected to  
9 receive stock?

10 A. Yes, there was a time.

11 THE COURT: All right. I have to remind you to keep  
12 your voice up so that the jury and the rest of us can hear your  
13 testimony.

14 Q. You can move the microphone as close to you as you like.  
15 Feel free to move it to make yourself comfortable. Try to  
16 speak directly into the mic, okay?

17 Ms. Reyes, what was your understanding as to why  
18 G/CLUBS members expected, or some of them expected to receive  
19 stock when they purchased a G/CLUBS membership?

20 MR. KAMARAJU: Objection.

21 THE COURT: Overruled.

22 Q. You can answer.

23 A. Could you repeat the question. Sorry.

24 Q. What was your understanding as to why some G/CLUBS members  
25 expected to receive stock when they purchased a G/CLUBS

06H1GU05

Reyes - Direct

1 membership?

2 A. There had been a video where Mr. Guo had mentioned that  
3 they would get stock.

4 Q. Ms. Reyes, when you were the CEO of G/CLUBS, when did you  
5 tell Mr. Guo that he shouldn't say that G/CLUBS members receive  
6 stock?

7 MR. KAMARAJU: Objection. Lack of foundation.

8 THE COURT: All righty. So let's take it a little  
9 slower.

10 MR. FINKEL: Sure.

11 Q. Ms. Reyes, did there come a time, if ever, when you were  
12 the CEO of G/CLUBS where you told Mr. Guo to not say in videos  
13 that G/CLUBS members receive stock?

14 A. No, I did not.

15 Q. Why didn't you say that to him?

16 A. I didn't feel I had the authority to say that to him.

17 Q. What do you mean you didn't feel like you had the authority  
18 to say that to Mr. Guo?

19 A. I didn't view myself as a person to say that. I would rely  
20 on the owner, not me.

21 Q. Who's that?

22 A. Mr. He.

23 Q. We'll go back to G/CLUBS in a moment.

24 Ms. Reyes, are you testifying here pursuant to an  
25 agreement with the government?

06H1GU05

Reyes - Direct

1 A. Yes.

2 Q. And what type of agreement, or what is that agreement  
3 called?

4 A. Nonprosecution agreement.

5 Q. And what is your understanding of what your obligations are  
6 under that nonprosecution agreement?

7 A. I have to tell the truth, provide information when asked,  
8 attend meetings, testify if requested, and not commit crimes.

9 Q. And if you meet your obligations under the nonprosecution  
10 agreement, what has the government promised to do for you?

11 A. Not charge with any crimes during my time in G/CLUBS.

12 Q. I didn't hear the last part.

13 A. During my time in G/CLUBS.

14 THE COURT: So maybe if you just get so close to the  
15 microphone that you're almost touching it. Get very close.

16 MR. FINDEL: You can move the microphone. It's okay.  
17 All right? You can move it.

18 Q. Aside from the nonprosecution agreement covering you for  
19 your conduct at G/CLUBS, does it cover you for anything else?

20 A. Sorry. Could you repeat that.

21 Q. Sure. You said the nonprosecution agreement, if you meet  
22 what you have to do under it, the government won't charge you  
23 for your work when you worked at G/CLUBS. Aside from that, is  
24 there anything else that the government won't charge you for?

25 A. No.



06H1GU05

Reyes - Direct

1 Q. If you lie here today, what would happen to your  
2 nonprosecution agreement?

3 A. It would get canceled, null.

4 Q. And if you lie here today, could you be charged for  
5 perjury?

6 A. Yes.

7 Q. And the statements that you provided to the government in  
8 the past, could those be used against you if your  
9 nonprosecution agreement is torn up?

10 A. I believe so.

11 Q. How many times have you met with the government in advance  
12 of your testimony today, approximately?

13 A. I would say more than ten.

14 Q. Ms. Reyes, does the outcome of this trial or any trial have  
15 any impact on whether your nonprosecution agreement gets torn  
16 up or not?

17 MR. KAMARAJU: Objection to form.

18 Q. I'll rephrase it. Withdrawn.

19 Does the outcome of this trial have any impact on your  
20 nonprosecution agreement?

21 A. No.

22 Q. Who's Steve Weber?

23 A. Steve Weber is the recruiting person that interviewed me  
24 for my role in G/CLUBS.

25 Q. And after you interviewed with Steve Weber who, if anyone,

06H1GU05

Reyes - Direct

1 did you interview with?

2 A. I interviewed with Jessica and Yvette.

3 MR. FINKEL: Can we please display what's in evidence  
4 as Government Exhibit 102.

5 Q. Ms. Reyes, who is depicted in Government Exhibit 102?

6 A. Yvette.

7 Q. What questions did Yvette ask you during your interview for  
8 G/CLUBS?

9 A. She asked me about my history and my past jobs, my event  
10 experiences, what I—what I had done prior.

11 Q. Ms. Reyes, what languages do you speak?

12 A. Spanish and English.

13 Q. Do you speak Mandarin?

14 A. No.

15 Q. Did Ms. Wang ask you if you spoke Mandarin?

16 A. Not that I recall.

17 Q. Did Yvette ask you about your political beliefs?

18 A. Not that I recall.

19 Q. Did she ask you about the Chinese Communist Party?

20 A. Not that I recall.

21 Q. Did she ask you your position, if any, on democracy in  
22 China?

23 A. Not that I recall.

24 Q. What is your position, if any, on the Chinese Communist  
25 Party?

06H1GU05

Reyes - Direct

1 A. I don't have a position.

2 Q. Do you follow Chinese politics?

3 A. No.

4 Q. Would you say you're familiar with Chinese culture?

5 A. No.

6 Q. Did Yvette mention anything during your interview about the  
7 New Federal State of China?

8 A. Not that I recall.

9 Q. Are you a member of the New Federal State of China?

10 A. No.

11 Q. Did Yvette mention that G/CLUBS had anything to do with the  
12 whistleblower movement during your interview?

13 A. Not that I recall.

14 MR. FINKEL: If we can display what's been marked for  
15 identification as GX BR470, just for the witness, please.

16 Go to the next page, please.

17 Next page.

18 Take that down for a second.

19 One moment, please.

20 BY MR. FINKEL:

21 Q. Ms. Reyes, in connection with your interview with Yvette,  
22 did Yvette mention someone named Victor?

23 A. Sorry. During my—

24 Q. In connection with your interview for G/CLUBS, before you  
25 were hired with Yvette, did Yvette mention someone named

06H1GU05

Reyes - Direct

1 Victor?

2 A. Not during the interview, but through the—the different  
3 communications, yes.

4 Q. And who was Victor?

5 A. At the time I didn't know, but later on I learned that he's  
6 an attorney.

7 Q. What's his last name?

8 A. Cerda.

9 MR. FINKEL: Can you please display what's in evidence  
10 as GX 109.

11 Q. Who is this individual in GX 109?

12 A. Victor.

13 Q. Why did Yvette mention Victor during your interview process  
14 with G/CLUBS; do you know?

15 A. I don't know.

16 MR. KAMARAJU: Objection to form.

17 THE COURT: Sustained. How can she possibly know  
18 what's in the mind of Yvette?

19 Q. Did Yvette say anything about why she mentioned Victor in  
20 the context of your interview for G/CLUBS?

21 A. That he might be reaching out.

22 Q. For what?

23 A. Interview.

24 Q. After interviewing with Yvette, were you hired?

25 A. Yes, I was hired.

06H1GU05

Reyes - Direct

1 Q. In what role?

2 A. VP of marketing and events.

3 Q. And what was your salary when you started at G/CLUBS?

4 A. Roughly around 100,000.

5 Q. And the job you were working at before G/CLUBS, what were  
6 you doing at that job?

7 A. Events manager.

8 Q. What was your salary at that prior job?

9 A. Around 60,000.

10 Q. When you started, Ms. Reyes, where were G/CLUBS' offices  
11 located?

12 A. When I started, it was a co-working space, and later then  
13 we got our office space in San Juan.

14 Q. And the co-working space was where?

15 A. San Juan.

16 Q. Puerto Rico?

17 A. Correct.

18 Q. How many employees were there when you started at the  
19 co-working space in San Juan, Puerto Rico?

20 A. Just me.

21 Q. What was your understanding, if any, about why G/CLUBS was  
22 based in Puerto Rico?

23 A. To my understanding was to benefit from the tax incentives.

24 Q. When you were working at G/CLUBS, Ms. Reyes, how were you  
25 paid?

06H1GU05

Reyes - Direct

- 1 A. Via direct deposit.
- 2 Q. And did G/CLUBS provide health insurance?
- 3 A. Yes.
- 4 Q. Was there a payroll system?
- 5 A. Yes.
- 6 Q. And when you were at G/CLUBS, did you believe it was a  
7 legitimate business?
- 8 A. Yes.
- 9 Q. Did you believe you were committing any crimes?
- 10 A. No.
- 11 Q. Were there other employees hired after you?
- 12 A. Yes.
- 13 Q. During your time at G/CLUBS, approximately how many  
14 employees were there? What was the range?
- 15 A. 14.
- 16 Q. And you said that you moved from the co-working space to  
17 another office; is that correct?
- 18 A. Yes.
- 19 Q. And where was that other office located?
- 20 A. San Juan as well.
- 21 Q. And where? Was it an office building? Can you describe  
22 what the office was like.
- 23 A. Yes, it was an office building in San Juan area. It was a  
24 floor. It had views to the ocean.
- 25 Q. Did there come times while you were employed at G/CLUBS

06H1GU05

Reyes - Direct

1 where the cable or internet would go out?

2 A. Yes.

3 Q. And what would the employees say, if anything, when that  
4 would happen?

5 A. They would joke about it was the CCP.

6 Q. It was what?

7 A. The CCP.

8 Q. Why would employees joke that it was the CCP when the  
9 internet went out?

10 A. Because we had heard that many things were due to the CCP.

11 Q. Do you believe the CCP put the cable out at G/CLUBS?

12 MR. KAMARAJU: Objection.

13 THE COURT: Overruled. You may say what you believe.

14 Q. You can answer.

15 A. I don't know.

16 Q. As far as you know, when did G/CLUBS start? Do you know a  
17 date?

18 A. 2020.

19 Q. And you mentioned Haoran He; is that correct?

20 A. Yes.

21 Q. What was your understanding of his role at G/CLUBS?

22 A. The ultimate beneficial owner.

23 MR. FINKEL: If we can please display what's been  
24 marked for identification as GX 112.

25 Q. Do you recognize the individual depicted in GX 112?

06H1GU05

Reyes - Direct

1 A. Yes.

2 Q. Who is it?

3 A. Mr. He.

4 MR. FINKEL: Government offers 112.

5 MR. KAMARAJU: No objection.

6 THE COURT: It is admitted.

7 (Government's Exhibit 112 received in evidence)

8 Q. Ms. Reyes, in what manner did you communicate with Mr. He?

9 A. I communicated with him via email, WhatsApp, and voice  
10 calls.

11 Q. What was his email address, Mr. He's email address?

12 A. Coolhhr@protonmail.com.

13 Q. What is Proton Mail?

14 A. The email base that he used.

15 Q. What was your email address at G/CLUBS?

16 A. Lreyes@gclubs.com.

17 Q. Why did your email address end at gclubs.com but Mr. He had  
18 a Proton Mail address?

19 MR. KAMARAJU: Objection to form.

20 THE COURT: I'll permit the question.

21 Q. You can answer.

22 A. I don't know.

23 Q. The other employees you worked with in Puerto Rico, did  
24 they have Proton email addresses or G/CLUBS email addresses?

25 A. G/CLUBS.



O6H1GU05

Reyes - Direct

1 Q. What was your understanding of where Mr. He was located?

2 A. Where did he live?

3 Q. Yeah.

4 A. In the UK.

5 Q. Did Mr. He ever visit the office in Puerto Rico?

6 A. No.

7 Q. How many times had you met Mr. He in person?

8 A. Twice.

9 Q. How frequently would you speak with Mr. He when you were  
10 the interim and CEO of G/CLUBS?

11 A. It would depend on the task. Not frequently, just—as per  
12 his request.

13 Q. What sort of tasks did Mr. He assign you?

14 A. Different tasks. It would vary from requesting to do  
15 loan—loan agreements, or reaching out to potential partners,  
16 supporting documents for banking.

17 Q. What do you mean by loan agreements?

18 A. A request would come to do a—a loan for some specifics,  
19 and we would create the—the package of the different  
20 documents.

21 Q. Who would the requests for a loan come from?

22 A. Depending. It could come from Mr. He, sometimes Yvette.

23 Q. Did you ever decide to make loans?

24 A. No, I did not.

25 Q. What entities, if any, did G/CLUBS send loans to?

06H1GU05

Reyes - Direct

1 A. It would be G Club Operations to G Club International BVI.

2 Q. Did G/CLUBS make any loans to any people?

3 A. There was one that was to an individual, yes.

4 Q. What was the name of that individual that G/CLUBS sent a  
5 loan to?

6 A. Mileson.

7 Q. Who is Mileson?

8 A. Mr. Guo's son.

9 Q. Approximately how many loans did Mr. He request that you  
10 help facilitate?

11 A. Not exactly sure, but more than five.

12 Q. What was the total dollar amount of loans that Mr. He  
13 requested you help facilitate?

14 A. I don't remember specifically.

15 Q. Approximately how much?

16 A. I would say in the millions.

17 Q. How many millions?

18 A. Maybe more than a hundred.

19 Q. More than a hundred million?

20 A. Yes.

21 Q. How did Mr. He treat you when you were an employee of  
22 G/CLUBS?

23 A. It would depend, but there were—there were instances where  
24 he would raise his voice. There were some times that I felt  
25 not valued. He would say that "you Puerto Ricans are slow."

06H1GU05

Reyes - Direct

1 Q. What did Mr. He complain that you were being slow about?

2 A. Different tasks, but it was a—it was slow.

3 Q. You mentioned that there was a loan made to Mileson from  
4 G/CLUBS. What was your understanding, if any, about the nature  
5 of the relationship between Mr. He and Mileson?

6 A. I knew they were college friends.

7 MR. FINKEL: Could we put up GX 102, please,  
8 Ms. Loftus.

9 Q. Ms. Reyes, to your knowledge was Yvette on the payroll at  
10 G/CLUBS?

11 A. No.

12 Q. Did she have an official title at G/CLUBS?

13 A. No.

14 Q. What did you refer to her as and other people refer to her  
15 as at G/CLUBS?

16 MR. KAMARAJU: Objection to form.

17 THE COURT: So break it up, please.

18 MR. FINKEL: I apologize.

19 Q. What was Yvette referred to as at G/CLUBS?

20 A. Her—her name.

21 Q. Was she referred to by anything other than her name?

22 A. As a representative.

23 Q. Representative of what, or who?

24 A. Just representative, but I viewed as representative of  
25 Mr. He.

06H1GU05

Reyes - Direct

1 Q. What sort of things did Yvette work on for G/CLUBS?

2 A. She would provide instructions in different matters from  
3 loans to finance, but just for—for events, at some point  
4 reviewing PRF forms, different aspects, legal.

5 Q. You mentioned loans. Same sort of loans that you talked  
6 about a moment ago with Mr. He?

7 A. Yes.

8 Q. In what ways did you communicate with Yvette?

9 A. It changed through time. Very early, it was email, then  
10 WhatsApp, then Signal, and voice calls as well.

11 Q. How did Yvette treat you as an employee of G/CLUBS?

12 A. She treated me well. It was when things were not  
13 necessarily—we had recommendations different that it could  
14 become a little bit tense.

15 Q. What is an issue that became tense with Yvette?

16 A. I do recall there was a time that there had been a request  
17 to transfer some funds and the recommendation was not to do so,  
18 and it was tense in that way. There was a time where—

19 THE COURT: One moment. Whose recommendation was not  
20 to do so and who made the request?

21 THE WITNESS: So legal recommendation was not to do  
22 so.

23 THE COURT: When you say legal, do you mean an  
24 attorney?

25 THE WITNESS: Counsel, yes.

06H1GU05

Reyes - Direct

1 THE COURT: Okay. Go ahead. And who made the  
2 request?

3 THE WITNESS: Yvette in this case.

4 BY MR. FINKEL:

5 Q. And the attorney who recommended not to do the transfer,  
6 that attorney was in-house counsel at G/CLUBS?

7 A. Yes.

8 Q. And when you relayed that recommendation to Yvette, what  
9 was her response?

10 A. That we would have to do it and—not the exact words, but  
11 like if we didn't do it, it was like—it was on me, like it was  
12 my fault if something went wrong.

13 Q. How much money was that transfer?

14 A. To the best of my recollection, around 5 million.

15 Q. Where was that transfer to?

16 A. To a bank. I'm not sure which one.

17 Q. How did that make you feel when Yvette said that if you  
18 don't do the transfer, it would be on you?

19 A. I felt that it was unfair.

20 Q. Why?

21 A. Because I was relaying the suggestion from—from counsel,  
22 and I understood that to be—I'd rely on their advice.

23 Q. Did you ask Yvette any questions about why this transfer  
24 would be on you if it didn't go through?

25 A. No, I don't recall that.

06H1GU05

Reyes - Direct

1 Q. Did you ask Yvette any questions about why this transfer  
2 should happen even though counsel said it shouldn't?

3 A. I do not recall.

4 Q. Did you ask any questions about whether we could wait,  
5 G/CLUBS could wait to do the transfer another time?

6 A. No, I—I do recall that was the instruction.

7 Q. When you got instructions from Yvette, did you generally  
8 ask her many questions?

9 A. No.

10 Q. When you got instructions from Mr. He, did you generally  
11 ask him any questions?

12 A. No.

13 Q. The transfer you were just speaking about a moment ago with  
14 Yvette, did you go through with it? Did you process it?

15 A. Ultimately, yes.

16 Q. Did Yvette express to you—well, withdrawn.

17 MR. FINKEL: We can take that down, Ms. Loftus. And  
18 if we could display for the witness what's been marked for  
19 identification as GX 101.

20 Q. Who's that?

21 A. Mr. Guo.

22 MR. FINKEL: Government offers 101.

23 MR. KAMARAJU: No objection.

24 THE COURT: It is admitted.

25 (Government's Exhibit 101 received in evidence)

06H1GU05

Reyes - Direct

1 Q. What was Miles Guo's title at G/CLUBS?

2 A. He was a spokesperson for G/CLUBS.

3 Q. And what did you understand that to mean, to be a  
4 spokesperson?

5 A. To speak on behalf of the company.

6 Q. On behalf of who?

7 A. Of the company.

8 Q. Company being?

9 A. G/CLUBS.

10 Q. As far as you know, how much was Miles Guo paid for his  
11 role as spokesperson of G/CLUBS?

12 A. He was not paid.

13 MR. FINKEL: May I approach, your Honor.

14 THE COURT: You may.

15 MR. FINKEL: Handing the witness a binder.

16 Q. And Ms. Reyes, if you could take a look at that binder and  
17 flip through it.

18 MR. FINKEL: And your Honor, I'll represent that that  
19 binder contains the following Government Exhibits, which have  
20 been marked for identification: GX 1850, GX 1850A; and then  
21 the following exhibits in the GX GC series: GX GC3, 27, 28,  
22 33, 37, 38, 40, 43, 54, 59, 60, 93, 95; 121, 122, 197, 126,  
23 136, 150A, 150, 157, 158, 160, 168, 175, 178, 184, 187, 189,  
24 198; 209, 213, 218, 220, 221, 222, 227, 228, 233, 242, 254,  
25 276, 286, 292, 293, 299; 300, 307, 309, 317, 318, 332, 334,

06H1GU05

Reyes - Direct

1 340, 341, 346, 363, 365, 372, 376, 377, 379, 380, 382, 387,  
2 389, 392, 393; 483, 484, 485, 486, 487, 422, 423, 424, 405,  
3 406, 409, 415, 416, 418, 419, 422, 427, 428, 431, 432, 433,  
4 436, 438, 441, 443, 444, 450, 452, 453, 454, 455, 467, 470,  
5 476, 480, 484, 486, 487, 494, 495, 497; 504, 541, 517, 518,  
6 520, 521, 522, 525, 526, 527, 528, 530-534, 536-538, 540, 544,  
7 547, 549, 553, 553A, and 550.

8 BY MR. FINKEL:

9 Q. Ms. Reyes, would you flip through that binder.

10 A. Yes.

11 Q. Have you previously reviewed the contents of that binder?

12 A. Yes.

13 Q. Is there a signature on the front of the binder?

14 A. Yes.

15 Q. Whose signature is it?

16 A. Mine.

17 Q. At a high level, what are the kinds of documents in that  
18 binder?

19 A. Emails, sent by me or received by me, loan documents.

20 Q. From what entity?

21 A. G/CLUBS.

22 MR. FINKEL: The government offers those exhibits that  
23 I mentioned previously and hopefully don't have to read again,  
24 unless you'd like me to.

25 (Counsel conferring)



O6H1GU05

Reyes - Direct

1 MR. KAMARAJU: No objection, and we don't require it  
2 to be read again.

3 THE COURT: I didn't hear. You said no objection and?

4 MR. KAMARAJU: And we don't request that all the  
5 exhibits be read again.

6 THE COURT: Okay. All right. So they're all  
7 admitted.

8 MR. FINKEL: Thank you, your Honor.

9 (Government's Exhibits 1850, 1850A received in  
10 evidence)

11 (Government's Exhibits GC3, GC27, GC28, GC33, GC37,  
12 GC38, GC40, GC43, GC54, GC59, GC60, GC93, GC95 received in  
13 evidence)

14 (Government's Exhibits GC121, GC122, GC197, GC126,  
15 GC136, GC150A, GC150, GC157, GC158, GC160, GC168, GC175, GC178,  
16 GC184, GC187, GC189, GC198 received in evidence)

17 (Government's Exhibits GC209, GC213, GC218, GC220,  
18 GC221, GC222, GC227, GC228, GC233, GC242, GC254, GC276, GC286,  
19 GC292, GC293, GC299 received in evidence)

20 (Government's Exhibits GC300, GC307, GC309, GC317,  
21 GC318, GC332, GC334, GC340, GC341, GC346, GC363, GC365, GC372,  
22 GC376, GC377, GC379, GC380, GC382, GC387, GC389, GC392, GC393  
23 received in evidence)

24 (Government's Exhibits GC483, GC484, GC485, GC486,  
25 GC487, GC422, GC423, GC424, GC405, GC406, GC409, GC415, GC416,

O6H1GU05

Reyes - Direct

1 GC418, GC419, GC422, GC427, GC428, GC431, GC432, GC433, GC436,  
2 GC438, GC441, GC443, GC444, GC450, GC452, GC453, GC454, GC455,  
3 GC467, GC470, GC476, GC480, GC484, GC486, GC487, GC494, GC495,  
4 GC497 received in evidence)

5 (Government's Exhibits GC504, GC541, GC517, GC518,  
6 GC520, GC521, GC522, GC525, GC526, GC527, GC528, GC530-534,  
7 GC536-538, GC540, GC544, GC547, GC549, GC553, GC553A, and GC550  
8 received in evidence)

9 BY MR. FINKEL:

10 Q. Did Mr. Guo have a contract with G/CLUBS?

11 A. Yes.

12 MR. FINKEL: Okay. If we can display what's in  
13 evidence as Government Exhibit 541. GX GC541.

14 Q. What is this document, Ms. Reyes?

15 A. It's an agreement between G/CLUBS and Mr. Guo.

16 Q. Okay. And it says, "By and between Guo Wengui." Who do  
17 you understand that to be?

18 A. Mr. Guo.

19 MR. FINKEL: You can zoom out of that, please.

20 Q. And do you see under (b) at the bottom, where it says  
21 termination by the company for cause?

22 A. Yes.

23 MR. FINKEL: Zoom in on that, please, Ms. Loftus.

24 Q. Ms. Reyes, when you were the CEO of G/CLUBS, did you  
25 believe that you could fire Guo as the spokesperson for

06H1GU05

Reyes - Direct

1 G/CLUBS?

2 MR. KAMARAJU: Objection. Calls for a legal  
3 conclusion.

4 THE COURT: Overruled. You can say whether you  
5 believed you could fire him or not.

6 A. I didn't feel like I could fire him.

7 MR. FINKEL: You can zoom out of that. Go to the next  
8 page, please.

9 And can you zoom in on paragraph 3, Ms. Loftus.

10 Q. So here it says Consideration - Level 5 Membership. What,  
11 if anything, do you understand Guo was provided for his role as  
12 spokesperson for G/CLUBS?

13 A. He was entitled to a membership.

14 Q. To your knowledge did he receive anything else aside from  
15 the Level 5 membership?

16 A. Not that I was aware.

17 Q. Who negotiated this contract?

18 A. I wouldn't know.

19 Q. Who decided to make Guo the spokesperson?

20 A. I don't know.

21 Q. Did you ask any questions about why Guo was the  
22 spokesperson?

23 A. No. He was already there when I started.

24 Q. And when you started, did you ask any questions about why  
25 Guo was the spokesperson?

06H1GU05

Reyes - Direct

1 A. No.

2 Q. Did you ask any questions about this consulting agreement?

3 A. No.

4 MR. FINKEL: Ms. Loftus, can you zoom out of that and  
5 go to page 7.

6 Okay. Take that down.

7 Q. At the time that you were at G/CLUBS, Ms. Reyes, in what  
8 ways, if any, did G/CLUBS promote itself?

9 A. The spokesperson was Mr. Guo, and through word of mouth,  
10 the—the farms, they would reach out to like-minded people.

11 Q. And how did Guo as the spokesperson promote G/CLUBS, to  
12 your knowledge, at the time?

13 A. Through his videos.

14 Q. Did you watch his videos?

15 A. No.

16 Q. How many members did G/CLUBS have?

17 A. Depending. It would increase, but by the time that I  
18 resigned, around 8,000.

19 Q. You mentioned that another way G/CLUBS was promoted was  
20 word of mouth. Did you say through the farms?

21 A. Yes.

22 Q. What are the farms?

23 A. I don't know exactly how to describe it, but it's a group  
24 of like-minded people that are located in different parts.

25 Q. Who explained the farms to you?

O6H1GU05

Reyes - Direct

1 A. It wasn't an explanation of what they were. It was just  
2 that they—that they referenced the farms.

3 Q. Did you ask Yvette how the farms got involved in promotion  
4 of G/CLUBS?

5 A. Not that I recall.

6 Q. Did you ask Mr. He how the farms got involved in the  
7 promotion of G/CLUBS?

8 A. Not that I recall.

9 Q. How were the farms, to your knowledge, if you know,  
10 involved in promoting G/CLUBS?

11 A. I do not know.

12 Q. Were you a member of a farm?

13 A. No.

14 Q. What is your understanding of where the 8,000 or so G/CLUBS  
15 members were located?

16 A. They're located throughout the world.

17 Q. And what was your understanding of what language they  
18 spoke?

19 MR. KAMARAJU: All of them?

20 MR. FINKEL: Yes.

21 Q. What was your understanding, generally speaking, of the  
22 languages that the 8,000 G/CLUBS members spoke?

23 A. Most of them Mandarin.

24 Q. Do you believe, when you were the CEO of G/CLUBS, that you  
25 were familiar with the like-minded ideology that you mentioned

06H1GU05

Reyes - Direct

1 before of the G/CLUBS members?

2 A. If I was familiar?

3 Q. Yeah.

4 A. No.

5 Q. Of the 8,000 or so G/CLUBS members, approximately how many  
6 have you spoken with?

7 A. Maybe around seven, roughly.

8 (Continued on next page)

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O6HBGU06

Reyes - Direct

1 BY MR. FINKEL:

2 Q. You mention that Guo was the spokesperson for G/Club, was  
3 there a disclaimer on G/Club's website about Guo?

4 A. Yes, there was.

5 Q. And what, at a high level, did that disclaimer say?

6 A. Not exactly sure of the exact words, but that G/Club is not  
7 linked to the things that are said by Mr. Guo.

8 Q. Did that disclaimer change over time?

9 A. Yes.

10 Q. When did it change?

11 A. It changed after we received a subpoena.

12 Q. Who's the "we" received the subpoena, who is the "we?"

13 A. G/Clubs.

14 Q. And who was the subpoena received from?

15 A. The government.

16 Q. If Mr. Guo is the spokesperson of G/Club, why was there a  
17 disclaimer on the website saying not to associate his  
18 statements with G/Club?

19 A. I'm not sure. It was there. It was to my recollection  
20 when I started.

21 Q. I'm going to ask you, Ms. Reyes, to speak loudly and  
22 clearly so everyone can hear you.

23 Ms. Reyes, did you ask questions about the disclaimer  
24 to Yvette?

25 A. Not that I recall.

O6HBGU06

Reyes - Direct

1 Q. Did you ask questions about the disclaimer to Mr. He?

2 A. Not that I recall.

3 Q. Did G/Club members receive a membership card?

4 A. Physical card, no.

5 Q. What would they receive, if anything, to signify their  
6 membership in G/Club?

7 A. I recall there was an email that was sent with an image of  
8 a card.

9 Q. You mentioned the prices for G/Clubs, there was an  
10 initiation fee that ranged from 10,000 to 50,000; is that  
11 correct?

12 A. Yes.

13 Q. Why did you decide those prices?

14 A. I did not decide the prices.

15 Q. Who did?

16 A. I don't know.

17 Q. Did you ask any questions to Yvette about why the prices  
18 are what they are?

19 A. No, I did not.

20 Q. What about Mr. He?

21 A. No, I did not.

22 Q. You mentioned before that G/Clubs members didn't receive  
23 stock, correct?

24 A. Yes.

25 Q. What benefits, if any, were G/Club members, were they



O6HBGU06

Reyes - Direct

1 entitled to?

2 A. They were entitled to different benefits throughout time.

3 Can I list them?

4 Q. You can list them, please.

5 A. They had discounts in G Fashion depending on their tier.

6 There was a time where they were able to upload two hours of

7 content to GTV. They had access to songs sung or written by

8 Mr. Guo. They had access to a 24-7 customer service. They had

9 access to the G talks events and sweepstakes.

10 Q. Anything else?

11 A. Yes. We had hotels, discounts in hotels, gyms. There was

12 a boarding charter. We had done a private tour of FAO Schwarz.

13 They receive Christmas gifts. We had a specialty dinner in a

14 Michelin star restaurant. We had two hotel stays, one in Fiji

15 and one in Australia. We had a discount at Formula One. Those

16 are the ones that I recall.

17 Q. How did the G Fashion discount work?

18 A. Depending on their tier, they would receive a set discount.

19 If it was tier one, it was 10 percent discount on their fashion

20 item.

21 Q. I ask you again to speak directly into the mic so everyone

22 can hear you.

23 If a member wanted to take advantage of the G Fashion

24 discount, how would they do that? What was the process?

25 A. It was done through the G Fashion platform.

O6HBGU06 Reyes - Direct

1 Q. Can you explain how?

2 A. I'm not exactly sure how.

3 THE COURT: You said that they had access to songs  
4 that were sung or written by Mr. Guo, how would they get access  
5 to that?

6 THE WITNESS: On the website. On the website there  
7 was a link that said G music, and they were able to see them  
8 there.

9 THE COURT: Go ahead.

10 Q. Who decided that G/Club members should get a F fashion  
11 discount in connection with their membership?

12 A. I do not know.

13 Q. Did you ask anyone why that was a membership benefit?

14 A. No, I did not.

15 Q. You mentioned that members could have -- did you say a  
16 stream on GTV; is that correct?

17 A. Yes.

18 Q. Who decided that would be a benefit for members?

19 A. I do not know.

20 Q. Did you ask anyone why?

21 A. No.

22 Q. You mentioned that there was a Christmas gift, what was the  
23 Christmas gift?

24 A. It was a box that included a branded coffee mug, Puerto  
25 Rican coffee and cookies.

O6HBGU06

Reyes - Direct

1 Q. Was that shipped?

2 A. Yes.

3 Q. Was it shipped to every member?

4 A. The ones that had registered.

5 Q. You mention hotel discount; is that right?

6 A. Yes.

7 Q. Where were the hotels that G/Clubs members were entitled to  
8 a discount for?

9 A. The hotels were in Puerto Rico.

10 Q. How many hotels in Puerto Rico were they entitled to a  
11 discount for?

12 A. Three.

13 Q. And what was the discount that G/Clubs members were  
14 entitled to at those three hotels in Puerto Rico?

15 A. If I'm not mistaken 10 percent discount.

16 Q. How would that work?

17 What was the process in which a G/Clubs member would  
18 attain those 10 percent discount at those three hotels in  
19 Puerto Rico?

20 A. They would receive a link or a code, depending, and they  
21 would be able to book their stay.

22 Q. Would it be booked through G/Clubs?

23 A. No.

24 Q. Who would it be booked through?

25 A. The member.

O6HBGU06

Reyes - Direct

- 1 Q. The member would book it where?
- 2 A. Through the website of the hotel.
- 3 Q. How much did it cost G/Club to obtain that benefits from  
4 those three hotels for its members?
- 5 A. It did not cost us.
- 6 Q. How many members took advantage of the 10 percent discount  
7 at the three hotels in Puerto Rico?
- 8 A. I do not know.
- 9 Q. You mention that there was a dinner at a Michelin star  
10 restaurant; is that correct?
- 11 A. Yes.
- 12 Q. Can you describe to the members of the jury, Ms. Reyes, the  
13 nature of that benefit?
- 14 A. It was a dinner at a Michelin restaurant. I don't remember  
15 the name in the UK. It was on Chinese New Year.
- 16 Q. And was it just one night dinner or multiple dinners?
- 17 A. Just that one night dinner.
- 18 Q. Was the dinner free for G/Club members?
- 19 A. No, they had to pay. It was a discount.
- 20 Q. How much was the discount?
- 21 A. I don't recall.
- 22 Q. How many members took advantage of that benefit?
- 23 A. I do not know.
- 24 Q. How much did the dinner cost?
- 25 A. I don't recall.

O6HBGU06

Reyes - Direct

1 Q. You mentioned, did you say a charter?

2 A. There was a boat charter.

3 Q. What do you mean by boat charter?

4 A. It was a boat service that they could book a boating trip.

5 Q. And where was that boat service located?

6 A. In Puerto Rico.

7 Q. What was the nature of the benefit or discount that G/Clubs  
8 members could obtain?

9 A. If I'm not mistaken, it was a percent, a discount, and I  
10 believe it included something like champagne. I don't remember  
11 exactly the percentage.

12 Q. How much did it cost G/Club to obtain that benefit for its  
13 members?

14 A. It didn't cost us.

15 Q. How many G/Club members took advantage of that benefit?

16 A. I do not know.

17 Q. Did any G/Club members live in Puerto Rico to your  
18 knowledge?

19 A. Not that I was aware of.

20 Q. Did you mention something about Fiji and Australia?

21 A. Yes.

22 Q. Can you describe that, the nature of that benefit to the  
23 members of the jury?

24 A. They were a block of dates for a hotel stay, one in Fiji  
25 and one in Australia, and they would get a discount and some

O6HBGU06 Reyes - Direct

1 other benefits as well.

2 Q. What do you mean by block of dates?

3 A. It was a set number of dates. It was a set date that they  
4 would be able to book.

5 Q. And how many dates were available for the G/Club discount  
6 at the hotel in Fiji and Australia?

7 A. I don't recall specifically.

8 Q. Approximately how many, months, weeks?

9 A. Maybe a couple of weeks.

10 Q. And how much money did it cost G/Club to obtain that  
11 benefit for its members?

12 A. It did not cost us.

13 Q. And how many G/Club members, if any, to your knowledge took  
14 advantage of that benefit, the blocks?

15 A. I do not know.

16 Q. You mention Formula One race?

17 A. Yes.

18 Q. What was the nature of that benefit?

19 A. It was a discount that the members were able to select  
20 where they would like to view the race at the Monaco race and  
21 then throughout the year.

22 Q. And how many events were there associated with that  
23 benefit?

24 A. Sorry. What do you mean?

25 Q. Was it one race or more than one race?

O6HBGU06

Reyes - Direct

- 1 A. The first one was Monaco, and then it was extended  
2 throughout the whole year.
- 3 Q. How many races, do you know?
- 4 A. I do not know.
- 5 Q. How many G/Club members to your knowledge took advantage of  
6 that the Formula One race?
- 7 A. I do not know.
- 8 Q. I believe you mentioned, did you mention FAO Schwarz?
- 9 A. Yes.
- 10 Q. What was the nature of that benefit?
- 11 A. We had close off the toy store FAO Schwarz for our members.  
12 They would be able to tour the toy store. We had breakfast for  
13 them. They had discount on their merchandise and that was two  
14 days.
- 15 Q. How long was -- FAO Schwarz located where?
- 16 A. New York.
- 17 Q. Where in New York?
- 18 A. I'm not exactly sure the address.
- 19 Q. Manhattan?
- 20 A. Yes.
- 21 Q. Were you present for that event?
- 22 A. Yes.
- 23 Q. How long was FAO Schwarz closed for?
- 24 A. Like a couple of hours, like an hour.
- 25 Q. How much did it cost for G/Clubs to obtain that benefit for

O6HBGU06

Reyes - Direct

1 its members?

2 A. Around, the booking of the space was around \$13,000.

3 Q. How many G/Club members attended the FAO Schwarz event that  
4 you were present at?

5 A. Maybe four or five.

6 Q. Were there any other events scheduled in New York around  
7 the FAO Schwarz event?

8 A. The original idea for the FAO Schwarz was to have a tour of  
9 the toy store and later on have a gingerbread activity for the  
10 kids. That didn't happen.

11 Q. Who canceled the gingerbread activity for the kids?

12 A. Yvette requested to cancel it.

13 Q. Those benefits that we went through, were those available  
14 to every membership tier?

15 A. Yes, except G Fashion, that was pertaining to their tier.

16 Q. Every other benefit, every tier got whether they were  
17 50,000 tier or 10,000 tier?

18 A. Yes.

19 Q. Is there a G/Club news letter?

20 A. We promoted the different benefits through their emails.

21 Q. What is Orbit?

22 A. Orbit is the customer service company that we used for our  
23 members.

24 Q. And what did Orbit do?

25 A. They would receive members' questions through them and then



O6HBGU06

Reyes - Direct

1 they would, depending on the question or the concern, they  
2 would assign them to different departments.

3 Q. Where was Orbit located?

4 A. The agents were located in different parts of the world.

5 Q. Did Orbit book travel for members?

6 A. No, they did not.

7 Q. Did Orbit book hotel stays for members?

8 A. No, they did not.

9 Q. Did Orbit rent cars for members?

10 A. No.

11 Q. Was Orbit a concierge service?

12 A. No.

13 Q. Did G/Clubs offer its members concierge services?

14 A. Yes.

15 Q. What sort of concierge services did G/Clubs offer its  
16 members?

17 A. We didn't. It was named concierge service.

18 Q. Did G/Clubs have available to its members luxury sports  
19 cars to use?

20 A. No.

21 Q. Did G/Clubs have available to its members homes to stay in?

22 A. No.

23 Q. To your knowledge did G/Club ever purchase a mansion?

24 A. Not that I was aware of.

25 Q. Have you ever been to 675 Ramapo Boulevard?

O6HBGU06

Reyes - Direct

- 1 A. I'm sorry.
- 2 Q. Have you ever been to 675 Ramapo Boulevard?
- 3 A. I don't know where that is.
- 4 Q. Do you know what the Crocker mansion is?
- 5 A. The what? sorry.
- 6 Q. The Crocker mansion?
- 7 A. No.
- 8 Q. Are you aware of G/Clubs ever purchasing property in New  
9 Jersey?
- 10 A. Not that I was aware.
- 11 Q. Are you aware of G/Clubs purchasing property anywhere in  
12 the United States?
- 13 A. Not that I was aware.
- 14 Q. Are you aware of G/Clubs purchasing property anywhere on  
15 the planet?
- 16 A. Not that I was aware of.
- 17 Q. Can we please display what's in evidence as Government  
18 Exhibit 134.
- 19 Ms. Reyes, can you see that on your screen?
- 20 A. Yes.
- 21 Q. Do you know where this is?
- 22 A. No, I do not.
- 23 Q. Is this a property that G/Clubs owns to your knowledge?
- 24 A. Not that I'm aware of.
- 25 Q. We can take that down.

O6HBGU06

Reyes - Direct

1           Ms. Reyes, did there come a time, if ever, where you  
2 proposed that G/Club should offer a clubhouse to its members?

3           A. Yes.

4           Q. Who did you propose that to?

5           A. We spoke collectively with the team in Puerto Rico that it  
6 would make sense at some point to have a club for our members.

7           Q. And did you propose that idea to anybody?

8           A. There was a time where there was like a little Island that  
9 was on sale and I did propose that to Yvette, yes.

10          Q. And where was that Island located?

11          A. In Puerto Rico.

12          Q. And how much did that Island cost approximately?

13          A. I'm not exactly sure, but it was in the millions, maybe  
14 more than five. I don't know exactly.

15          Q. Was it more or less than 12 million?

16          A. I'm not exactly sure. I would think more than five.

17          Q. What did Yvette say, if anything, when you proposed  
18 purchasing this Island for members?

19          A. At the end, it wasn't -- like it didn't make sense to  
20 purchase an Island due to the value of it.

21          Q. Who decided how much money to spend on purchases that  
22 G/Clubs made?

23          A. What purchases specifically?

24          Q. Were you able to spend money, G/Clubs money on things?

25          A. Some things.

O6HBGU06

Reyes - Direct

1 Q. What are the things you were able to spend G/Club money on?

2 A. Like if we had a lunch for an event with the employees, I  
3 would spend that, office supplies; for example, FAO Schwarz  
4 event.

5 Q. Ms. Reyes, who were multiple memberships?

6 A. Multiple membership is where members are able to purchase  
7 more than one membership.

8 Q. Whose idea was it to permit members to purchase more than  
9 one membership?

10 A. The request came from Yvette.

11 Q. Can we please display what's in evidence as Government  
12 Exhibit GC-126. Zoom in at the top, please, Ms. Loftus.

13 What is this document about Ms. Reyes?

14 A. It's an email from Yvette to Jessica, myself regarding  
15 reviewing the membership agreement to allow for multi-members.

16 Q. Can you read the bottom email. It says, it's from Jessica  
17 Mastrogiovanni starting with please revise?

18 A. Please revise the membership agreement ASAP to allow  
19 members to buy more than one membership. Need to be unlimited.

20 Q. And what was Yvette's response to this email?

21 A. Jessica, please come to me about this.

22 Q. What email address did Yvette use in this email?

23 A. Officework 2020.

24 Q. Did Yvette have a G/Clubs domain email like you did?

25 A. Not that I was aware of.

O6HBGU06

Reyes - Direct

1 Q. The benefits that we discussed previously, did multiple --  
2 withdrawn.

3 How many memberships could a member purchase if they  
4 wanted to?

5 A. Multiples, I recall seeing at least ten.

6 Q. One person buying ten memberships?

7 A. Yes.

8 Q. Was there any limit to the number of members that an  
9 individual could purchase?

10 A. Not that I recall.

11 Q. Did you ask Yvette why G/Clubs should implement a multiple  
12 membership option?

13 A. No.

14 Q. Did you ask Mr. He why G/Clubs should implement a multiple  
15 membership option?

16 A. Not that I recall.

17 Q. What additional benefits, if any, did multiple memberships  
18 get?

19 A. They would get access more than once at the sweepstakes,  
20 participate in sweepstakes, and it was promoted that they would  
21 have access to VIP events and a concierge service.

22 Q. You said it was promoted that multiple members would have  
23 access to VIP events, were there any VIP events?

24 A. We did not host it.

25 Q. Was there any concierge service for multiple members?

O6HBGU06

Reyes - Direct

1 A. Not at the time.

2 Q. At any other time that you were at G/Clubs?

3 A. No.

4 Q. Were members provided a membership agreement?

5 A. Upon registration, they had to upon registration. Online  
6 they would see their membership agreement.

7 Q. Were they required to acknowledge it?

8 A. To the best of my understanding, they had to check, click  
9 on a box.

10 Q. If we can bring up what's in evidence, please, Ms. Loftus,  
11 as Government Exhibit GC-28. And who's this email from at the  
12 top?

13 A. It's an email from Ana to Jessica and myself.

14 Q. And what is the attachment called that's attached to this  
15 email?

16 A. G/Club membership agreement, red line multiple membership.

17 Q. Zoom out of that, please, Ms. Loftus.

18 And this is a response to the email you mentioned  
19 before, that we talked about before. Can you zoom in on the  
20 bottom email, please.

21 On this email the CC line it says officework  
22 2020@protonmail.com Do you see that, Ms. Reyes?

23 A. Yes.

24 Q. Whose email is that?

25 A. Yvette's.

O6HBGU06

Reyes - Direct

1 Q. Did you ask Yvette why she used that email address for  
2 G/Club's business, Officework2020@proton mail.com?

3 A. No, I did not.

4 Q. Ms. Loftus, if we can go to the next page.

5 Is this the membership agreement that Ana Izquierdo  
6 adjusted?

7 A. Can you scroll it a bit. Yes.

8 Q. If can you go, Ms. Loftus, to page four paragraph 12B. Go  
9 down a little bit, please. Can you zoom in on that.

10 Ms. Reyes, can you read the underlined text beginning  
11 with Member may?

12 A. Member may purchase more than one membership with G/Clubs  
13 for themselves and will be assigned a membership number per  
14 membership. However, members with multiple memberships will  
15 only be able to use one membership for special pricings from  
16 G/Club affiliates and will not be able to combine said  
17 memberships.

18 Q. Did Ana Izquierdo also report to you that?

19 A. She would receive instruction from Yvette, yes.

20 Q. You can zoom out of that, Ms. Loftus.

21 And if you could go to paragraph 16. Zoom in on  
22 paragraph 16, please. Can you read that paragraph, please?

23 A. Non-disparagement. The member and each immediate family  
24 member beneficiary hereby agrees not to disparage G/Clubs, its  
25 parent or affiliate companies, nor any of their respective

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Reyes - Direct

1 owners, partners, officers, directors, employees agents or  
2 other representatives, key host or spokespeople including for  
3 avoidance of doubt Mr. Guo Wengui. For purposes of this  
4 agreement, disparage shall mean make any statements to a third  
5 party that are unlawful, false, misleading, defamatory,  
6 harassing or abusive regarding one or more of the foregoing.

7 Nothing herein shall prohibit or restrict a member or  
8 immediate family member beneficiaries ability to publish an  
9 honest review or performance assessment of G/Clubs or any goods  
10 or services it provides.

11 Q. What was your understanding, if any, why the G/Clubs  
12 membership agreement as it text says, prohibited disparaging  
13 statements about Guo?

14 A. I do not have an understanding.

15 Q. Did you ask anyone why this paragraph was included in the  
16 membership agreement?

17 A. No, I did not.

18 Q. You can take that down. Can I have one moment.

19 What was G/Clubs' policy, if any, about refund  
20 request?

21 A. The policy changed through time. Originally it was  
22 cancellation three days after the membership and later on it  
23 was extended to 12 or 14 days. I'm not exactly sure.

24 Q. What do you mean it was a three-day policy initially?

25 A. That after a member got their membership, they had three



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Reyes - Direct

1 days to request cancellation.

2 Q. And then it was extended to 14 days, is that what you said  
3 or 12?

4 A. Twelve or 14 days.

5 Q. Why was it extended to 12 or 14 days?

6 A. I was told that it was due to something along the lines of  
7 a European law that required that time.

8 Q. And when you started at G/Clubs, was the refund policy  
9 strict?

10 A. Yes.

11 Q. Were a lot of refunds given out?

12 A. No.

13 Q. Did that change where the refund changed, when the refund  
14 policy became less strict?

15 A. Yes.

16 Q. What changed for the refund policy to become less strict?

17 A. After G/Clubs receive a subpoena, the refunds changed.

18 Q. Subpoena from who?

19 A. The government.

20 Q. Ms. Reyes, one of the benefits I think you mentioned was --  
21 let me take a step back.

22 What is G talk?

23 A. G talks, it was originally intended to be an in-person  
24 event. Due to Covid, we had to shut to virtual, so it was a  
25 virtual event where we would have different topics. We had a

O6HBGU06 Reyes - Direct

1 sweepstakes for our members.

2 Q. And what happened? How many G talks were there while you  
3 were at G/Club?

4 A. We hosted two.

5 Q. And when were they?

6 A. The first one was in February 2021. The second one was in  
7 March 2022.

8 Q. And can you just describe what happened at G Talks?

9 A. Depended. The first one was, we talked about G/Clubs. We  
10 presented the G Fashion collection, and we had the sweepstakes  
11 of the G Fashion prizes. There were vehicle prizes as well and  
12 cash value. The second one was more towards Community Through  
13 Love, so we had different videos of different locations and we  
14 had the sweepstakes as well.

15 Q. Where did the G Talks event occur?

16 A. The first one it was virtual, so the different speakers  
17 were in different locations. The second one, the main  
18 broadcast was in New York, New York office.

19 Q. Who could watch or how could someone watch the G Talks  
20 event?

21 A. It was a link to the best of my understanding that was  
22 provided.

23 Q. So it was online?

24 A. Yes.

25 Q. Were only members permitted to watch G Talk?

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Reyes - Direct

1 A. The first G Talk was members only. The second G talk was  
2 open to the general public.

3 Q. What was Miles Guo's role, if any, at G Talk events?

4 A. He spoke at the G Talks.

5 Q. We can take a look at what's in evidence as GXCT-171.

6 Ms. Reyes, what is this document?

7 A. It looks like the agenda for one of the G Talks.

8 Q. If we can look at GXCT-170. What is this?

9 A. Continuation of the agenda for the G Talk.

10 Q. And is that you, by host?

11 A. Yes.

12 Q. What did you say in your welcoming remarks?

13 A. I don't recall exactly.

14 Q. If we can look at GXCT-172. Can you zoom in at the top  
15 please, Ms. Loftus.

16 Can you read what it says at the top?

17 A. List of do not words/ideas.

18 Q. What is this document?

19 A. It was a document of do not say words that was provided to  
20 Mr. Guo.

21 Q. Why was a document of do not say words provided to Guo?

22 A. I do not know.

23 Q. What was the purpose of this document?

24 A. To be a list of do not say words.

25 Q. Do you know if Guo said these words or not?

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Reyes - Direct

1 A. I do not know.

2 Q. Why not?

3 A. I do not know Mandarin.

4 Q. Can you scroll down, please, Ms. Loftus. Stop right there.

5 Do you see where it says growth and growth projections  
6 at the top?

7 A. Yes.

8 Q. Do you know why growth and growth projections were words  
9 that Guo should not say?

10 MR. KAMARAJU: Objection to the form, your Honor.

11 THE COURT: Overruled. You may answer.

12 A. I do not know.

13 Q. Participation, participate, business or profits. Do you  
14 know why those were words Guo was not supposed to say?

15 A. I do not know.

16 Q. GTV. You know why that was a word Guo was not supposed to  
17 say?

18 A. I do not know.

19 Q. What about Saraca, do you know why that was a word Guo was  
20 not supposed to say?

21 A. I do not know.

22 Q. Do you know what Saraca is?

23 A. No.

24 Q. What about voice of Guo, Voice of Good. Do you know what  
25 that is?

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Reyes - Direct

1 A. No.

2 Q. Rule of Law Foundation, Rule of Law Society. Do you know  
3 why Guo was not supposed to say those words?

4 A. I do not know.

5 Q. Was this list for G Talk one or G Talk two?

6 A. To the best of my recollection G Talk One.

7 Q. What was the date of G Talk One approximately?

8 A. February 2021.

9 Q. And then a couple of rows down it says Yvette Wang, Yvette.  
10 Do you know why Guo was not supposed to mention Yvette?

11 A. I do not know.

12 Q. Can we scroll down, Ms. Loftus. And it says Sara, below  
13 Sara it says Mulan. Do you know why Guo was not supposed to  
14 mention Mulan?

15 A. I do not know.

16 Q. Do you know who Mulan is?

17 A. I've seen an image of the Disney character of Mulan if you  
18 will. I do not know.

19 Q. What was your understanding of what Mulan did in relation  
20 to G/Club?

21 MR. KAMARAJU: Object to the foundation, your Honor.

22 THE COURT: Did she do anything in relation to the  
23 G/Clubs.

24 Q. I'll withdraw it. What was your understanding of who Mulan  
25 was?

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Reyes - Direct

1 A. I do not know who she was.

2 Q. Did Mulan do anything in relation to G/Club?

3 MR. KAMARAJU: Same objection, your Honor.

4 THE COURT: You may answer.

5 A. She participated in the committee for the G Talks, that's  
6 where I saw the image.

7 Q. Do you know what the iron blooded group is?

8 A. I'm sorry.

9 Q. The iron blooded group, do you know what that is?

10 A. No.

11 Q. Below Mulan, Ms. Reyes, it says SEC, investigation and  
12 litigations, do you know why Guo was not supposed to say those  
13 words?

14 A. I do not know.

15 Q. What about Golden Spring, do you know why Guo was not  
16 supposed to say Golden Spring?

17 A. I do not know.

18 Q. Do you know what Golden Spring is?

19 A. I do not know.

20 Q. Below Golden Spring, regulators, DOJ, Attorney General,  
21 prosecutors, U.S. government. Do you know why Guo was not  
22 supposed to say anything about those words?

23 A. I do not know.

24 Q. Scroll down. And below U.S. government it says G Coin, G  
25 Dollar, H Coin, H Dollar. Do you know why Guo was not suppose

O6HBGU06

Reyes - Direct

1 to say anything about G Coin, G Dollar, H Coin and H Dollar?

2 A. I do not know.

3 Q. Do you know what G Coin and G dollar are?

4 A. No.

5 Q. Do you know what H Coin and H Dollar are?

6 A. Yes.

7 Q. What do you understand those things to be, H Coin and  
8 H Dollar?

9 A. Those are methods of payments amongst -- H Dollar is, my  
10 understanding, like a one-on-one, and H Coin is, it fluctuates.

11 Q. You can take that down. If we could please display for the  
12 witness GC-511.

13 What is this a picture of?

14 A. Mr. Guo and myself.

15 MR. FINKEL: Government offers GC-511.

16 MR. KAMARAJU: No objection.

17 THE COURT: It is admitted.

18 (Government's Exhibit GC-511 received in evidence)

19 BY MR. FINKEL:

20 Q. Where was this photograph taken?

21 A. In the New York office.

22 Q. Where was this New York office located?

23 A. I don't know exactly the address. If I look at a map,  
24 Manhattan is in the front, so it's in the left side. If  
25 Central Park is in the center, it's in the left.

06HBGU06

Reyes - Direct

- 1 Q. To the left side of Central Park?
- 2 A. Yes.
- 3 Q. Ms. Reyes, why was this photograph taken? I'm going to ask  
4 you to point the mic toward you.
- 5 A. Can you repeat the question.
- 6 Q. What was the occasion for this photograph?
- 7 A. This was taken during the second G Talks event.
- 8 Q. And who selected your outfit?
- 9 A. Mr. Guo.
- 10 Q. And what brand made that outfit that you're wearing?
- 11 A. G Fashion.
- 12 Q. Did you keep that G Fashion outfit after the G Talks event?
- 13 A. It was offered, but I did not keep it ultimately.
- 14 Q. Why did you not keep it ultimately?
- 15 A. Because we're asked to pay for it.
- 16 Q. Who was asked to pay for it?
- 17 A. G/Clubs.
- 18 Q. How much was G/Clubs charge for the outfit that you wore  
19 during the G Talk event?
- 20 A. I do not recall the exact amount of the dress.
- 21 Q. Approximately how much?
- 22 A. If I was to guess, maybe around a thousand.
- 23 MR. KAMARAJU: Object to the guessing, your Honor.
- 24 THE COURT: Don't guess. If you don't know, just say  
25 you don't know.



O6HBGU06

Reyes - Direct

1 Q. You can take that down. Ms. Reyes, you mentioned something  
2 about a sweepstakes in connection with the G Talk. Can you  
3 explain your understanding of that sweepstakes?

4 A. The sweepstakes were, we had different prizes and members  
5 that register for the event were selected to be the lucky  
6 winners of the different prizes.

7 Q. What were the kinds of prizes that the members could win if  
8 they were selected?

9 A. We had vehicles, G Fashion items, different G Fashion items  
10 and cash values.

11 Q. Do you know how the winners were selected, exactly how it  
12 worked?

13 A. There was a sweepstake company and they were the ones that  
14 selected the different winners.

15 Q. If we can please display what I believe is in evidence as  
16 GX-121. Do you know who this individual is?

17 A. Mr. Yong .

18 Q. Did Mr. Yong ever win the sweepstakes?

19 A. Yes.

20 Q. What did he win?

21 A. A Lamborghini.

22 Q. Did you ever meet him, Mr. Yong?

23 A. In person?

24 Q. Yes.

25 A. Yes.

O6HBGU06

Reyes - Direct

1 Q. If we can please display what's in evidence as Government  
2 Exhibit GXGC-547. Zoom in on that one, please, Ms. Loftus.

3 Can you read that message?

4 A. These three members would like to visit your office.  
5 Ideally take off tomorrow from New York City, fly back on  
6 Sunday. Let me know when you can talk about this. Thank you.

7 Q. Who was that message sent to?

8 A. It was sent to -- I don't see, but I recall the message  
9 sent to me.

10 Q. Sent to you?

11 A. Yes.

12 Q. From whom?

13 A. From Yvette.

14 Q. And what is your understanding of what Yvette meant, these  
15 three members would like to visit your office?

16 A. There was a time where three members came to our Puerto  
17 Rican office to see the office.

18 Q. What were their names?

19 A. Alex Chi, Mr. Yong and Sharon or Shannon.

20 Q. Mr. Young, the image of the individual we just saw with the  
21 air pods?

22 A. Yes.

23 Q. Can you zoom out of that, Ms. Loftus, and scroll down. Can  
24 you zoom in on the second line. Can you read that?

25 A. Mr. Yong Zhang.

O6HBGU06

Reyes - Direct

- 1 Q. Who do you understand that to be?
- 2 A. Mr. Yong.
- 3 Q. The air pods picture?
- 4 A. Yes.
- 5 Q. Did Mr. Yong come to the Puerto Rico office?
- 6 A. Yes.
- 7 Q. Was it around this time in the summer of 2022?
- 8 A. To the best of my recollection, yes.
- 9 Q. What was your understanding of why Mr. Yong visited the  
10 Puerto Rico office?
- 11 A. They were there to visit the Puerto Rico office, meet the  
12 team, get to know the different departments and talk about  
13 G/Clubs.
- 14 Q. How much time did you spend with Mr. Yong in Puerto Rico?
- 15 A. I don't recall specifically.
- 16 Q. Did Yvette ask you to take him out to dinner as well  
17 Mr. Yong?
- 18 A. I don't remember her specifically telling me to take them  
19 out to dinner, but to be hospitable and host them, so we did.
- 20 Q. What did you talk about with Mr. Yong?
- 21 A. I don't remember specifically.
- 22 Q. Did you talk about taking down the Chinese Communist Party?
- 23 A. No.
- 24 Q. Did you talk about the democratic movement against the  
25 Chinese Communist Party?

O6HBGU06

Reyes - Direct

1 A. No.

2 Q. What was your understanding of what, if anything, Mr. Yong  
3 did?

4 A. I understood he was a lawyer, an attorney.

5 Q. Take that down, please.

6 Aside from the Lamborghini that Mr. Yong won, were  
7 there other members who won cars?

8 A. There were other members that won cars, but to the best of  
9 my recollection they ultimately decided for the cash value.

10 Q. What do you mean they ultimately decided for the cash  
11 value?

12 A. Instead of having the physical car, they decided on the  
13 value of the car.

14 Q. And to your knowledge were payments made to some of those  
15 members?

16 A. To the best of my knowledge, yes.

17 Q. Did all of those members who selected cash value accept a  
18 wire transfer?

19 A. No, there were different payment methods. There's wires.  
20 There came a time I believe there was checks and there's -- in  
21 form of credit to their membership.

22 Q. What do you mean by a form of credit?

23 A. The value of the price would be credited to their annual  
24 fee or any membership depending on what they selected.

25 Q. Did some of the winners choose that option, the credit for

06HBGU06

Reyes - Direct

1 G/Club membership?

2 A. I do recall, yes, one.

3 Q. Are you familiar with an email address Notices@G mail.com?

4 A. Yes.

5 Q. Who used that email address?

6 A. The legal department.

7 Q. For what purpose?

8 A. Legal matters, cancellations, member complaints.

9 Q. What do you mean by cancellations?

10 A. When members requested for cancellation, it would be  
11 assigned to the legal for review.

12 Q. If we can pull up what I think is in evidence as GXW-17.  
13 Can you see that on your screen, Ms. Reyes?

14 A. Yes.

15 Q. What is this?

16 A. It's the G/Clubs website.

17 Q. Can you scroll down, please, Ms. Loftus, scroll down a  
18 little bit more.

19 On the right below Experiences that Enrich, can you  
20 read the text below that, please?

21 A. Our concierge staff crafts individually curated experiences  
22 that give you exclusive access to the world's most remarkable  
23 destinations, products and services.

24 MR. FINKEL: Your Honor, in the abundance of caution,  
25 the government offers GXW-17. I believe it's in, but if not the

O6HBGU06 Reyes - Direct

1 government offers.

2 MR. KAMARAJU: No objection.

3 THE COURT: It is admitted.

4 (Government's Exhibit GXW-17 received in evidence)

5 BY MR. FINKEL:

6 Q. Ms. Reyes, did G/Clubs have concierge staff that crafted  
7 individually curated experiences for its members?

8 A. No, we did not.

9 Q. Was written on the G/Clubs website true?

10 A. No, we did not offer.

11 MR. FINKEL: Government also offers GXW-16 and GXW-19.

12 MR. KAMARAJU: No objection, your Honor.

13 THE COURT: They're admitted.

14 (Government's Exhibits GXW-16 and GXW-19 received in  
15 evidence)

16 BY MR. FINKEL:

17 Q. Ms. Loftus, if we can pull up GXW-16. What is this?

18 A. The G/Club website.

19 Q. Can you scroll down a little bit. By the way, who selected  
20 these images?

21 A. The marketing agency and our marketing team.

22 Q. So here it says, Where Will your Curiosity Take you. Can  
23 you read what it says below that?

24 A. G/Clubs members are empowered to curate their own one of a  
25 kind experiences, be it a hot air balloon ride over the

O6HBGU06

Reyes - Direct

1 vineyards of northern Spain, a romantic dinner on the shores of  
2 the Seine river, or a private guided safari. The only limit is  
3 your imagination.

4 Q. Ms. Reyes, did the G/Clubs offer its members a hot air  
5 balloon ride?

6 A. Not at the time, no.

7 Q. Did it offer its members a romantic dinner on the shores of  
8 the Seine river?

9 A. Not at the time, no.

10 Q. Or a private guided safari?

11 A. Not at the time, no.

12 Q. Is this information about what G/Clubs offered its members  
13 true?

14 A. We did not offer it at the time, no.

15 Q. Let's scroll down, please. Keep going please.

16 Below next to the helicopter, it says Be Inquisitive  
17 Live inspired. Did I read that right?

18 A. Yes.

19 Q. Can you read the text below that?

20 A. You have the support of a complete team of professionals  
21 that not only crafts unique experience for your pleasure, but  
22 also works with you to fulfill those items that are on your  
23 bucket list.

24 Q. Was there a complete team of professionals that crafted  
25 unique experiences for G/Club members?

O6HBGU06

Reyes - Direct

1 A. Not at the time.

2 Q. At any time while you were at G/Clubs was there?

3 A. We were working on it, but it wasn't in place.

4 Q. Is there a time that Guo was on the website?

5 A. Yes.

6 Q. Did there come a time when he was removed from the website?

7 A. Yes.

8 Q. Who asked that he be removed from the website?

9 A. Mr. He.

10 Q. Did Mr. He explain why he wanted Guo to be removed from the  
11 website?

12 A. To the best of my recollection, it was because creating  
13 difficulties with his banking relationships.

14 MS. MURRAY: Your Honor, I see it's 4:56. If your  
15 Honor would like, this is a good time to break, but it's up to  
16 the Court of course.

17 THE COURT: That's fine. Members of the jury, we will  
18 finish now, and you will return tomorrow ready to come into the  
19 courtroom at 9:30. Remember that you're not allowed to discuss  
20 this case amongst yourselves or with anyone else. Don't permit  
21 anyone to discuss it in your presence. Don't read, watch or  
22 listen to anything from any source that touches on any matter  
23 related to this case. Have a good evening and you may step  
24 out. Don't discuss your testimony.

25 THE LAW CLERK: Jury exiting.



O6HBGU06

Reyes - Direct

1 (Jury not present)

2 THE COURT: Please be seated. Is there anything  
3 before we stop for the day?

4 MR. KAMARAJU: Not from the defense.

5 MR. FINKEL: Nor the government. Have a nice evening.

6 THE COURT: Same to you.

7 (Adjourned to June 18, 2024 at 9:00 a.m.)

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