

IN THE SUPREME COURT OF THE STATE OF NEVADA

FIRST 100, LLC, a Nevada limited liability company; 1st ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company,

Appellants

vs.

TGC/FARKAS FUNDING, LLC,

Respondent.

Case No. 82794

Electronically Filed
Sep 15 2021 04:31 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

APPEAL

from a decision in favor of Respondent
entered by the Eighth Judicial District Court, Clark County, Nevada
The Honorable Mark R. Denton, District Court Judge
District Court Case No. A-20-822273-C

APPELLANTS' APPENDIX VOLUME V

DATE	DESCRIPTION	VOLUME	PAGES
01/26/2021	Appendix of Exhibits to Opposition to Defendants' Motion to Enforce Settlement and Vacate Post-Judgment Discovery Proceedings; and Countermotion 1) to Strike the Affidavit of Jason R. Maier and 2) For Sanctions	II/III	AA0352-0574
04/09/2021	Declaration of Erika Pike Turner, Esq. in Support of Award of Fees and Costs	VI	AA1342-1385
01/20/2021	Defendants and Non-Party Jay Bloom's Response to Order to Show Cause	I	AA0209-0214
10/15/2020	Defendants' Limited Opposition to Motion to Confirm Arbitration Award And Countermotion to Modify Award Per NRS 38.242	I	AA0041-0046

01/19/2021	Defendants' Motion to Enforce Settlement Agreement and Vacate Post-Judgment Discovery Proceedings on Ex Parte Order Shortening Time	I	AA0156-0208
11/24/2020	Defendants' Opposition to Motion for Attorneys' Fees and Costs	I	AA0111-0115
01/27/2021	Defendants' Reply in Support of Motion to Enforce Settlement Agreement and Vacate Post-Judgment Discovery Proceedings and Opposition to Countermotion to Strike the Affidavit of Jason Maier and Opposition to Countermotion for Sanctions	III	AA0585-0715
03/03/2021	Exhibit AA, FIRST0481-0484 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA0988-0991
03/03/2021	Exhibit B, FIRST0036-0107 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA0992-1063
03/03/2021	Exhibit E, FIRST0291-0292 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA1064-1065
03/03/2021	Exhibit F, FIRST0293-0294 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA1066-1067
03/03/2021	Exhibit HH, FIRST0514-0530 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA1068-1084
03/03/2021	Exhibit M, FIRST0407-0412 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA1085-1090
03/03/2021	Exhibit V, FIRST0447-0448 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA1092-1093
03/03/2021	Exhibit W, FIRST0449-0454 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA1094-1099

03/03/2021	Exhibit X, FIRST0455-0456 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA1100-1101
03/03/2021	Exhibit Y, FIRST0457-0458 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA1102-1103
03/03/2021	Exhibit Z, FIRST0459-0480 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA1104-1125
04/07/2021	Findings of Fact, Conclusions of Law, & Order Re Evidentiary Hearing	VI	AA1264-1301
11/17/2020	Motion for Attorneys' Fees and Costs	I	AA0069-0110
10/01/2020	Motion to Confirm Arbitration Award	I	AA0001-0040
04/15/2021	Notice of Appeal	VI	AA1386-1429
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02/09/2021	Notice of Entry of Order	III	AA0739-0743
12/21/2020	Notice of Entry of Order Granting Plaintiff's Ex Parte Application for Judgment Debtor Examination of First 100, LLC	I	AA0131-0140
12/21/2020	Notice of Entry of Order Granting Plaintiff's Ex Parte Application for Judgment Debtor Examination for First One Hundred Holdings, LLC AKA 1 st One Hundred Holdings LLC	I	AA0141-0150
12/21/2020	Notice of Entry of Order Granting Plaintiff's Ex Parte Application for Order to Show Cause Why Defendants and Jay Bloom Should Not Be Held in Contempt	I	AA0151-0155
01/27/2021	Notice of Entry of Order Granting Plaintiff's Motion for Attorneys' Fees and Costs	III	AA0579-0584
11/17/2020	Notice of Entry of Order Granting Plaintiff's Motion to Confirm	I	AA0060-0068

	Arbitration Award and Denying Defendants' Countermotion to Modify Award; and Judgment		
01/26/2021	Opposition to Defendants' Motion to Enforce Settlement and Vacate Post-Judgment Discovery Proceedings; and Countermotion 1) to Strike the Affidavit of Jason R. Maier and (2 For Sanctions	II	AA0330-0351
02/09/2021	Order	III	AA0736-0738
01/27/2021	Order Granting Plaintiff's Motion for Attorneys' Fees and Costs	III	AA0575-0578
11/17/2020	Order Granting Plaintiff's Motion to Confirm Arbitration Award and Denying Defendants' Countermotion to Modify Award; and Judgment	I	AA0053-0059
03/03/2021	Partial Exhibit C, FIRST0188 for Evidentiary Hearing held on March 3, 2021 and March 10, 2021	V	AA1091
12/18/2020	Plaintiff's Ex Parte Application for Order to Show Cause Why Defendants and Jay Bloom Should Not Be Held in Contempt of Court	I	AA0123-0130
10/26/2020	Plaintiffs' Reply to Defendants' Limited Opposition to Motion to Confirm Arbitration Award And Opposition to Defendants' Countermotion to Modify Award Per NRS 38.242	I	AA0047-0052
03/03/2021	Recorder's Transcript of Evidentiary Hearing	IV	AA0760-0987
03/10/2021	Recorder's Transcript of Evidentiary Hearing	V/VI	AA1126-1263
03/01/2021	Recorder's Transcript of Hearing Re: Motion to Compel and For Sanctions; Application for Ex-Parte Order Shortening Time	IV	AA0744-0759
01/21/2021	Recorder's Transcript of Hearing Re: Show Cause Hearing	II	AA0323-0329

12/14/2020	Reply in Support of Motion for Attorneys' Fees and Costs	I	AA0116-0122
01/20/2021	Supplement to Plaintiff's Ex Parte Application for Order to Show Cause Why Defendants and Jay Bloom Should Not Be Held in Contempt of Court	I/II	AA0215-0322
01/28/2021	Transcript of Proceedings Re: Show Cause Hearing/Defendant's Motion to Enforce Settlement Agreement and Vacate Post-Judgment Discovery Proceedings on Ex-Parte Order Shortening Time	III	AA0716-0735

CERTIFICATE OF SERVICE

I certify that on the 15th day of September, 2021, this document was electronically filed with the Nevada Supreme Court. Electronic service of the foregoing: **APPELLANTS' OPENING BRIEF** and **VOLUMES I-VI** of the **APPENDIX** shall be made in accordance with the Master Service List as follows:

Erika P. Turner, Esq.
Dylan T. Ciciliano, Esq.
GARMAN TURNER GORDON, LLP
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Attorneys for TGC Farkas Funding LLC

DATED this 15th day of September, 2021.

/s/ Natalie Vazquez

An Employee of MAIER GUTIERREZ & ASSOCITES

From: Matthew Farkas
Sent: Friday, January 8, 2016 10:58 AM
To: Jay Bloom <jbloom@f100llc.com>
Subject: Re: 10/31/15 Financials

Understood. Any news from Gregg etc.?

Sent from my Verizon Wireless 4G LTE DROID

On Jan 8, 2016 10:58 AM, Jay Bloom <jbloom@f100llc.com> wrote:
Include the comments as your notes to the financials

Jay Bloom
Director
1st One Hundred
m [702.423.0500](tel:702.423.0500) | o [702.823.3600](tel:702.823.3600) | f [702.724.9781](tel:702.724.9781)
jbloom@f100llc.com | www.f100llc.com

Corporate Headquarters
The Morrissey Building
11920 Southern Highlands Pkwy., Second Floor, Las Vegas, NV 89141

Please consider the environment

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On Jan 8, 2016, at 10:57 AM, Matthew Farkas <Mfarkas@f100llc.com> wrote:

Thank you very much. I will forward this to Adam.

Sent from my Verizon Wireless 4G LTE DROID

On Jan 8, 2016 10:32 AM, Jay Bloom <Jbloom@f100llc.com> wrote:
Hi Matt,

Attached please find DRAFT internal financials for FY 2015 through 10/31/15.

A few notes to consider when reviewing these:

1. 1st One Hundred Holdings is the entity in which all equity holders have positions. It owns First 100 and Investment Pool #1
2. Cash balance reflects balance net of checks not yet negotiated or distributed.
3. For Real Property: We carry most of our balance sheet value off balance sheet in order to be GAAP compliant. In other words, real property purchased for de minimis amounts is reflected on the balance sheet at the acquisition costs. Real Property market values are not realized until the property is sold, at which time they're recognize a gain on sale. Currently, we have about \$3mm in real property equity reflected in Notes to the Balance Sheet, but not valued as assets on the Bal Sheet.
4. For Liens: as of 10/31/15 we have about \$9mm in liens face value (another 2,000 liens were acquired in 11/15). Only a portion of it reflects on the financials. Additionally, the value of the liens once converted cannot be reflected on GAAP compliance financials. As such, there is tens of millions of dollars in values in the liens that will not reflect on the financials until transacted.
5. For year end financials (to be issued by 1/31/16), we will provide consolidated financials, as well as year over year comparisons.
6. The company's inability to complete financing prior to year end 2015 has impacted our ability to execute on ramping the business plan. Current plans provide for completion of financing activity and ramping operations and the portfolio in first quarter of 2016.

Best,
Jay

Jay Bloom
Director
1st One Hundred
m [702.423.0500](tel:702.423.0500) | o [702.823.3600](tel:702.823.3600) | f [702.724.9781](tel:702.724.9781)
Jbloom@f100llc.com | www.f100llc.com

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From: Michael Henriksen
Sent: Wednesday, January 6, 2016 3:33 PM
To: Jay Bloom <jbloom@f100llc.com>
Subject: RE: 10/31/15 Financials

Michael Henriksen
Financial Controller
1 st One Hundred
m [702.885.2723](tel:702.885.2723) | o [702.823.3600](tel:702.823.3600) | f [702.724.9781](tel:702.724.9781)
Mhenriksen@f100llc.com | www.f100llc.com

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11920 Southern Highlands Parkway, Suite 200
Las Vegas, NV 89141

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From: Jay Bloom
Sent: Wednesday, January 6, 2016 3:25 PM
To: Michael Henriksen <Mhenriksen@f100llc.com>
Subject: Re: 10/31/15 Financials

Sounds good. Can you send me electronic copies as well?

In Depos up by summerlin all day

Jay Bloom
Director
1st One Hundred
m [702.423.0500](tel:702.423.0500) | o [702.823.3600](tel:702.823.3600) | f [702.724.9781](tel:702.724.9781)
jbloom@f100llc.com | www.f100llc.com

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On Jan 6, 2016, at 3:24 PM, Michael Henriksen <Mhenriksen@f100llc.com> wrote:

Jay – I put hard copies of the 10/31/15 Financials on your desk for your review.
Obviously Matt Farkas wants them....
And I want to finish updating the binders...
So please let me know once you have a chance to look them over and approve them so I
can wrap that up and move on to all the year end stuff!!

Michael Henriksen
Financial Controller
1 st One Hundred
m [702.885.2723](tel:702.885.2723) | o [702.823.3600](tel:702.823.3600) | f [702.724.9781](tel:702.724.9781)
Mhenriksen@f100llc.com | www.f100llc.com

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LIMITED LIABILITY COMPANY AGREEMENT
OF
TGC/FARKAS FUNDING LLC
A Delaware Limited Liability Company

Dated as of October 21, 2013

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LIMITED LIABILITY COMPANY AGREEMENT
OF TGC/FARKAS FUNDING LLC

AGREEMENT OF LIMITED LIABILITY COMPANY of TGC/FARKAS FUNDING LLC (the "Company"), dated as of October 21, 2013 (the "Effective Date"), among the persons listed on Schedule A attached hereto (individually, a "Member" and, collectively, the "Members").

RECITALS

WHEREAS, the Members have formed the Company in accordance with the provisions of the Delaware Limited Liability Company Act, as amended from time to time (the "Act"), and desire to enter into a written agreement pursuant to the Act governing the affairs of the Company and the conduct of its business;

WHEREAS, Matthew Farkas ("Farkas") has been granted a two percent (2%) membership interest (the "2% Interest") in First 100, LLC, a Nevada limited liability company (the "Investment Vehicle") 1.5% of which shall be subject to vesting over a period of three (3) years, as evidenced by the vesting letter attached as Exhibit A hereto;

WHEREAS, as of the date hereof, Farkas has contributed all of his right, title and interest in and to the 2% Interest to the Company in exchange for a fifty percent (50%) membership interest in the Company;

WHEREAS, TGC 100 Investor, LLC, a Delaware limited liability company ("TGC Investor"), has the right to purchase a one percent (1%) Class A Voting Membership Interest (the "1% Class A Interest") in the Investment Vehicle and has contributed this right to the Company, together with a capital contribution in the amount of the 1% Class A Interest purchase price, in exchange for a fifty percent (50%) membership interest in the Company; and

WHEREAS, the Members party hereto desire to enter into this Agreement in order to document their business and economic relationship.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Act. For all purposes of this Agreement, except as otherwise expressly required or unless the context clearly indicates a contrary intent, the terms set forth below shall have the following meanings:

"1% Class A Interests" has the meaning set forth in the Recitals hereof.

"2% Interest" has the meaning set forth in the Recitals hereof.

"Act" has the meaning set forth in the Recitals hereof.

"Agreement" shall mean this Agreement of Limited Liability Company of TGC/Farkas Funding LLC.

"Administrative Member" has the meaning set forth in Section 4.1(c) hereof.

"Business Days" shall mean any day on which commercial banking institutions in the City of New York are not authorized or required to close.

"Capital Commitment" shall mean, for any Member, the amounts set forth opposite such Member's name on Schedule B hereto, as the same may be amended from time to time in accordance with this Agreement.

"Capital Contribution" shall mean, for any Member, at any time, the amount of capital actually contributed to the Company by such Member on or prior to such time which has not been paid back to such Member.

"Certificate of Formation" has the meaning set forth in Section 2.1 hereof.

"Code" has the meaning set forth in Section 6.44 hereof.

"Common Interests" has the meaning set forth in Section 5.1 hereof.

"Company" has the meaning set forth in the Introductory Paragraph hereof.

"Consent to Assignment" has the meaning set forth in Section 5.5 hereof.

"Covered Persons" has the meaning set forth in Section 4.3 hereof.

"Distributable Cash" shall mean, unless otherwise expressly stated herein, the cash proceeds from the operations of the Company, net of all related costs and expenses.

"Effective Date" has the meaning set forth in the Introductory Paragraph hereof.

"Event of Termination" has the meaning set forth in Section 9.1.

"Farkas" has the meaning set forth in the Recitals hereof.

"Fiscal Year" has the meaning set forth in Section 2.9.

"Initial Capital Contribution" has the meaning set forth in Section 5.2.

"Investment Vehicle" has the meaning set forth in the Recitals.

"Member" has the meaning set forth in the Introductory Paragraph.

"Membership Interest" shall mean each Member's ownership interest in the Company.

"Membership Interest Percentage" has the meaning set forth in Section 3.1(a) hereof.

"Person" means any individual, corporation, general or limited partnership, limited liability company, limited liability partnership, joint venture, estate, trust, joint stock company, unincorporated association, any other entity, any governmental authority and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Preferred Rate" shall mean shall mean a sum equal to three percent (3.0%) per annum, determined on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days in the period for which the Preferred Return is being determined.

"Preferred Return" shall mean, commencing on the date hereof and thereafter, an amount required for TGC Investor to receive a return on its Capital Account balance as of the first day of the relevant Fiscal Period equal to the Preferred Rate, compounded annually, which amount shall accumulate to the extent not paid pursuant to Section 6.1(b).

"Secretary of State" has the meaning set forth in Section 2.1 hereof.

"TGC Investor" has the meaning set forth in the Recitals hereof.

"Transfer" has the meaning set forth in Section 8.1.

ARTICLE II

GENERAL PROVISIONS

Section 2.1 Formation. The Members have formed the Company as a limited liability company pursuant to the Act. A Certificate of Formation described in Section 18-201 of the Act (the "Certificate of Formation") was filed with the Secretary of State of the State of Delaware (the "Secretary of State") on October 18, 2013 in conformity with the Act. Catherine Ledyard, as an authorized person within the meaning of the Act, was expressly authorized to execute and file the Certificate of Formation. The Administrative Member (as hereinafter defined), on behalf of the Company shall execute or cause to be executed from time to time all other instruments, certificates, notices and documents and shall do or cause to be done all such acts and things as may now or hereafter be required for the formation, valid existence and, when appropriate, termination of the Company as a limited liability company under the laws of the State of Delaware.

Section 2.2 Company Name. The name of the Company shall be "TGC/Farkas Funding LLC". The business of the Company may be conducted under such other names as the Members may from time to time determine, provided that the Company complies with all relevant state laws relating to the use of fictitious and assumed names.

Section 2.3 Place of Business; Principal Office. The principal and chief executive office of the Company shall be located at the offices of TGC Investor in New York, New York or such other place that the Members shall determine. The books and records of the Company shall be kept and maintained at the principal office of the Company.

Section 2.4 Purpose; Nature of Business Permitted; Powers. The Company is formed for the purpose of owning not less than a three percent (3.0%) membership interest in the Investment Vehicle, and to engage in any and all activities that may be necessary, incidental or advisable to the foregoing. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

Section 2.5 Business Transactions of a Member with the Company. In accordance with Section 18-107 of the Act, a Member may lend money to, borrow

money from, act as surety, guarantor or endorser for, guarantee or assume one or more obligations of, provide collateral for, and transact other business with, the Company and, subject to applicable law, shall have the same rights and obligations with respect to any such matter as a Person who is not a Member. The Company shall not lend money to, act as a surety, guarantor or endorser for, guarantee or assume on or more obligations of, or provide collateral for a Member.

Section 2.6 Company Property. No real or other property of the Company shall be deemed to be owned by a Member individually, but shall be owned by and title shall be vested solely in the Company. The Common Interests in the Company held by the Members shall constitute personal property of the Members.

Section 2.7 Term. The existence of the Company commenced on the date of the filing of the Certificate of Formation in the office of the Secretary of State of the State of Delaware in accordance with the Act, and, subject to the provisions of Article X hereof, the Company shall have perpetual life.

Section 2.8 No State Law Partnership. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture and that no Member be a partner or joint venturer of any other Member for any purposes other than applicable tax laws. This Agreement may not be construed to suggest otherwise.

Section 2.9 Fiscal Year. The fiscal year of the Company (the "Fiscal Year") for financial statement and federal income tax purposes shall be the calendar year. The Company shall have the same fiscal year for tax and accounting purposes.

Section 2.10 Tax Treatment. The Company shall be treated as a partnership for U.S. federal income tax purposes (as well as for any analogous state or local tax purposes), and the Members and the Company shall timely make any and all necessary elections and filings for the Company to be treated as a partnership for U.S. federal income tax purposes (as well as for any analogous state or local tax purposes).

Section 2.11 Registered Office and Agency. The address of the registered office of the Company in the State of Delaware is Corporation Services Company, 2711 Centerville Road, in the City of Wilmington, County of New Castle, State of Delaware 19808. Such office and such agent may be changed from time to time by the Members.

ARTICLE III

MEMBERS

Section 3.1 Members. The name, address and Membership Interest Percentage (as hereinafter defined) of each of the Members are set forth on Schedule A hereto, which shall be amended from time to time to reflect the admission of new Members, additional capital contributions of Members or the Transfer of Common Interests, each, to the extent permitted by the terms of this Agreement. As of the date hereof, each Member's membership interest in the Company (its "Membership Interest Percentage") is as follows:

<u>Member</u>	<u>Membership Interest Percentage</u>
TGC Investor	50.00%
<u>Farkas</u>	<u>50.00%</u>
TOTAL:	100.00%

Section 3.2 Admission of New Members. A Person shall be admitted as a Member of the Company only upon (i) the prior unanimous written approval of the Members and (ii) receipt by the Company of a counterpart to this Agreement, executed by such Person, agreeing to be bound by the terms of this Agreement.

Section 3.3 No Liability of Members. All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member.

Section 3.4 Actions by the Members; Meetings; Quorum.

(a) The Administrative Member may take any action without a meeting; however, the Administrative Member agrees that all actions shall be taken after consultation with, and upon the consent of, all Members and the Administrative Member agrees to file a copy of any action taken by the Administrative Member with the records of the Company.

(b) Meetings of the holders of the Common Interests may be called at any time by the Members. Decisions of the Members shall be made by the unanimous vote of the Members.

Section 3.5 Power to Bind the Company. No Member (acting in its capacity as such) other than the Administrative Member shall have any authority to bind the Company to any third party with respect to any matter except pursuant to a resolution expressly authorizing such matter and authorizing such Member to bind the Company with respect thereto, which resolution is duly adopted by the affirmative vote of all Members.

ARTICLE IV

MANAGEMENT

Section 4.1 Management of the Company.

(a) The Members hereto agree that Farkas shall be the administrative member of the Company (the "Administrative Member") and shall be responsible for the day-to-day management of the Company. The Administrative Member shall be a "manager" of the Company as such term is defined in the Act and shall be responsible for making all business and managerial decisions for the Company.

(b) Neither this Agreement nor any term or provision hereof may be amended, waived, modified or supplemented orally, but only by a written instrument signed by all of the Members hereto.

Section 4.2 Exculpation. Neither the Administrative Member nor the Members shall be liable to the Company or to any other Person for any action taken or omitted to be taken by such party or for any action taken or omitted to be taken by any other Person with respect to the Company, except to the extent that any such act or omission was attributable to such Person's willful misconduct, fraud or gross negligence. Without limiting the generality of the foregoing, neither the Administrative Member nor the Members shall be liable to the Company for honest mistakes of judgment or for losses or liabilities due to such mistakes or to the negligence, dishonesty or bad faith of any employee, broker or other agent of the Company.

Section 4.3 Indemnification.

(a) The Company shall indemnify to the fullest extent permitted by law each of Administrative Member and each Member and each of their respective employees or agents of each of them (each, a "Covered Person") from and against all costs and expenses (including attorneys' fees and disbursements), judgments, fines, settlements, claims and other liabilities incurred by or imposed upon such Covered Person in connection with, or resulting from, investigating,

preparing or defending any action, suit or proceeding, whether civil, criminal, administrative, investigative, legislative or otherwise (or any appeal therein), to which such Covered Person may be made a party or become otherwise involved or with which such Covered Person may be threatened, in each case by reason of, or in connection with, such Covered Person's being or having been associated with the Company, or having acted at the direction of the Company as a director, officer, employee, partner or agent of an entity in which the Company has invested, directly or indirectly, or by reason of any action or alleged action, omission or alleged omission by such Covered Person in any such capacity, provided that such Covered Person is not ultimately adjudged to have engaged in willful misconduct, fraud or gross negligence.

(b) The Company may purchase and maintain liability insurance on behalf of any Covered Person against any liability asserted against a Covered Person and incurred by him, her or it arising out of the Company, whether or not the Company could indemnify such Covered Person against the liability under the provisions of this Section 4.3.

(c) The Company shall pay the expenses incurred by any such Covered Person in investigating, preparing or defending a civil or criminal action, suit or proceeding, in advance of the final disposition thereof, upon receipt of an undertaking by or on behalf of such Covered Person to repay such amount if there is a final adjudication or determination that he, she or it is not entitled to indemnification as provided herein.

(d) None of the provisions of this Section 4.3 shall be deemed to create or grant any rights in favor of any third party, including, without limitation, any right of subrogation in favor of any insurer or surety. The rights of indemnification granted hereunder shall survive the dissolution, winding up and termination of the Company.

(e) The right of any Covered Person to the indemnification provided herein shall be cumulative of, and in addition to, any and all rights to which such Covered Person may otherwise be entitled by contract or as a matter of law or equity and shall extend to such Covered Person's successors, assigns and legal representatives.

(f) All judgments against the Company or a Covered Person, in respect of which such Covered Person is entitled to indemnification, shall first be satisfied from Company assets before the Covered Person is responsible therefor.

Section 4.4 Reliance by Third Parties. Persons dealing with the Company are entitled to rely conclusively upon the power and authority of the Administrative Member.

Section 4.5 Officers and Related Persons. By resolution of the Members, Farkas is hereby appointed Chief Executive Officer of the Company (the "CEO"). The CEO shall have the authority to appoint and terminate officers of the Company, retain and terminate employees, agents and consultants of the Company and to delegate such duties to any such officers, employees, agents and consultants as the CEO deems appropriate in each case to operate in accordance with the Approved Budget or as otherwise agreed by the Members.

ARTICLE V

CAPITAL STRUCTURE AND CONTRIBUTIONS

Section 5.1 Capital Structure. The capital structure of the Company shall consist of one class of common interests ("Common Interests"). Each of the Common Interests shall be as set forth on Schedule A hereto, and shall have identical rights unless otherwise set forth herein.

Section 5.2 Capital Contributions. TGC Investor has contributed, as an initial capital contribution to the Company, all of its right to purchase the 1% Class A Interests and all of its right, title and interest in and to the amount of cash listed on Schedule A hereto (each, an "Initial Capital Contribution"). Farkas has contributed, as an initial contribution to the Company, his right to purchase the 2% Interest in the Investment Vehicle, which, for the purpose of this Agreement has the value set forth on Schedule A hereto. In exchange for the Initial Capital Contribution each Member is herewith receiving Common Interests in the Company in the amount set forth opposite the name of such Member on Schedule A hereto. Upon the satisfaction of the condition to effectiveness set forth in Section 5.5 hereof, the Administrative Members shall cause the Company to purchase the 1% Class A Interest with the cash contributed to the Company.

Section 5.3 Additional Capital Contributions. Other than as may be agreed by the Members, there shall be no additional contributions to the Company's capital.

Section 5.4 No Withdrawal Of Capital Contributions. Except upon the dissolution and liquidation of the Company as set forth in Article IX hereof, the Members shall not have the right to withdraw capital contributions.

Section 5.5 Condition to Effectiveness; Exclusive Investment Vehicle.

a. As a condition to the effectiveness of this Agreement, Farkas shall and shall cause the managing member of the Investment Vehicle to deliver to the Administrative Member that certain Consent to Admission of New Member in the form attached hereto as Exhibit B (the "Consent to Assignment"), pursuant to which the Company consents to the admission of the Company as a member as more particularly set forth therein.

b. The Members acknowledge and agree that 1.5% of the interest in the Investment Vehicle which is subject to vesting shall be allocable to Farkas and 1.5% of the interest in the Investment Vehicle which is not subject to vesting shall be allocable to TGC Investor. The Administrative Member shall cause the Investment Vehicle to properly identify the interests allocable to Farkas and TGC Investor on Schedule A to the Investment Vehicle operating agreement.

c. The Members acknowledge and agree that the Company shall be Farkas' exclusive vehicle for investments in the Investment Vehicle during the term of this Agreement.

Section 5.6 Maintenance of Capital Accounts. The Company shall establish and maintain capital accounts for the Common Interest Members in accordance Treasury Regulations Section 1.704-(b). The balance in each Member's capital account shall be increased by (x) the amount of each contribution made by such Member and (y) the distributive share of net profits of the Member and shall be decreased by (x) the amount of each distribution made to the Member and (y) the distributive share of net losses allocated to the Member.

ARTICLE VI

ALLOCATIONS AND DISTRIBUTIONS

Section 6.1 Distributions. The Administrative Member shall determine the amount of Distributable Cash in compliance with the Act and the timing of all distributions to be made hereunder. All distributions of Distributable Cash prior to the liquidation of the Company shall be made in the following order and priority:

(a) first, one hundred percent (100%) to TGC Investor until TGC Investor shall have received a cumulative amount equal to the Preferred Return; and

(b) second, one hundred percent (100%) to TGC Investor until such time as TGC Investor shall have received a cumulative amount equal to the total amount of its unpaid Capital Contributions, from time to time; and

(c) third, one hundred percent (100%) to the Members on a pro rata basis in accordance with their respective Membership Interest Percentage.

Section 6.2 Allocations of Net Profits and Net Losses from Operations. For financial accounting and tax purposes, the Company's net profits or net losses shall be determined on an annual basis in accordance with the manner determined by the Administrative Member upon consultation with the Members, provided, however allocation of net profits and net losses shall comply with the provisions of Section 704 and the Treasury Regulations promulgated thereunder. In each year, the Company's net profits and net losses shall be allocated to the Members, pro rata, in accordance with their Membership Interest Percentage.

Section 6.3 No Right to Distributions. The Members shall not have the right to demand or receive distributions of any amount, except as expressly provided in this Article VI.

Section 6.4 Withholding. The Company is authorized to withhold from distributions to the Members, or with respect to allocations to the Members, and to pay over to a Federal, foreign, state or local government, any amounts required to be withheld pursuant to the Internal Revenue Code of 1986 (the "Code"), or any provisions of any other Federal, foreign, state or local law. Any amounts so withheld shall be treated as having been distributed to the Members pursuant to this Article VI for all purposes of this Agreement, and shall be offset against the current or next amounts otherwise distributable to the Members.

ARTICLE VII

BOOKS AND REPORTS

Section 7.1 Books and Records. The Company shall keep or cause to be kept at the office of the Company (or at such other place as the Board in its discretion shall determine) full and accurate books and records regarding the status of the business and financial condition of the Company and shall make the same available to the Member upon request, subject to the provisions of the Act.

Section 7.2 Form K-1. After the end of each Fiscal Year, the Administrative Member shall cause to be prepared and transmitted, as promptly as possible, and in any event within 90 days of the close of the Fiscal Year, a Federal income tax Form K-1 and any required similar state income tax form for the Member.

Section 7.3 Tax Matters Partner. The Administrative Member is hereby designated as the Company's "Tax Matters Partner" under Section 6231(a) (7) of the

Code, and shall have all the powers and responsibilities of such position as provided in the Code. The Tax Matters Partner is specifically directed and authorized to take whatever steps are necessary or desirable to perfect such designation, including filing any forms or documents with the Internal Revenue Service and taking such other action as may from time to time be required under the Regulations issued under the Code. The Tax Matters Partner shall cause to be prepared and shall sign all tax returns of the Company, make any tax elections for the Company allowed under the Code or the tax laws of any state or other jurisdiction having taxing jurisdiction over the Company and monitor any governmental tax authority in any audit that such authority may conduct of the company's books and records or other documents.

Section 7.4 Reports. The Administrative Member shall provide the Members with reports as follows:

(a) A quarterly report for each calendar quarter (other than the last calendar quarter of the Fiscal Year), certified by Administrative Member, to its actual knowledge, to be true, accurate and complete in all material respects, and submitted to the Members within twenty (20) days of the end of each such calendar quarter, which shall include an operating statement and report of financial condition of the Company for such quarter; and

(b) Annual financial statements in a format acceptable to the Members within ninety (90) days of the end of the Fiscal Year. The Members hereby agree to act reasonably in approving a Company accountant to provide auditing and tax services.

ARTICLE VIII

TRANSFERS OF COMMON INTERESTS; PARTIAL REDEMPTION

Section 8.1 Restriction on Transfer. No Member shall sell, convey, assign, transfer, pledge, grant a security interest in or otherwise dispose of (each a "Transfer") all or any part of its Common Interest, other than upon the prior unanimous written consent of the Members; provided, however, such Person to whom such Common Interests are Transferred shall be an assignee and shall have no right to participate in the Company's business and affairs unless and until such Person shall be admitted as a member of the Company upon (i) the prior unanimous written consent of the Members and (ii) receipt by the Company of a written agreement executed by the Person to whom such Common Interests are Transferred agreeing to be bound by the terms of this Agreement. All Transfers in violation of this Article VIII are null and void ab initio and of no force or effect.

Section 8.2 Permitted Transfers. Notwithstanding the foregoing, the consent of the Members shall not be required in connection with a transfer, in one or a series of transactions, of not more than forty-nine percent (49%) of a Member's membership interests in the Company provided that (i) any such Transfers are made by the ultimate beneficial owner of the membership interests to his spouse or a trust or other entity for estate planning purposes for the benefit of his spouse and (ii) any such transfer shall be permitted under the organizational documents of the Investment Vehicle.

ARTICLE IX

DISSOLUTION OF THE COMPANY

Section 9.1 Dissolution. The Company shall be dissolved upon the occurrence of either of the following events (an "Event of Termination"):

- (a) TGC Investor and Farkas vote for dissolution; or
- (b) the entry of a decree of judicial dissolution under the Act.

No other event, including the retirement, insolvency, liquidation, dissolution, insanity, expulsion, bankruptcy, death, incapacity or adjudication of incompetency of a Member, shall cause the Company to be dissolved; provided, however, that in the event of any occurrence resulting in the termination of the continued membership of the last remaining member of the Company, the Company shall be dissolved unless, within 90 days following such event, the personal representative of the last remaining member agrees in writing to continue the Company and to the admission of such personal representative (or any other Person designed by such personal representative) as a member of the Company, effective upon the event resulting in the termination of the continued membership of the last remaining member of the Company.

Section 9.2 Winding Up.

(a) In the event that an Event of Termination shall occur, then the Company shall be liquidated and its affairs shall be wound up by the Administrative Member(s) in accordance with the Act. All proceeds from such liquidation shall be distributed in accordance with the provisions of Law, and all Common Interests in the Company shall be cancelled.

(b) Upon the completion of the distribution of the winding up of the Company's affairs and Company's assets, the Company shall be terminated and

the Administrative Member shall cause the Company to execute and file a Certificate of Cancellation in accordance with the Act.

ARTICLE X

MISCELLANEOUS

Section 10.1 Amendment to the Agreement. Amendment to this Agreement and to the Certificate of Formation shall be effective only if approved in writing by TGC Investor and Farkas. An amendment shall become effective as of the date specified in the approval of such Members or as of the date of such approval.

Section 10.2 Successors; Counterparts. Subject to Article VIII, this Agreement (a) shall be binding as to the executors, administrators, estates, heirs and legal successors, or nominees or representatives, of the Members and (b) may be executed in several counterparts with the same effect as if the parties executing the several counterparts had all executed one counterpart.

Section 10.3 Governing Law; Severability.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the principles of conflicts of law. In particular, this Agreement shall be construed to the maximum extent possible to comply with all the terms and conditions of the Act. If it shall be determined by a court of competent jurisdiction that any provisions or wording of this Agreement shall be invalid or unenforceable under the Act or other applicable law, such invalidity or unenforceability shall not invalidate the entire Agreement. In that case, this Agreement shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of applicable law, and, in the event such term or provisions cannot be so limited, this Agreement shall be construed to omit such invalid or unenforceable terms or provisions. If it shall be determined by a court of competent jurisdiction that any provision relating to the distributions and allocations of the Company or to any expenses payable by the Company is invalid or unenforceable, this Agreement shall be construed or interpreted so as (a) to make it enforceable or valid and (b) to make the distributions and allocations as closely equivalent to those set forth in this Agreement as is permissible under applicable law.

(b) The Members agree that any action, suit or proceeding based upon any matter, claim or controversy arising hereunder or relating hereto shall be brought solely in the courts of the County of New York in the State of New York or the United States federal courts sitting in the Southern District of New York. The

parties hereto irrevocably waive any objection to the venue of the above-mentioned courts, including any claim that such action, suit or proceeding has been brought in an inconvenient forum.

Section 10.4 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope or intent of this Agreement or any provision hereof.

Section 10.5 Notices. All notices, requests and other communications to any Member shall be in writing (including electronic mail, facsimile or similar writing) and shall be given to the Members (and any other Person designated by such Members) at its address or electronic mail, facsimile number set forth in Schedule A hereto or such other address or electronic mail, facsimile number as the Member may hereafter specify for the purpose by notice. Each such notice, request or other communication shall be effective (a) if given by telecopier, when transmitted to the number specified pursuant to this Section 10.5 and the appropriate confirmation is received, (b) if given by mail, 72 hours after such communication is received by the other party, or (c) if given by electronic or any other means, when delivered to the address specified pursuant to this Section 10.5.

Section 10.6 Interpretation. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in either the masculine, the feminine, or the neuter gender shall include the masculine, feminine and neuter.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the date first above written.

TGC 100 Investor, L.P.

By: 

Name: Adam Flatto


Title: Manager

Matthew Farkas

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the date first above written.

TGC 100 Investor, LLC

By: _____
Name: Adam Flatto
Title: Manager


Matthew Farkas

Schedule A**TGC/Farkas Funding LLC
Membership Percentage Interest and Initial Capital Balance of Member**

Name and Address of Member	Membership Percentage Interest	Initial Capital Balance
TGC 100 Investor, LLC c/o The Georgetown Company, LLC 677 Madison Avenue New York, New York 10021 Attention: Adam Flatto Telephone: 212-755-2323 Facsimile: 212-755-3679 Email: aflatto@georgetownco.com	50.0%	\$1,000,000.00
Matthew Farkas 3345 Birchwood Park Circle Las Vegas, Nevada, 89141 Telephone: 646-226-0674 Facsimile: 702.724.9781 Email: mfarkas@f100llc.com	50.0%	\$0.00
Total	100.0%	\$1,000,000.00

Schedule B

Capital Commitments

TGC 100 Investor, LLC

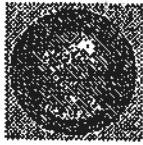
\$1,000,000.00

Farkas

\$0.00

Exhibit A
Organizational Documents of
First 100, LLC

[to be attached]



ROSS MILLER
Secretary of State
204 North Carson Street, Suite 4
Carson City, Nevada 89701-4520
(775) 684-5708
Website: www.nvsos.gov



050103

Articles of Organization Limited-Liability Company

(PURSUANT TO NRS CHAPTER 86)

Filed in the office of Ross Miller Secretary of State State of Nevada	Document Number 20120251991-62 Filing Date and Time 04/10/2012 3:19 PM Entity Number E0202092012-1
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(This document was filed electronically.)

ABOVE SPACE IS FOR OFFICE USE ONLY

USE BLACK INK ONLY - DO NOT HIGHLIGHT

1. Name of Limited-Liability Company: (must contain approved limited-liability company wording; see instructions)	FIRST 100, LLC		Check box if a Series Limited-Liability Company <input checked="" type="checkbox"/>	Check box if a Restricted Limited-Liability Company <input type="checkbox"/>
2. Registered Agent for Service of Process: (check only one box)	<input checked="" type="checkbox"/> Commercial Registered Agent: BLACKHAWK CORPORATE SERVICES Name <input type="checkbox"/> Noncommercial Registered Agent (name and address below) OR <input type="checkbox"/> Office or Position with Entity (name and address below) Name of Noncommercial Registered Agent OR Name of Title of Office or Other Position with Entity Street Address City Nevada Zip Code Mailing Address (if different from street address) City Nevada Zip Code			
3. Dissolution Date: (optional)	Latest date upon which the company is to dissolve (if existence is not perpetual)			
4. Management: (required)	Company shall be managed by: <input checked="" type="checkbox"/> Manager(s) OR <input type="checkbox"/> Member(s) (check only one box)			
5. Name and Address of each Manager or Managing Member: (attach additional page if more than 3)	1) SJC VENTURES HOLDING COMPANY LLC-SEE ATTACHED Name 113 BARKSDALE PROF. CENTE NEWARK DE 19711-3258 Street Address City State Zip Code 2) Name Street Address City State Zip Code 3) Name Street Address City State Zip Code			
6. Effective Date and Time: (optional)	Effective Date: Effective Time:			
7. Name, Address and Signature of Organizer: (attach additional page if more than 1 organizer)	BLACKHAWK CO-SEE ATTACHED <input checked="" type="checkbox"/> BLACKHAWK CORPORATE SERVICE Name Organizer Signature 8965 S EASTERN AVE STE 35 LAS VEGAS NV 89123 Address City State Zip Code			
8. Certificate of Acceptance of Appointment of Registered Agent:	I hereby accept appointment as Registered Agent for the above named Entity. <input checked="" type="checkbox"/> BLACKHAWK CORPORATE SERVICES Authorized Signature of Registered Agent or On Behalf of Registered Agent Entity 4/10/2012 Date			

This form must be accompanied by appropriate fees.

Nevada Secretary of State NRS 86 LLC Articles
Revised: 8-31-11

FIRST0060
AA1016

Articles of Organization

(PURSUANT TO NRS CHAPTER 89)

CONTINUED

*Includes data that is too long to fit in the fields on the NRS 86 Form and
all additional managers and organizers*

ENTITY NAME:	FIRST 100, LLC
--------------	----------------

FOREIGN NAME TRANSLATION:	Not Applicable
------------------------------	----------------

REGISTERED AGENT NAME:	BLACKHAWK CORPORATE SERVICES
STREET ADDRESS:	Not Applicable
MAILING ADDRESS:	Not Applicable

ADDITIONAL	Managers or Managing Members
Name: SJC VENTURES HOLDING COMPANY LLC	
Address: 113 BARKSDALE PROF. CENTER	
City: NEWARK	
State: DE	
Zip Code: 19711-3258	

ADDITIONAL	Organizers
Name: BLACKHAWK CORPORATE SERVICES	
Address: 8965 S EASTERN AVE STE 350	
City: LAS VEGAS	
State: NV	
Zip Code: 89123	

SECRETARY OF STATE




LIMITED LIABILITY COMPANY CHARTER

I, ROSS MILLER, the Nevada Secretary of State, do hereby certify that **FIRST 100, LLC** did on April 10, 2012, file in this office the Articles of Organization for a Limited Liability Company, that said Articles of Organization are now on file and of record in the office of the Nevada Secretary of State, and further, that said Articles contain all the provisions required by the laws governing Limited Liability Companies in the State of Nevada.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on April 10, 2012.


ROSS MILLER
Secretary of State

Certified By: Electronic Filing
Certificate Number: C20120410-2383
You may verify this certificate
online at <http://www.nvsos.gov/>

FIRST0062
AA1018

INITIAL LIST OF MANAGERS OR MANAGING MEMBERS AND REGISTERED AGENT AND STATE BUSINESS LICENSE APPLICATION OF:

FIRST 100, LLC

FILE NUMBER

B0202092012-1

NAME OF LIMITED LIABILITY COMPANY


FOR THE FILING PERIOD OF 4/2012 TO 4/2013

****YOU MAY FILE THIS FORM ONLINE AT www.nvsos.gov****

The entity's duly appointed registered agent in the State of Nevada upon whom process can be served is:

BLACKHAWK CORPORATE SERVICES (Commercial Registered Agent)
8965 S EASTERN AVE STE 305
LAS VEGAS, NV 89123 USA

A FORM TO CHANGE REGISTERED AGENT INFORMATION IS FOUND AT: www.nvsos.gov

Filed in the office of  Ross Miller Secretary of State State of Nevada	Document Number 20120252017-92 Filing Date and Time 04/10/2012 3:28 PM Entity Number E0202092012-1
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USE BLACK INK ONLY - DO NOT HIGHLIGHT

☐ Return one file stamped copy. (If filing not accompanied by order instructions, file stamped copy will be sent to registered agent.)

IMPORTANT: Read instructions before completing and returning this form.

- Print or type names and addresses, either residence or business, for all manager or managing members. A Manager, or if none, a Managing Member of the LLC must sign the form. **FORM WILL BE RETURNED IF UNSIGNED.**
- If there are additional managers or managing members, attach a list of them to this form.
- Initial list fee is \$125.00. A \$75.00 penalty must be added for failure to file this form by the last day of the first month following organization date.
- State business license fee is \$200.00. Effective 2/1/2010, \$100 must be added for failure to file form by deadline.
- Make your check payable to the Secretary of State.
- Ordering Copies:** If requested above, one file stamped copy will be returned at no additional charge. To receive a certified copy, enclose an additional \$30.00 per certification. A copy fee of \$2.00 per page is required for each additional copy generated when ordering 2 or more file stamped or certified copies. Appropriate instructions must accompany your order.
- Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, Nevada 89701-4201, (775) 684-5708.
- Form must be in the possession of the Secretary of State on or before the last day of the first month following the initial registration date. (Postmark date is not accepted as receipt date.) Forms received after due date will be returned for additional fees and penalties. Failure to include initial list and business license fees will result in rejection of filing.

INITIAL LIST FILING FEE: \$125.00

LATE PENALTY: \$75.00

BUSINESS LICENSE FEE: \$200.00

LATE PENALTY: \$100.00

Complete only if applicable		Section 7(2) Exemption Codes	
<input type="checkbox"/> Pursuant to NRS, this corporation is exempt from the business license fee. Exemption code: <input type="text"/>		001 - Governmental Entity 002 - 501(c) Nonprofit Entity 003 - Home-based Business 004 - Natural Person with 4 or less rental dwelling units 005 - Motion Picture Company 006 - NRS 680B.020 Insurance Co.	
<input type="checkbox"/> Month and year your State Business License expires: <input type="text"/> <input type="text"/> 20 <input type="text"/> <input type="text"/>			
NAME SJC VENTURES HOLDING COMPANY LLC		(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED) <input checked="" type="checkbox"/> MANAGER <input type="checkbox"/> MANAGING MEMBER	
ADDRESS C/O DELAWARE INTERCORP, INC. 113 BARKSDALE PROF. CENTER	CITY NEWARK	STATE DE	ZIP CODE 19711-3258
NAME		(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED) <input type="checkbox"/> MANAGER <input type="checkbox"/> MANAGING MEMBER	
ADDRESS	CITY	STATE	ZIP CODE
NAME		(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED) <input type="checkbox"/> MANAGER <input type="checkbox"/> MANAGING MEMBER	
ADDRESS	CITY	STATE	ZIP CODE
NAME		(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED) <input type="checkbox"/> MANAGER <input type="checkbox"/> MANAGING MEMBER	
ADDRESS	CITY	STATE	ZIP CODE

I declare, to the best of my knowledge under penalty of perjury, that the above mentioned entity has complied with the provisions of sections 6 to 16 of AB 146 of the 2009 session of the Nevada Legislature and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

ROBERT ATKINSON

X

Signature of Manager or Managing Member

Title

ATTORNEY

Date

4/10/2012 3:27:45 PM

Nevada Secretary of State Initial List Memorandum
Revised: 6-5-09

FIRST0063

AA1019

SECRETARY OF STATE



NEVADA STATE BUSINESS LICENSE

FIRST 100, LLC

Nevada Business Identification # NV20121231493

Expiration Date: April 30, 2013

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

This license shall be considered valid until the expiration date listed above unless suspended or revoked in accordance with Title 7 of Nevada Revised Statutes.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on April 10, 2012

A handwritten signature in black ink, appearing to read "Ross Miller".

ROSS MILLER
Secretary of State

This document is not transferable and is not issued in lieu of any locally-required business license, permit or registration.

Please Post in a Conspicuous Location

**You may verify this Nevada State Business License
online at www.nvsos.gov under the Nevada Business Search.**

**FIRST0064
AA1020**

Brown, Susan A (NYC)

From: Adam Flatto <aflatto@georgetownco.com>
Sent: Sunday, October 20, 2013 11:57 AM
To: Brown, Susan A (NYC)
Subject: FW: Formation Docs
Attachments: Formation Docs F100.pdf; ATT00001.htm

From: Matthew Farkas [<mailto:Mfarkas@f100llc.com>]
Sent: Friday, October 11, 2013 2:59 PM
To: Adam Flatto
Subject: Fwd: Formation Docs

Matthew Farkas

Vice President of Finance

1st One Hundred

m 646.226.0674 | o 702.823.3600 | f 702.724.9781
Mfarkas@f100llc.com | www.f100llc.com

Corporate Headquarters

Tivoli Village at Queens Ridge

410 S. Rampart Blvd., Suite 450 Las Vegas, NV 89145

Please consider the environment

CONFIDENTIALITY NOTICE: This message is for the named person's use only. It may contain sensitive and private proprietary or legally privileged information. If you are not the intended recipient, you are hereby notified that any review, dissemination, distribution or duplication of this communication is strictly prohibited and may be unlawful. If you are not the intended recipient, please notify the sender immediately by return e-mail and destroy this communication and all copies thereof, including all attachments.

----- Original Message -----

Subject: Formation Docs

From: J Chris Morgando <cmorgando@first100llc.com>

To: Matthew Farkas <Mfarkas@f100llc.com>

CC:



ROSS MILLER
Secretary of State
204 North Carson Street, Suite 4
Carson City, Nevada 89701-4520
(775) 684-5708
Website: www.nvsos.gov



050103

Articles of Organization Limited- Liability Company

(PURSUANT TO NRS CHAPTER 86)

Filed in the office of Ross Miller Secretary of State State of Nevada	Document Number 20120251991-62 Filing Date and Time 04/10/2012 3:19 PM Entity Number E0202092012-1
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(This document was filed electronically.)

ABOVE SPACE IS FOR OFFICE USE ONLY

USE BLACK INK ONLY - DO NOT HIGHLIGHT

1. Name of Limited- Liability Company: (must contain approved limited-liability company wording; see instructions)	FIRST 100, LLC	Check box if a Series Limited- Liability Company <input checked="" type="checkbox"/>	Check box if a Restricted Limited- Liability Company <input type="checkbox"/>
2. Registered Agent for Service of Process: (check only one box)	<input checked="" type="checkbox"/> Commercial Registered Agent: BLACKHAWK CORPORATE SERVICES Name <input type="checkbox"/> Noncommercial Registered Agent (name and address below) OR <input type="checkbox"/> Office or Position with Entity (name and address below) Name of Noncommercial Registered Agent OR Name of Title of Office or Other Position with Entity Street Address City Nevada Zip Code Mailing Address (if different from street address) City Nevada Zip Code		
3. Dissolution Date: (optional)	Latest date upon which the company is to dissolve (if existence is not perpetual):		
4. Management: (required)	Company shall be managed by: <input checked="" type="checkbox"/> Manager(s) OR <input type="checkbox"/> Member(s) (check only one box)		
5. Name and Address of each Manager or Managing Member: (attach additional page if more than 3)	1) SJC VENTURES HOLDING COMPANY LLC SEE ATTACHED Name 113 BARKSDALE PROF. CENTE NEWARK DE 19711-3258 Street Address City State Zip Code 2) Name Street Address City State Zip Code 3) Name Street Address City State Zip Code		
6. Effective Date and Time: (optional)	Effective Date: Effective Time:		
7. Name, Address and Signature of Organizer: (attach additional page if more than 1 organizer)	BLACKHAWK CO-SEE ATTACHED X BLACKHAWK CORPORATE SERVICE Name Organizer Signature 8965 S EASTERN AVE STE 35 LAS VEGAS NV 89123 Address City State Zip Code		
8. Certificate of Acceptance of Appointment of Registered Agent:	I hereby accept appointment as Registered Agent for the above named Entity. X BLACKHAWK CORPORATE SERVICES Authorized Signature of Registered Agent or On Behalf of Registered Agent Entity 4/10/2012 Date		

This form must be accompanied by appropriate fees.

Nevada Secretary of State NRS 86 OLLC Articles
Revised: 8-31-11

FIRST0066
AA1022

Articles of Organization

(PURSUANT TO NRS CHAPTER 86)

CONTINUED

*Includes data that is too long to fit in the fields on the NRS 86 Form and
all additional managers and organizers*

ENTITY NAME:	FIRST 100, LLC
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FOREIGN NAME TRANSLATION:	Not Applicable
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REGISTERED AGENT NAME:	BLACKHAWK CORPORATE SERVICES
STREET ADDRESS:	Not Applicable
MAILING ADDRESS:	Not Applicable

ADDITIONAL	Managers or Managing Members
Name: SJC VENTURES HOLDING COMPANY LLC	
Address: 113 BARKSDALE PROF. CENTR	
City: NEWARK	
State: DE	
Zip Code: 19711-3258	

ADDITIONAL	Organizers
Name: BLACKHAWK CORPORATE SERVICES	
Address: 8965 S EASTERN AVE STE 350	
City: LAS VEGAS	
State: NV	
Zip Code: 89123	

SECRETARY OF STATE



LIMITED LIABILITY COMPANY CHARTER

I, ROSS MILLER, the Nevada Secretary of State, do hereby certify that **FIRST 100, LLC** did on April 10, 2012, file in this office the Articles of Organization for a Limited Liability Company, that said Articles of Organization are now on file and of record in the office of the Nevada Secretary of State, and further, that said Articles contain all the provisions required by the laws governing Limited Liability Companies in the State of Nevada.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on April 10, 2012.

A handwritten signature of Ross Miller in black ink.

ROSS MILLER
Secretary of State

Certified By: Electronic Filing
Certificate Number: C20120410-2383
You may verify this certificate
online at <http://www.nvsos.gov/>

INITIAL LIST OF MANAGERS OR MANAGING MEMBERS AND REGISTERED AGENT AND STATE BUSINESS LICENSE APPLICATION OF:

FIRST 100, LLC

FILE NUMBER

E0202092012-1

NAME OF LIMITED-LIABILITY COMPANY

FOR THE FILING PERIOD OF 4/2012 TO 4/2013

****YOU MAY FILE THIS FORM ONLINE AT www.nvsos.gov****

The entity's duly appointed registered agent in the State of Nevada upon whom process can be served is:

BLACKHAWK CORPORATE SERVICES (Commercial Registered Agent)
8965 S EASTERN AVE STE 305
LAS VEGAS, NV 89123 USA

A FORM TO CHANGE REGISTERED AGENT INFORMATION IS FOUND AT: www.nvsos.gov



100401

Filed in the office of Ross Miller Secretary of State State of Nevada	Document Number 20120252017-92 Filing Date and Time 04/10/2012 3:28 PM Entity Number E0202092012-1
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USE BLACK INK ONLY - DO NOT HIGHLIGHT

☐ Return one file stamped copy. (If filing not accompanied by order instructions, file stamped copy will be sent to registered agent.)

IMPORTANT: Read instructions before completing and returning this form.

- Print or type names and addresses, either residence or business, for all manager or managing members. A Manager, or if none, a Managing Member of the LLC must sign the form. **FORM WILL BE RETURNED IF UNSIGNED.**
- If there are additional managers or managing members, attach a list of them to this form.
- Initial 1st fee is \$125.00. A \$75.00 penalty must be added for failure to file this form by the last day of the first month following organization date.
- State business license fee is \$200.00. Effective 2/1/2010, \$100 must be added for failure to file form by deadline.
- Make your check payable to the Secretary of State.
- Ordering Copies:** If requested above, one file stamped copy will be returned at no additional charge. To receive a certified copy, enclose an additional \$30.00 per certification. A copy fee of \$2.00 per page is required for each additional copy generated when ordering 2 or more file stamped or certified copies. Appropriate instructions must accompany your order.
- Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, Nevada 89701-4201, (775) 684-6708.
- Form must be in the possession of the Secretary of State on or before the last day of the first month following the initial registration date. (Postmark date is not accepted as receipt date.) Forms received after due date will be returned for additional fees and penalties. Failure to include initial list and business license fees will result in rejection of filing.

INITIAL LIST FILING FEE: \$125.00

LATE PENALTY: \$75.00

BUSINESS LICENSE FEE: \$200.00

LATE PENALTY: \$100.00

Complete only if applicable:

☐ Pursuant to NRS, this corporation is exempt from the business license fee. Exemption code:

☐ Month and year your State Business License expires: 20

Section 7(2) Exemption Codes

- 001 - Governmental Entity
- 002 - 501(c) Nonprofit Entity
- 003 - Home-based Business
- 004 - Natural Person with 4 or less rental dwelling units
- 005 - Motion Picture Company
- 006 - NRS 680B.020 Insurance Co.

NAME SJC VENTURES HOLDING COMPANY LLC	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
	<input checked="" type="checkbox"/> MANAGER	<input type="checkbox"/> MANAGING MEMBER	
ADDRESS C/O DELAWARE INTERCORP, INC. 113 BARKSDALE PROF. CENTER	CITY NEWARK	STATE DE	ZIP CODE 19711-3258
NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
	<input type="checkbox"/> MANAGER	<input type="checkbox"/> MANAGING MEMBER	
ADDRESS	CITY	STATE	ZIP CODE
NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
	<input type="checkbox"/> MANAGER	<input type="checkbox"/> MANAGING MEMBER	
ADDRESS	CITY	STATE	ZIP CODE
NAME	(DOCUMENT WILL BE REJECTED IF TITLE NOT INDICATED)		
	<input type="checkbox"/> MANAGER	<input type="checkbox"/> MANAGING MEMBER	
ADDRESS	CITY	STATE	ZIP CODE

I declare, to the best of my knowledge under penalty of perjury, that the above mentioned entity has complied with the provisions of sections 6 to 18 of AB 146 of the 2009 session of the Nevada Legislature and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

ROBERT ATKINSON

X

Signature of Manager or Managing Member

Title

ATTORNEY

Date

4/10/2012 3:27:45 PM

Nevada Secretary of State Initial List Man/Mem
Revised: 8-5-08

FIRST0069

AA1025

SECRETARY OF STATE



NEVADA STATE BUSINESS LICENSE

FIRST 100, LLC

Nevada Business Identification # NV20121231493

Expiration Date: April 30, 2013

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

This license shall be considered valid until the expiration date listed above unless suspended or revoked in accordance with Title 7 of Nevada Revised Statutes.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on April 10, 2012

ROSS MILLER
Secretary of State

This document is not transferable and is not issued in lieu of any locally-required business license, permit or registration.

Please Post in a Conspicuous Location

**You may verify this Nevada State Business License
online at www.nvsos.gov under the Nevada Business Search.**

**FIRST0070
AA1026**

FIRST AMENDED OPERATING AGREEMENT

of

FIRST 100, LLC

This operating agreement of FIRST 100, LLC, a Nevada limited liability company, Adopted April 11, 2012, and further Amended December 12, 2012, having an effective date of December 12, 2012, is: (i) adopted by the Manager (as defined below); and (ii) executed and agreed to, for good and valuable consideration, by the Members (as defined below).

ARTICLE I: DEFINITIONS

As used in this Operating Agreement, unless the context clearly indicates otherwise, the following terms have the following meanings:

1.1 "Act" means Chapter 86 of the Nevada Revised Statutes and any successor statute, as amended from time to time.

1.2 "Articles" means the Articles of Organization filed with the Nevada Secretary of State by which the Company was organized as a Nevada limited liability company under and pursuant to the Act.

1.3 "Bankrupt Member" means any Member: (a) that (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for the Member a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in a proceeding of the type described in sub-clauses (i) through (iv) of this Clause (a); or (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member's or of all or any substantial part of the Member's properties; or (b) against which, a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law has been commenced and 120 days have expired without dismissal thereof or with respect to which, without the Member's consent or acquiescence, a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties has been appointed and 90 days have expired without the appointment's having been vacated or stayed, or 90 days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

1.4 "Business Day" means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of Nevada are closed.

1.5 "Capital Contribution" means any contribution by a Member to the capital of the Company.

1.6 "Class A Member" means a Member identified on SCHEDULE A hereto.

1.7 "Class A Membership Interest" means, with respect to any Class A Member, the percentage interest set forth opposite such Class A Member's name on SCHEDULE A, as may be amended from time to time.

1.8 "Class B Member" means a Member identified on SCHEDULE A hereto.

1.9 "Class B Membership Interest" means with respect to any Non Voting Class B Member, the percentage interest set forth opposite such Class B Member's name on SCHEDULE A, as may be amended from time to time.

1.10 "Class C Member" means a Member identified on SCHEDULE A hereto.

1.11 "Class C Membership Interest" means with respect to any Non Voting Class C Member, the percentage interest set forth opposite such Class C Member's name on SCHEDULE A, as may be amended from time to time.

1.12 "Code" means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

1.13 "Company" means First 100, LLC, a Nevada limited liability company

1.14 "Default Interest Rate" means a rate per annum equal to the lesser of (a) one percent (1.0%) plus a varying rate per annum that is equal to the Wall Street Journal prime rate as quoted in the money rates section of the Wall Street Journal which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

1.15 "Delinquent Member" means a Member who does not contribute by the time required all or any portion of a Capital Contribution that Member is required to make as provided in this Operating Agreement.

1.16 "Dispose," "Disposing," or "Disposition" means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

1.17 "General Interest Rate" means a rate per annum equal to the lesser of (a) the Wall Street Journal prime rate as quoted in the money rates section of the Wall Street Journal which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

1.18 "Lending Member" means those Members, whether one or more, who advance the portion of the Delinquent Member's Capital Contribution that is in default.

1.19 "Manager" means SJC Ventures Holding Company, LLC, a Delaware limited liability company. There is only one Manager of the Company.

1.20 "Member" means any Person executing this Operating Agreement as of the date of this Operating Agreement as a Member, or hereafter admitted to the Company as a Member as provided in this Operating Agreement, but does not include any Person who has ceased to be a Member in the Company.

1.21 "Membership Interest" means the interest of a Member in the Company, including, without limitation, rights to distributions (liquidating or otherwise), allocations, information, and to consent or approve.

1.22 "NRS" means Nevada Revised Statutes.

1.23 "NRS Chapter 86" means the Nevada statutes contained in Chapter 86 of the Nevada Revised Statutes concerning limited-liability companies, and any successor statute, as amended from time to time.

1.24 "Operating Agreement" means this Operating Agreement, as approved or amended by the Members, as herein provided.

1.25 "Permitted Transferee" means any member of such Member's immediate family, or a trust, including a charitable remainder trust, corporation, limited liability company, or partnership controlled by such Member or members of such Member's immediate family, or another Person controlling, controlled by, or under common control with such Member.

1.26 "Person" includes an individual, partnership, limited partnership, limited liability company,

foreign limited liability company, trust, estate, corporation, custodian, trustee, executor, administrator, nominee or entity in a representative capacity.

1.27 "Priority Return" means a sum equal to that particular Class B Member's principal amount of Class B Capital Contribution.

1.28 "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative.

ARTICLE II: ORGANIZATION

2.1 **FORMATION.** The Company has been organized as a Nevada limited liability company by the filing of Articles under and pursuant to the Act and the issuance of a certificate of organization for the Company by the Secretary of State of Nevada.

2.2 **NAME.** The name of the Company is FIRST 100, LLC and all Company business must be conducted in that name, or such other registered names that comply with applicable law as the Manager may select from time to time.

2.3 **REGISTERED OFFICE; REGISTERED AGENT; PRINCIPAL OFFICE IN THE UNITED STATES; OTHER OFFICES.** The registered office of the Company required by the Act to be maintained in the State of Nevada shall be the office of the initial registered agent named in the Articles or such other office (which need not be a place of business of the Company) as the Manager may designate from time to time in the manner provided by law. The registered agent of the Company in the State of Nevada shall be the initial registered agent named in the Articles or such other Person or Persons as the Manager may designate from time to time in the manner provided by law. The principal office of the Company in the United States shall be at such place as the Manager may designate from time to time, which need not be in the State of Nevada, and the Company shall maintain records there as required by NRS §86.241 and shall keep the street address of such principal office at the registered office of the Company in the State of Nevada. The Company may have such other offices as the Manager may designate from time to time.

2.4 **PURPOSES.** The purpose of the Company is everything allowable by law.

2.5 **FOREIGN QUALIFICATION.** Prior to the Company's conducting business in any jurisdiction other than Nevada, the Manager shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Manager or Members, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Manager or Members, each Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Operating Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.6 **TERM.** The Company commenced on the date the Nevada Secretary of State issued a certificate of organization for the Company and shall continue in existence for the period fixed in the Articles for the duration of the Company, or such earlier time as this Operating Agreement may specify.

2.7 **MERGERS AND EXCHANGES.** The Company may be a party to: (a) a merger; or (b) an exchange or acquisition permitted by the Act, subject to the requirements of this Operating Agreement.

2.8 **NO STATE-LAW PARTNERSHIP.** The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, for any purposes other than federal and state tax purposes, and this Operating Agreement may not be construed to suggest otherwise.

ARTICLE III: MEMBERS

3.1 THREE CLASSES OF MEMBERSHIP INTEREST. The Company shall have three classes of Membership Interests: Class A Voting Membership Interests, Class B Non Voting Membership Interests and Class C Non Voting Membership Interests. Each of the Class A Membership Interests, Class B Membership Interests and Class C Membership Interests shall have certain rights, obligations and privileges, as provided in this Agreement.

3.2 MEMBERSHIP INTERESTS. The Member names and Class A Membership Interests of the Class A Members are set forth on SCHEDULE A. The Member names and Class B Membership Interests of the Class B Members are set forth on SCHEDULE A. The Member names and Class C Membership Interests of the Class C Members are set forth on SCHEDULE A.

3.3 CLASSES AND VOTING. The Company may issue voting Membership Interests and non-voting Membership Interests. The Membership certificates shall clearly designate so as to distinguish between voting and non-voting classes. Upon adoption of this Operating Agreement:

- i. Class A Members shall have voting rights. All references in this Operating Agreement to discretionary actions subject to a vote of Members shall solely refer to Class A Members.
- ii. Class B Members are non-voting Membership Interests.
- iii. Class C Members are non-voting Membership Interests.

3.4 VOTING; PROXIES. Each outstanding Class A Membership Interest shall be entitled to one vote per one full percent of Class A Membership Interest owned by the Member on each matter submitted to a vote at a meeting of Members. A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

3.5 QUORUM. Unless otherwise provided in the Articles, the holders of a simple majority of the Membership Interest entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Class A Members.

3.6 MAJORITY VOTE. With respect to any matter when a quorum is present at any meeting, the vote of the holders of a simple majority of the Membership Interest, present in person or represented by proxy, having voting power with respect to that matter, shall decide such matter brought before such meeting, unless the matter is one upon which, by express provision of the Articles or this Operating Agreement, or by an express provision of the Act which is applicable to such vote unless overridden by the Articles, a different vote is required, in which case such express provision shall govern and control the decision of such matter.

3.7 PLACE AND MANNER OF MEETING. All meetings of the Members shall be held at such time and place, within or without the State of Nevada, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Members may participate in such meetings by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a Person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.8 CONDUCT OF MEETINGS. All meetings of the Members shall be presided over by the chairman of the meeting, who shall be a Person designated by the Manager. The chairman of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order.

3.9 ANNUAL MEETING. An annual meeting of the Members shall be held each year. Failure to hold the annual meeting at the designated time shall not work as a dissolution of the Company.

3.10 SPECIAL MEETINGS. Special meetings of the Members may be called at any time by: (i) the

Manager of the Company; (ii) the President of the Company if such office exists; or (iii) the holders of at least five percent (5%) of the Class A Membership interests. Unless waived, notice of such special meeting must be made in writing at least ten days prior to the meeting date, and such notice shall state the purpose of such special meeting and the matters proposed to be acted on thereat. A quorum must be present for such meeting to be recognized and effective.

3.11 NOTICE. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting either personally or by mail, to each Member, provided that such notice may be waived as provided in this Operating Agreement. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Company, with postage thereon prepaid.

3.12 CLOSING RECORD BOOKS AND FIXING RECORD DATE. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or entitled to distribution or in order to make a determination of Members for any other proper purpose, the Manager may provide that the record books shall be closed for a stated period not exceeding sixty (60) days. If the record books shall be closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the record books, the Manager may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than sixty (60) days and in the case of a meeting of Members, not less than ten (10) days prior to the date of which the particular action requiring such determination of Members is to be taken. If the record books are not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, or Members entitled to receive distribution, the date on which notice of the meeting is mailed or the date on which the resolution of the Manager, declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, except where the determination has been made through the closing of record books and the stated period of closing has expired.

3.13 ACTION WITHOUT MEETING. Any meeting, or any action required by the Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members (including any action requiring less than unanimous vote of the members), may be taken without a formal meeting, and without prior notice, but only if consent in writing, setting forth the action so taken, shall have been signed by the holders of all the Membership Interest for each class entitled to vote and such consent shall have the same force and effect as vote by formal meeting of the Members. Written consents made pursuant to this Section shall be signed and dated.

3.14 CONFIDENTIAL INFORMATION. The Members acknowledge that from time to time, they may receive information from the Manager or other Persons regarding the Company or Persons with which it does business. Each Member shall hold in strict confidence any information it receives regarding the Company that is identified as being confidential (and if that information is provided in writing, that is so marked) and may not disclose it to any person other than to another Member or a Manager, except for disclosures: (i) compelled by law (but the Member must notify the Manager promptly of any request for that information, before disclosing it, if practicable); (ii) to advisers or representatives of the Member or Persons to which that Member's Membership Interest may be Disposed as permitted by this Operating Agreement, but only if the recipients have agreed to be bound by the provisions of this Section; or (iii) of information that Member also has received from a source independent of the Company that the Member reasonably believes obtained that information without breach of any obligation of confidentiality. The Members acknowledge that breach of the provisions of this Section may cause irreparable injury to the Company for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the Members agree that the provisions of this Section may be enforced by specific performance. The Members acknowledge that the Manager from time to time may determine, due to contractual obligations, business concerns, or other considerations, that certain information regarding the business, affairs, properties, and financial condition of the Company should be kept confidential and not provided to some or all other Members, and that it is not just or reasonable for those Members to examine or copy that information.

3.15 LIABILITIES TO THIRD PARTIES. Except as otherwise expressly agreed in writing, no

Member or the Manager shall be liable for the debts, obligations or liabilities of the Company.

3.16 WITHDRAWAL / SURRENDER. A Member may unilaterally withdraw from the Company as a Member, but only by ways of a written surrender of membership interest tendered to the Company and all Members then in existence.

3.17 LACK OF AUTHORITY TO BIND OR OBLIGATE. The Company is Manager-managed. No Member (other than a Manager or a duly appointed officer) has the authority or power to act for or on behalf of the Company, to do any act that would be obligating or binding on the Company, or to incur any expenditures on behalf of the Company.

3.18 REPRESENTATIONS AND WARRANTIES. Each Member hereby represents and warrants to the Company and each other Member that (a) if that Member is a corporation, it is duly organized, validly existing and in good standing under the law of the state of its incorporation and is duly qualified and in good standing as a foreign corporation in the jurisdiction of its principal place of business (if not incorporated therein); (b) if that Member is a limited liability company, it is duly organized, validly existing, and (if applicable) in good standing under the law of the state of its organization and is duly qualified and (if applicable) in good standing as a foreign limited liability company in the jurisdiction of its principal place of business (if not organized therein); (c) if that Member is a partnership, trust, or other entity, it is duly formed, validly existing, and (if applicable) in good standing under the law of the state of its formation, and if required by law is duly qualified to do business and (if applicable) in good standing in the jurisdiction of its principal place of business (if not formed therein), and the representations and warranties in Clause (a), (b), or (c), as applicable, are true and correct with respect to each partner (other than limited partners), trustee, or other Member thereof, (d) that Member has full corporate, limited liability company, partnership, trust, or other applicable power and authority to execute and agree to this Operating Agreement and to perform its obligations hereunder and all necessary actions by the board of directors, shareholders, Manager, Member(s), partners, trustees, beneficiaries, or other Persons necessary for the due authorization, execution, delivery, and performance of this Operating Agreement by that Member have been duly taken; (e) that Member has duly executed and delivered this Operating Agreement; and (f) that Member's authorization, execution, delivery, and performance of this Operating Agreement do not conflict with any other agreement or arrangement to which that Member is a party or by which it is bound.

3.19 ADMISSION OF ADDITIONAL MEMBERS. Following adoption of this Operating Agreement, the Company may admit one or more additional Members from time to time, but only upon the majority vote of all Class A Members then in existence. The terms of admission or issuance must specify the Capital Contributions applicable thereto, and may also provide for the creation of additional classes of Members and having different rights, powers, and duties, but is so then this Operating Agreement shall be amended to reflect such added classes. Upon the admission to the Company of any additional members, the Membership Interests of the other Members shall be reduced accordingly on a pro rata basis. SCHEDULE A shall be amended from time to time as of the effective date of the admission of an additional member to the Company. As a condition to being admitted to the Company, each additional member shall execute an agreement to be bound by the terms and conditions of this Agreement.

3.20 RESTRICTIONS ON TRANSFERENCE OF MEMBERSHIP INTEREST. Notwithstanding anything herein to the contrary, the Membership Interest and transferability of Membership Interest in the Company are substantially restricted. Neither record title nor beneficial ownership of a Membership Interest may be transferred or encumbered without the consent of all Members. This Company is formed by a closely-held group, who will have surrendered certain management rights (in exchange for limited liability) based upon their relationship and trust. Capital is also material to the business and investment objectives of the Company and its federal tax status. An unauthorized transfer of a Membership Interest could create a substantial hardship to the Company, jeopardize its capital base, and adversely affect its tax structure. These restrictions upon ownership and transfer are not intended as a penalty, but as a method to protect and preserve existing relationships based upon trust and the Company's capital and its financial ability to continue. Notwithstanding the foregoing restrictions upon transfer and ownership, the following transfers are permitted:

A. Death of a Member Who Is A Natural Person. The personal representative of a deceased Member's estate, or his or her contract beneficiary, may exercise all of the decedent's rights and powers as a Member,

and the decedent's Membership Interest in the Company will continue and pass to those entitled thereto upon the Member's death. It is specifically provided that a Member may prepare a written and acknowledged document in which he or she designates one or more beneficiaries of that Person's Membership Interest, and his or her written designation will be binding upon the Company if delivered to the Company before or within at least sixty 60 days after the death of the Member.

B. Estate Planning Transfers. A Member will also have the right to make estate planning transfers of all or any part of his or her Membership Interest in the Company. The term "estate planning transfer" will mean any transfer made during the life of a Member without value, or for less than full consideration, by way of a marital partition agreement and/or a transfer of all or any part of a Membership Interest to a trust whose beneficiary or beneficiaries are the Member and/or the spouse of a Member, and/or the descendants of a Member, and/or one or more beneficiaries qualified to receive a charitable gift under § 170(c) of the Code. The Articles and this Operating Agreement will bind the transferee of any estate planning transfer to the exact terms and conditions of the Articles and this Operating Agreement.

C. Transfers for Convenience. A Member who is a company may freely transfer its Membership to another company whose ownership is identical to the ownership of the assignor Member, provided, however, that such Member may not cause or permit an interest, direct or indirect, in itself to be disposed of such that, after the disposition, (a) the Company would be considered to have terminated within the meaning of §708 of the Code or (b) that Member shall cease to be controlled by substantially the same Persons who control it as of the date of its admission to the Company. On any breach of the provisions of clause (b) of the immediately preceding sentence, the Company shall have the option to buy, and on exercise of that option the breaching Member shall sell, the breaching Member's Membership Interest all in accordance with Article XI as if the breaching Member were a Bankrupt Member.

D. Approved Sale or Transfers. A Member may transfer its Membership to another Person upon the unanimous vote of all Class A Members.

3.21 DISPUTED TRANSFERS. The Company will not be required to recognize the interest of any transferee who has obtained a purported interest as the result of a transfer of ownership which is not an authorized transfer. If the Membership Interest is in doubt, or if there is reasonable doubt as to who is entitled to a distribution of the income realized from a Membership Interest, the Company may accumulate the income until this issue is finally determined and resolved. Accumulated income will be credited to the capital account of the Member whose interest is in question.

3.22 RIGHT OF FIRST REFUSAL. If any Person or agency should acquire the interest of a Member as the result of an order of a court of competent jurisdiction which the Company is required to recognize, or if a Member makes an unauthorized transfer of a Membership Interest which the Company is required to recognize, the interest of the transferee may then be acquired by the Company upon the following terms and conditions:

- (a) The Company will have the unilateral option to re-acquire the Membership Interest by giving written notice to the transferee of its intent to purchase within 90 days from the date it is finally determined that the Company is required to recognize the transfer.
- (b) The Company will have 180 days from the first day of the month following the month in which it delivers notice exercising its option to purchase the Membership Interest. The valuation date for the Membership Interest will be the first day of the month following the month in which notice is delivered.
- (c) Unless the Company and the transferee agree otherwise, the fair market value of a Member's Membership Interest is to be determined by the written appraisal of a Person or firm qualified to value this type of business. The appraiser selected by the Company must be a member of and qualified by the American Society of Appraisers, Business Valuations Division, [P. O. Box 17265, Washington, DC 20041] to perform appraisals.
- (d) Closing of the sale will occur at the registered office of the Company at 10 o'clock A.M. on the

first Tuesday of the month following the month in which the valuation report is accepted by the transferee (called the "closing date"). The transferee must accept or reject the valuation report within 30 days from the date it is delivered. If not rejected in writing within the required period, the report will be accepted as written. If rejected, closing of the sale will be postponed until the first Tuesday of the month following the month in which the valuation of the Membership Interest is resolved. The transferee will be considered a non-voting owner of the Membership Interest, and entitled to all items of income, deduction, gain or loss from the Membership Interest, plus any additions or subtractions therefrom until closing.

- (e) In order to reduce the burden upon the resources of the Company, the Company will have the option, to be exercised in writing delivered at closing, to pay its purchase money obligation in 10 equal annual installments (or the remaining terms of the Company if less than 10 years) with interest thereon at market rates, adjusted annually as of the first day of each calendar year at the option of the Manager. The term "market rates" will mean the rate of interest prescribed as the "prime rate" as quoted in the money rates section of the Wall Street Journal, which is also the base rate on corporate loans at large United States money center commercial banks, as of the first day of the calendar year. If §§483 and 1274A of the Code apply to this transaction, the rate of interest of the purchase money obligation will be fixed at the rate of interest then required by law. The first installment of principal, with interest due thereon, will be due and payable on the first day of the calendar year following closing, and subsequent annual installments, with interest due thereon, will be due and payable, in order, on the first day of each calendar year which follows until the entire amount of the obligation, principal and interest, is fully paid. The Company will have the right to prepay all or any part of the purchase money obligation at any time without premium or penalty.
- (f) The Manager may assign the Company's option to purchase to one or more of the Members (this with the affirmative consent of no less than 50% of the remaining Members, excluding the interest of the Member or transferee whose interest is to be acquired), and when done, any rights or obligations imposed upon the Company will instead become, by substitution, the rights and obligations of the Members who are assignees.
- (g) Neither the transferee of an unauthorized transfer or the Member causing the transfer will have the right to vote during the prescribed option period, or if the option to purchase is timely exercised, until the sale is actually closed.

3.23 TAX TREATMENT OF TRANSFERRED MEMBERSHIP INTERESTS. With respect to any transferred Membership Interest that may occur, all items of income, gain, loss, deduction, and credit allocable to any transferred Membership Interest shall for tax purposes be allocated between the transferor and the transferee based on the portion of the calendar year during which each was recognized as owning that Membership Interest without regard to the results of Company operations during any particular portion of that calendar year and without regard to whether cash distributions were made to the transferor or the transferee during that calendar year; provided, however, that this allocation must be made in accordance with a method permissible under §706 of the Code and the regulations thereunder.

ARTICLE IV: CAPITAL CONTRIBUTIONS

4.1 INITIAL CONTRIBUTIONS. Contemporaneously with the execution by such Member of this Operating Agreement, each Member shall make the Capital Contributions described for that Member in SCHEDULES A and B. No interest shall be earned or paid on Capital Contributions or a member's capital account.

4.2 SUBSEQUENT CONTRIBUTIONS. If necessary and appropriate to enable the Company to meet its costs, expenses, obligations, and liabilities, and if no lending source is available, then the Manager shall notify each Class A Member ("Capital Call") of the need for any additional capital contributions, and such capital demand shall be made on each Class A Member in proportion to its Class A Membership Interest. Any such Capital Call notice must include a statement in reasonable detail of the proposed uses of the required additional capital

contributions and a date (which date may be no earlier than the fifth Business Day following each Member's receipt of its notice) before which the additional capital contributions must be made.

4.3 FAILURE TO CONTRIBUTE. If a Member does not contribute all of its share of a Capital Call by the time required, then either:

- 1) One or more Class A Members may provide the additional capital, with such added capital to be reflected in that Class A Member's Capital Contribution, however, such additional capital to be entitled to priority return superior to those set forth in Article V.

or

- 2) Any other Members, individually or in concert (the "Lending Member," whether one or more), to advance the portion of the Delinquent Member's Capital Call that is in default, with the following results:

- (a) the sum advanced constitutes a loan from the Lending Member to the Delinquent Member and a Capital Contribution of that sum to the Company by the Delinquent Member pursuant to the applicable provisions of this Operating Agreement;
- (b) the principal balance of the loan and all accrued unpaid interest thereon is due and payable in whole on the tenth day after written demand therefore by the Lending Member to the Delinquent Member;
- (c) the amount loaned bears interest at the Default Interest Rate from the day that the advance is deemed made until the date that the loan, together with all interest accrued on it, is repaid to the Lending Member;
- (d) all distributions from the Company that otherwise would be made to the Delinquent Member (whether before or after dissolution of the Company) instead shall be paid to the Lending Member until the loan and all interest accrued on it have been paid in full to the Lending Member (with payments being applied first to accrued and unpaid interest and then to principal);
- (e) the payment of the loan and interest accrued on it is secured by a security interest in the Delinquent Member's Membership Interest, and the Lending Member may file a financing statement evidencing and perfecting such security interest; and
- (f) the Lending Member has the right, in addition to the other rights and remedies granted to it pursuant to this Operating Agreement or available to it at law or in equity, to take any action (including, without limitation, court proceedings) that the Lending Member may deem appropriate to obtain payment by the Delinquent Member of the loan and all accrued and unpaid interest on it, at the cost and expense of the Delinquent Member.

4.4 RETURN OF CONTRIBUTIONS. Class A Members are not entitled to the return of any part of their Capital Contributions. In accordance with Article V, Class B Members and Class C Members are entitled to priority return of all of their Capital Contributions. An un-repaid Capital Contribution is not a liability of the Company or of any Member.

4.5 ADVANCES BY MEMBERS. If the Company does not have sufficient cash to pay its obligations, any Member(s) that may agree to do so with the Manager's consent may advance all or part of the needed funds to or on behalf of the Company. An advance described in this Section constitutes a loan from the Member to the Company, bears interest at the General Interest Rate from the date of the advance until the date of payment, and is not a Capital Contribution.

4.6 CAPITAL ACCOUNTS. A capital account shall be established and maintained for each Member,

by Class. The Members' capital accounts also shall be maintained and adjusted as permitted by the provisions of Treas. Reg. § 1.704-1 (b)(2)(iv)(f) and as required by the other provisions of Treas. Reg. § 1.704-1 (b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Members of depreciation, depletion, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Treas. Reg. § 1.704-1(b)(2)(iv)(g). On the transfer of all or part of a Membership Interest, the capital account of the transferor that is attributable to the transferred Membership Interest or part thereof shall carry over to the transferee Member in accordance with the provisions of Treas. Reg. § 1.704-1(b)(2)(iv)(l).

ARTICLE V: ALLOCATIONS AND DISTRIBUTIONS

5.1 DISTRIBUTIONS. From time to time (but at least once each calendar quarter) the Manager shall determine in its reasonable judgment to what extent (if any) the Company's cash on hand exceeds its current and anticipated needs, including, without limitation, for operating expenses, debt service, acquisitions, and a reasonable contingency reserve. If such an excess exists, the Manager shall cause the Company to distribute to the Members an amount in cash (or property other than cash) equal to that excess. Distributions by the Manager shall be mandatory upon the affirmative vote of 95% or more of the Class A Members, subject to Section 5.5.

5.2 ALLOCATION OF PROFIT DISTRIBUTIONS OF THE COMPANY. Profit distributions of the Company in each fiscal quarter shall be allocated to the Members as follows:

- i. first to the Class B Members, in proportion to their respective Class B Capital Contributions, in accordance with Section 5.3 ("Priority Return");
- ii. next to the Class C Members, in proportion to their respective Class C Capital Contributions, in accordance with Section 5.3 ("Priority Return");
- iii. next to the Class A Members in accordance with their respective Class A Membership Interests; provided, however, that Class A Members will only be allocated profit distributions after Class B Members and Class C Members have been paid their entire Priority Return.

5.3 TREATMENT OF CLASS B DISTRIBUTIONS. Class B profit distributions made pursuant to Section 5.2(i) shall be treated as a return of capital, and accordingly each Class B Member's Capital Contribution will be proportionately reduced by the dollar amount equal to the allocation of profit distributions made to that particular Class B Member, until their Capital Contribution is returned in full. Once each Class B Member's Capital Contribution is reduced to \$0, the Class B class will cease to exist.

5.4 TREATMENT OF CLASS C DISTRIBUTIONS. Class C profit distributions made pursuant to Section 5.2(ii) shall be treated as a return of capital, and accordingly each Class C Member's Capital Contribution will be proportionately reduced by the dollar amount equal to the allocation of profit distributions made to that particular Class C Member, until their Capital Contribution is returned in full. Once each Class C Member's Capital Contribution is reduced to \$0, the Class C class will cease to exist.

5.5 RIGHT TO RECEIVE DISTRIBUTIONS. Except as otherwise provided in NRS §86.391 and §86.521, at the time a Member becomes entitled to receive a distribution, the Member has the status of and is entitled to all remedies available to a creditor of the Company with respect to the distribution.

5.6 LIMITATION ON DISTRIBUTION. Notwithstanding any other provision in this Article, the Manager may not make a distribution to the Company's Members to the extent that, immediately after giving effect to the distribution, all liabilities of this Company, other than liabilities to Members with respect to their interests and liabilities for which the recourse of creditors is limited to specified property of this Company, exceed the fair value of this Company assets, except that the fair value of property that is subject to a liability for which recourse of creditors is limited shall be included in this Company's assets only to the extent that the fair value of that property exceeds that liability. However, a Member who receives such a distribution has no liability under the Act to return the distribution unless the Member knew that the distribution violated any provision of the Act.

ARTICLE VI: MANAGER

6.1 MANAGEMENT BY MANAGER.

A. Except for situations in which the approval of the Members is required by this Operating Agreement or by non-waivable provisions of applicable law, the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of the Manager. No member shall take part in the management of the Company's business, transact any business in the Company's name or have the power to sign documents or otherwise bind the Company. The Manager may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement, including, without limitation, the following:

- (1) hiring, managing, and terminating officers, employees, and independent contractors
- (2) entering into, making, and performing contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company;
- (3) opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;
- (4) maintaining the assets of the Company in good order;
- (5) collecting sums due the Company;
- (6) to the extent that funds of the Company are available therefore, paying debts and obligations of the Company;
- (7) acquiring, utilizing for Company purposes, and Disposing of any asset of the Company;
- (8) borrowing money or otherwise committing the credit of the Company for Company activities and voluntary prepayments or extensions of debt;
- (9) selecting, removing, and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;
- (10) obtaining insurance for the Company;
- (11) determining distributions of Company cash and other property as provided in Article V;
and
- (12) the institution, prosecution and defense of any proceeding in the Company's name.

B. Notwithstanding the provisions of Section 6.1 A., the Manager may not cause the Company to do any of the following without complying with the applicable requirements set forth below:

- (1) sell, lease, exchange or otherwise dispose of (other than by way of a pledge, mortgage, deed of trust or trust indenture) all or substantially all the Company's property and assets (with or without good will), other than in the usual and regular course of the Company's business, without complying with the applicable procedures set forth in the Act, including, without limitation, the requirements set forth in this Operating Agreement regarding approval by the Members (unless such provision is rendered inapplicable by another provision of applicable law);
- (2) be a party to (i) a merger, or (ii) an exchange or acquisition, without complying with the

applicable procedures set forth in the Act, including, without limitation, the requirements set forth in this Operating Agreement regarding approval by the Members (unless such provision is rendered inapplicable by another provision of applicable law);

(3) amend or restate the Articles, without complying with the applicable procedures set forth in the Act, including, without limitation, the requirements set forth in this Operating Agreement regarding approval by the Members, unless such provision is rendered inapplicable by another provision of applicable law.

6.2 ACTIONS BY MANAGER; DELEGATION OF AUTHORITY AND DUTIES.

A. In managing the business and affairs of the Company and exercising its powers, the Manager shall act: (i) collectively through meetings and written consents consistent as may be provided or limited in other provisions of this Operating Agreement; (ii) through officers to whom management authority and duties have been delegated, pursuant to subsection (C) below; and (iii) through committees comprised of Members and management, if any so may be appointed.

B. The Manager may, from time to time, designate one or more advisory boards to provide guidance and insight to the Company's strategic direction and operations, provided, however, that any such advisory board shall have no managerial authority or any other authority to act on behalf of or bind the Company.

C. The Manager may, from time to time, designate one or more natural persons to be officers of the Company. No officer need be a resident of the State of Nevada or a Member. Any officers so designated shall have such authority and perform such duties as the Manager may, from time to time, delegate to them. The Manager may assign titles to particular officers. Unless the Manager decide otherwise, if the title is one commonly used for officers of a business corporation formed under the NRS Chapter 78, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office but may also include other such specific delegation of authority and duties made to such officer by the Manager. Each officer shall hold office until his successor shall be duly designated and shall qualify or until his death or until he shall resign or shall have been terminated by Manager or the President of the Company, if any. Any number of offices may be held by the same person. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Manager or the President of the Company (if such position has been appointed). Any officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the Manager. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Any officer may be removed as such, either with or without cause, by the Manager whenever in their judgment the best interests of the Company will be served thereby; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the Person so removed. Designation of an officer shall not of itself create contract rights. Any vacancy occurring in any office of the Company may be filled by the Manager.

D. Any Person dealing with the Company, other than a Member, may rely on the authority of the Manager or officer in taking any action in the name of the Company without inquiry into the provisions of this Operating Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Operating Agreement.

6.3 AGENCY. The Manager and any appointed officers are agents of this Company for the purpose of any act carrying out the business of the Company, including the execution in the name of the Company of any instrument for apparently carrying on in the usual way the business of this Company.

6.4 COMPENSATION. The Manager shall be paid reasonable compensation and reimbursed for all expenses incurred on behalf of the Company.

6.5 REMOVAL AND RESIGNATION. The Manager may not be removed or terminated by the Members except by unanimous vote. The Manager may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein.

6.6 VACANCIES. Any vacancy occurring in the position of Manager may be filled by the affirmative

vote of a majority of Class A Members by election at a special meeting of Members called for that purpose.

6.7 APPROVAL OR RATIFICATION OF ACTS OR CONTRACTS BY MEMBERS. The Manager in its discretion may submit any act or contract for approval or ratification at any annual meeting of the Members, or at any special meeting of the Members called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by 98% of the Class A Members shall be as valid and as binding upon the Company and upon all the Members as if it shall have been approved or ratified by every Member of the Company.

6.8 INTERESTED MANAGER, OFFICERS AND MEMBERS.

A. No contract or transaction shall be voidable between this Company and any other Person in which the Company's Manager, any Member, or any officer is (i) that Person or (ii) holds a financial interest in that Person, if:

(1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to all of the Members, and the Manager or committee in good faith authorizes the contract or transaction; or

(2) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to all Members entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the Members; or

(3) The contract or transaction is fair as to this Company as of the time it is authorized, approved, or ratified by the Manager or the Members.

B. A Member who is a Manager may be counted in determining the presence of a quorum at a meeting of the Members which authorizes the contract or transaction.

ARTICLE VII: INDEMNIFICATION

7.1 DEFINITIONS. For purposes of this Article VII:

A. "Limited Liability Company" includes any domestic or foreign predecessor entity of the Company in a merger, consolidation, or other transaction in which the liabilities of the predecessor are transferred to the Company by operation of law and in any other transaction in which the Company assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this Article.

B. "Manager" means any Person who is or was a Manager of the Company and any Person who, while a Manager of the Company, is or was serving at the request of the Company as a Manager, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

C. "Expenses" include court costs and attorneys' fees.

D. "Official capacity" means: (1) when used with respect to a Manager, the office of Manager in the Company; and (2) when used with respect to a Person other than a Manager, the elective or appointive office in the Company held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Company; provided, however, that "official capacity" does not include service for any other foreign or domestic limited liability company, corporation, or any partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

E. "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any

inquiry or investigation that could lead to such an action, or proceeding.

7.2 STANDARD FOR INDEMNIFICATION. The Company shall indemnify a Person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the Person is or was a Manager or Officer of the Company, or for any action, related to Company or non-Company matters, if it is determined either by the Manager for any reason, or in accordance with this Article, that the Person:

- A. conducted himself in good faith;
- B. reasonably believed (i) in the case of conduct in his official capacity as a Manager of the Company, that his conduct was in the Company's best interests, and (ii) in all other cases, that his conduct was at least not opposed to the Company's best interests;
- C. in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful; or
- D. for any other reason as may be determined solely in the discretion of the Manager.

7.3 PROHIBITED INDEMNIFICATION. Except to the extent permitted by this Article, a Manager or Member may not be indemnified under any Section of this Article in respect of a proceeding:

- A. in which the Person is found liable on the basis that personal benefit from company assets was improperly received by him; or
- B. in which the Person is found liable to the Company.

Either the Manager or majority of the membership may elect to provide for such indemnification of the Manager or any party under any circumstance.

7.4 EFFECT OF TERMINATION OF PROCEEDING. The termination of a proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent is not of itself determinative that the Person did not meet the requirements set forth in any Section of this Article. A Person shall be deemed to have been found liable in respect of any claim, issue or matter only after the Person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Until such time as to a final disposition, the Company shall provide the indemnification and defenses contemplated herein.

7.5 EXTENT OF INDEMNIFICATION. A Person shall be indemnified under this Article against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the Person in connection with the proceeding; but if the Person is found liable to the Company or is found liable on the basis that Personal benefit was improperly received by the Person, the indemnification shall (a) be limited to reasonable expenses actually incurred, and (b) not be made in respect of any proceeding in which the Person shall have been found liable for willful or intentional misconduct in the performance of such Person's duty to the Company.

7.6 DETERMINATION OF INDEMNIFICATION. A determination of indemnification under any Section of this Article may be made by (i) the Manager, (ii) legal counsel to the company, or (iii) by the Members in a vote.

7.7 AUTHORIZATION OF INDEMNIFICATION. Authorization of indemnification and determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that: (i) if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses must be made in the manner specified by the foregoing Section for the selection of special legal counsel; and (ii) the provision of this Article making indemnification mandatory in certain cases specified herein shall be deemed to constitute authorization in the manner specified by this Section of indemnification in such cases.

7.8 SUCCESSFUL DEFENSE OF PROCEEDINGS. Except as provided otherwise by law or by this Operating Agreement, the Company shall indemnify a Manager against reasonable expenses incurred by him in connection with a proceeding in which he is a named defendant or respondent if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

7.9 COURT ORDER IN SUIT FOR INDEMNIFICATION. Indemnification required by the foregoing Section shall be subject to Order upon request by an indemnified party in a court of competent jurisdiction upon claim by the Manager as to entitlement to indemnification under that Section, the court shall order indemnification and shall award to the Manager the expenses incurred in securing the indemnification.

7.10 COURT DETERMINATION OF INDEMNIFICATION. Upon application of a Manager, a court of competent jurisdiction shall determine, after giving any notice the court considers necessary, that the Manager is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the requirements set forth in any Section of this Article or has been found liable in the circumstances described in any Section of this Article. The court shall order the indemnification that the court determines is proper and equitable; but, if the Person is found liable to the Company or is found liable on the basis that personal benefit was improperly received by the Person, the indemnification shall be limited to reasonable expenses actually incurred by the Person in connection with the proceeding.

7.11 ADVANCEMENT OF EXPENSES. Reasonable expenses incurred by a Manager who was, is, or is threatened to be made a named defendant or respondent in a proceeding shall be paid or reimbursed by the Company in advance of the final disposition of the proceeding, without the authorization or determination specified in this Article, after the Company receives a written affirmation by the Manager of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article and a written undertaking, which must be an unlimited general obligation of the Manager (and can be accepted without reference to financial ability to make repayment) but need not be secured, made by or on behalf of the Manager to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or if it is ultimately determined that indemnification of the Manager against expenses incurred by him in connection with that proceeding is prohibited by this Article. A provision contained in the Articles, this Operating Agreement, a resolution of Members or Manager, or an agreement that makes mandatory the payment or reimbursement permitted under this Section shall be deemed to constitute authorization of that payment or reimbursement.

7.12 EXPENSES OF WITNESS. Notwithstanding any other provision of this Article, the Company may pay or reimburse expenses incurred by a Manager in connection with his appearance as a witness or other participation in a proceeding at a time when he is not a named defendant or respondent in the proceeding, given that such appearance or participation occurs by reason of his being or having been a Manager of the Company.

7.13 INDEMNIFICATION OF OFFICERS. The Company may, at the discretion of the Manager, indemnify and advance or reimburse expenses to a Person who is or was an officer of the Company to the same extent that it shall indemnify and advance or reimburse expenses to Manager under this Article.

7.14 INDEMNIFICATION OF OTHER PERSONS. The Company may, at the discretion of the Manager, indemnify and advance expenses to any Person who is not or was not an officer, employee, or agent of the Company but who is or was serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise to the same extent that it shall indemnify and advance expenses to Manager under this Article.

7.15 ADVANCEMENT OF EXPENSES TO OFFICERS AND OTHERS. The Company shall indemnify and advance expenses to an officer, and may indemnify and advance expenses to an employee or agent of the Company, or other Person who is identified in the foregoing Section and who is not a Manager, to such further extent as such Person may be entitled by law, agreement, vote of Members or otherwise.

7.16 CONTINUATION OF INDEMNIFICATION. The indemnification and advance payments provided by this Article shall continue as to a Person who has ceased to hold his position as a Manager, officer, employee or agent, or other Person described in any Section of this Article, and shall inure to his heirs, executors and

administrators.

7.17 LIABILITY INSURANCE. The Company may purchase and maintain insurance or another arrangement on behalf of any Person who is or was a Manager, officer, employee, or agent of the Company or who is or was serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a Person, whether or not the Company would have the power to indemnify him against that liability under this Article. If the insurance or other arrangement is with a Person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Company would not have the power to indemnify the Person only if including coverage for the additional liability has been approved by the Members of the Company. Without limiting the power of the Company to procure or maintain any kind of insurance or other arrangement, the Company may, for the benefit of Persons indemnified by the Company, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Company; or (4) establish a letter of credit, guaranty, or surety arrangement. The insurance or other arrangement may be procured, maintained, or established within the Company or with any insurer or other Person deemed appropriate by the Manager regardless of whether all or part of the stock or other securities of the insurer or other Person are owned in whole or part by the Company. In the absence of fraud, the judgment of the Manager as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other Person participating in an arrangement shall be conclusive and the insurance or arrangement shall not be avoidable and shall not subject the Manager approving the insurance or arrangement to liability, on any ground, regardless of whether Manager participating in the approval are beneficiaries of the insurance or arrangement.

ARTICLE VIII: CERTIFICATES

8.1 CERTIFICATES. Certificates in the form determined by the Manager shall be executed representing all Membership Interests then outstanding, as may change from time to time. Such certificates shall be consecutively numbered, and shall be entered in the books of the Company as they are issued. Each certificate shall state on the face thereof the holder's name, the class of membership, the Membership Interest, and such other matters as may be required by the laws of the State of Nevada. They shall be signed by a Manager or officer of the Company, and may be sealed with the seal of the Company if adopted. A Member has the right to possess the original certificate, provided, however, that the Manager may keep a copy of such certificate in the records of the Company.

8.2 REPLACEMENT OF LOST OR DESTROYED CERTIFICATE. The Manager may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the holder of record thereof, or his duly authorized attorney or legal representative who is claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Manager in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost or destroyed certificate or certificates or his legal representative to advertise the same in such manner as it shall require or to give the Company a bond with surety and in form satisfactory to the Company (which bond shall also name the Company's transfer agents and registrars, if any, as obligees) in such sum as it may direct as indemnity against any claim that may be made against the Company or other obligees with respect to the certificate alleged to have been lost or destroyed, or to both advertise and also give such bond.

8.3 TRANSFER OF MEMBERSHIP INTEREST. Upon surrender to the Company or the transfer agent of the Company of a certificate for Membership Interest duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Company to issue a new certificate to the Person entitled thereto, cancel the old certificate, and record the transaction upon its books.

8.4 REGISTERED MEMBERS. The Company shall be entitled to treat the holder of record of any certificate or certificate of Membership interest of the Company as the owner thereof for all purposes and, accordingly shall not be bound to recognize any equitable or other claim to or interest in such Membership interest or

any rights deriving from such Membership Interest on the part of any other Person, including (but without limitation) a purchaser, assignee or transferee, unless and until such other Person becomes a Member, whether or not the Company shall have either actual or constructive notice of the interest of such Person, except as otherwise provided by law.

ARTICLE IX: TAXES

9.1 TAX RETURNS. The tax matters partner, as defined in Section 9.3, shall cause to be prepared and filed any necessary federal and state income tax returns for the Company, including making the elections described in Section 9.2. Each Member shall furnish to the tax matters partner all pertinent information in its possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

9.2 TAX ELECTIONS. The Company may make the following elections on the appropriate tax returns:

- A. to adopt the calendar year as the Company's fiscal year;
- B. to adopt the cash method of accounting and to keep the Company's books and records on the income-tax method;
- C. if a distribution of Company property as described in §734 of the Code occurs or if a transfer of a Membership Interest as described in §743 of the Code occurs, on written request of any Member, to elect, pursuant to §754 of the Code, to adjust the basis of Company properties;
- D. to elect to amortize the organizational expenses of the Company and the start-up expenditures of the Company under §195 of the Code as permitted by §709(b) of the Code; and
- E. any other election the Manager may deem appropriate and in the best interests of the Members.

9.3 TAX MATTERS PARTNER. The Manager shall designate itself to be the "tax matters partner" of the Company pursuant to §6231(a)(7) of the Code. The tax matters partner shall take such action as may be necessary to cause each other Member to become a "notice partner" within the meaning of §6223 of the Code. Any Member who is designated tax matters partner shall inform each other Member of all significant matters that may come to its attention in its capacity as tax matters partner by giving notice thereof on or before the fifth Business Day after becoming aware thereof and, within that time, shall forward to each other Member copies of all significant written communications it may receive in that capacity. The tax matters partner may not take any action contemplated by §§6222 through 6232 of the Code without the consent of a majority of Members but this sentence does not authorize any action left to the determination of an individual Member under §§6222 through 6232 of the Code.

ARTICLE X: NOTICE

10.1 METHOD. Whenever by statute or the Articles or this Operating Agreement, notice is required to be given to any Member or the Manager, and no provision is made as to how the notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, postage prepaid, addressed to the Manager or Member at the address appearing on the books of the Company, or in any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is thus deposited in the United States mail.

10.2 WAIVER. Whenever, by statute or the Articles or this Operating Agreement, notice is required to be given to any Member or Manager, a waiver thereof in writing signed by the Person or Persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of the Manager or a Member at a meeting shall constitute a waiver of notice of such meeting, except

where a Manager or Member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

ARTICLE XI: BANKRUPTCY OF A MEMBER

11.1 BANKRUPTCY. If any Member becomes a Bankrupt Member, the Company shall have the option, exercisable by notice from the Manager to the Bankrupt Member (or its representative) at any time prior to the 180th day after receipt of notice of the occurrence of the event causing it to become a Bankrupt Member, to buy, and on the exercise of this option the Bankrupt Member's bankruptcy estate (or the trustee thereof) shall sell, its Membership Interest to the Company. The purchase price shall be a dollar amount equal to the Class A Capital Contribution of the Bankrupt Member plus the remaining Class B capital account, if any, of that Bankrupt Member. The payment to be made to the Bankrupt Member or its estate pursuant to this Section is in complete liquidation and satisfaction of all the rights and interest of the Bankrupt Member and its estate (and of all Persons claiming through the Bankrupt Member and its estate) in and in respect to the Company, including, without limitation, any Membership Interest, any rights in specific Company property, and any rights against the Company and (insofar as the affairs of the Company are concerned) against the Members.

ARTICLE XII: DISSOLUTION, LIQUIDATION, AND TERMINATION

12.1 DISSOLUTION. The Company shall dissolve and its affairs shall be wound up on the written consent of all Members.

12.2 LIQUIDATION AND TERMINATION. On dissolution of the Company, the Manager shall act as liquidator or may appoint one or more Members as liquidator. If there is no Manager then the Members by majority vote will appoint one or more Members as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Manager. The steps to be accomplished by the liquidator are as follows:

- A. as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;
- B. the liquidator shall provide written notice to be mailed to each known creditor of and claimant against the Company;
- C. the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and
- D. all remaining assets of the Company shall be distributed to the Members as follows:
 - (1) the liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the capital accounts of the Members;
 - (2) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the capital accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the capital accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market

value of that property on the date of distribution; and

- (3) Company property shall be distributed among the Members in accordance with the positive capital account balances of the Members, as determined after taking into account all capital account adjustments for the taxable year of the Company during which the liquidation of the partnership occurs (other than those made by reason of this Clause (3)); and those distributions shall be made by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, 90 days after the date of the liquidation). All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed prior to the date of termination and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this Section 12.2. The distribution of cash and/or property to a Member in accordance with the provisions of this Section 12.2 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its Membership Interest and all the Company's property and constitutes a compromise to which all Members have consented. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

12.3 DEFICIT CAPITAL ACCOUNTS. Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the capital account of any Member results from or is attributable to deductions and losses of the Company (including non-cash items such as depreciation), or distributions of money pursuant to this Operating Agreement to all Members in proportion to their respective Capital Contributions, upon dissolution of the Company such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's capital account to zero.

12.4 ARTICLES OF DISSOLUTION. On completion of the distribution of Company assets as provided herein, the Company is terminated, and the Manager or a Member shall file Articles of Dissolution with the Secretary of State of Nevada and take such other actions as may be necessary to terminate the Company.

ARTICLE XIII: GENERAL PROVISIONS

13.1 BOOKS AND RECORDS.

A. The Company shall maintain those books and records as provided by statute and as it may deem necessary or desirable. All books and records provided for by statute shall be open to inspection of the Members from time to time and to the extent expressly provided by statute. The Manager may examine all such books and records at all reasonable times. The Company shall keep and maintain the following records in its principal office in the United States or make them available in that office within five days after the date of receipt of a written request as may be specified in the Act:

- (1) a current list that states:
 - (a) the name and mailing address of each Member;
 - (b) the percentage or other interest in the Company owned by each Member; and
 - (c) if one or more classes or groups are established in or under the Articles or this Operating Agreement, the names of the Members who are Members of each specified class or group;
- (2) copies of the federal, state, and local information or income tax returns for the Company's six most recent tax years.
- (3) a copy of the Articles and this Operating Agreement, all amendments or restatements, executed copies of any powers of attorney, and copies of any document that creates, in the

manner provided by the Articles or this Operating Agreement, classes or groups of Members;

- (4) unless contained in the Articles or this Operating Agreement, a written statement of:
 - (a) the amount of the cash contribution and a description and statement of the agreed value of any other contribution made by each Member, and the amount of the cash contribution and a description and statement of the agreed value of any other contribution that the Member has agreed to make in the future as an additional contribution;
 - (b) the times at which additional contributions are to be made or events requiring additional contributions to be made;
 - (c) events requiring the Company to be dissolved and its affairs wound up; and
 - (d) the date on which each Member in the Company became a Member; and
- (5) correct and complete books and records of accounts of the Company.

B. The Company shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

C. The Company shall keep in its registered office in Nevada and make available to Members on reasonable request the street address of its principal United States office in which the records required by this Section are maintained or will be available.

D. A Member, on written request stating the purpose, may examine and copy, in person or by the Member's representative, at any reasonable time, for any proper purpose, and at the Member's expense, records required to be kept under this Section and other information regarding the business, affairs, and financial condition of the Company as is just and reasonable for the Person to examine and copy.

E. On the written request by any Member, the Manager shall provide to the requesting Member or assignee, without charge, true copies of:

- (1) the Articles and this Operating Agreement and all amendments or restatements; and
- (2) any of the tax returns described in the Act.

13.2 **AMENDMENT OR MODIFICATION.** This Operating Agreement may be amended or modified from time to time only by a written instrument adopted by the affirmative vote of 98% or more of the Class A Members.

13.3 **CHECKS, NOTES, DRAFTS, ETC.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Company shall be signed or endorsed by one or more designated Persons appointed by the Manager or Chief Financial Officer of the Company, if such officer position exists.

13.4 **HEADINGS.** The headings used in this Operating Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

13.5 **CONSTRUCTION.** Whenever the context so requires, the gender of all words used in this Operating Agreement includes the masculine, feminine, and neuter, and the singular shall include the plural, and conversely. All references to Articles and Sections refer to articles and sections of this Operating Agreement, and all references to Exhibits or Schedules, if any, are to Exhibits or Schedules attached hereto, if any, each of which is made a part hereof for all purposes. If any portion of this Operating Agreement shall be invalid or inoperative, then, so far as is reasonable and possible:

- A. The remainder of this Operating Agreement shall be considered valid and operative; and
- B. Effect shall be given to the intent manifested by the portion held invalid or inoperative.

13.6 ENTIRE AGREEMENT; SUPERSEDURE. This Operating Agreement constitutes the entire agreement of the Members of the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

13.7 EFFECT OF WAIVER OR CONSENT. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

13.8 BINDING EFFECT. Subject to the restrictions on Dispositions set forth in this Operating Agreement, this Operating Agreement is binding on and inures to the benefit of the Members and their respective heirs, legal representatives, successors, and assigns.

13.9 DISPUTE RESOLUTION - BINDING ARBITRATION ELECTION. Any dispute, controversy or claim arising out of or relating to this Agreement or the breach thereof shall solely be settled by arbitration under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The parties specifically waive any rights to litigation as a dispute resolution methodology and further divest any Court of jurisdiction to determine disputes between the parties to this Agreement. Notwithstanding, judgment on the arbitrator's award may be entered in any court having jurisdiction thereof. The arbitration shall be held in the City of Las Vegas and State of Nevada, in the English language, and shall be conducted before three arbitrators, wherein the party calling for arbitration selects one arbiter, the party defending selects one arbiter and the arbiters select a third, agreeable to the parties or, if no agreement can be reached, then selected by the AAA. All costs related to the arbitration shall initially be borne by the aggrieved party. The arbitrators shall make findings of fact and law in writing in support of his decision, and shall award reimbursement of attorney's fees and other costs of arbitration to the prevailing party as the arbitrator deems appropriate. The provisions hereof shall not preclude any party from seeking post arbitration injunctive relief to protect or enforce its rights hereunder, or prohibit any court from making findings of fact in connection with granting or denying such injunctive relief after and in accordance with the decision of the arbitrator. No decision of the arbitrator shall be subject to judicial review or appeal; the parties waive any and all rights of judicial appeal or review, on any ground, of any decision of the arbitrator.

13.10 LIQUIDATED DAMAGES PROVISION. Should any party initiate a civil proceeding against any other, notwithstanding the binding arbitration provision above, such party initiating civil litigation shall recognize that it has caused material damage and harm to the other by way of their breach of this agreement, and agrees to provide to the named defendant party, liquidated damages in the amount of any costs of defense incurred by the aggrieved party plus ten thousand dollars (\$10,000.00).

13.11 GOVERNING LAW; SEVERABILITY. THIS OPERATING AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEVADA, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS OPERATING AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Operating Agreement and (a) any provision of the Articles, or (b) any mandatory provision of the Act, the applicable provision of the Act shall control. If any provision of this Operating Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Operating Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

13.12 FURTHER ASSURANCES. In connection with this Operating Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Operating Agreement and those transactions.

13.13 NOTICE TO MEMBERS OF PROVISIONS OF THIS AGREEMENT. By executing this

Operating Agreement, each Member acknowledges that it has actual notice of: (a) all of the provisions of this Operating Agreement, including, without limitation, the restrictions on the transfer of Membership Interests set forth in Article III; and (b) all of the provisions of the Articles. Each Member hereby agrees that this Operating Agreement constitutes adequate notice of all such provisions, including, without limitation, any notice requirement under the Chapter 86 of the Nevada Revised Statutes and under the Nevada Uniform Commercial Code, and each Member hereby waives any requirement that any further notice thereunder be given.

13.14 COUNTERPARTS. This Operating Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

13.15 CONFLICTING PROVISIONS. To the extent that one or more provisions of this Operating Agreement appear to be in conflict with one another, then the Manager shall have the right to choose which of the conflicting provisions are to be enforced. Wide latitude is given to the Manager in interpreting the provisions of this Operating Agreement to accomplish the purposes and objectives of the Company, and the Manager may apply this Operating Agreement in such a manner as to be in the best interest of the Company, in their sole discretion, even if such interpretation or choice of conflicting provisions to enforce is detrimental to one or more Members or the Manager.


#

IN WITNESS WHEREOF, the undersigned hereby certify that the foregoing Operating Agreement was unanimously adopted by the Members and Manager, effective as of the first date written in the preamble above, and we have hereunto affixed our signatures.

MANAGER:

MANAGER: SJC VENTURES HOLDING COMPANY LLC, a Delaware limited liability company


By:


Jay Bloom, Manager

MEMBERS:

MEMBER: SJC VENTURES HOLDING COMPANY LLC, a Delaware limited liability company

By:


Jay Bloom, Manager

MEMBER: CBWE, LLC, a Nevada limited liability company

By:


Carlos Cardenas, Manager

MEMBER: MAMBER VENTURES LLC, a Nevada limited liability company

By:


Manuel A. Ramirez Pleitez, Manager


MEMBER: PALADIN VENTURES, LLC, a Nevada limited liability company

By: LS MARLO TRUST

By:


J. Chris Morgando, Trustee

MEMBER: BART RENDEL, an individual

By: 
Bart Rendel, individually

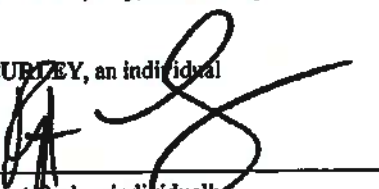
MEMBER: DUSTIN LEWIS, an individual


By: _____
Dustin Lewis, individually

MEMBER: SCOTT OLIFANT, an individual

By: 
Scott Olifant, Esq., individually

MEMBER: ROBERT CURLEY, an individual

By: 
Robert Curley, individually

Chris Wood, an individual
By: 
Chris Wood, individually

MEMBER: HANNAH HARVEY, an individual

By: 
Hannah Harvey, individually

MEMBER: JETHRO WAYNE GORDON, an individual

By: 
Jethro Wayne Gordon., individually

MEMBER: WENDELL BROWN, an individual

By: _____
Wendell Brown, individually

MEMBER:

JEFFREY ALBRECHTS, an individual

By: _____

Jeffrey Albrechts, individually

MEMBER:

GLENN PLANTONE, an individual

By: _____

Glenn Plantone, individually

MEMBER:

ERIN QUATRALE, an individual

By: _____

Erin Quatrale, individually

MEMBER:

MARILYN WILEY, an individual

By: _____

Marilyn Wiley, individually

MEMBER:

DENNIS WILEY, an individual

By: _____

Dennis Wiley, individually

MEMBER:

MARK HOSTETLER, an individual

By: _____

Mark Hostetler, individually

MEMBER:

ALAN AND THERESA LAHRS, jointly and individually

By: _____

Alan Lahrs

Theresa Lahrs

MEMBER:

~~IZZY ZALCBERG, an individual~~

~~By:~~

~~Izzy Zalcborg, individually~~

Kregg Hale, an individual

By:  Kregg Hale, individually

MEMBER:

JEAN KEMPNER, an individual

By: _____

Jean Kempner, individually

MEMBER:

AMY AND ARMAND FARR, jointly and individually

By: _____

Amy Farr

Armand Farr

MEMBER:

KENT ADAMSON, an individual

By: _____

Kent Adamson, individually

MEMBER:

BASIS INVESTMENTS, LLC a Texas Limited Liability Company

By: 

Phil Bourassa, Member

MEMBER:

GREG AND LAURIE DARROCH, jointly and individually

By: 

Greg Darroch

Laurie Darroch

MEMBER:

CATHERYN COPE, an individual

By: _____

Catheryn Cope, individually

Exhibit A-1
Vesting Letter

[to be attached]

First 100, LLC
Tivoli Village at Queens Ridge
410 S. Rampart Blvd., Suite 450
Las Vegas, NV 89145

October 18, 2013

Re: Vesting Terms for 1.5% Class A Voting Membership Interest Grant to TGC/Farkas Funding LLC.

Dear TGC/Farkas Funding LLC:

The Executive Committee of Directors of First 100, LLC (the "Company") at its April 26, 2012 meeting, undertook a review of its policies regarding employee equity compensation in connection with continued employment with the Company. Based on that review and in order to provide its employees with appropriate equity compensation as incentive to continue their employment with the company, the Executive Committee of the Board has concluded that all Membership Interest Incentive grants with certain employees, as may be awarded by the Board, is to provide employees with a specified amount of Membership Interest which will vest under certain circumstances as defined herein.

Summary of the Vesting Terms:

A description of the Vesting Terms for Membership Interests grants is as follows.

Each of your existing and any future Membership Interest Incentive grants that may be awarded to you will provide that, such Membership Interest Incentive granted shall vest at a rate of 1/3 of any such position per year for three (3) years of continuous employment, with such Vesting Term commencing on the hire date of Matthew Farkas of August 28, 2013.

In the event that you resign, any unvested Membership Interest Incentive granted is subject to forfeiture and will be surrendered back to the company, being deemed as unearned.

In the event that your employment is terminated without cause (including poor performance) or you otherwise resign within 12 months after the Company is acquired, then vesting under each Membership Interest Incentive granted will automatically accelerate to reflect 100% vesting in any such grant, notwithstanding any outstanding vesting period remaining. Such vesting acceleration will also be automatically provided in the event that the corporation that acquires the Company elects not to assume or otherwise substitute equivalent equity for the unvested portion of the Membership Interest Incentive granted.

In the event of forfeiture of a Membership Interest Incentive grant, the total percentage of vested Membership Interest will be equal to the sum of all Membership Interest vested through the time of termination of employment which is the number of whole years that you have been continuously employed by the Company (and the Company's successor, if applicable).

An example of the operation of this accelerated vesting is as follows: Assume that an employee who was hired on January 1, 2013 has a total of 3% Membership Interest Incentive grant in Class A voting equity and the employee is terminated without cause on February 28, 2014. In that hypothetical case, 14 months would have passed from the date that the employee was hired until his/her termination. Without vesting acceleration, the employee shall be subject to forfeiture of 2% of the Membership Interest, retaining 1% of the Membership Interest. Should vesting acceleration be applicable here (and in lieu of regular vesting) the employee would retain the entirety of the 3% Membership Interest.

During the vesting period, any unvested Membership Interest Incentive grant's voting rights shall be voted by the Board.


Please sign below where indicated to confirm your acceptance of the foregoing Vesting Terms for any such Membership Interest Incentive grant as may be held by you. By signing below, you and the Company also agree that:

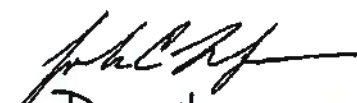
(a) Other than as expressly stated in this letter agreement, the terms and conditions of the Operating Agreement remain in full force and effect.

(b) This letter, together with any Membership Interest Incentive grant held by you (or that may be awarded to you in the future) sets forth the entire agreement of the parties with respect to the subject matter herein and supersedes any and all prior agreements and undertakings with respect to the subject matter herein, however, remains subject to the terms and conditions of the Operating Agreement, as amended, as the controlling document.

Very Truly Yours,

Agreed and Accepted


Matthew Farkas
TGC Farkas Funding, LLC


Director
First 100, LLC



CORPORATE HEADQUARTERS: TYOOL VILLAGE AT QUEENSHORSE | 410 SOUTH RAMPART BOULEVARD | SUITE 450 | LAS VEGAS, NV 89145 | 702.823.3600 | 702.724.9781

Dear Matthew Farkas,

Let this letter serve as a memorial to an agreement stating the following:

The directorship of First 100, LLC has granted a 2% equity position in the company for services rendered in the VP of Finance position to Matthew Farkas, and by extension, the TGC Partnership between Matthew Farkas and Adam Flatto.

The 1% purchase for \$1,000,000 by Adam Flatto will be pooled with this position to make a total position of 3% ownership.

Matthew Farkas (with the consent of the board) has offered to split this position with Adam Flatto on a 50%/50% basis. This will leave Matthew with a 1.5% position in First 100, LLC and Adam Flatto with an identical 1.5% position with First 100, LLC.

Sincerely,

J. Chris Morgando
Director
1st One Hundred

m 702 301 3197 | o 702 823 3600 | f 702 724 9781

Exhibit B

Form of

**Consent to Admission of New Member and Acceptance
(First 100, LLC Membership Interests)**

CONSENT TO ADMISSION OF NEW MEMBER AND ACCEPTANCE

THIS CONSENT TO ADMISSION OF NEW MEMBER AND ACCEPTANCE (the "Consent and Agreement") is made and entered into on the date set forth on the signature page hereto, and effective as of October ____, 2013 (the "Effective Date"), by and between the individuals set forth on the signature pages attached hereto as Class A Members of FIRST 100, LLC, a Nevada limited liability company, having an address at 11920 Southern Highlands Parkway, Suite 200, Law Vegas, Nevada 89141 (the "Class A Members"), TGC/FARKAS FUNDING LLC, a Delaware limited liability company, having an address c/o The Georgetown Company, LLC, 677 Madison Avenue, New York, New York 10021, Attention: Adam Flatto (the "TGC/Farkas") and FIRST 100, LLC, a Nevada limited liability company, having an address at 11920 Southern Highlands Parkway, Suite 200, Law Vegas, Nevada 89141 (the "Company").

WITNESSETH:

WHEREAS, TGC/Farkas desires to be admitted as an additional Class A member of the First 100, LLC;

WHEREAS, Section 3.19 of the First Amended Operating Agreement of the Company (the "Company Operating Agreement"), adopted April 11, 2012, provides that a majority vote of the Class A Members is required in order for an additional member to be admitted to the Company,

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the parties agree as follows:

1. Defined Terms. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Company Operating Agreement.
2. Consent. The undersigned Class A Members, constituting a majority of the Class A Members of the Company existing as of the date hereof, hereby consent to the admission of TGC/Farkas as a member of the Company and further consent to TGC/Farkas holding its interest in the following manner: (a) 1.5% subject

to vesting over a three year period as more particularly set forth in the Vesting Letter to TGC/Farkas and (b) 1.5% subject to no vesting.

3. Admission as an Additional Member. The Company accepts this Consent and Agreement. TGC/Farkas is hereby admitted as an additional Member of the Company.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on this
__ day of ____, 2013.

CONSENT OF CLASS A MEMBERS:

Paladin Ventures

SJC 1, LLC

By: _____
Name:
Title:

By: _____
Name:
Title:

Mawber Ventures

SJC 2, LLC

By: _____
Name:
Title:

By: _____
Name:
Title:

CBWE

SJC, LLC

By: _____
Name:
Title:

By: _____
Name:
Title:

COMPANY:

TGC/FARKAS:

FIRST 100, LLC

TGC/FARKAS FUNDING LLC

By: _____
Name:
Title:

By: _____
Matthew Farkas
Manager

Exhibit C

**Form of
Assignment and Assumption of Membership Interests**

ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTEREST

THIS ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTEREST (this "Assignment") is made as of _____, 20__ (the "Effective Date"), by and between _____, a
_____ ("Assignor"), and _____, a
_____ ("Assignee"), on the following terms and conditions:

RECITALS:

(A) TGC/Farkas Funding LLC (the "Company") was formed as a limited liability company, on _____, 2013, pursuant to the provisions of the Delaware Limited Liability Company Act, 6 Del. C. § 18-101 et seq., as the same may be amended from time to time.

(B) The members thereto entered into that certain Limited Liability Company Agreement of the Company on _____, 2013 (the "Operating Agreement"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Operating Agreement.

(C) Assignor desires to sell, assign and convey to Assignee, and Assignee desires to buy and pay for, all of Assignor's right, title and interest in the Company on the terms and conditions set forth therein.

(D) The parties hereto desire to enter into this Assignment on the terms set forth herein.

ASSIGNMENT:

NOW, THEREFORE, for good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged:

1. **Assignment and Acceptance.** Assignor transfers and assigns to Assignee as of the Effective Date, and Assignee accepts from Assignor as of the Effective Date, the Membership Interest(s) set forth on Schedule 1 attached hereto (collectively, the "Assigned Interest"), together with all privileges, distributions, payments and benefits appertaining thereto including, without limitation, all of

Assignor's right, title and interest in, to and under the Operating Agreement including, without limitation, all sums of money distributable thereunder after the Effective Date in respect of Assignor's Membership Interest in the Company, free and clear of all liens, claims, charges and other encumbrances other than those liens, claims, charges and other encumbrances, if any, created pursuant to the Operating Agreement. This Assignment is made without any representation or warranty, express, implied or statutory by, and without any recourse against, Assignor.

2. **Benefit and Burden.** All terms of this Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, executors, successors and assigns.

3. **Counterparts.** This Assignment may be executed in multiple counterparts. Each counterpart shall be an original but together such counterparts shall constitute one and the same instrument.

4. **Consent to Transfer.** By signing this Assignment in the space provided below, the Members hereby consent to Assignor's Transfer of Assignor's Membership Interest to Assignee and consent to the substitution of Assignee as a Member of the Company from and after the Effective Date.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

EXECUTED as of the date and year first above recited.

ASSIGNOR:

[_____]

By: _____
Name:
Title:

ASSIGNEE:

[_____],
a _____

By: _____
Name:
Title:

AS OF THIS ____ DAY OF _____, 20__ THE
MEMBERS HEREBY CONSENT TO THE WITHIN
TRANSFER AND TO THE ADMISSION OF
ASSIGNEE AS A SUBSTITUTE MEMBER OF THE
COMPANY

Name:

Name:

SCHEDULE 1

Assignor:

Membership Interest
Assigned by Assignor:

Remaining Membership
Interest of Assignor

1 **SUPPLEMENTAL DECLARATION OF ADAM FLATTO**

2
3 I, Adam Flatto ("Declarant"), declare as follows:

4 1. I am the manager of TGC Investor 100, LLC, 50% member of TGC/Farkas
5 Funding, LLC ("Claimant"). I am competent to testify to the matters asserted herein, of which I
6 have personal knowledge, except as to those matters stated upon information and belief. As to
7 those matters stated upon information and belief, I believe them to be true.

8 2. Attached hereto is a true and correct copy of Claimant's Limited Liability
9 Agreement (the "Operating Agreement").

10 3. As explicitly set forth in the Operating Agreement, TGC/Farkas Funding, LLC
11 ("Claimant") was formed as an investment vehicle relating to the \$1 million capital contribution
12 to First 100, LLC, and Matthew Farkas' 2% interest vested in First 100, LLC. See the Recitals.

13 4. Matthew Farkas was, and still is, the "Administrative Member" of Claimant, as that
14 term is defined in the Operating Agreement. See Sect. 4.1.

15 5. Under Section 3.4 of the Operating Agreement, the Administrative Member can
16 only take action to bind Claimant after consultation with, and upon the consent of, all Claimant
17 members.

18 6. TGC Investor 100, LLC did not consent to any redemption of the 3% membership
19 interest in First 100, LLC. The request for redemption appeared to reflect an interest in an entity
20 which was unknown to me, resulting in questions as to what interest was being redeemed and
21 whether there was a contention Claimant's interest had been converted into ownership in another
22 entity. The request for redemption is one of the reasons for Claimant seeking to inspect the
23 business records of both entities.

24 7. Claimant did not receive any communication disputing its membership had been
25 effectuated from First 100, LLC until after a request for records was provided to counsel. As
26 previously provided, a schedule K-1 tax form reflecting 3% membership interest was provided to
27 reflect the membership interest in federal tax filings.

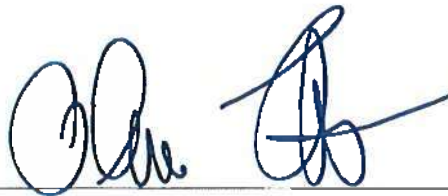
1 8. Claimant did not receive any distribution relating to the 3% membership interest in
2 First 100, LLC, nor any notice of dissolution, merger or otherwise that would adversely impact
3 such interest.

4 9. The Operating Agreement for 1st One Hundred Holdings, LLC reflects a 1.5%
5 membership interest in 1st One Hundred Holdings, LLC held by Claimant.

6 10. Claimant has not ever received a fully executed copy of the Redemption Agreement
7 indicating that it was signed by Mr. Farkas on behalf of Claimant.

8 11. Claimant has not received any distribution from 1st One Hundred Holdings, LLC,
9 and there has been no Certificate of Dissolution, accounting or other information provided from
10 1st One Hundred Holdings, LLC since the April 2017 Redemption Agreement.

11
12 Dated this 13th day of August, 2020.



13
14
15 Adam Flatto

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SUPPLEMENTAL DECLARATION OF MATTHEW FARKAS

I, Matthew Farkas ("Declarant"), declare as follows:

1. In my capacity as a member of TGC/Farkas Funding, LLC ("Claimant"), I am competent to testify to the matters asserted herein, of which I have personal knowledge, except as to those matters stated upon information and belief. As to those matters stated upon information and belief, I believe them to be true.

2. In April 2017, at the request of Jay Bloom, I signed the attached relating to 1st One Hundred, LLC with the notation "VP" under my signature, as indicated on the attached Bates No. TGC0000165-166. I do not recall otherwise executing the form of Redemption Agreement or documents relating to the Redemption Agreement beyond what is attached.

3. Adam Flatto did not consent to the terms of the Redemption Agreement or consent to me signing the Redemption Agreement on behalf of Claimant.

4. As far as I know, no distribution of funds was ever made to Claimant, there was no accounting prepared or provided, or other performance under the 1st One Hundred, LLC Redemption Agreement.

I declare under penalty of perjury of the laws of the United States and the State of Nevada that the foregoing is true and correct.

DATED this 14th day of August, 2020.

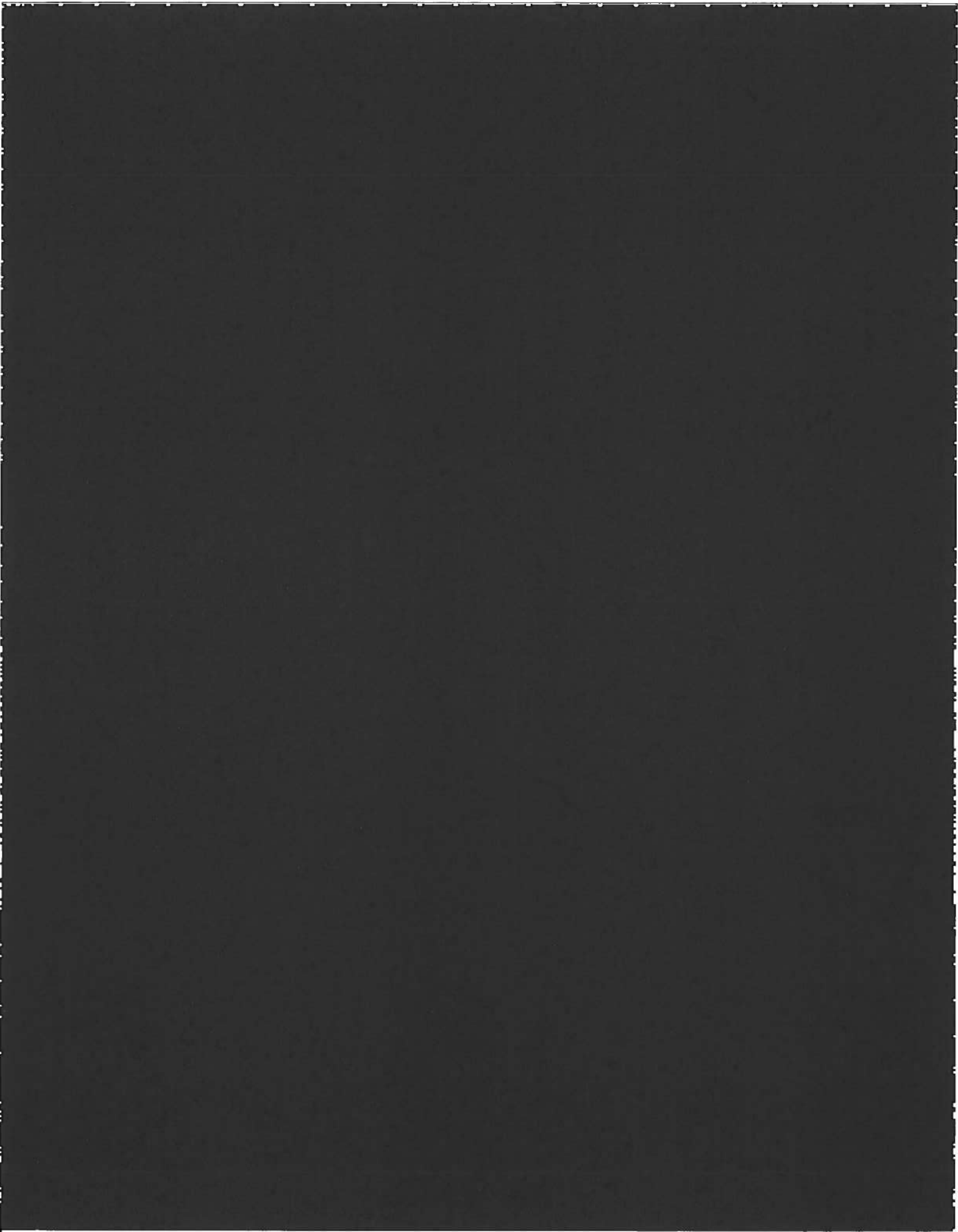
/s/ Matthew Farkas (see email below)
MATTHEW FARKAS

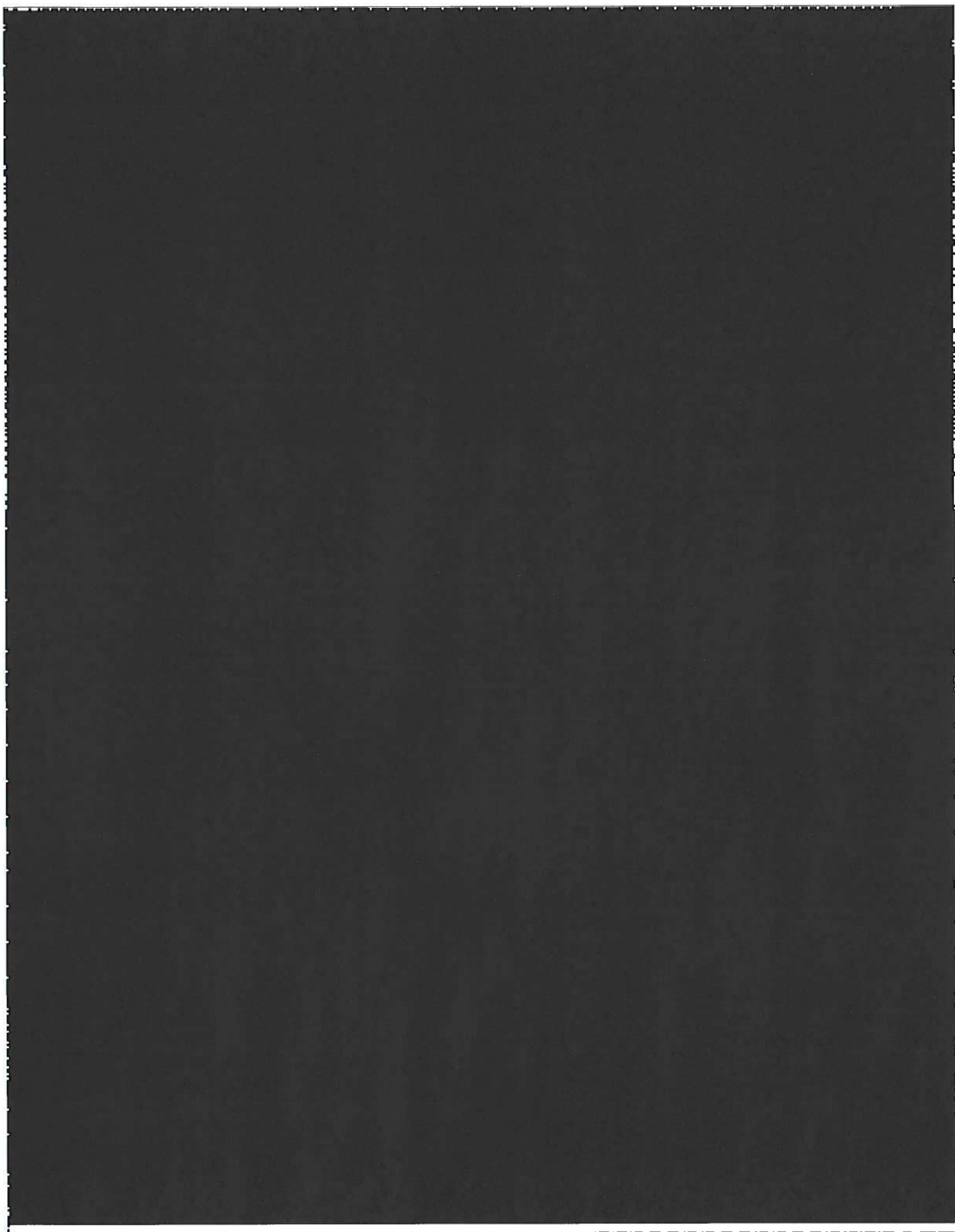
From: Matthew Farkas <farkm1@aol.com>
Date: August 14, 2020 at 3:47:19 PM PDT
To: Erika Turner <eturner@Gtg.legal>
Subject: Re: Matthew Farkas Dec- Revised (TGC Farkas)

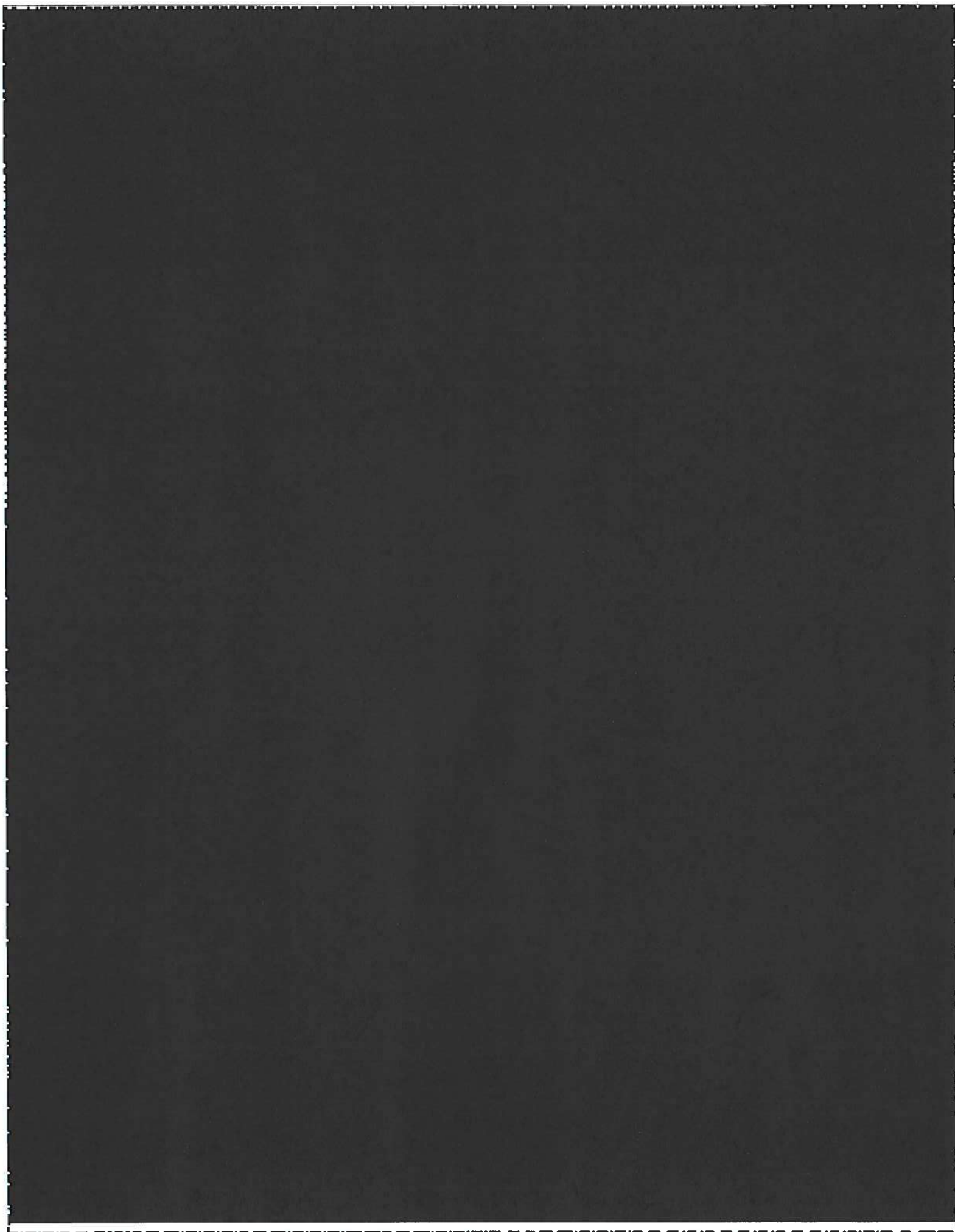
Dear Erika,

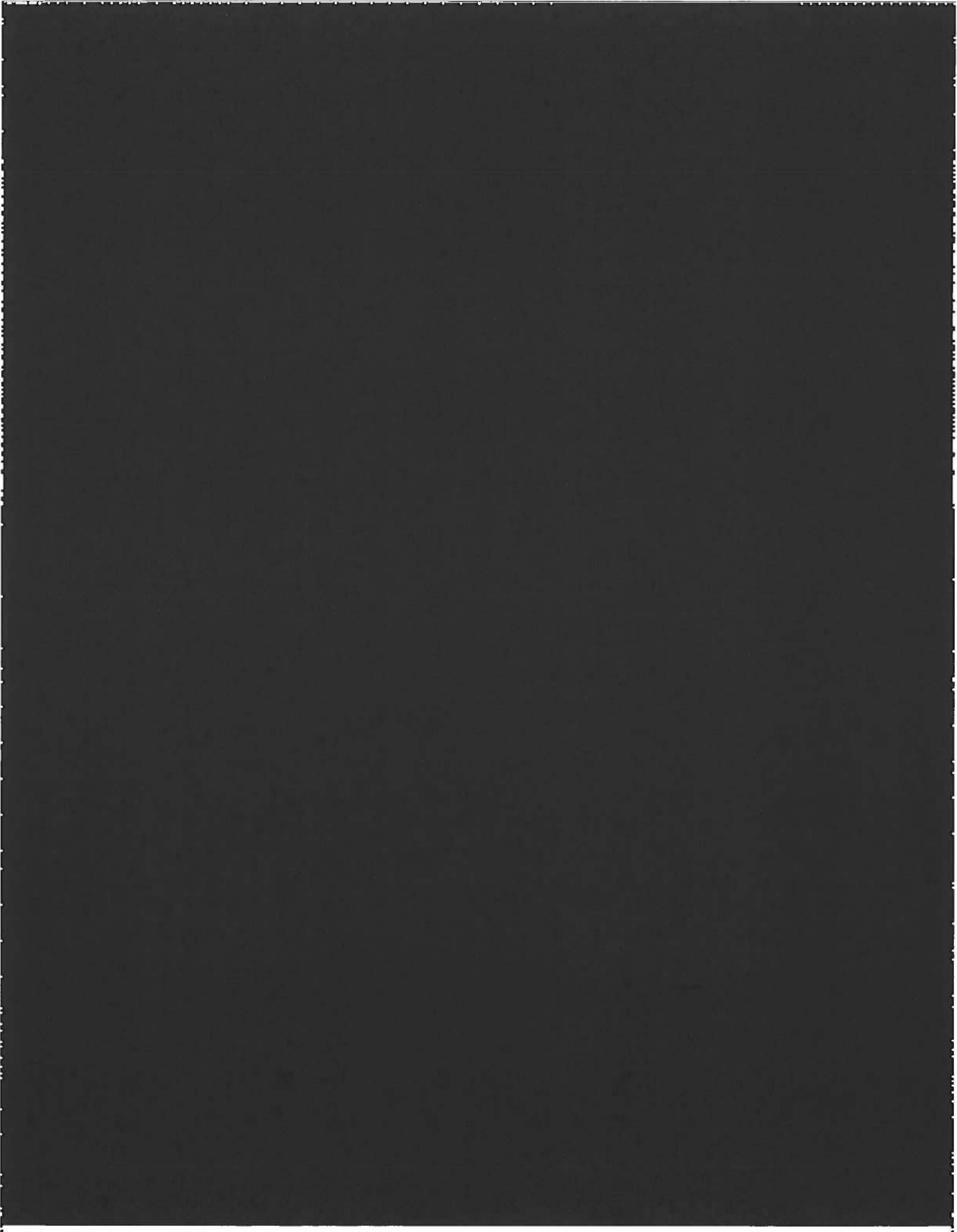
As per our conversation, you have my permission to put a digital signature on the document you sent. According to my understanding, my signature is at the bottom of the document I signed reclaiming the F100 stock, and that no one received any payouts or financials from F100. Please don't add my signature to any other documents without email or handwritten authorization.

Best Regards,
Matthew

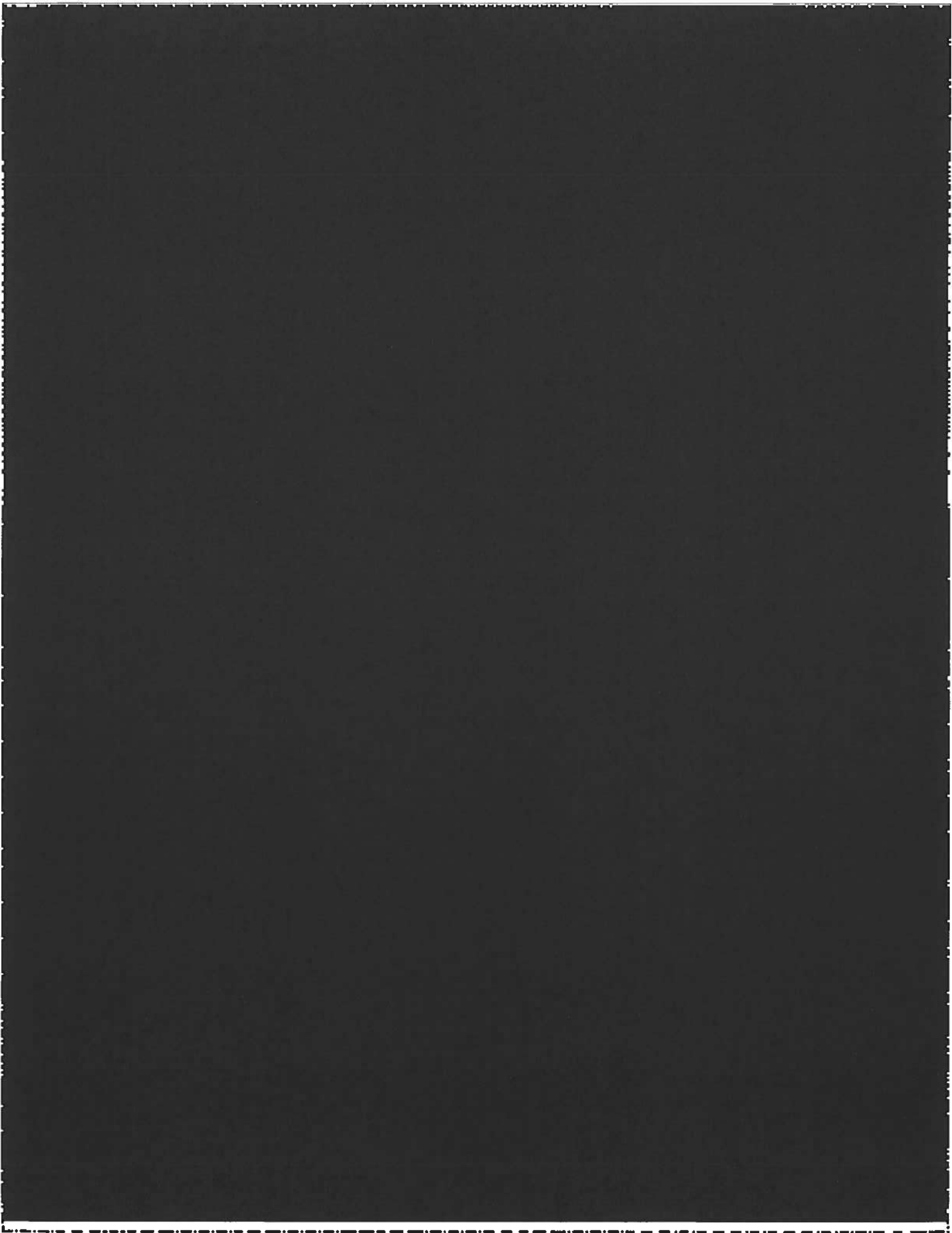


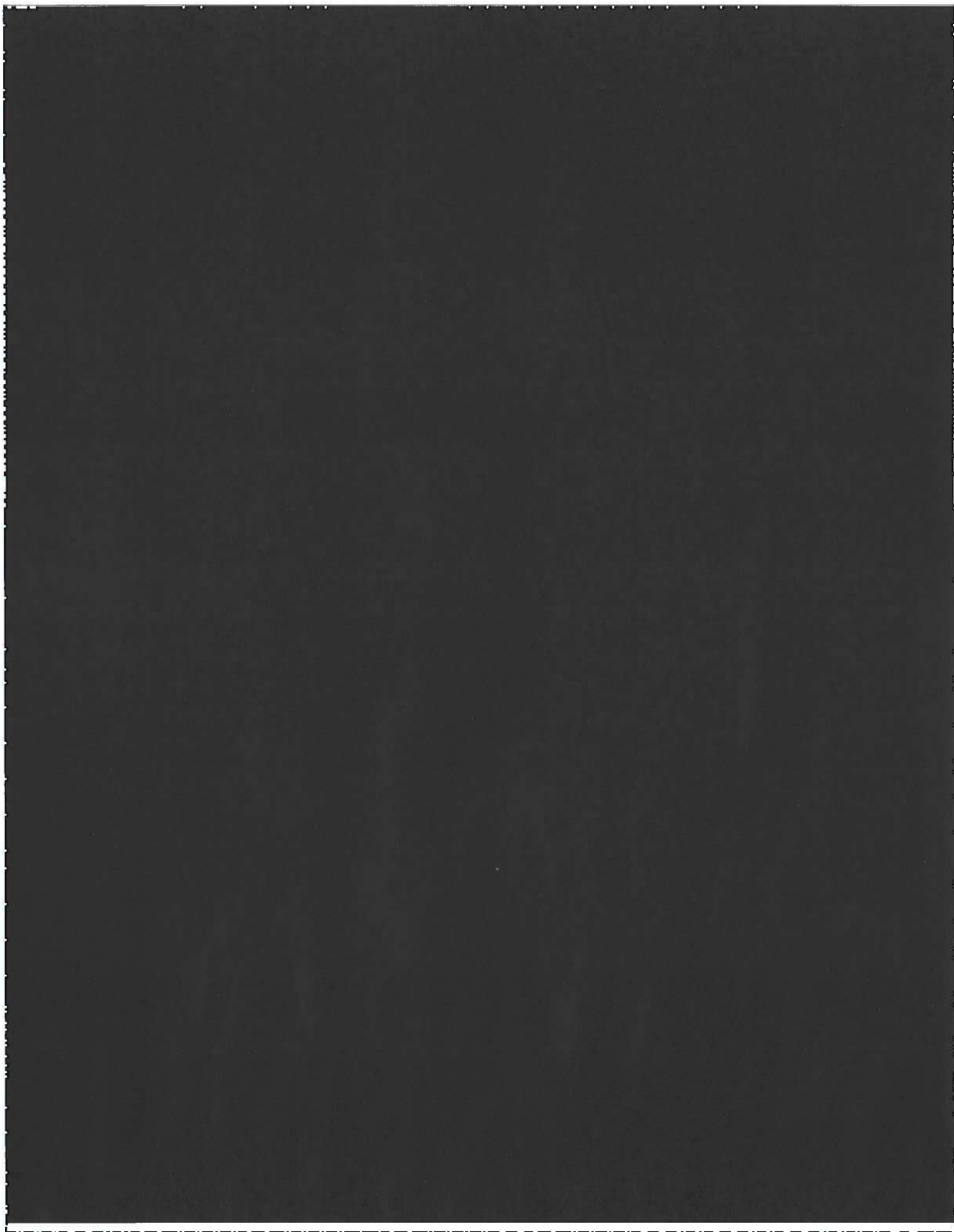


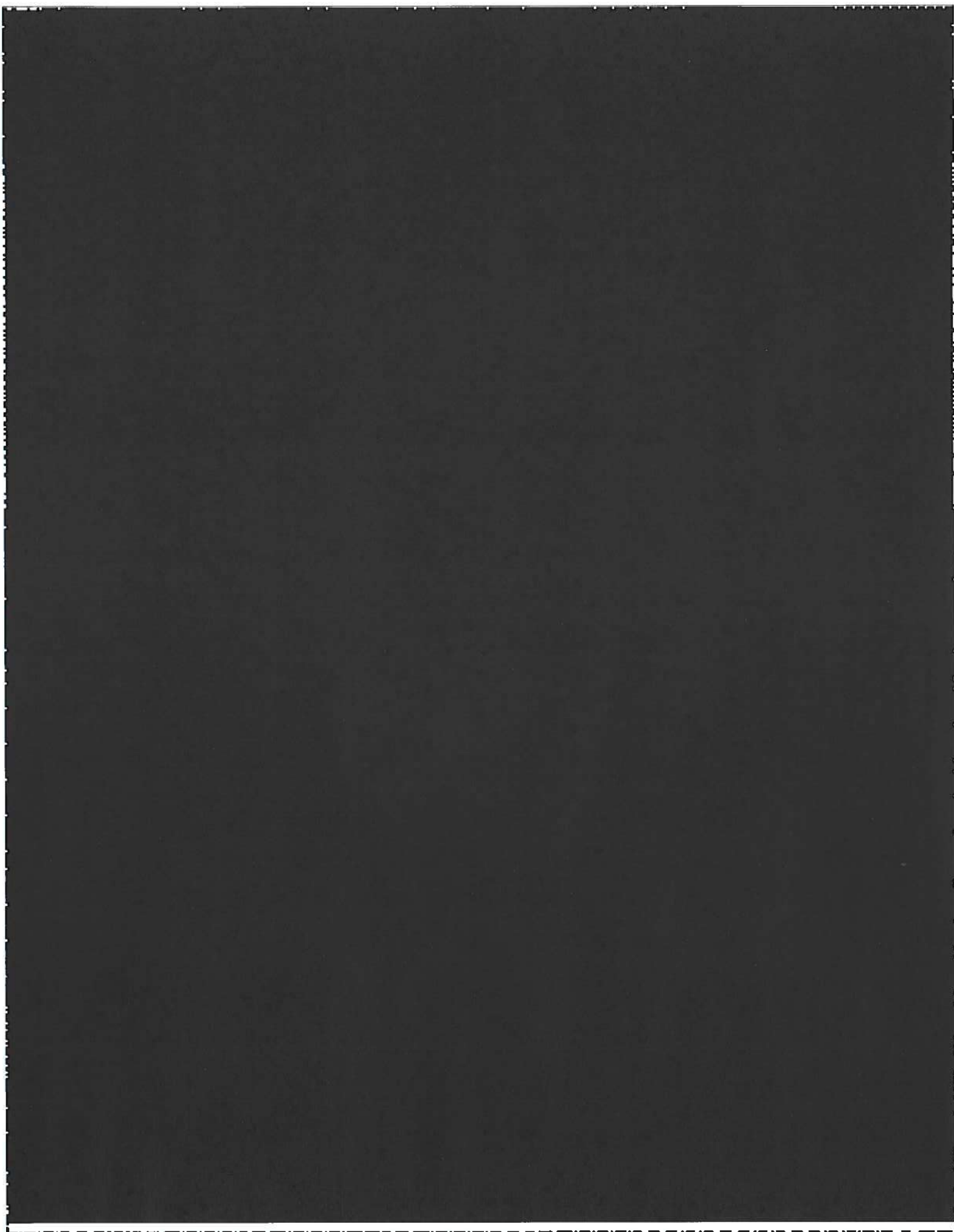










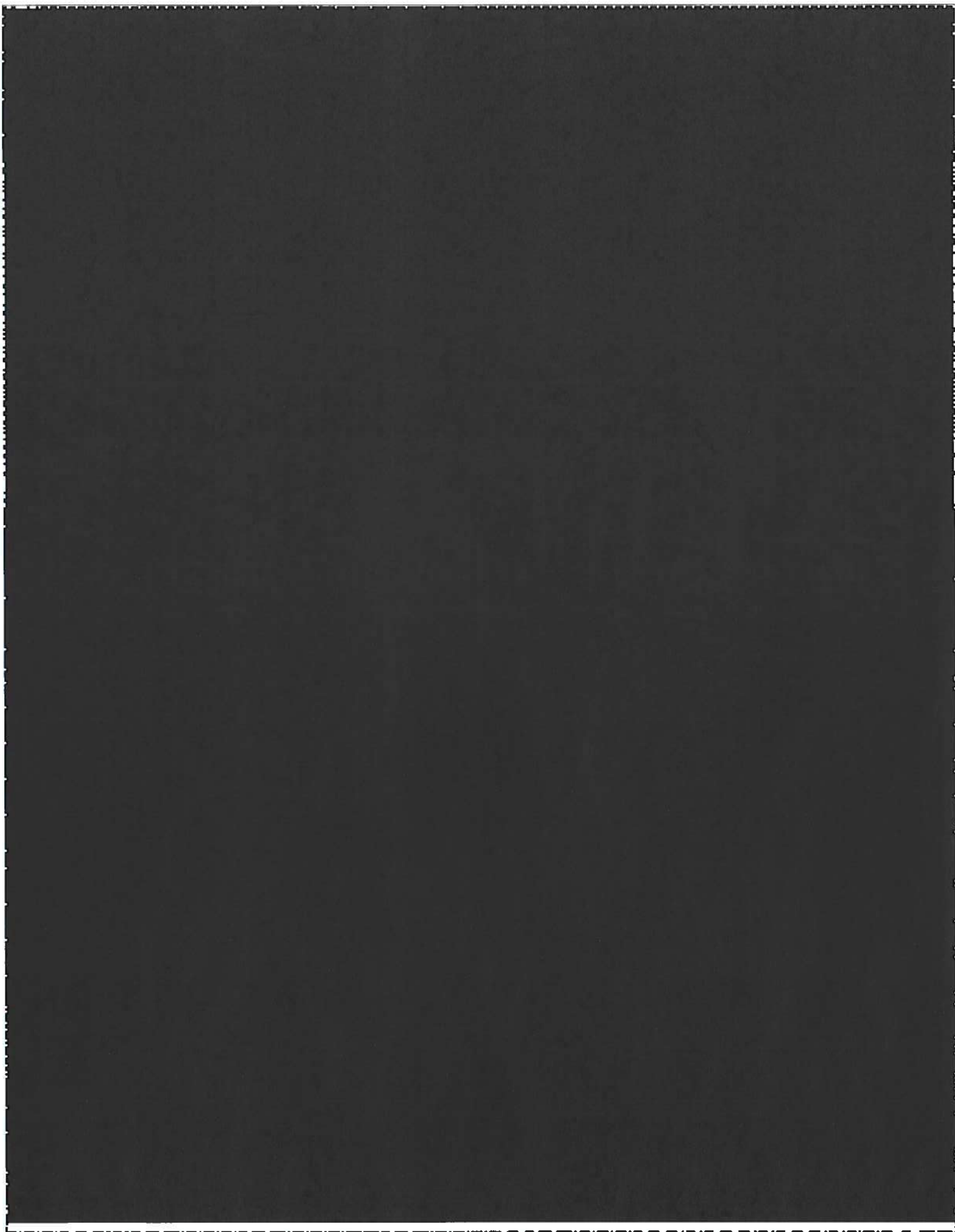


The first part of the paper discusses the importance of the research and the objectives of the study. It then presents a literature review of the existing research on the topic. The methodology section describes the research design and the data collection process. The results section presents the findings of the study, and the conclusion section summarizes the main points and provides recommendations for future research.

The research was conducted in a systematic and rigorous manner, following the principles of good research practice. The data was collected from a representative sample of the population, and the results were analyzed using appropriate statistical methods. The findings of the study are presented in a clear and concise manner, and the conclusions are based on the evidence presented.

The study has several strengths, including the use of a large sample size and the inclusion of a control group. However, there are also some limitations to the study, such as the potential for bias in the selection of the sample and the use of self-reported data. These limitations should be taken into account when interpreting the results of the study.

In conclusion, the study provides valuable insights into the topic and contributes to the existing body of knowledge. The findings suggest that there is a need for further research in this area, and the recommendations provided can be used to guide future studies.



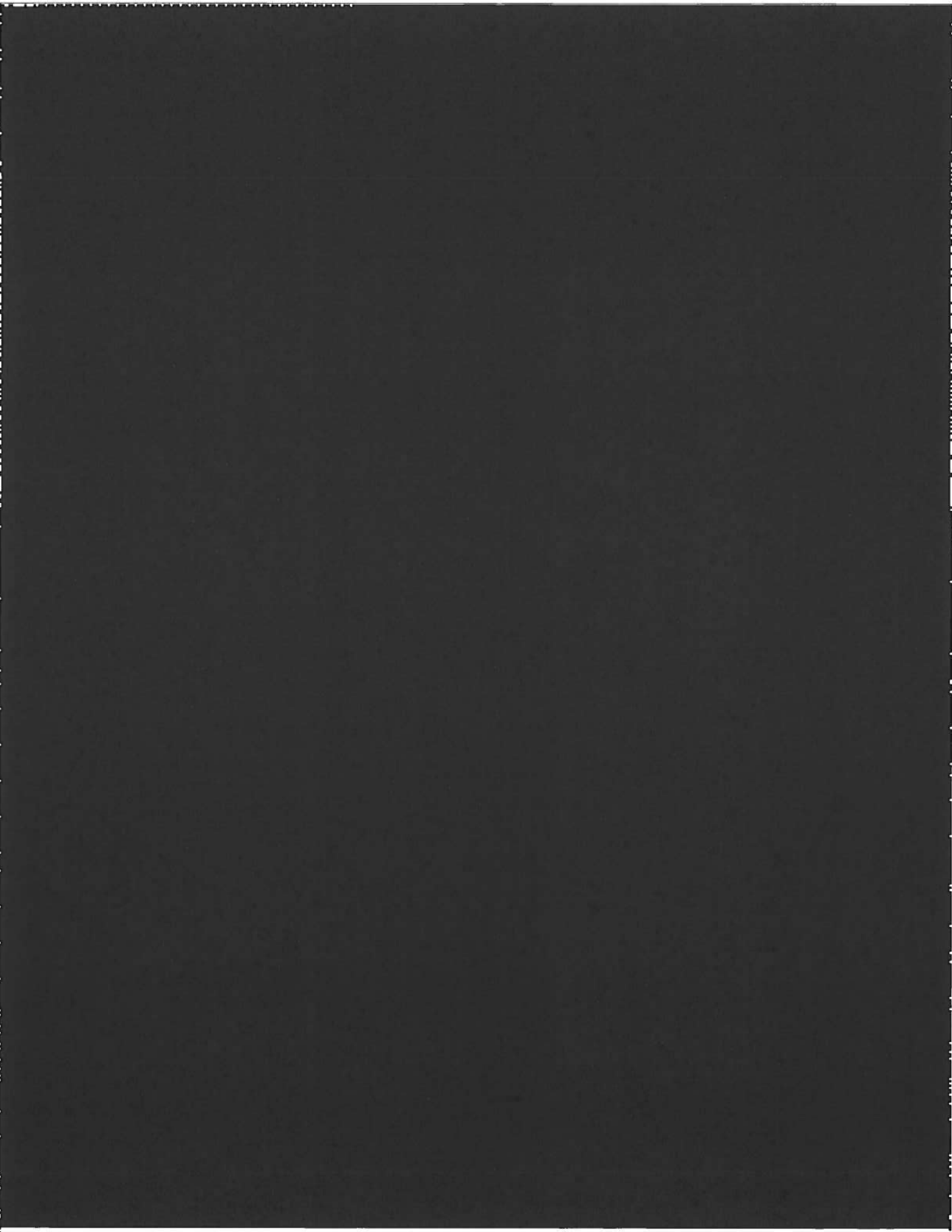
The first part of the paper discusses the importance of the study and the objectives of the research. It highlights the need for a comprehensive understanding of the subject matter and the role of the researcher in this process. The second part of the paper presents the methodology used in the study, including the data collection methods and the analysis techniques. The third part of the paper discusses the results of the study and the conclusions drawn from the data. The final part of the paper provides a summary of the findings and offers suggestions for future research.

The study was conducted in a systematic and rigorous manner, following the principles of scientific research. The data was collected from a large sample of participants, and the results were analyzed using advanced statistical techniques. The findings of the study are presented in a clear and concise manner, allowing for a thorough understanding of the subject matter. The conclusions drawn from the data are based on a careful analysis of the results and are supported by the evidence presented in the paper.

The study has several strengths, including a large sample size and the use of advanced statistical techniques. However, there are also some limitations to the study, such as the potential for bias in the data collection process. Despite these limitations, the study provides a valuable contribution to the field and offers important insights into the subject matter.

In conclusion, the study is a well-conducted and informative piece of research that provides a comprehensive understanding of the subject matter. The findings of the study are presented in a clear and concise manner, allowing for a thorough understanding of the subject matter. The conclusions drawn from the data are based on a careful analysis of the results and are supported by the evidence presented in the paper.





Raffi A. Nahabedian, Esq.
The Law Office of Raffi A. Nahabedian
7408 Doe Avenue
Las Vegas, NV 89117
(702) 379-9995 or (702) 222-1496(Fax)

Member State Bar of California

Member State Bar of Nevada

January 14, 2021

Erika Pike Turner, Esq.
Garman Turner Gordon
7251 Amigo Street, Suite 210
Las Vegas, NV 89119
eturner@gtg.legal

Re: *TGC/Farkas Funding, LLC v. First 100, LLC et al* A-20-822273-C

Dear Ms. Pike Turner:

Please be advised that the Law Office of Raffi A. Nahabedian has been retained as counsel by TGC/Farkas Funding, LLC with respect to the above-referenced matter (hereinafter referred to as the "TGC/Farkas v. First 100 Matter"). Enclosed herein is a termination letter addressed to your firm ("Termination Letter") that Mr. Matthew Farkas prepared and executed on behalf of TGC/Farkas Funding, LLC, and provided me in regards to my retention.

Pursuant to the TGC/Farkas Funding, LLC Operating Agreement, which specifically states that Mr. Farkas serves as both the Administrative Member and Manager, Mr. Farkas has full authority to retain and terminate legal representation for the company in his Manager capacity. For the reasons stated below and in the Termination Letter, Mr. Farkas has elected to exercise that authority.

Mr. Farkas has had growing concerns about Garman Turner Gordon's ("GTG") representation of TGC/Farkas Funding, LLC. Notably, in GTG's engagement letter that Mr. Farkas signed on behalf of TGC/Farkas Funding, LLC, Mr. Farkas included a handwritten preclusion of litigation against First 100 to make clear that litigation against was prohibited, yet somehow litigation was commenced anyway and without Mr. Farkas' written approval of the same (or a written revocation by Mr. Farkas of his instruction). Beyond that, Mr. Farkas also learned that GTG pursued aggressive judgment collection tactics against First 100, which was never discussed with or approved of beforehand by Mr. Farkas. Indeed, Mr. Farkas is not only concerned that GTG exceeded the scope of the agreed-upon engagement through its ongoing litigation and collection efforts against

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First 100, but he is now at risk of a potential claim against him by First 100 for breach of fiduciary duty as Mr. Farkas is still an officer of First 100.

We expect that GTG will take no further action on behalf of TGC/Farkas Funding, LLC in the TGC/Farkas v. First 100 Matter and, to the extent necessary, a formal written demand is hereby made that GTG cease all legal work on the same. To be clear, Mr. Farkas does not consent to GTG engaging in any further litigation or collection activities whatsoever against First 100, and TGC/Farkas Funding, LLC does not consent to GTG attempting to represent TGC/Farkas Funding, LLC now that the representation has been terminated by way of the enclosed Termination Letter.

Enclosed is a substitution of counsel for Garman Turner Gordon to execute immediately so as to ensure a smooth transition. In an effort to mitigate damages, Mr. Farkas has resolved the TGC/Farkas v. First 100, LLC Matter on behalf of TGC/Farkas and a courtesy copy of the fully executed settlement agreement is also enclosed herein.

Your prompt attention to this matter is requested and I look forward to receiving your signature on the enclosed substitution of counsel (already executed by TGC/Farkas Funding, LLC) as soon as possible to prevent any unnecessary delay.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Raffi A. Nahabedian', is written over a horizontal line.

Raffi A. Nahabedian, Esq.

cc: Client (via email)

OPP060

FIRST0408

AA1086

Matthew Farkas
3345 Birchwood Park Circle
Las Vegas, NV 89141

January 6, 2021

Erika Pike Turner, Esq.
Garman Turner Gordon
7251 Amigo Street, Suite 210
Las Vegas, NV 89119
eturner@gtg.legal

Re: Non-Consent to Legal Representation of TGC/Farkas Funding, LLC

Dear Ms. Pike Turner:

I am writing this letter regarding TGC/Farkas Funding, LLC and the collection efforts that have taken place against First 100, LLC and First One Hundred Holdings, LLC ("First 100").

When I initially agreed to Garman Turner Gordon representing TGC/Farkas Funding, LLC, it was with the express understanding that such representation would preclude any form of litigation against First 100 or its officers, directors, members, successors or assigns.

Notwithstanding, the matter did eventually go to an arbitration and I understand that the arbitrator has issued an award in favor of TGC/Farkas Funding, LLC.

I had no knowledge of, did not and would not have approved of, nor have I been involved in or consented to any discussions regarding the collection efforts of the judgment against First 100, LLC. I would have insisted on having had input on such efforts and would never have consented to the actions your firm is taking.

Please be advised that, as a 50% member of TGC/Farkas Funding, LLC, I no longer consent to Garman Turner Gordon taking any further legal actions on behalf of TGC/Farkas Funding, LLC and therefore I am terminating the representation as it relates to the matter against First 100, effective immediately.

Thank you for your attention to this matter.

Sincerely,



Matthew Farkas

OPP061

FIRST0409

AA1087

RAFFI A. NAHABEDIAN
7408 Doe Avenue
Las Vegas, Nevada 89117
Tel: (702) 379-9995 / Fax: (702) 222-1496

1 RAFFI A. NAHABEDIAN, ESQ.
2 Nevada Bar No. 009347
3 LAW OFFICE OF RAFFI A. NAHABEDIAN
4 7408 Doe Avenue
5 Las Vegas, Nevada 89117
6 Telephone: (702) 379-9995
7 Facsimile: (702) 222-1496
8 Attorneys for Plaintiff

6 DISTRICT COURT
7 CLARK COUNTY, NEVADA

8 TGC/FARKAS FUNDING, LLC,

Case No.: A-13-677354-C

9 Plaintiff,

Dept. No.: XVI

10 vs.

SUBSTITUTION OF COUNSEL

11 FIRST 100, LLC, a Nevada Limited Liability
12 Company; FIRST ONE HUNDRED
13 HOLDINGS, LLC, a Nevada Limited Liability
14 company, aka 1st ONE HUNDRED
15 HOLDINGS LLC, a Nevada Limited Liability
16 Company,

17 Defendants.

17 SUBSTITUTION OF COUNSEL

18 Please take notice that TGC/FARKAS FUNDING, LLC, a Nevada limited liability
19 company, hereby substitutes as counsel of record attorney Raffi A. Nahabedian, of the Law Office
20 of Raffi A. Nahabedian, in the aforementioned matter, in place of the law firm of Garman Turner
21 Gordon, LLP. All future notices in this matter should be sent to:

22 Raffi A. Nahabedian, Esq.
23 Law Office of Raffi A. Nahabedian
24 7408 Doe Avenue
25 Las Vegas, NV 89117

25 Dated this 11th day of January, 2021.

LAW OFFICE OF RAFFI A. NAHABEDIAN

26 By: 

27 Raffi A. Nahabedian, Esq.
28 Attorneys Plaintiff

RAFFI A. NAHABEDIAN

7488 Dec Avenue
Las Vegas, Nevada 89117
Tel: (702) 379-9995 / Fax: (702) 222-1496

1 TGC/FARKAS FUNDING, LLC, by way of Matthew Farkas, hereby requests and
2 consents to the aforementioned substitution of counsel in the above-captioned matter:

3 Dated this ___ day of January, 2021.

TGC/FARKAS FUNDING, LLC

4 By: 

5 Matthew Farkas, Member/Manager

6 GARMAN TURNER GORDON LLP hereby consents to the aforementioned substitution
7 of counsel of record in the above captioned matter:

8 Dated this ___ day of January, 2021.

GARMAN TURNER GORDON LLP

9 By: _____

10 Erika Pike Turner, Esq.

RAFFI A. NAHABEDIAN

7408 Dor Avenue

Las Vegas, Nevada 89117

Tel: (702) 379-9995 / Fax: (702) 222-1496

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the _____ day of January 2021, service of the foregoing Substitution of Counsel was made this date by electronically serving, through Clark County e-file system, a true and correct copy of the same, to the following parties:

Joseph A. Gutierrez, Esq.
Danielle J. Barraza, Esq.
MAIER GUTIERRES & ASSOC.
8816 Spanish Ridge Ave.
Las Vegas, NV 89148
Attorneys for Defendants

Erika Pike Turner, Esq.
Dylan T. Ciciliano, Esq.
GARMAN TURNER GORDON LLP
7251 Amigo St., Suite 210
Las Vegas, NV 89119

/s/ Raffi A. Nahabedian, Esq.
An employee of Raffi A. Nahabedian

On Jan 23, 2017 4:07 PM, Adam Flatto <aflatto@georgetownco.com> wrote:

Matthew-

Tony Coles and I have read this deposition. I am skeptical, to say the least, about this person named Raymond Ngan and whether he has any assets at all. Stories of drug lords and Chinese mafia? "Bank statements" showing billions on deposit? Letters from Kravis and Carlyle which are obviously fakes? And no evidence of the \$12 million in US banks which we were told? It is all just a fiction and a bad one at that. To say that Marshall has lost his patience with this would be an understatement. For me, I am just exhausted by the wild stories. We simply want our investment returned. We do not want and cannot be any part of some action involving some person who purportedly is involved with mafia, drug lords, etc. and will cede to you the excess proceeds if any from this. Marshall is pressuring me to take action and I am at the end of my rope. Discuss with Jay how you will return our investment and take us out of this. The time has come to an end. Adam

From: Matthew Farkas

Sent: Thursday, April 27, 2017 10:00 AM

To: Jay Bloom <jbloom@f100llc.com>

Subject: Fwd: First 100, LLC, et al. v. Raymond K. Ngan, et al. - Deposition of Terrence John Buchanan Attached

Enclosed is the email where Adam is willing to cede his holdings.

Matthew Farkas

Vice President of Finance

1st One Hundred

m [646.226.0674](tel:646.226.0674) | o [702.823.3600](tel:702.823.3600) | f [702.724.9781](tel:702.724.9781)

Mfarkas@f100llc.com | www.f100llc.com

Corporate Headquarters

Tivoli Village at Queens Ridge

410 S. Rampart Blvd., Suite 450 Las Vegas, NV 89145

Please consider the environment

CONFIDENTIALITY NOTICE: This message is for the named person's use only. It may contain sensitive and private proprietary or legally privileged information. If you are not the intended recipient, you are hereby notified that any review, dissemination, distribution or duplication of this communication is strictly prohibited and may be unlawful. If

2/12/2021 9:47 AM



February 12, 2021

VIA E-SERVICE

Erika Pike Turner, Esq.
Dylan T. Ciciliano, Esq.
Garman Turner Gordon
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
eturner@gtg.legal
dciciliano@gtg.legal

Re: *TGC/Farkas Funding, LLC v. First 100, LLC et al.* Case No.: A-20-822273-C

Dear Counsel:

Please allow this correspondence to serve as a demand for payment in order to effectuate full compliance with the Court's orders regarding First 100, LLC and 1st One Hundred Holdings, LLC's (collectively "First 100") books and records.

As referenced previously on numerous occasions, First 100 requires the services of former controller Michael Henriksen to obtain the documents requested, including but not limited to the requests for financial statements (including balance sheets and profit and loss statements); general ledger and back up; documents showing First 100's assets and their location; accounts payable incurred by First 100; and documents showing First 100's use of funds received.

First 100 has obtained an invoice setting forth the costs associated with complying with the books and records request, which is enclosed herein. Please confirm the timeframe of records sought and remit to this office the corresponding payment made payable directly to Michael Henriksen so that the desired work and document production can be completed.

Thank you for attention to this matter.

Sincerely,

MAIER GUTIERREZ & ASSOCIATES

/s/ Joseph A. Gutierrez

Joseph A. Gutierrez, Esq.

JAG/ndv
Enclosures as stated.

**MAIER
GUTIERREZ
& ASSOCIATES**

8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
702.629.7900
www.mgalaw.com

**FIRST0447
AA1092**

MICHAEL HENRIKSEN JR.

5916 Wildhorse Ledge Avenue

Las Vegas, NV 89131

(702) 885-2723

henriksenwhanau@gmail.com

I have been provided a request by Erika Pike Turner, Esq of Garman Turner Gordon, who represent the interests of Adam Flatto, Marshall Rose and TGC/Farkas Funding LLC, to produce certain documents relating to First 100, LLC and 1st One Hundred Holdings. It is my understanding the documents requested are as follows:

- 1) The Company's company books, inclusive of any and all agreements relating to the Company's governance (Company operating agreements, amendments, consents and resolutions)
- 2) Financial Statements, inclusive of balance sheets and profit & Loss statements
- 3) General ledger and back up, inclusive of invoices
- 4) Documents sufficient to show the Company's assets and their location
- 5) Documents relating to value of the Company and/or the Company's assets
- 6) Documents sufficient to show the Company's members and their status, inclusive of any redeemed members
- 7) Tax returns for the Company
- 8) Documents sufficient to show the accounts payable incurred by the Company, paid by the Company, and remaining due from the Company
- 9) Documents sufficient to show payments made to the Company managers, members and/or affiliates of any managers or members
- 10) Company insurance policies
- 11) Documents sufficient to show the status of any Company lawsuits
- 12) Documents sufficient to show the use of the Investors' funds (and any other members' investment) with the Company.

It does not appear the document request includes a timeframe. As you know, First 100, LLC and 1st One Hundred Holdings LLC ceased being a going concern back in approximately 2016.

As such, if the request for documents is for the years 2016 through the present time, this will be a significant undertaking as it is my understanding that no such documents presently exist. Toward that end, I estimate that it will take me approximately 100 hours at my hourly rate of \$250 to prepare and produce the requested documents for the years 2016 through the present time. For this reason, I require a deposit in the amount of \$25,000 before any work can be performed. If the amount of time expended is less, the difference will be refunded. If the amount of time is more, the difference will be invoiced and need to be paid before the work is completed.

If, however, the request is limited to the years 2015 and prior, I estimate that it will take me approximately 10-15 hours at my hourly rate of \$250 to attempt to locate, research and produce any responsive documents. Payment of \$3,750 must be paid in advance before any work will be performed. Any unused amount will be refunded.

FIRST0448
AA1093

10:02



< 105



F Cel Matt >

Excellent. Travel safely and I hope your projects go well

Thank you.

Thu, Jan 7, 2:23 PM

I'm here. Waiting in line to get in. Send the docs to store4590@gmail.com. They will print them out and I will scan the signature pages back to you from my cell phone.

I am in the store. Did you forward the docs?

Thanks

Fri, Jan 8, 10:35 AM

AA1094
Can I call you later?
FIRST0449

10:03



< 105



F Cel Matt >

Wed, Jan 13, 4:52 PM

Hi. Give me a heads up when it's signed and scanned. Raffi's asking me for it

You should have it in about 15 minutes. I just got to the UPS store

It is coming to you now. It should be there in 5 minutes. Why is there such a rush?

Sent

Hasn't shown up yet?

They sent it to Lvem

Hmmmm

Did you send it or did they?

They scanned it and sent it.

I was there

Ok. Thanks

If you don't get it I will go back tomorrow



iMessage



10:04



< 105



F Cel Matt >

If you don't get it I will go back tomorrow

Thank you

Sure

Fri, Jan 15, 7:18 PM

Ok. Are you good for a call in 15?

Sure

Mon, Jan 18, 11:52 AM

Hi. Can you send me what you sent to Raffi?

Sure

I'm just waiting for Rafi to give me the ok

The ok?

Yes. I don't entirely understand where there is supposed to be a separation because I am in the middle.

**AA1096
FIRST0451**

10:04



F Cel Matt >

Mon, Jan 18, 11:52 AM

Hi. Can you send me what you sent to Raffi?

Sure

I'm just waiting for Rafi to give me the ok

The ok?

Yes. I don't entirely understand where there is supposed to be a separation because I am in the middle.

There isn't anything I sent Rafi that you don't have

The September amendment to the operating agreement I was told you found

I understand. I'm just waiting for his okay. I'm sure he will get back to me very soon.

I'm with Jason now

Text me when you send it



iMessage



10:04



< 105



F Cel Matt >

Text me when you send it

Absolutely

Gents- Unfortunately I am not able to send you any documentation because the amended agreement removed me as the Managing Member. I ask you to refer to Adam's lawyer's letter from September. Anything you need must come with them. It would be well within Adam's right to sue me. So again, I am in the middle and will provide no information to either party meaning you guys or the other law firm.

Mon, Jan 18, 2:14 PM

Matt. This is not protected information. If there making a claim under the documents you told me you didn't sign, you have to provide them

They're

I did sign them. That is why you were so angry with me.

**AA1098
FIRST0453**

10:05



< 105

FC

F Cel Matt >

information. If there making a claim under the documents you told me you didn't sign, you have to provide them

They're

I did sign them. That is why you were so angry with me.

Jay, my problem in this whole situation is that I have been trying to accommodate everyone's wishes

Erika Turner told me back in the summer that if I wasn't going to be a part of this, I can't be a part of this.

All I seem to do with both sides is make everyone angry, no matter what I do.

Rafi told me he can no longer represent me.

You sign the affidavit in August. You did that the day after you told me you weren't going to. When we talk to the lawyers you said you didn't sign anything in September. You need to send that to me.



iMessage



AA1099
FIRST0454

From: Leigh C. Katzman, Esq. <lkatzman@likeyourlawyer.com>

Sent: Tuesday, July 22, 2014 8:43 AM

To: Jay Bloom <jbloom@f100llc.com>; Gregg Hale <Khale@f100llc.com>; Matthew Farkas <Mfarkas@f100llc.com>

Cc: Leigh C. Katzman, Esq. <lkatzman@likeyourlawyer.com>; Mary Ann Chandler, Esq. <mchandler@likeyourlawyer.com>; Alan Garfinkel, Esq. <agarfinkel@likeyourlawyer.com>

Subject: Our Meeting This Morning at Katzman Garfinkel Law and Learning Center

Dear Jay, Gregg and Matthew,

It was a pleasure meeting both of you in person and re establishing my former relationship with Gregg.

Thanks for making the trip out to our South Florida office.

I enjoyed our conversations and look forward to moving the ball further down the court in an effort to establish a mutually beneficial business relationship between our respective organizations.

I believe that there are many potential clients that we can assist you in reaching who will be a great fit to utilize your offering.

We would reach these potential clients through a combination of in person meetings with the heads of management companies throughout the state as well as through our advocacy initiative the Community Advocacy Network (CAN) which can be greater understood by visiting our website www.CANFL.com.

Being a veteran in the community association industry in Florida I serve as an informational resource to my clients as well as community association managers and legislators throughout the state.

The below is a link to a 2001 article on "Super Liens" which you may find interesting. It is somewhat dated and all may not apply, however, I found the article informative in its perspective.

<http://www.usfn.org/AM/Template.cfm?Section=Home&template=/CM/HTMLDisplay.cfm&ContentID=6927>

I look forward to hearing back from Kregg and gaining a greater understanding of your offerings and the opportunity for our law firm to serve your organizations legal needs when it comes to prosecuting delinquent account collection actions.

I will meet with Mary Ann to discuss your company and see where we can start pointing clients of ours in your direction.

I have attached a our standard flat rate collection fee schedule for your review as requested.

Based upon the volume of accounts turned over to our firm we are willing to discuss "special financial arrangements" that would be applicable in the event that title to a property were to be taken back by your company and we were unable to collect our fees and costs incurred from the delinquent owner or a third party. For your information my cell number is 954-649-3250 and my office number is listed below.

Thanks again for taking the time to meet with me today and I look forward to our next interaction.

Warmest Regards,
Leigh C. Katzman, Esq.

Founding Partner

Katzman Garfinkel

5297 West Copans Road | Margate, FL 33063

Tel 954.486.7774 | Fax 954-486-7782

lkatzman@likeyourlawyer.com | www.LikeYourLawyer.com

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*By appointment only.

Voted *Top Community Association Law Firm* in Florida by the readers of the Florida Community Association Journal.



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From: Adam Flatto <aflatto@georgetownco.com>
Sent: Saturday, July 4, 2015 12:31 PM
To: Matthew Farkas <Mfarkas@f100llc.com>
Subject: RE: update.

Ok -- a tough grind as usual. Hoping that their funding happens. Also, going forward, please don't promise when you'll be sending us a distribution. I try to ignore but it raises expectations which may be unrealistic. Let's see how it goes and when you are successful, we will be happy to celebrate with you! Adam

From: Matthew Farkas [mailto:Mfarkas@f100llc.com]
Sent: Saturday, July 04, 2015 3:14 PM
To: Adam Flatto
Subject: Re: update.

The investor finally put all the paperwork to bed. Jay was in Florida this past Friday visiting the Association of Poinciana Villages Board of Directors. Things have gone well enough there that they have just offered First 100 another 1000 liens.

We can acquire them for \$500,000.00 and they have a face value of \$1 million. The Houses have a market value of approximately \$100 million.

In addition to making an investment in our company, the investor has made a tender offer to acquire a company called Alliance Property Management based in Phoenix. They are the 7th largest property manager in the country. They will be handling all our of property management activities and have offices in all the super priority states we want to expand into which will make our business expansion that much easier.

I will have a more formal letter out to you Monday, but it looks like we will making a distribution to you guys for \$1million this week. Have a great fourth and I will speak to you Monday.

Best. M

Sent from my Verizon Wireless 4G LTE DROID

On Jul 4, 2015 11:19 AM, Adam Flatto <aflatto@georgetownco.com> wrote:

Back in NYC. Can you give me a brief update?

Adam R. Flatto
President and CEO
The Georgetown Co.
667 Madison Avenue
New York, NY 10065
Phone (212) 755-2323
Fax (212) 755-3679
aflatto@georgetownco.com

From: Matthew Farkas
Sent: Tuesday, September 6, 2016 4:16 PM
To: Jay Bloom <jbloom@f100llc.com>
Subject: FW: 2013 & 2014 Financial Statements

From: Matthew Farkas
Sent: Tuesday, December 22, 2015 4:22 PM
To: 'Adam Flatto' <aflatto@georgetownco.com>
Subject: FW: 2013 & 2014 Financial Statements

Adam – Enclosed is the first portion of the financials requested. I will have everything completed by tomorrow. The telephone number for Mecham Dicus is 702-953-4949. The individual who prepared the statements is Mark Dicus.

Best,

M

From: Michael Henriksen
Sent: Tuesday, December 22, 2015 4:15 PM
To: Matthew Farkas <Mfarkas@f100llc.com>
Cc: Jay Bloom <Jbloom@f100llc.com>
Subject: 2013 & 2014 Financial Statements

Matthew – attached are the 2013 & 2014 Financial Statements you requested.
I will also provide the 10/31/2015 Financial Statements to you once I have made some required adjustments. I will provide these to you as soon as possible.

Our Tax Return was prepared by Mecham Dicus & Company LLC by Mark Dicus CPA.
I anticipate he will be the one preparing our tax returns for 2015 as well.

Michael Henriksen
Financial Controller
1 st One Hundred
m [702.885.2723](tel:702.885.2723) | o [702.823.3600](tel:702.823.3600) | f [702.724.9781](tel:702.724.9781)
Mhenriksen@f100llc.com | www.f100llc.com

Corporate Headquarters
11920 Southern Highlands Parkway, Suite 200
Las Vegas, NV 89141

Please consider the environment

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3:53 PM

12/22/16

Accrual Basis

1st One Hundred Investment Pool #1 LLC
Balance Sheet
As of December 31, 2013

	<u>Dec 31, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
10100 - BofA Operating Account	102.00
Total Checking/Savings	102.00
Other Current Assets	
12450 - Notes Receivable	-102.00
Total Other Current Assets	-102.00
Total Current Assets	0.00
TOTAL ASSETS	<u>0.00</u>
LIABILITIES & EQUITY	<u>0.00</u>

3:53 PM
12/22/16
Accrual Basis

1st One Hundred Investment Pool #1 LLC
Profit & Loss
January through December 2013

	Jan - Dec 13
Net Income	0.00

3:53 PM
12/22/15
Accrual Basis

1st One Hundred Investment Pool #1 LLC
Balance Sheet
As of December 31, 2014

	<u>Dec 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
10100 - BofA Operating Account	91.00
Total Checking/Savings	91.00
Other Current Assets	
12260 - Due from LVEM	65.00
12450 - Notes Receivable	-182.00
Total Other Current Assets	-117.00
Total Current Assets	-26.00
TOTAL ASSETS	<u><u>-26.00</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
22301 - Due to/from First 100 LLC	100.00
Total Other Current Liabilities	100.00
Total Current Liabilities	100.00
Total Liabilities	100.00
Equity	
Net income	-126.00
Total Equity	-126.00
TOTAL LIABILITIES & EQUITY	<u><u>-26.00</u></u>

3:54 PM
12/22/16
Accrual Basis

1st One Hundred Investment Pool #1 LLC
Profit & Loss
January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Expense	
72050 - Bank Service Charges	126.00
Total Expense	126.00
Net Ordinary Income	-126.00
Net Income	-126.00

3:55 PM

12/22/15

Accrual Basis

1st One Hundred Holdings LLC
Balance Sheet
As of December 31, 2014

	<u>Dec 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
Bank of America - Operating	30.43
Total Checking/Savings	<u>30.43</u>
Other Current Assets	
13000 - Investment in First 100, LLC	1,091,738.56
Total Other Current Assets	<u>1,091,738.56</u>
Total Current Assets	<u>1,091,768.99</u>
TOTAL ASSETS	<u><u>1,091,768.99</u></u>
LIABILITIES & EQUITY	
Equity	
30000 - Opening Balance Equity	100.00
31000 - Class A Units	1,001,210.63
31800 - Class B Units	624,937.50
31900 - Class C Units	349,983.75
33000 - Unrealized Gain on First 100	2,648,148.00
Net Income	<u>-3,532,610.89</u>
Total Equity	<u>1,091,768.99</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,091,768.99</u></u>

3:56 PM
12/22/15
Accrual Basis

1st One Hundred Holdings LLC
Profit & Loss
January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Expense	
64900 • Office Supplies	69.57
Total Expense	69.57
Net Ordinary Income	-69.57
Other Income/Expense	
Other Income	
81000 • Income from Subsidiary	
81100 • First 100, LLC	-3,532,541.32
Total 81000 • Income from Subsidiary	-3,532,541.32
Total Other Income	-3,532,541.32
Net Other Income	-3,532,541.32
Net Income	-3,532,610.89

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12/22/16
Accrual Basis

First 100, LLC
Balance Sheet
As of December 31, 2013

	Dec 31, 13
ASSETS	
Current Assets	
Checking/Savings	
10100 · BofA Operating Account	-50,296.55
10200 · BofA Tenant Deposit Account	8.42
Total Checking/Savings	-50,288.13
Accounts Receivable	
11000 · Accounts Receivable	1,871.22
Total Accounts Receivable	1,871.22
Other Current Assets	
12050 · Investment in HOA liens	2,081,842.96
12100 · HOA Liens Rec Incremental Value	1,494,899.70
12200 · Employee Advance	19,000.37
12225 · Rent Receivable	700.00
12250 · Due from LVEM	488,141.27
12350 · Due from Anna Zetta Schillings	109,034.00
12400 · Due from Sale of Foreclosure	3,713.00
12450 · Notes Receivable	102,103.05
13000 · Prepaid Expenses	
13100 · Prepaid Rent	46,606.50
13300 · Prepaid Legal	294,458.46
13000 · Prepaid Expenses - Other	35,554.89
Total 13000 · Prepaid Expenses	376,619.95
Total Other Current Assets	4,676,054.30
Total Current Assets	4,627,637.39
Fixed Assets	
14000 -- Fixed Assets	
14300 · Computers	13,894.32
14500 · Office Equipment	3,402.99
14600 · Furniture and Equipment	2,050.00
14999 · Accumulated Depreciation	-4,143.00
Total 14000 · Fixed Assets	15,204.31
Total Fixed Assets	15,204.31
Other Assets	
16100 · Deposits	100.00
16000 · Real Property (Book Value)	
5261 Casplan Springs Dr #101	4,887.50
16001 · 6800 E. Lake Mead Blvd #2100	8,699.59
16002 · 6800 E. Lake Mead Blvd #1111	7,174.65
16003 · 6800 E. Lake Mead Blvd #1066	7,064.31
16004 · 6800 E. Lake Mead Blvd #2115	8,566.97
16005 · 6800 E Lake Mead Blvd #1033	9,878.19
16006 · 601 Cabrillo Circle #644 (NV)	3,870.45
16007 · 601 Cabrillo Circle #1076 (NV)	3,838.80
16008 · 601 Cabrillo Circle #1291 (NV)	2,308.00
16009 · 210 E Flamingo Rd #207	26,950.00
16010 · 210 E Flamingo Rd #209	5,897.46
16011 · 210 E Flamingo Rd #308	15,799.83
16012 · 220 E Flamingo Rd #320	9,803.32
16013 · 220 E Flamingo Rd #108	14,185.75
16014 · 220 E Flamingo Rd #436	9,739.05
16015 · 230 E Flamingo Rd #119	6,469.58
16016 · 230 E Flamingo Rd #330	10,159.77
16017 · 230 E Flamingo Rd #335	10,757.96
16018 · 230 E Flamingo Rd #422	12,885.39
16019 · 260 E Flamingo Rd #320	9,746.80
16020 · 260 E Flamingo Rd #332	7,195.37
16021 · 30 Strada Di Villaggio #321	9,569.20
16022 · 30 Strada Di Villaggio #323	27,182.70

4:00 PM
12/22/15
Accrual Basis

First 100, LLC
Balance Sheet
As of December 31, 2013

	Dec 31, 13
16023 · 2615 W Gary Ave #1065	10,517.50
16024 · 6973 Emerald Springs Lane	8,945.26
16025 · 7685 Spanish Bay Drive	11,053.50
16026 · 3345 Birchwood Park Circle	26,309.44
16027 · 12024 Whitehills	10,047.19
16029 · 3055 Key Largo Dr #101	4,153.81
16030 · 5206 Mandalay Springs #103	4,181.00
16031 · 4980 Indian River #449	3,822.66
16032 · 7255 W Sunset Rd #1169	1,088.20
16033 · 7255 W Sunset Rd #1032	1,648.85
16034 · 7255 W Sunset #1151	1,648.85
16035 · 13507 E Cortez Drive	10,116.35
16036 · 288 Smithridge Park	5,693.00
16037 · 428 Smithridge Park	3,704.00
16038 · 17745 Sapphire Canyon	1,947.50
16039 · 6337 Kitamaya St	15,786.10
16040 · 10105 Prattville Avenue	6,295.90
16041 · 7533 Lintwhite Street	10,917.55
16042 · 3405 Kingbird Drive	11,354.51
16043 · 5764 Field Breeze St	6,837.30
16044 · 2124 Willow Wren Dr	2,711.60
16045 · 4532 Windcrest Drive	3,810.11
16046 · 1217 Neva Ranch	8,062.39
16047 · 9099 Cabin Creek Trail	4,886.47
16048 · 2145 Heavenly View Trail	5,154.51
16049 · 620 West Riverview Circle	9,984.81
16050 · 682 West Riverview Circle	6,688.59
16500 · 8188 NW 108th Place (FL)	5,750.00
16501 · 10878 NW 78th Terrace (FL)	5,750.00
16502 · 3554 Oak Brook Lane (FL)	7,381.39
16503 · 3149 Oak Brook Lane (FL)	4,902.97
16504 · 7920 Los Robles Court FL	8,378.52
16508 · 5080 River Glen # 180	2,332.00
16701 · 9707 Richmond Ave #82 (TX)	2,001.06
16702 · 2205 Windy Drive TX	4,803.26
16801 · 2143 E Wildhorse Drive (AZ)	7,943.80
16802 · 29962 N Sedona Place AZ	10,093.16
16901 · 20026 Vikings Crest #1-201 WA	9,392.92
16000 · Real Property (Book Value) - Other	136,076.70
Total 16000 · Real Property (Book Value)	634,383.37
Total Other Assets	634,483.37
TOTAL ASSETS	5,277,326.07
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
21000 · Accounts Payable	1,028,439.92
Total Accounts Payable	1,028,439.92
Other Current Liabilities	
Deferred Rental Revenue	1,000.00
22050 · Due from First 100	
22100 · Due to Premier One Holdings	299,912.00
22150 · Due to Devries	24,590.80
22200 · Due to Lynch	2,336.78
Total 22050 · Due from First 100	326,839.58
22350 · Notes Payable	1,694,980.00
23050 · Payroll Liabilities	88,813.12
23100 · Interest Payable	63,000.00
24050 · Sale Deposit	105,914.71
Total Other Current Liabilities	2,280,547.41

4:00 PM
12/22/16
Accrual Basis

First 100, LLC
Balance Sheet
As of December 31, 2013

	<u>Dec 31, 13</u>
Total Current Liabilities	3,308,987.33
Long Term Liabilities	
24100 · Tenant Security Deposits	<u>8,525.00</u>
Total Long Term Liabilities	<u>8,525.00</u>
Total Liabilities	3,317,512.33
Equity	
31000 · Class A Units	1,038.14
31800 · Class B Units	674,932.50
31900 · Class C Units	349,982.50
32000 · Member Contribution	1,065,000.00
33000 · Unrealized Gain Purchased Rec	1,494,899.70
34000 · Retained Earnings	-1,204,153.58
Net Income	<u>-421,886.52</u>
Total Equity	<u>1,959,812.74</u>
TOTAL LIABILITIES & EQUITY	<u>5,277,325.07</u>

FIRST 100, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1 – Value of Real Property

The Fair Market Value of the Real Property is \$8,773,892 using www.zillow.com as of December 31, 2013.

	BOOK VALUE AT 12/31/13	ZILLOW VALUE AT 12/31/13
16001 · 6800 E. Lake Mead Blvd #2100	\$ 8,699.59	\$ 64,833.00
16002 · 6800 E. Lake Mead Blvd #1111	\$ 7,174.65	F/C
16003 · 6800 E. Lake Mead Blvd #1066	\$ 7,064.31	\$ 49,170.00
16004 · 6800 E. Lake Mead Blvd #2115	\$ 8,566.97	\$ 31,551.00
16005 · 6800 E Lake Mead Blvd #1033	\$ 9,878.19	\$ 64,244.00
16006 · 601 Cabrillo Circle #644 (NV)	\$ 3,870.45	\$ 98,186.00
16007 · 601 Cabrillo Circle #1076 (NV)	\$ 3,838.80	\$ 54,870.00
16008 · 601 Cabrillo Circle #1291 (NV)	\$ 2,308.00	\$ 97,410.00
16010 · 210 E Flamingo Rd #209	\$ 5,897.46	\$ 123,656.00
16011 · 210 E Flamingo Rd #306	\$ 15,799.83	\$ 171,470.00
16012 · 220 E Flamingo Rd #320	\$ 9,803.32	\$ 129,561.00
16013 · 220 E Flamingo Rd #108	\$ 14,185.75	\$ 123,746.00
16014 · 220 E Flamingo Rd #436	\$ 9,739.05	\$ 123,746.00
16015 · 230 E Flamingo Rd #119	\$ 6,469.58	F/C
16016 · 230 E Flamingo Rd #330	\$ 10,159.77	\$ 123,746.00
16017 · 230 E Flamingo Rd #335	\$ 10,757.96	\$ 125,243.00
16018 · 230 E Flamingo Rd #422	\$ 12,885.39	\$ 132,843.00
16019 · 260 E Flamingo Rd #320	\$ 9,746.80	\$ 123,746.00
16020 · 260 E Flamingo Rd #332	\$ 7,195.37	\$ 171,470.00
16021 · 30 Strada Di Villaggio #321	\$ 9,569.20	\$ 91,920.00
16022 · 30 Strada Di Villaggio #323	\$ 27,182.70	\$ 98,696.00
16023 · 2615 W Gary Ave #1065	\$ 10,517.50	\$ 105,043.00
16024 · 6973 Emerald Springs Lane	\$ 8,945.26	\$ 222,621.00
16025 · 7685 Spanish Bay Drive	\$ 11,053.50	\$ 438,860.00
16026 · 3345 Birchwood Park Circle	\$ 16,719.19	\$ 477,238.00
16027 · 12024 Whitehills	\$ 10,047.19	\$ 481,233.00
16029 · 3055 Key Largo Dr #101	\$ 4,153.81	F/C
16030 · 5206 Mandalay Springs #103	\$ 3,381.00	\$ 71,257.00
16031 · 4980 Indian River #449	\$ 3,822.66	F/C
16032 · 7255 W Sunset Rd #1169	\$ 1,088.20	\$ 63,139.00
16033 · 7255 W Sunset Rd #1032	\$ 1,648.85	F/C
16034 · 7255 W Sunset #1151	\$ 1,648.85	\$ 120,040.00
16035 · 13507 E Cortez Drive	\$ 10,116.35	\$ 269,336.00
16036 · 288 Smithridge Park	\$ 5,693.00	\$ 73,422.00
16037 · 428 Smithridge Park	\$ 3,704.00	\$ 97,309.00
16038 · 17745 Sapphire Canyon	\$ 1,947.50	\$ 182,496.00

FIRST 100, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

16039 · 6337 Kitamaya St	\$ 15,786.10	\$ 115,252.00
16040 · 10105 Prattville Avenue	\$ 6,295.90	\$ 356,544.00
16041 · 7533 Lintwhite Street	\$ 10,917.55	\$ 196,477.00
16042 · 3405 Kingbird Drive	\$ 11,354.51	\$ 197,189.00
16043 · 5764 Field Breeze St	\$ 6,837.30	\$ 164,406.00
16044 · 2124 Willow Wren Dr	\$ 2,711.60	\$ 174,757.00
16045 · 4532 Windcrest Drive	\$ 3,810.11	\$ 228,015.00
16046 · 1217 Neva Ranch	\$ 8,062.39	\$ 160,427.00
16047 · 9099 Cabin Creek Trail	\$ 4,666.47	\$ 296,481.00
16048 · 2145 Heavenly View Trail	\$ 5,154.51	\$ 261,568.00
16049 · 620 West Riverview Circle	\$ 9,984.81	\$ 151,407.00
16050 · 682 West Riverview Circle	\$ 6,688.59	\$ 205,591.00
16500 · 8188 NW 108th Place (FL)	\$ 5,750.00	\$ 299,028.00
16501 · 10878 NW 78th Terrace (FL)	\$ 5,750.00	\$ 273,415.00
16502 · 3554 Oak Brook Lane (FL)	\$ 7,381.39	\$ 130,034.00
16503 · 3149 Oak Brook Lane (FL)	\$ 4,902.97	\$ 131,512.00
16504 · 7920 Los Robles Court FL	\$ 8,378.52	\$ 145,823.00
16701 · 9707 Richmond Ave #82 (TX)	\$ 2,001.06	\$ 72,411.00
16702 · 2205 Windy Drive TX	\$ 4,603.26	\$ 123,864.00
16801 · 2143 E Wildhorse Drive (AZ)	\$ 7,943.80	\$ 233,098.00
16802 · 29962 N Sedona Place AZ	\$ 10,093.16	\$ 167,699.00
16901 · 20026 Vikings Crest #1-201 WA	\$ 9,392.92	\$ 86,793.00
	<u>\$ 453,746.92</u>	<u>\$ 8,773,892.00</u>

4:01 PM

12/22/16

Accrual Basis

First 100, LLC
Profit & Loss
 January through December 2013

	Jan - Dec 13
Ordinary Income/Expense	
Income	
40100 · Assessment income	1,461,221.13
40200 · Rental Income	67,790.20
40300 · Gain on Sale of Real Property	2,342,210.00
40400 · Miscellaneous Income	650.00
40500 · Fines Income	0.00
40600 · RRFS Charges	21,136.68
40700 · Property Late Fees	11,236.86
40800 · Property interest income	5,088.76
40900 · Suspense Income	0.00
Total Income	3,909,333.63
Cost of Goods Sold	
Lien Fees	0.00
50000 · Cost of Goods Sold	
50100 · Lien Purchases	427,155.69
Total 50000 · Cost of Goods Sold	427,155.69
Total COGS	427,155.69
Gross Profit	3,482,177.94
Expense	
60000 · Rental Property Expenses	
60100 · HOA Dues	8,520.82
60200 · Repairs & Maintenance	751.82
60300 · Utilities	1,173.57
60400 · Fines	542.79
60000 · Rental Property Expenses - Other	440.00
Total 60000 · Rental Property Expenses	11,429.00
63300 · Insurance Expense	61,919.55
65000 · Sales & Marketing Expenses	
65050 · Advertising & Marketing	45,588.98
Total 65000 · Sales & Marketing Expenses	45,588.98
67000 · Sales & Marketing Travel Exp	
67050 · Airfare	8,387.93
67100 · Car Rental & Related Expenses	1,621.45
67160 · Mileage Reimbursement	2,672.46
67200 · Lodging	3,269.10
67250 · Meals & Entertainment	3,251.05
Total 67000 · Sales & Marketing Travel Exp	19,201.99
68000 · Sales & Marketing Employee Cost	
68100 · Payroll Taxes	70.27
Total 68000 · Sales & Marketing Employee Cost	70.27
71000 · Building	
71050 · Rent Expense	124,644.68
71100 · Repairs & Maintenance	4,090.00
71150 · Utilities	2,302.76
Total 71000 · Building	131,037.44
72000 · Automobile Expense	20,315.22
72050 · Bank Service Charges	3,833.97
72100 · Computer and Internet Expenses	75,172.85
72125 · Commission Expense	26,711.21
72150 · Continuing Education & Training	1,091.50
72200 · Contract Labor	
72210 · Management fees	600,000.00
72200 · Contract Labor - Other	23,487.00
Total 72200 · Contract Labor	623,487.00
72250 · Depreciation Expense	6,612.96

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12/22/16
Accrual Basis

First 100, LLC
Profit & Loss
January through December 2013

	Jan - Dec 13
72300 · Dues and Subscriptions	2,022.00
72360 · Filing fees	7,538.03
72450 · Late Fees	1,037.14
72475 · Lease Cancellation Expense	69,160.95
72500 · Licenses and Permits	20,519.55
72650 · Office Supplies	121.10
72600 · Office Expense	
72625 · Software Licenses	25,600.09
72600 · Office Expense - Other	33,934.58
Total 72600 · Office Expense	59,534.67
72650 · Postage and Delivery	2,140.72
72700 · Printing and Reproduction	2,550.53
72750 · Professional Fees	
72760 · Accounting Fees	50,895.00
72770 · Consulting	247,462.74
72780 · Legal Fees	59,369.64
72750 · Professional Fees - Other	35,578.00
Total 72750 · Professional Fees	393,305.38
72800 · Telephone Expense	15,026.46
72900 · Title Work	205.00
77000 · Travel Expense	
77050 · Airfare	45,945.28
77100 · Car Rentals & Related Expenses	10,962.66
77200 · Lodging	25,212.25
77250 · Meals and Entertainment	50,848.87
77000 · Travel Expense - Other	85,272.53
Total 77000 · Travel Expense	218,241.59
78000 · Employee Costs	
78050 · Salaries & Wages	859,531.16
78100 · Payroll Taxes	167,761.58
78110 · Payroll Processing Fees	8,332.22
Total 78000 · Employee Costs	1,035,624.96
Total Expense	2,873,500.02
Net Ordinary Income	608,677.92
Other Income/Expense	
Other Income	
79000 · Other Income	
79100 · Interest Income	8,291.61
Total 79000 · Other Income	8,291.61
82000 · Real Estate Sales	
82010 · Cost Basis	-960,069.00
Total 82000 · Real Estate Sales	-960,069.00
Total Other Income	-951,777.39
Other Expense	
79500 · Other Expenses	
79550 · Political Contributions	2,000.00
79650 · Interest Expense	72,787.05
79500 · Other Expenses - Other	4,000.00
Total 79500 · Other Expenses	78,787.05
80000 · Ask My Accountant	0.00
Total Other Expense	78,787.05
Net Other Income	-1,030,564.44
Net Income	-421,886.52

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12/22/16

Accrual Basis

First 100, LLC
Balance Sheet
As of December 31, 2014

	Dec 31, 14
ASSETS	
Current Assets	
Checking/Savings	
10100 • BofA Operating Account	-4,946.00
10300 • Petty Cash	253.92
Total Checking/Savings	-4,692.08
Accounts Receivable	
11000 • Accounts Receivable	1,647.88
Total Accounts Receivable	1,647.88
Other Current Assets	
Inventory Asset	150,612.87
12010 • Attorney Trust Fund Deposits	501,257.62
12050 • Investment in HOA Liens	3,178,633.36
12055 • Liens to be Funded	15,109.79
12100 • HOA Liens Rec Incremental Value	4,364,559.08
12200 • Employee Advance	102,700.75
12220 • Receivable Due from Judgement	
12221 • Doubtful Collection Reserve	-75,173.96
12220 • Receivable Due from Judgement - Other	150,347.91
Total 12220 • Receivable Due from Judgement	75,173.95
12225 • Rent Receivable	3,480.00
12260 • Due from LVM	17,500.00
12450 • Notes Receivable	699,785.51
13000 • Prepaid Expenses	
13100 • Prepaid Rent	46,606.50
13300 • Prepaid Legal	4,065.66
Total 13000 • Prepaid Expenses	50,672.16
Total Other Current Assets	9,159,485.09
Total Current Assets	9,156,440.89
Fixed Assets	
14000 • Fixed Assets	
14300 • Computers	13,894.32
14500 • Office Equipment	3,402.99
14600 • Furniture and Equipment	2,050.00
14999 • Accumulated Depreciation	-10,094.00
Total 14000 • Fixed Assets	9,253.31
Total Fixed Assets	9,253.31
Other Assets	
15100 • Deposits	2,535.92
16000 • Real Property (Book Value)	
16006 • 601 Cabrillo Circle #644 (NV)	7,050.76
16007 • 601 Cabrillo Circle #1076 (NV)	4,373.30
16008 • 601 Cabrillo Circle #1291 (NV)	4,904.26
16010 • 210 E Flamingo Rd #209	7,848.67
16016 • 230 E Flamingo Rd #330	13,810.62
16021 • 30 Strada Di Villaggio #321	13,707.03
16022 • 30 Strada Di Villaggio #323	37,378.76
16023 • 2615 W Gary Ave #1065	11,071.50
16046 • 1217 Neva Ranch	6,438.79
16057 • 7708 Himalayas Avenue #204	4,281.94
16061 • 220 Mission Newport Ln #201	251.00
16062 • 101 Luna Way #145 (NV)	4,799.57
16063 • 2080 Karen Avenue #93 (NV)	7,387.25
16065 • 6295 Indian River Drive #314	4,423.83
16066 • 6009 Indian River Drive #165	4,847.10
16067 • 4921 Indian River Drive #112	4,476.71
16068 • 4400 Sandy River Drive #16	4,465.47
16069 • 1204 Observation Drive #102 (NV)	5,464.64

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12/22/15
Accrual Basis

First 100, LLC
Balance Sheet
As of December 31, 2014

	Dec 31, 14
16071 · 5782 Camino Ramon Avenue (NV)	9,226.51
16501 · 10878 NW 78th Terrace (FL)	5,750.00
16503 · 3149 Oak Brook Lane (FL)	8,652.97
16505 · 1211 Celebration Avenue #101 FL	5,381.69
16701 · 9707 Richmond Ave #82 (TX)	2,021.06
16702 · 2205 Windy Drive TX	4,613.26
16801 · 2143 E Wildhorse Drive (AZ)	7,957.80
Total 16000 · Real Property (Book Value)	190,584.48
Total Other Assets	193,120.40
TOTAL ASSETS	9,358,814.60
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
21000 · Accounts Payable	1,544,691.73
21100 · Accounts Payable - Deal Funding	53,675.04
Total Accounts Payable	1,598,366.77
Other Current Liabilities	
22050 · Due from First 100	
22125 · Due to Tyrone & In-Ching LLC	1,168.71
22215 · Due to Rephina Louie	150,057.64
Total 22050 · Due from First 100	151,226.35
22301 · Due to/from Investment Pool 1	-100.00
22350 · Notes Payable	4,697,564.83
23050 · Payroll Liabilities	619,349.59
23100 · Interest Payable	896,629.17
23130 · Bonus & Commissions Payable	165,850.00
24050 · Safe Deposit	135,347.15
Total Other Current Liabilities	6,665,867.09
Total Current Liabilities	8,264,233.86
Long Term Liabilities	
24100 · Tenant Security Deposits	2,812.00
Total Long Term Liabilities	2,812.00
Total Liabilities	8,267,045.86
Equity	
33000 · Unrealized Gain Purchased Rec	4,364,559.08
34000 · Retained Earnings	259,750.98
Net Income	-3,532,541.32
Total Equity	1,091,768.74
TOTAL LIABILITIES & EQUITY	9,358,814.60

FIRST 100, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1 – Value of Real Property

The Fair Market Value of the Real Property is \$2,956,858.00 using www.zillow.com as of December 31, 2014.

	BOOK VALUE AT 12/31/2014	FAIR MARKET VALUE AT 12/31/2014
16006 · 601 Cabrillo Circle #644 (NV)	\$ 4,211.65	\$ 56,585.00
16007 · 601 Cabrillo Circle #1076 (NV)	\$ 4,169.80	\$ 75,025.00
16008 · 601 Cabrillo Circle #1291 (NV)	\$ 2,646.65	\$ 61,599.00
16010 · 210 E Flamingo Rd #209	\$ 5,897.46	\$ 142,017.00
16016 · 230 E Flamingo Rd #330	\$ 10,159.77	\$ 124,374.00
16021 · 30 Strada Di Villaggio #321	\$ 9,569.20	\$ 113,008.00
16022 · 30 Strada Di Villaggio #323	\$ 33,211.35	\$ 114,526.00
16023 · 2615 W Gary Ave #1065	\$ 10,517.50	\$ 178,598.00
16046 · 1217 Neva Ranch	\$ 5,238.79	\$ 177,021.00
16057 · 7708 Himalayas Avenue #204	\$ 4,281.94	\$ 101,547.00
16061 · 220 Mission Newport Ln #201	\$ 251.00	\$ 44,705.00
16062 · 101 Luna Way #145 (NV)	\$ 4,799.57	\$ 78,350.00
16063 · 2080 Karen Avenue #93 (NV)	\$ 7,387.25	\$ 65,555.00
16065 · 5295 Indian River Drive #314	\$ 4,423.83	\$ 60,312.00
16066 · 5009 Indian River Drive #155	\$ 4,847.10	\$ 59,930.00
16067 · 4921 Indian River Drive #112	\$ 4,476.71	\$ 60,002.00
16068 · 4400 Sandy River Drive #16	\$ 4,465.47	\$ 62,198.00
16069 · 1204 Observation Drive #102 (NV)	\$ 5,464.64	\$ 72,499.00
16071 · 5782 Camino Ramon Avenue (NV)	\$ 9,226.51	\$ 100,046.00
16501 · 10878 NW 78th Terrace (FL)	\$ 5,750.00	\$ 320,803.00
16503 · 3149 Oak Brook Lane (FL)	\$ 8,652.97	\$ 164,225.00
16505 · 1211 Celebration Avenue #101 FL	\$ 5,381.69	\$ 274,505.00
16701 · 9707 Richmond Ave #82 (TX)	\$ 2,021.06	\$ 55,489.00
16702 · 2205 Windy Drive TX	\$ 4,613.26	\$ 119,783.00
16801 · 2143 E Wildhorse Drive (AZ)	\$ 7,957.80	\$ 274,156.00
	<u>\$ 169,622.97</u>	<u>\$ 2,956,858.00</u>

Note 2 – Association of Poinciana Villages & Gursky Ragan

Gursky Ragan is the law firm handling the Association of Poinciana Villages account for First 100 LLC. We have requested updated information from Gursky Ragan which has not been provided. We have filed a bar complaint and are in litigation with Gursky Ragan to compel them to give us a proper accounting of the trust account and turn over all files to the new law firm. Because we have not received this information to date, we have been unable to update the information related to Association of Poinciana Villages on our Financial Statements. That includes Assessment Income from homeowners making

FIRST 100, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

payments or payoffs on liens, Cost of Goods Sold – Lien Purchases from the list of homeowners who have paid off their liens, total value of liens still outstanding which is reflected on the balance sheet in both Investment in HOA Liens and HOA Liens Receivable Incremental Value. We intend to issue restated Financial Statements once this information is received.

Note 3 – Real Property Foreclosed by Bank

Banks have filed wrongful foreclosure actions against 15 properties with a Fair Market Value of \$1,817,931.00 (using www.zillow.com) that First 100 is disputing through the legal process.

	FAIR MARKET VALUE AT 12/31/2014
6800 E Lake Mead Blvd #1111	\$ 51,000.00
210 E Flamingo Rd #207	\$ 122,939.00
230 E Flamingo Rd #119	\$ 124,098.00
260 E Flamingo Rd #320	\$ 120,118.00
3055 Key Largo Dr #101	\$ 80,635.00
4980 Indian River #449	\$ 61,649.00
7255 W Sunset Rd #1032	\$ 88,000.00
682 W Riverview Circle	\$ 231,171.00
8188 NW 108th Place	\$ 301,559.00
7920 Los Robles Court	\$ 93,570.00
2200 S Fort Apache Rd #1201	\$ 115,752.00
220 Mission Newport Ln #201	\$ 44,289.00
20026 Vikings Crest #1-201	\$ 64,872.00
24630 CalUSA Blvd (FL)	\$ 152,077.00
3554 Oak Brook (FL)	\$ 166,202.00
	<u>\$ 1,817,931.00</u>

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12/22/16
Accrual Basis

First 100, LLC
Profit & Loss
January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Income	
40100 · Assessment Income	1,456,073.22
40200 · Rental Income	74,837.93
40300 · Gain on Sale of Real Property	2,898,059.30
40350 · Gain on Sale of Lien Interest	16,666.66
40400 · Miscellaneous Income	152,057.90
40800 · Property Interest Income	27,134.33
Total Income	4,624,829.34
Cost of Goods Sold	
50000 · Cost of Goods Sold	
50100 · Lien Purchases	634,268.42
50300 · Book Value Sold Real Property	801,173.02
50000 · Cost of Goods Sold - Other	0.00
Total 50000 · Cost of Goods Sold	1,435,441.44
Total COGS	1,435,441.44
Gross Profit	3,189,387.90
Expense	
60000 · Rental Property Expenses	
60100 · HOA Dues	26,370.36
60200 · Repairs & Maintenance	8,612.71
60300 · Utilities	2,936.04
60400 · Fines	0.00
60500 · Property Taxes	1,121.58
Total 60000 · Rental Property Expenses	39,040.69
63300 · Insurance Expense	15,314.24
65000 · Sales & Marketing Expenses	
65050 · Advertising & Marketing	324.95
65100 · Marketing Supplies	3,291.56
65150 · Trade Shows	3,653.83
Total 65000 · Sales & Marketing Expenses	7,270.34
67000 · Sales & Marketing Travel Exp	
67050 · Airfare	5,619.50
67100 · Car Rental & Related Expenses	1,379.85
67160 · Mileage Reimbursement	6,548.67
67200 · Lodging	1,597.10
67250 · Meals & Entertainment	7,749.70
Total 67000 · Sales & Marketing Travel Exp	22,894.82
68000 · Sales & Marketing Employee Cost	
68050 · Salaries & Wages	426,533.87
68060 · Commissions & Bonuses	24,584.61
68100 · Payroll Taxes	33,223.00
68110 · Payroll Processing Fees	823.26
68150 · Workers Comp Insurance	8,293.92
68200 · Health Insurance	22,342.99
68000 · Sales & Marketing Employee Cost - Other	1,837.76
Total 68000 · Sales & Marketing Employee Cost	517,639.41
69800 · Uncategorized Expenses	300.00
71000 · Building	
71050 · Rent Expense	151,275.23
71100 · Repairs & Maintenance	5,437.46
71150 · Utilities	607.46
Total 71000 · Building	157,320.17
72000 · Automobile Expense	11,821.79
72025 · Bad Debt Expense	75,173.95
72050 · Bank Service Charges	6,372.31
72100 · Computer and Internet Expenses	35,399.89

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12/22/16
Accrual Basis

First 100, LLC **Profit & Loss** January through December 2014

	Jan - Dec 14
72125 · Commission Expense	131,304.90
72150 · Continuing Education & Training	289.00
72200 · Contract Labor	
72210 · Management fees	250,000.00
72200 · Contract Labor - Other	1,708.75
Total 72200 · Contract Labor	251,708.75
72250 · Depreciation Expense	5,951.00
72300 · Dues and Subscriptions	5,036.37
72350 · Filing fees	7,570.35
72500 · Licenses and Permits	1,644.43
72550 · Office Supplies	2,107.01
72600 · Office Expense	
72625 · Software Licenses	-10,547.02
72600 · Office Expense - Other	9,282.03
Total 72600 · Office Expense	-1,264.99
72650 · Postage and Delivery	3,431.61
72700 · Printing and Reproduction	1,495.74
72750 · Professional Fees	
72760 · Accounting Fees	0.00
72770 · Consulting	-467,039.45
72780 · Legal Fees	946,017.37
72750 · Professional Fees - Other	245.00
Total 72750 · Professional Fees	479,222.92
72790 · Property Management Fees	4,799.68
72800 · Telephone Expense	15,988.62
72900 · Title Work	2,490.00
77000 · Travel Expense	
77050 · Airfare	65,134.60
77100 · Car Rentals & Related Expenses	9,032.78
77150 · Mileage Reimbursement	942.19
77200 · Lodging	35,019.65
77250 · Meals and Entertainment	19,363.57
Total 77000 · Travel Expense	129,492.79
78000 · Employee Costs	
Payroll Expenses	300.00
78050 · Salaries & Wages	1,450,991.88
78060 · Commission & Bonuses	37,803.29
78100 · Payroll Taxes	134,705.17
78110 · Payroll Processing Fees	2,690.11
78150 · Workers Comp Insurance	12,436.56
78200 · Health Insurance	69,908.03
78000 · Employee Costs - Other	5,150.02
Total 78000 · Employee Costs	1,713,985.06
Total Expense	3,643,580.85
Net Ordinary Income	-454,192.95
Other Income/Expense	
Other Income	
79000 · Other Income	
79100 · Interest Income	0.03
Total 79000 · Other Income	0.03
Total Other Income	0.03
Other Expense	
79500 · Other Expenses	
79550 · Political Contributions	11,250.00
79625 · Discount on Notes Receivable	623,388.90
79650 · Interest Expense	1,570,535.38
79500 · Other Expenses - Other	33.74

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12/22/16
Accrual Basis

First 100, LLC
Profit & Loss
January through December 2014

	Jan - Dec 14
Total 79600 · Other Expenses	2,205,208.02
79660 · Tax Penalties	41,783.70
79700 · Loss on Bank Foreclosure	65,422.30
80000 · Ask My Accountant	0.00
81000 · Prior Year Adjustments	
81050 · Bonus & Commissions Expense	170,850.00
81055 · Consulting	513,141.27
81075 · Interest Expense	15,555.56
81100 · Legal Expense	124,999.95
81150 · Property Replacement Reserve	0.00
81000 · Prior Year Adjustments - Other	-58,612.40
Total 81000 · Prior Year Adjustments	765,934.38
Total Other Expense	3,078,348.40
Net Other Income	-3,078,348.37
Net Income	-3,532,541.32



1 RTRAN

2
3
4 DISTRICT COURT

5 CLARK COUNTY, NEVADA

6 TGC/FARKAS FUNDING, LLC,

7 Plaintiff,

CASE#: A-20-822273-C

DEPT. XIII

8 vs.

9 FIRST 100, LLC, a Nevada Limited
10 Liability Company; FIRST ONE
11 HUNDRED HOLDINGS, LLC, a
12 Nevada Limited Liability Company,
aka 1st ONE HUNDRED
HOLDINGS LLC, a Nevada Limited
Liability Company,

13 Defendant.

14
15 BEFORE THE HONORABLE MARK R. DENTON
16 DISTRICT COURT JUDGE
WEDNESDAY, MARCH 10, 2021

17 **RECORDER'S TRANSCRIPT OF EVIDENTIARY HEARING**

18
19 APPEARANCES:

20 For the Plaintiff: Erika Pike Turner, ESQ.
Dylan Ciciliano, ESQ.

21 For the Defendant: Joseph A. Gutierrez, ESQ.

22 For Matthew Farkas: Kenneth E. Hogan

23
24 RECORDED BY: JENNIFER GEROLD, COURT RECORDER

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JAY BLOOM

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321919
312222
304646
295050
206666
<u>FOR THE DEFENDANT</u>	<u>MARKED</u>	<u>RECEIVED</u>
A66

1 Las Vegas, Nevada, Wednesday, March 10, 2021

2

3 [Case called at 9:01 a.m.]

4 THE COURT: Good morning. We're reconvening the
5 evidentiary hearing in case number A-822273, TGC Farkas Funding, LLC,
6 v. First 100, LLC. Please state appearances by counsel, identify parties,
7 party representatives who are present.

8 MS. TURNER: Good morning, Your Honor. Erika Pike Turner
9 of Garman Turner Gordon on behalf of Plaintiff and judgment creditor,
10 TGC Farkas Funding, LLC.

11 MR. GUTIERREZ: Good morning, Your Honor. Joseph
12 Gutierrez on behalf of First 100, First 100 Holdings, LLC and Jay Bloom in
13 his individual capacity. Joining us today will be Jay Bloom on behalf of
14 First 100, LLC.

15 THE COURT: All right. Are counsel ready to proceed?

16 MS. TURNER: Yes, Your Honor.

17 THE COURT: All right.

18 MS. TURNER: As a matter of initial housekeeping, we've
19 conferred with Ms. Kearney [phonetic] and she has the stipulation of the
20 parties on the admission of additional exhibits.

21 THE COURT: All right.

22 THE CLERK: They -- do you want them, Judge?

23 THE COURT: Beg your pardon?

24 THE CLERK: Do you want the numbers?

25 THE COURT: Yes. Please state the numbers for the record.

1 THE CLERK: 2, 3, 5, 6, 12, 13, 14, 17, 20, and A.
2 THE COURT: Those -- admission of those exhibits is
3 stipulated. Is that correct?
4 MS. TURNER: Yes, Your Honor.
5 MR. GUTIERREZ: That's correct, Your Honor.
6 THE COURT: All right. So ordered.
7 [Plaintiff's Exhibits 2, 3, 5, 6, 12, 13, 14, 17 and 20 admitted into evidence]
8 [Defendant's Exhibit A admitted into evidence]
9 THE COURT: All right. Anything else for housekeeping?
10 MS. TURNER: No, Your Honor.
11 MR. GUTIERREZ: No, Your Honor.
12 THE COURT: I believe Mr. Bloom was on the stand when we
13 adjourned the last time.
14 MS. TURNER: Yes.
15 THE COURT: Okay. He will be retaking the stand at this time.
16 Mr. Bloom, you realize you're still under oath?
17 MR. BLOOM: Good morning, Your Honor. Yes, I do.
18 THE COURT: All right. Counsel, do you accept the
19 admonishment or do you require him to be re-sworn?
20 MS. TURNER: Mr. Bloom, do you understand you're still
21 under oath?
22 MR. BLOOM: I do.
23 MS. TURNER: Okay. No need, Your Honor.
24 THE COURT: Okay. Very well. Thank you. You may
25 proceed.

1 MS. TURNER: All right.

2 JAY BLOOM, DEFENDANT'S WITNESS, PREVIOUSLY SWORN

3 CROSS-EXAMINATION CONTINUED

4 BY MS. TURNER:

5 Q When we left off last week, we were discussing the
6 provisions of the operating agreements of the First 100 entities. If we
7 could pull up Exhibit 8, the operating agreement for First 100 Holdings,
8 LLC. Mr. Bloom, do you have -- can you see this on the screen or do you
9 have a copy that was previously emailed to you?

10 A I can see it on the screen.

11 Q Okay. Now, the provisions of the operating agreements for
12 First 100 Holdings, LLC and First 100, LLC are identical in -- on most of
13 the provisions, albeit the name and the membership has changed, right?

14 A Correct.

15 Q Okay. If we go to Section 4.2 of this operating agreement,
16 this is, I believe, where we left off on Wednesday. Section 4.2 is
17 subsequent contributions.

18 MS. TURNER: Can you blow that up, Michelle, please?

19 BY MS. TURNER:

20 Q And it provides, if necessary and appropriate, to enable the
21 company to meet its costs, expenses, obligations and liabilities and if no
22 lending source is available, then the manager shall notify each Class A
23 member of the need for any additional capital contributions. I believe we
24 read that last Wednesday. My follow up question is whether or not you
25 exhausted the ability to obtain a loan on behalf of First 100, LLC or First

1 100 Holdings, LLC.

2 A I believe that Matthew testified that he attempted to obtain
3 loans against the judgment that we had and was unable to do so.

4 Q Okay. His testimony was from 2017. Has there been any
5 effort to obtain a loan to pay for any expenses associated with the
6 production of the books and records since entry of the judgment
7 November 17th, 2020?

8 A As Section 4.2 says, it's necessary and appropriate and this
9 operating agreement also calls for the requesting party to pay for any
10 record requests, then it would not be necessary and appropriate to do a
11 capital call among the membership.

12 Q Mr. Bloom, that was a yes or no question that I asked you.
13 Was there any effort since November 17th, 2020 to obtain a loan on
14 behalf of First 100, LLC or First 100 Holdings, LLC?

15 A No. It was necessary and appropriate and therefore, none
16 was sought.

17 Q And the next question. There's been no capital call that's
18 been made to the members of either entity, correct?

19 A Correct.

20 Q All right. Now, go to Section 2.3 of this same agreement.

21 MS. TURNER: And blow it up a little bit.

22 BY MS. TURNER:

23 Q Section 2.3 provides for the registered office, registered
24 agent and principal office in the United States. The registered office of
25 the company is to be maintained in the State of Nevada and shall be the

1 office of the initial registered agent or as the manager may designate
2 from time to time in the manner provided by law. The registered office
3 of First 100 Holdings, LLC is on Tropicana Avenue, 10170 Tropicana
4 Avenue, Suite 156 to 290 in Las Vegas in care of the registered agent,
5 SJC Ventures, LLC, correct?

6 A Correct. That was one of the offices.

7 Q Okay. If we could go to Exhibit 27. And if you can take a look
8 at Exhibit 27, which is the documents from the Secretary of State office
9 for First 100 Holdings, LLC.

10 A I see it.

11 MS. TURNER: Mr. Gutierrez, any objection to Exhibit 27?

12 MR. GUTIERREZ: No objection.

13 MS. TURNER: Or 26 that relates to First 100, LLC?

14 MR. GUTIERREZ: I don't see 26.

15 MS. TURNER: It's the Secretary of State documents for First
16 100 Holdings or First 100, LLC.

17 MR. GUTIERREZ: Oh. No objection.

18 MS. TURNER: Okay.

19 THE COURT: It's admitted.

20 [Plaintiff's Exhibits 26 and 27 admitted into evidence]

21 BY MS. TURNER:

22 Q If you could jump back to 27. And Bates Number Plaintiff
23 236, the bottom right. Here we have a certificate of reinstatement dated
24 May 18th, 2017 within a few days of the initial demand for books and
25 records that was sent by TGC Farkas. Is that your signature at the

1 bottom of the page?

2 A Yes.

3 Q Okay. And if we can go to the page that precedes it, filed on
4 that same date. This is Plaintiff 235. That's your handwriting there as
5 well?

6 A Correct.

7 Q And the registered agent is, as of May 18, 2017, was Maier
8 Gutierrez and Associates, correct?

9 A That is what I put, yes.

10 Q All right. If we go to Bates Number 234, the preceding page
11 filed on the same day -- 234. That's your handwriting, sir?

12 A Yes.

13 Q All right. And it indicates that the manager or managing
14 member is Jay Bloom, 10620 Southern Highlands Parkway in Las Vegas,
15 correct?

16 A Correct.

17 Q Okay. And then if we go to page 232, Plaintiff 232. Sorry,
18 233, working backwards. Okay. We have a filing with the Secretary of
19 State March 8th, 2018 and it indicates that Maier Gutierrez is resigning as
20 the registered agent and the new registered agent is Jay Bloom at 10620
21 Southern Highlands for First 100 Holdings, LLC and for First 100, LLC, it's
22 SJC Ventures Holding Company in Delaware. Do you see that?

23 A I do.

24 Q Okay. And if we can back up another page to 232, Bates
25 Number Plaintiff 232. We have a filing that's dated October 28th, 2019

1 indicating that the registered agent for First 100 Holdings, LLC, was
2 changed from Jay Bloom to the SJC Ventures Holding, LLC, with an
3 address at 10170 West Tropicana Avenue, Suite 156. Do you see that?

4 A I do.

5 Q Okay. And then go back one more page, 231. Same day that
6 the -- there was a certificate of reinstatement that was filed with your e-
7 signature at the bottom. Do you see that?

8 A I do.

9 Q And this is, again, for First 100 Holdings, LLC and it indicates
10 above the e-signature, "I declare under the penalty of perjury that the
11 reinstatement has been authorized by a court of competent jurisdiction
12 or by a duly selected manager or managers of the entity." Do you see
13 that?

14 A I do.

15 Q Okay. There was no court of competent jurisdiction that
16 authorized the reinstatement. It was you as manager of First 100
17 Holdings, correct?

18 A It was SJC as manager, but me on behalf of SJC, yes.

19 Q Okay. And then if we go to the first page of Exhibit 27, Bates
20 Number Plaintiff 229, we have the most recent filing of October 29th,
21 2019 and it indi -- this is another certificate of reinstatement revival
22 indicating the registered agent is SJC ventures, LLC, with an address on
23 Tropicana Avenue and the managing member is Jay Bloom with an
24 address on Southern Highlands. Do you see that?

25 A I do.

1 Q Okay. Go to Exhibit 26. This is relating to First 100, LLC and
2 again to that relevant May 18th, 2017 date that followed the first request
3 for production of documents from TGC Farkas. If you go to Plaintiff 219,
4 Plaintiff 219 is the Bates number. The certificate of reinstatement, that's
5 your signature at the bottom with the date, 5/18/17. Is that right?

6 A It is.

7 Q Okay. If we go to the preceding page, Plaintiff 218, we have
8 your signature at the bottom, correct?

9 A Correct.

10 Q And this is where First 100 appoints Maier Gutierrez and
11 Associates the role of registered agent?

12 A Okay.

13 Q All right. And if we go to the preceding page, 217, Plaintiff
14 217, we have your signature identifying SJC Ventures Holding Company,
15 LLC as the manager, correct?

16 A Correct.

17 Q And then if we go to the preceding page, 216, we have the
18 registered agent resigning, Maier Gutierrez resigning and First 100, LLC
19 going to SJC Ventures Holding in Delaware that changed in the Bates
20 Number Plaintiff 215 filed with the Secretary of State June 14th, 2018.
21 The registered agent became Jay Bloom at 2485 Village View Drive in
22 Henderson. Do you see that?

23 A I do.

24 Q Okay. There's been no subsequent change though the
25 registered agent, but the manager has filed -- and if you look at the Bates

1 Numbers 214, we have the last known address for SJC Ventures Holding
2 Company in Delaware. Do you see that?

3 A I see that.

4 Q And that's your e-signature at the bottom?

5 A Yes.

6 Q Okay. I'm going to pass those exhibits.

7 THE COURT: Say that again?

8 MS. TURNER: We can move past those exhibits. Thank you.

9 BY MS. TURNER:

10 Q Mr. Bloom, there's no filing that we could obtain from the
11 Secretary of State designating another custodian of records for First 100
12 or First 100, LLC. There's been no designation of any custodian of
13 records other than Jay Bloom as manager and registered agent for SJC
14 Ventures Holding Company, LLC, your entity that you manage or Maier
15 Gutierrez, who resigned. Am I missing anybody that was designated
16 with the Secretary of State as having been given the role of custodian of
17 records?

18 A I was designated with the Secretary of State, but as
19 delegated under the operating agreement, yes.

20 Q All right. Let's go to NRS 86.2411. Number 1. It says,
21 "Each limited liability company shall continuously keep at its
22 principal office in this state or with its custodian of records,
23 whose name and street address are available at its registered
24 office, unless otherwise provided by the operating
25 agreement."

1 MS. TURNER: You can take that down.

2 BY MS. TURNER:

3 Q You're saying that there is some provision in the operating
4 agreement that provides for the designation of the custodian of records
5 other than at the principal place of business or registered office?

6 A Yes. My recollection of the operating agreement is that the
7 manager is allowed to delegate responsibilities to officers of the
8 company and those responsibilities would include the keeping of the
9 books and records.

10 Q If we can go to the Section 2.3 in Exhibit 8. It indicates three
11 lines from the bottom, "The company shall maintain records," there.
12 And there's -- there is referring to the principal office of the company.

13 "As required by NRS 86.241 and shall keep the street address
14 of such principal office at the registered office of the
15 company in the State of Nevada. The company may have
16 such other offices as the manager may designate from time
17 to time."

18 As indicated in the Secretary of State records, there have
19 been multiple addresses, but there's nothing in this provision that states
20 that the company can designate somebody other than the manager to be
21 the custodian, outside of what's designated with the principal office,
22 registered office. So can you please advise what you're referring to?

23 A Yeah. In the operating agreement -- and I don't know the
24 paragraph from memory, but in this document, it references the
25 delegation of responsibilities to officers of the company.

1 Q Okay. So there are no officers designated with the Secretary
2 of State. Do you agree with me on that?

3 A Correct.

4 Q And there is no -- nothing in either operating agreement
5 designating an officer as the custodian of records, correct?

6 A No. The officers were designated, I believe, by employment
7 agreement.

8 Q An employment agreement kept where?

9 A Well, when the company was operational, at the offices of
10 the company. When the company ceased to be an operating entity and
11 strictly became a holding company for holding ownership of a judgment
12 as an asset, then the company no longer maintained a physical office
13 presence and the officers responsible for each of their responsibilities
14 took those responsibilities home with them. So I know Michael
15 Hendrickson took some of the records in his accounting computer to
16 safeguard them, because there was no office, because there is no
17 operating business. And I believe Matthew took some records with him
18 as well.

19 Q Is it your contention that Michael Hendrickson was an officer
20 of the company, First 100 Holdings, LLC, who you designated as a
21 custodian of records of the -- business records of First 100 Holdings, LLC
22 or First 100, LLC?

23 A He was a financial controller. I don't know if that constitutes
24 and officer or not, but he was the one who worked with Matthew on
25 keeping the books and records. Matthew was an officer in his capacity

1 as vice president of finance and initially as CFO.

2 Q Matthew Farkas, it is your position that he has records. He
3 has testified he has no records. You heard his testimony on that?

4 A I did. I also saw the emails from him to Adam Flatto for
5 books and records of the company, so you know, clearly he had them
6 and he has them, notwithstanding his testimony to the contrary.

7 Q Are you referring to those emails from 2015 and '17?

8 A Correct, where he provided books and records to Adam
9 Flatto from his possession and control.

10 Q The judgment was entered in November of 2020 and as of
11 November, 2020, the principal office of First 100 and First 100 Holdings
12 and -- was designated by you with the Secretary of State as being at
13 locations other than Mr. Farkas' address that would be under your
14 control or Mr. Hendrickson's address, where you would have control,
15 correct?

16 A If you're referencing the designations in 2017, once we
17 obtained the judgments, I wanted to bring the companies in good
18 standing and maintain the companies in good standing with the state.
19 Notwithstanding, the company has no physical office, because there are
20 no operational activ -- there's no operational activity. So there is no
21 address to update, because there's no office, because there's no
22 operations. The 2017 recordings were the last addresses for proffers for
23 service in the event of any litigation, but there's no physical office.
24 Books and records are kept by the people who maintain the books and
25 records to be safeguarded.

1 Q If we could go to Exhibit 32. Mr. Bloom, you've seen this
2 payment direction letter that was executed on behalf of First 100
3 Holdings, LLC and SJC Ventures, LLC?

4 MR. GUTIERREZ: Your Honor, I would object to the
5 admission of this document as to relevance.

6 THE COURT: Let me see. I'll overrule it at this time.

7 MS. TURNER: All right.

8 BY MS. TURNER:

9 Q Mr. Bloom, do you recognize the document?

10 A I do.

11 Q All right. And it's executed by you on behalf of both First 100
12 Holdings, LLC and SJC Ventures, LLC, correct?

13 A Correct.

14 Q And you have at the top First 100 Holdings, LLC, care of
15 Maier Gutierrez and Associates, right?

16 A Correct.

17 Q And SJC Ventures care of Maier Gutierrez and Associates,
18 right?

19 A Correct.

20 Q All right. And this payment direction letter, if we go to page
21 3 of the document or Plaintiff 579 or 4 at the bottom, it indicates, "Upon
22 receipt of any judgment funds." That's the first phrase. And judgment
23 funds refers to those funds that would be obtained by First 100 Holdings
24 following the sale of the judgment it holds against Raymond Ngan,
25 correct?

1 A Correct.

2 Q All right. "Upon receipt of those judgment funds, Maier

3 Gutierrez and Associates shall contemporaneously notify CBCI that Maier

4 Gutierrez and Associates has received the judgment funds", and number

5 4,

6 "Maier Gutierrez, PLLC, shall contemporaneously provide

7 CBC with an accounting of how Maier Gutierrez and

8 Associates intends to distribute the judgment funds amongst

9 the collection professionals, the First 100 priority creditors

10 and the members of First 100, including the distribution of

11 the creditor's judgment interest."

12 Do you see that?

13 A I do.

14 Q Now, Maier Gutierrez is the collection professionals, right?

15 A They are one of a number of firms.

16 Q Okay. Maier Gutierrez would have information on who those

17 professional -- or collection professionals include, correct?

18 A They would.

19 Q All right. And then you have the reference to First 100, LLC's

20 priority creditors. Do you see that?

21 A I do.

22 Q And priority creditors would be those who would be paid

23 ahead of the members, if there was any distribution of funds from the

24 sale of the judgment to First 100 Holdings, LLC, correct?

25 A Correct.

1 Q And Maier Gutierrez and Associates has information relating
2 to who constitutes the priority creditors and the extent of their claim,
3 right?

4 A Correct.

5 Q And then there's the members of First 100, the contact
6 information and the extent of their equity interest would be -- related to
7 those members would be included in the information in the possession
8 of Maier Gutierrez and Associates, right?

9 A The managing members and the amount of their ownership
10 are in the possession of Maier Gutierrez, so that they can calculate the
11 amount that the members would be entitled to subsequent to paying the
12 bills and the attorneys. I don't know that they have all of the
13 communication information. I wouldn't say they have phone number,
14 address, email. They probably have emails, but that's about the extent
15 of it.

16 Q They have an amount of information sufficient to provide an
17 accounting to this creditor, CBCI, if there were any funds to distribute,
18 pursuant to this payment direction letter, right?

19 A Yeah. They have the membership interest amounts for each
20 of the members.

21 Q And if there was any agreement with any member for the
22 payment of priority -- of a priority interest, something above their --
23 pursue payment as a member, that would be in the possession of Maier
24 Gutierrez and Associates, correct?

25 A That's a hypothetical question addressing something that

1 doesn't exist outside of the settlement agreement with TCG [sic] Farkas,
2 who's getting a disproportionately largely distribution than what their
3 equity would represent because of the six percent and because of the
4 valuation that TCG brought in at the end. So to make TCG whole, they
5 have to have a disproportionately largely distribution. But there are no
6 other members in your hypothetical that have a disproportionately
7 largely distribution outside of your client under the --

8 MS. TURNER: Your Honor, I move to admit Exhibit 32.

9 MR. GUTIERREZ: Same objection, Your Honor. Relevance.
10 Lacks foundation.

11 THE COURT: Overruled. It's admitted.

12 [Plaintiff's Exhibit 32 admitted into evidence]

13 MS. TURNER: All right.

14 BY MS. TURNER:

15 Q Now, if we go to the first page of Exhibit 32, there's a
16 reference to secure the parties obligations under the forbearance
17 agreement, CBCI and CJCVC, which is your entity, SJC Ventures, LLC, are
18 also parties to a certain security agreement. Do you see that reference?

19 A I do.

20 Q If we go to Exhibit 31, the last page, that's your signature?

21 A It is.

22 Q Okay. And if we go to the first page, there's a description of
23 collateral and the collateral is SJC Ventures beneficial interest in the
24 judgment. Do you see that?

25 A I do.

1 Q Okay. Now, SJC Ventures, LLC not only has a membership
2 interest, but was a manager who was paid compensation for those
3 management duties and has a claim for additional compensation,
4 correct?

5 A That would be my wages as -- I think -- no, I don't think SJC
6 got a management fee. I received wages, together with the rest of the
7 management team.

8 Q There's no fee or other remuneration that's being claimed by
9 SJC Ventures, LLC?

10 A It's been a while since I've looked at it, but not to my
11 recollection.

12 Q Okay. The records would reflect whether or not there's a
13 claim by SJC Ventures, LLC as a priority creditor, correct?

14 A They would.

15 Q Okay.

16 A And again, collections that -- is not that SJC has a claim as a
17 priority creditor.

18 Q Now, if we go to Section 8, 2H, which is on page 3 or Bates
19 Number Plaintiff 372, we have settlement of accounts. "The debtor is not
20 authorized or empowered to compromise or extend the time for
21 payment of any of the collateral without the prior written consent of the
22 secured party." Was the settlement agreement with TGC Farkas
23 providing a priority of payment above its equity position, was that the
24 subject of a prior written consent of CBCI?

25 A No. It's not subject to a prior written consent of CBCI,

1 because this agreement references just SJC's portion and entitlements
2 under the judgment, not the judgment in its entirety. This is no
3 different -- SJC pledging its interest in proceeds realized from the
4 judgment would be no different than TCG Farkas pledging its million
5 dollar when it got it. Neither one addresses the entirety of the judgment,
6 just the beneficial interest in proceeds realized thereunder --

7 Q Did --

8 A -- by that individual party.

9 Q Since November of 2020, when the judgment was entered,
10 was there any effort by you as manager of First 100 Holdings, LLC and
11 First 100, LLC, to pledge an interest in the judgment proceeds as
12 collateral for a payment to cover the expenses associated with
13 production of the documents?

14 MR. GUTIERREZ: Object to the form of the question.

15 THE COURT: Overruled.

16 THE WITNESS: Not sure I understand what you're asking
17 me.

18 BY MS. TURNER:

19 Q You pledged the judgment proceeds on behalf of First 100,
20 LLC or First 100 Holdings, LLC, in order to pay the obligations that are set
21 forth in the judgment entered November 17th, 2020.

22 MR. GUTIERREZ: Same objection, Your Honor.

23 THE WITNESS: Are you asking me if I -- I'm sorry.

24 BY MS. TURNER:

25 Q Did you pledge --

1 THE COURT: Put it in the form of a question.

2 MS. TURNER: Okay.

3 BY MS. TURNER:

4 Q Did you -- well, did you make any effort to pledge the
5 judgment interest to Michael Hendrickson or anybody else as a means of
6 obtaining cooperation and providing the books and records of First 100
7 Holdings, LLC or First 100, LLC?

8 A The judgment interest is not pledged anywhere, no.

9 MS. TURNER: Your Honor, I move for the admission of
10 Exhibit of Exhibit 31, the security agreement that's referenced in Exhibit
11 32.

12 MR. GUTIERREZ: Your Honor, object as to relevance and
13 outside the scope of this hearing.

14 THE COURT: Overruled. It's admitted.

15 [Plaintiff's Exhibit 31 admitted into evidence]

16 BY MS. TURNER:

17 Q And with respect to the settlement agreement, if we go to
18 Exhibit P, P as in party, paragraph 36, Mr. Bloom, you have testified that
19 given Matthew Farkas was the signer in his capacity as manager for both
20 the initial subscription agreement, the redemption agreement and the
21 settlement agreement and no person or entity has ever indicated or
22 notified First 100 that there was a change in management, both Matthew
23 Farkas and I believed that Matthew Farkas continued to have the
24 authority to sign the settlement agreement, which he negotiated on
25 behalf of TGC Farkas Funding, LLC. That -- was there anything else that

1 you purportedly relied on in order to determine that Matthew Farkas had
2 authority to execute the settlement agreement and bind TGC Farkas
3 Funding?

4 A Yes.

5 Q What?

6 A He signed the operating agreement. He signed the
7 Greenburg Charlie -- I'm sorry -- the Garman Turner engagement letter.
8 His continued representations up to and through signing the settlement
9 agreement on subsequent, that he was the manager. He was the point
10 of contact for the last eight years for TGC Farkas. He signed the
11 subscription agreement, the operating agreement. He signed the
12 redemption agreement. He was the CEO and manager of TCG [sic]
13 Farkas and then even as recently as August 13th, 2020, there was a
14 declaration from Adam Flatto where he says Matthew was and still is the
15 administrative member of TCG Farkas.

16 So as of August, 2020, Adam was testifying under penalty of
17 perjury that Matthew was the manager. Both Matthew and Adam have
18 each testified that neither one of them notified First 100 of the change in
19 management. They relied on representa -- in fact, Matthew continually
20 affirmed that he was the manager. We have Adam's representation to
21 me that he wanted a million dollars plus six percent as a settlement
22 several years prior. But there's no indication that that was withdrawn or
23 changed in any way.

24 So I understood that the settlement that Matthew negotiated
25 and signed accomplished the goals of TCG Farkas for both members. So

1 yeah, I mean, every contact, every document, every conversation was
2 Matthew was and still is the manager up until about January 19th of
3 2021, where Matthew first learned of what he signed without reading
4 back in September of 2020.

5 BY MS. TURNER:

6 Q All right. Now let me go through this list. The subscription
7 agreement that was executed in 2013 by Matthew Farkas as CEO of TGC
8 Farkas Funding, correct?

9 A Correct.

10 Q And at the same time that the subscription agreement was
11 executed, Adam Flatto funded First 100 \$100 million, correct?

12 A TGC Farkas funded First 100 \$100 million.

13 Q You know that was paid by -- that wasn't paid by Matthew
14 Farkas. That was paid by the other member, TGC investor, correct?

15 A I don't know. Apparently Marshal Rose has some role in it,
16 too. Even though he's not a member, apparently Marshal Rose is
17 involved and put up capital, so I do not believe that Adam Flatto put up
18 the million dollars.

19 Q Now, with respect to the -- well, it wasn't Matthew Farkas,
20 correct, sir?

21 A I don't know. I don't know if Marshal Rose lent Matthew
22 500,000 for him to contribute his half. I just don't know the internal
23 dealings of TCG Farkas, because I'm not a member and I wasn't included
24 on their internal communications.

25 Q Let's talk about the redemption agreement that you've

1 referred to. If we go to Exhibit A at Bates Number First 5. And we have
2 a copy -- no, that's -- sorry. That's the wrong page. It's -- has to be
3 further along in that exhibit. A -- First 17 is the Bates number. All right.
4 No. That's the subscription agreement. First 32. That should be right.
5 First 32 is the -- First 32 attached to Exhibit A and the prior page is First
6 31. We have Matthew Farkas signing VP finance, correct?

7 A We have Matthew signing on behalf of the redeemer, which
8 would be TCG Farkas and the final document signed by me on behalf of
9 First 100 and the company. So yes, Matthew Farkas signed as VP of
10 finance on behalf of TCG Farkas, the redeemed membership interest
11 back in 2017.

12 Q That's not the first time that you've taken that position, Mr.
13 Bloom, is it? You took that position in the arbitration.

14 A Right.

15 Q Right?

16 A And as far as subsequent documentation and you elicited
17 testimony from Matthew that he signed that on behalf of the company
18 and he signed a declaration for you for the arbitration with false
19 information that tipped the arbiters to decide in your favor. But this
20 clearly was his signature on behalf of the redeemer and not First 100. I
21 think the arbiters made a mistake.

22 Q Matthew Farkas, VP Finance --

23 A For the redeemer.

24 Q For the redeemer. And if we go to Exhibit 2 page 3, you were
25 told in no uncertain terms that your position was wrong by the

1 arbitrators. Three arbitrator panel, correct?

2 A The arbiters relied on the false declaration that you
3 submitted that you obtained from Matthew without him reviewing it. He
4 testified in the declaration that you put in front him was signed that he
5 was signing on behalf of First 100 and not the redeemer and that's just
6 not the case.

7 Q All right.

8 A He wouldn't sign on behalf of First 100. I would. But yes,
9 you fooled the arbiters.

10 Q Let's get to Exhibit 2, that paragraph. And it actually
11 indicates that the arbitrators relied on much more than that. The
12 evidence shows two additional points that rendered the redemption
13 agreement irrelevant for the purpose of this proceeding. First the
14 evidence shows that Mr. Farkas did not have authority to bind claimant
15 to the redemption agreement, as he did not seek and obtain the consent
16 of Mr. Flatto. And there's a reference to Exhibit 1 to the supplemental
17 declaration of Flatto. The supplemental declarations of Flatto and
18 Farkas, subsequent. And if we go to those documents, you have them in
19 your book. Go to first F, Exhibit F.

20 A I don't have the documents in front of me from last week.
21 Can you pull it up on the screen?

22 Q Exhibit F. We have the supplemental declaration of Matthew
23 Farkas. It says in April, 2017, at the request of Jay Bloom, I signed the
24 attached relating to First 100, LLC, with the notation VP under my
25 signature. I do not recall otherwise executing the form of redemption

1 agreement or documents related to the redemption agreement beyond
2 what is attached. Adam Flatto did not consent to the terms of the
3 redemption agreement or consent to me signing the redemption
4 agreement on behalf of claimant. And then it goes on to say, "As far as I
5 know, no distribution of funds were ever made to claimant. There was
6 no accounting prepared or provided or other performance under the First
7 100, LLC redemption agreement."

8 Now, the next page is the authorization for the signature of
9 Matthew Farkas, correct?

10 A Yes. That is the document that you wrote for Matthew to
11 sign, which he again signed without reading. Or authorized the
12 signature to sign electronically and he apparently never had -- even had
13 the document to sign.

14 Q You see he said,

15 "As per our conversation, you have my permission to put a
16 digital signature on the document you sent. According to my
17 understanding, my signature is at the bottom I signed
18 reclaiming the First 100 stock and that no one received any
19 payments or payouts or financials from First 100. Please
20 don't add my signature to any other documents without
21 email or handwritten authorization."

22 If we go to Exhibit EE -- there's the declaration of Adam
23 Flatto that you said that you relied on to indicate that Matthew Farkas
24 still had authority. It says, "Matthew Farkas was and still is the
25 administrative member of claimant as that term is defined in the

1 operating agreement." That's at part 4. But then at part 5, it says, under
2 Section 3.4 of the operating agreement, "The administrative member can
3 only take action to bind claimant after consultation with and upon the
4 consent of all claimant members, correct?"

5 A Correct.

6 Q Okay. Now, if we go back to Exhibit 2, the arbitration award,
7 page 3, after the reference to, "Those declarations," it says, "And
8 claimant notified respondent via email on April 18th, 2017 that Mr.
9 Farkas did not have the authority to bind claimant under the redemption
10 agreement, unless and until approved by Adam Flatto."

11 And you have seen that email and it was referenced not only
12 in the arbitration but in these proceedings, correct?

13 A It seems to me like you're conflating two issues. The
14 arbitration --

15 Q Sir --

16 A I'm trying to answer your question.

17 Q -- sir, my question --

18 A All right. I'll -- if you want to give testimony, go ahead and
19 I'll just listen.

20 Q My question is whether or not you saw that email of April,
21 2017 in the arbitration --

22 MR. GUTIERREZ: Object to the form --

23 BY MS. TURNER:

24 Q -- case as well as these proceedings.

25 MR. GUTIERREZ: Object to the form. Lacks foundation.

1 THE COURT: Overruled. It's a question.

2 THE WITNESS: Which email are you referencing?

3 MS. TURNER: All right. If we go to -- well, Exhibit 22.

4 BY MS. TURNER:

5 Q This is the July 13th, 2017 letter to your counsel. First page
6 saying -- it's four dots down. "Counsel has previously sent
7 correspondence explaining that Matthew Farkas does not have the
8 authority to bind TGC Farkas Funding, LLC. See Exhibit 3."

9 If you go to that Exhibit 3, which is at Plaintiff 190, that's the
10 Bates number, there's an email.

11 MS. TURNER: Can you blow it up at the top?

12 BY MS. TURNER:

13 Q Says, "Please be advised that Matthew Farkas does not have
14 the authority to unilaterally bind TGC Farkas Funding." Do you see that?

15 A I do see that.

16 Q And that is the email that was provided in the arbitration and
17 is referenced in the arbitration award, correct?

18 A Yes, but all of these exhibits reference the redemption
19 agreement and not the settlement agreement, which has a different fact
20 set.

21 Q You indicated that you relied on the Garman Turner Gordon
22 engagement letter that was signed by Matthew Farkas. Is that right?

23 A My recollection.

24 Q Matthew Farkas signed that redem -- that agreement as a
25 member of TGC Farkas Funding, correct?

1 A I don't recall the title, but let's pull the exhibit up and take a
2 look.

3 Q If we go to your exhibit -- I believe it's P. You didn't attach it.

4 MS. TURNER: Indulgence, Your Honor.

5 BY MS. TURNER:

6 Q Go to Exhibit 28. Jason Maier is sending it. And we have it
7 up on the screen.

8 MS. TURNER: What Bates number is that? Let's see the
9 bottom. It's Bates Number First 0393 or TGC104. And if we can show
10 the last page.

11 BY MS. TURNER:

12 Q We have Adam Flatto signing as a member of TGC 100
13 Investor, LLC. There's a line. Matthew Farkas, title member. If we go
14 the next page. This is from 2017, April 27th, 2017 and that's where
15 Matthew Farkas signs with the member. It's a little more faded in this
16 one, but he signed as a member, correct?

17 A Can you zoom in? Looks like it says manager and then
18 A-B-E-R.

19 Q Okay. Turn to the page preceding it. This is --

20 A Yeah. Here you can see Adam Flatto signed. Manager was
21 titled and it's crossed out and he handwrote member in.

22 Q Let's go to Exhibit 28, Bates Number Plaintiff 300. There's a
23 copy issue. You said you relied on this. This is what Jason Maier
24 provided Raffi Nahabedian, part of Exhibit 28. Do you see above
25 Matthew Farkas' signature and below it, it says member?

1 A I do, but where it says title, it says manager member. Hey, it
2 -- yes

3 MS. TURNER: Man -- blow it up.

4 BY MS. TURNER:

5 Q Manager is crossed off. Do you see that? Manager is
6 crossed off. It says member next to it. There's a signature and then
7 underneath, it says, "Title member."

8 A Okay.

9 Q Go to Exhibit 6, which is also QQ in the Defendant's books.
10 We have Exhibit 13 to the arbitration brief. If you can go to the next
11 page, which is also QQ. I want to make sure that we are on the same
12 page. This is the list of the documents that is incorporated into the
13 judgment entered November, 2020. And it's a subsequent demand to
14 Joe Gutierrez with the list of documents that were awarded as
15 reasonably produced. If you go through that list of documents to be
16 produced pursuant to the judgment, isn't it true that there is not one of
17 those documents that has been produced since entry of the judgment
18 November 17th, 2020?

19 A It depends on what you mean by produced, because
20 Matthew Farkas, as the VP of finance, was in possession of those
21 documents at the time he made the request. So to the extent that he
22 was also the manager at TCG Farkas, TCG Farkas was in possession of
23 those documents. It would be Matthew who would have provide them
24 to Matthew. And then if there are any documents that Matthew doesn't
25 have, then what we did is we said we're happy to produce them. There's

1 a third party that needs to compile them. He needs to be paid.

2 First 100 doesn't have bank accounts, much less money at
3 this point, and the operating agreement provides for the requesting
4 member to pay for the production of documents that need to be
5 produced. That was conveyed to TCG Farkas after the judgment. TCG
6 Farkas elected to spend more on legal fees than it would have cost to
7 compile the documents, for some reason. I don't think this is about the
8 documents.

9 Q Sir, you didn't cause any documents to be produced by you
10 or your counsel in response to the judgment entered November 17th,
11 2020, correct?

12 A To the extent that I have documents, I did. There are no
13 documents in my possession. The ones to produce them would be
14 Matthew and Michael Hendrickson and Matthew is already in possession
15 of them, which means TCG Farkas is in possession of them. And what I
16 did for the production of documents that they don't have is I identified
17 who has them. I identified the cost to procure them and I communicated
18 that information and said the third party needs to be paid to procure the
19 documents to the extent of my ability to comply with the order on behalf
20 of First 100.

21 Q Go to Exhibit 5. In addition to receiving notice of the
22 judgment, you received notice of the order granting Plaintiffs ex parte
23 application for order to show cause why the Defendants and you, Jay
24 Bloom, should not be held in contempt of court, right?

25 A Yeah. This again is further evidence this is not about the

1 documents.

2 Q Now, if you go to -- now, at -- when you received notice of
3 the order to show cause, there was pending post judgment discovery
4 requests to you, Jay Bloom, correct?

5 A Well, you don't have a judgment against me individually. I'm
6 not a party.

7 Q Sir, if you could listen to my question. There were pending
8 post judgment discovery requests to you, Jay Bloom. There was a
9 subpoena for information that had been served on you, correct?

10 A I can't recall what the request was. I can't recall if there was
11 a subpoena served on me individually or for the company or both.

12 Q If we can go to Exhibit 9. Does this refresh your recollection
13 that nonparty, Jay Bloom, objected to the subpoena on -- and that was
14 served January 7th, 2021, the same date that the settlement agreement
15 was executed. Do you see that?

16 A I do see it.

17 Q And pursuant to the objections that were provided, you, Jay
18 Bloom, through your counsel, Maier Gutierrez, objected to the subpoena
19 and did not provide any responsive information, right?

20 A I believe so.

21 Q Okay. Now if we go to Exhibit 10. First 100 and First 100
22 Holdings, LLC, that you manage, objected to the discovery request that
23 had been served on them and indicated they would not be attending the
24 judgment debtor exams. Do you see that?

25 A I do. This is two weeks after the settlement was signed by

1 the manager of TCG Farkas, as we understood it.

2 Q Was the same reason that the Defendants and you were not
3 providing discovery was the basis, the settlement agreement that had
4 been executed January 7th?

5 A Yeah. And that has been settled. So two weeks after
6 settlement, to continue to try and do post-judgment discovery on a
7 settled matter seemed -- again, I keep coming back to this isn't about the
8 documents.

9 Q Okay.

10 MS. TURNER: We're -- I'm going to pass the witness.

11 THE COURT: All right. So it's five after 10:00.

12 MS. TURNER: I'm sorry. I'm sorry. Judge, I'm so sorry. I
13 have one more question. I apologize. I can't read my own handwriting.

14 BY MS. TURNER:

15 Q If we go to Exhibit 12 that's in evidence, I think multiple
16 times. There -- it might be in the Defendant's books as well. This is the
17 attorney retainer fee agreement that was sent by Raffi Nahabedian to
18 you and executed by Matthew Farkas with the settlement agreement. Do
19 you recall that?

20 A Yeah. This would be another document I relied on, because
21 Matthew Farkas signed it as managing member of TCG Farkas. But yes, I
22 remember this.

23 Q All right. If we could go to the last page. Matthew Farkas
24 signing January 7th, 2021. This execution was provided at the very
25 same time that Matt Farkas executed the settlement agreement, correct?

1 A I believe so.

2 Q Okay. Now, you testified at deposition that you were going
3 to pay the retainer to Raffi Nahabedian, if one was charged. He just
4 ultimately did not charge one as a professional courtesy. Is that right?

5 A I was going to lend Matthew the retainer agreement amount,
6 so that Matthew could retain counsel for TCG Farkas and he didn't
7 require one, because he never entered the case. As soon as we found
8 out that Matthew signed that September resignation as manager and
9 had -- didn't know about it, Raffi never entered the case. He immediately
10 withdrew his representation and took the position that Matthew
11 represented he was the manager up to the point of engagement and
12 when we found out in January, like January 19th or so, that Matthew
13 misrepresented his position, Raffi didn't continue forward, so he didn't
14 require a retainer. He never entered an appearance. Total involvement
15 was maybe 15 minutes and you want to spend eight hours deposing
16 him. Again, I keep coming back to this is now about the records.

17 MS. TURNER: Pass the witness, Your Honor.

18 THE COURT: All right. It's about eight after 10:00. Anybody
19 like to take a recess before we reconvene, before we resume?

20 MR. GUTIERREZ: I'm fine on my end, Your Honor.

21 THE COURT: Do you want to go right into your cross?

22 MR. GUTIERREZ: Sure. Yeah, Your Honor. I'll be brief on
23 redirect.

24

25 ///

1 REDIRECT EXAMINATION

2 BY MR. GUTIERREZ:

3 Q Mr. Bloom, prior to entering the January 6th, 2021 settlement
4 agreement, did TCG [sic] Farkas ever send First 100 notice that Matthew
5 Farkas was no longer the administrative member of TGC Farkas?

6 A No. And that's the confusing part. I think that's why we're
7 getting lost here. Matthew Farkas proactively asserted that he continued
8 to be the managing member and up to and through January 6th and
9 even for a week or two subsequently. And Adam Flatto never contacted
10 us and as he testified. He was supposed to send a certified letter return
11 receipt requested. Not only didn't he do that, he never called us to tell us
12 there was a change in September. So no, TCG -- nobody from TCG
13 Farkas ever sent a notice that Matthew was no longer the administrative
14 member. One member was silent and the other member was asserting
15 that Matthew was still the manager.

16 Q Did TCG Farkas send any written notification via certified
17 mail pursuant -- to First 100 pursuant to the terms of the subscription
18 agreement that it executed from October of 2013, if there was a change
19 in the member status?

20 A No. Adam Flatto's testimony that he didn't send a
21 notification and Matthew's testimony that he didn't send notification
22 both comport with our not having received any notice.

23 Q When you were -- when you sent the settlement documents
24 to Matthew Farkas and he was at the UPS Store, did he ever tell you he
25 needed Adam Flatto's consent to sign the settlement agreement?

1 A No. He never made that representation. And in fact, Adam
2 Flatto told me what he wanted directly, so I would have -- if anybody
3 asked me at the time, I would have assumed Adam's consent, because
4 what Matthew asked for matched what Adam asked for directly.

5 Q And Mr. Bloom, why didn't you talk to Adam Flatto about the
6 TGC Farkas settlement agreement prior to Matthew signing it?

7 A Adam Flatto asserted that the Matthew was still the manager
8 in August of 2020, so there was nothing that changed. All of our
9 communications for eight years have been directly with Matthew. Email
10 communications even were with Matthew and then Matthew would
11 communicate internally with Adam. So it would be extraordinary for us
12 to reach out to Adam without cause. You know, if -- this is what I don't
13 get. If Adam just said pick up the phone or sent us a letter and said I'm
14 the new manager, we would have just negotiated the settlement
15 agreement with Adam.

16 Q Were you, Jay Bloom, ever privy to the internal to the
17 internal TGC Farkas member discussions for consent between the TGC
18 Farkas members?

19 A No.

20 Q I think you testified on -- earlier that First 100 had close to 50
21 members. Is that right?

22 A Yeah. And the member -- the members of corporate entities
23 with multiple members within those corporate entities that held
24 membership interest in First 100 Holdings.

25 Q So did First 100 have the time to get involved with internal

1 consent issues with its members who were entity -- who were entities?

2 A No. Everything I've heard in terms of the testimony from the
3 last day of the hearing, due to the -- this is more of an internal TCG issue,
4 where Adam may have claims against Matthew. But this is not a First
5 100 issue.

6 Q And First 100 saw the operating agreement for TCG Farkas,
7 correct?

8 A I believe so.

9 Q And as part of that operating agreement, did you rely on
10 Section 4.4, which was reliance on third parties with Matthew Farkas
11 deemed the administrative member?

12 A Yes.

13 Q Now, do you believe that Matthew Farkas was under any
14 duress when he signed the January 6, 2021 settlement agreement?

15 A Zero. He was standing alone in a UPS Store. We sent the
16 documents to the address he provided us. He could have asked us to
17 email them. He could have asked the UPS store to email them. He could
18 have scanned them and sent them to Adam. He could have forwarded
19 and email that he requested. He could have said, I'm taking the
20 documents home and I'm going to read them. He could have said I'm
21 going to go hire an attorney. He could have -- I mean, he was standing
22 there alone, you know. It's not like I showed up at his house in Saturday
23 morning with documents and said sign these.

24 Q And Mr. Bloom, do you subjectively believe that Matthew
25 Farkas had the authority to bind TGC Farkas Funding when he signed the

1 January 6th, 2021 settlement agreement?

2 A Yeah. Absolutely.

3 Q And have we covered all the reasons why you believe that?
4 Is there anything else you want to add to that?

5 A I would reiterate everything I've testified before, but you
6 know, there's just -- there's no indication of any other manager at any
7 time prior to the settlement agreement. We have an eight-year history
8 where Matthew spoke on behalf of the company. Adam certainly had an
9 opportunity to put his hand up and say I'm the new manager. Talk to me
10 in August. And then in January, we would have been negotiating the
11 settlement with Adam. You know, their operating agreement says that
12 Farkas is the CEO of the company with full authority.

13 You know and then we've got to keep coming back to that
14 August, 2020 declaration of Adam Flatto, where he says Matthew is and
15 continues to be the manager, right? I don't know that I have a
16 responsibility or even the ability to confirm Adam Flatto's verbal
17 authorization of a decision of Matthew's. If they have an internal issue
18 between them, that's between them, but this is not a First 100 issue.

19 Q And did you believe that the January 6, 2021 settlement
20 agreement accomplished the goals of TGC Farkas?

21 MS. TURNER: Objection. Lack --

22 THE WITNESS: I do.

23 MS. TURNER: -- of foundation. Lack of foundation. Calls for
24 speculation.

25 THE COURT: Overruled. He can state his belief.

1 THE WITNESS: I do believe that it does, because Matthew
2 asked for a million dollar settlement to get Adam his money back. I
3 recall my conversation with Adam directly, where he said he wanted a
4 six percent return. That number didn't come from me. It came from
5 Adam Flatto and I incorporated into the settlement agreement that it
6 reflected or it accomplished the goals of both members of TCG Farkas,
7 based on my direct discussions with each.

8 BY MR. GUTIERREZ:

9 Q Mr. Bloom, can you explain -- you were asked several
10 questions about the order to produce books and records. Can you
11 explain why First 100 did not comply with the order to produce to the
12 books and records in late 2020?

13 A Yeah. I mean, it all comes back to the cost. As I mentioned
14 earlier, First 100 doesn't have a bank account, much less money. It can't
15 pay a third party. A lot of the documents are in the possession of
16 Matthew Farkas, who is apparently the VP of finance for First 100 and
17 what we understood to be the manager, but certainly at least a 50
18 percent member of TCG Farkas. So it would be Matthew providing some
19 of the records to Matthew. We already saw the emails, where Matthew
20 sent Adam Flatto P and L statements, cashflows, balance sheets from
21 First 100. And to the extent Matthew doesn't have certain of the
22 documents, the person who does is not longer employed by us and
23 needs to be compensated to produce it.

24 So I think we've complied with the order in saying here's
25 what we need and what your obligations are under the operating

1 agreement you signed to pay for the cost of the production. And TCG
2 Farkas elected not to provide for the cost of third parties to produce the
3 documents and First 100 was unable to.

4 Q And Exhibit V as in Victor, which was the February 12th,
5 2020 letter from my firm to Ms. Turner and Mr. Bloom, that included the
6 estimates on Michael Hendrickson. Do you believe that's an accurate
7 estimate as to what it would cost to gather the books and records and
8 recreate some of the records that needed to be created?

9 A I do. He actually gave several scenarios and he gave a lower
10 cost that was only, I believe, a couple thousand dollars, if they wanted all
11 the stuff that had been produced up to the time of his departure and then
12 a higher figure if they wanted him to recreate books and records
13 subsequent to his departure. So they had several options to choose
14 from in terms of how much documentation they wanted and what the
15 cost would be relative to each option.

16 Q Okay.

17 MR. GUTIERREZ: No further questions. Thank you, Your
18 Honor.

19 THE COURT: All right. Recross?

20 MS. TURNER: Very briefly.

21 RE CROSS-EXAMINATION

22 BY MS. TURNER:

23 Q You generally referred to conversations with Adam Flatto
24 regarding the million dollars. To be clear, those communications were in
25 2017 before the arbitration and before the judgment, correct?

1 A Yes. And I never received any subsequent communication
2 that said I'm withdrawing what I was asking modify it or I want more.
3 Those are my last communications and those were the requests made by
4 Adam Flatto that were met by the settlement agreement.

5 MS. TURNER: I think everything else was covered
6 previously. I'll pass the witness.

7 THE COURT: Any redirect?

8 MR. GUTIERREZ: No, Your Honor.

9 THE COURT: Okay. Thank you. Do you want to go with your
10 next witness, or would you like a recess, first?

11 MS. TURNER: Your Honor. At your convenience. We're
12 ready to go. We have the witness on, Mr. Nahabedian.

13 THE COURT: Okay. Let's take a brief recess until 25 after
14 10:00.

15 MS. TURNER: Okay.

16 THE COURT: Twenty-five after 10:00. That's not even a 10
17 minute recess, okay? Just a brief recess for -- okay?

18 MS. TURNER: Thank you, Your Honor.

19 MR. GUTIERREZ: Thank you, Judge.

20 [Recess at 10:18 a.m. recommencing at 10:25 a.m.]

21 THE COURT: All right. We're back on the record. Have you
22 called your next witness?

23 MS. TURNER: Yes, Your Honor. Raffi Nahabedian.

24 THE COURT: All right. The witness will be sworn.

25 THE CLERK: I'm sorry. I was on mute. Can you please take

1 down screen sharing, so I can swear in the witness? Thank you. Please
2 raise your right hand. I think you're on mute as well.

3 MR. NAHABEDIAN: Can you hear me now?

4 MS. TURNER: Yes.

5 THE CLERK: Yes.

6 MR. NAHABEDIAN: Oh, gosh. I've never done this before.
7 Well, I did it for the deposition on this zoom thing. Okay.

8 RAFFI NAHABEDIAN, PLAINTIFF'S WITNESS, SWORN

9 THE CLERK: And please state your full name, spelling your
10 first and last name for the record.

11 THE WITNESS: Yeah. It's Raffi. I use my middle initial, A,
12 Nahabedian. R-A-F as in Frank, F as in Frank-I. Middle initial A. Last
13 name Nahabedian, N-A-H-A-B-E-D-I-A-N.

14 THE CLERK: Thank you.

15 THE COURT: You may proceed.

16 DIRECT EXAMINATION

17 BY MS. TURNER:

18 Q Mr. Nahabedian, just to set the stage. It was January 4th,
19 2021 you were first contacted by Jay Bloom to discuss your retention on
20 behalf of TGC Farkas Funding, LLC as counsel, right?

21 A That sounds accurate, correct.

22 Q And then the purported attorney-client relationship or your
23 representation of TGC Farkas Funding ended by January 20th, 2021. Is
24 that right?

25 A I believe that's correct in terms of the correspondence that

1 was sent, but there might have been a telephone call. And again, I'd
2 have to go back, but there might have been a telephone call that stated
3 that the representation was over before that, based upon your letter.
4 You had sent a letter that indicated there was a change in the operating
5 agreement. And when that was verified, at that point, I had notified Mr.
6 Farkas that the relationship was to end. And then after I notified him of
7 such orally, I think prepared a document to confirm such termination.

8 Q All right. If we could go to proposed Exhibit 30 -- and I
9 believe you have it, Mr. Nahabedian.

10 A Yes.

11 Q We have a call log. And who prepared this call log?

12 A So I prepared this log based upon the telephone numbers
13 that I was able to pull up on my mobile device, my cellphone.

14 Q Okay. And it indicates Farkas call log, Bloom call log and
15 MGA call log. Farkas refers to Matthew Farkas?

16 A Correct. That does refer to Matthew Farkas and that
17 reflects -- as it relates to Matthew Farkas, one on one telephone
18 communications that pertained and included just him. The other call
19 logs, I just want to make certain for the record, the MGA call log and the
20 bloom call log may have included other people in those -- those logs, but
21 I just want to make sure that that's clear. I could not decipher what on
22 those two other groups of Bloom and MGA, but on the Farkas call log, I
23 do specifically know that that just included Mr. Farkas.

24 Q All right. And Blook refers to Jay Bloom?

25 A It does.

1 Q And MGA refers to Maier Gutierrez?

2 A Yes. And Associates. And I wanted to make certainly I
3 included the parenthetical there, because there were other calls to the
4 firm that were unrelated to this matter.

5 Q And just to -- by way of background. You represented Jay
6 Bloom in a case pending in this court, at least during the relevant
7 timeframe of January, 2021, correct?

8 A There was a lawsuit that I was representing Mr. Bloom in
9 unrelated to this matter. I have since withdrawn my representation in
10 that case.

11 Q Okay. So in the time period of January 4th through at least
12 January 20th, you represented Jay Bloom in an unrelated matter. And
13 it's titled Nevada Speedway v. Police Chase and Jay Bloom, right?

14 A Correct.

15 Q And MGA or Maier Gutierrez, right?

16 A Correct.

17 Q And MGA or Maier Gutierrez was codefendant's counsel in
18 that case?

19 A That is correct.

20 Q And prior to that unrelated matter, you did previously
21 represent First 100 and its derivative entities?

22 A In the past, correct.

23 Q And Maier Gutierrez has represented you and your wife
24 personally?

25 A They have represented myself in a bodily injury matter as

1 well as are representing my wife in a bodily injury matter, correct.

2 Q And there are other matters where you represent either
3 codefendants or co-plaintiffs with Maier Gutierrez, so you may have had
4 communications with that firm and its members that are unrelated to
5 this action. Is that right?

6 A That is correct and we tried to address that during my
7 deposition that I do have other cases with them, plaintiff matters with
8 them that were co-counsel.

9 MS. TURNER: Now Your Honor, I move to admit Exhibit 30.

10 THE COURT: It's admitted.

11 [Plaintiff's Exhibit 30 admitted into evidence]

12 BY MS. TURNER:

13 Q And Mr. Nahabedian, before we turn away from this Exhibit
14 30, you said that there may have been a phone call with Mr. Farkas
15 before you sent your formal termination letter following my provision to
16 you of the amendment to the operating agreement of TGC Farkas
17 Funding. Is that right?

18 A Please repeat that. I'm sorry.

19 Q Sure. A few minutes ago, you said that you thought the
20 termination of your purported retention on behalf of TGC Farkas
21 Funding, it may have been terminated pursuant to a phone call with Mr.
22 Farkas --

23 A That is correct.

24 Q -- prior to January 16 --

25 A That is correct. I'm sorry. I didn't mean to talk over you. I

1 thought you were finished. My apologies.

2 Q No, that's fine. It's tough on this Zoom. If water trucks go to
3 the call log at Exhibit 30, if you look at January 16th, does that refresh
4 your recollection that that was on or about the time that you told Mr.
5 Farkas that you would no longer be acting on behalf of TGC Farkas
6 Funding?

7 A I don't know if it was on the 16th. I think on the 16th there
8 was the discussion about -- it was a lengthy discussion and I don't want
9 to go into that -- the realm of that discussion just for preserving his right
10 to have confidences and communications with counsel. But it -- I don't
11 believe it was that telephone conversation that it was definitive, but in
12 that conversation, it may have included that if the contents of your letter
13 are accurate and when that would be verified that a termination would
14 take place. And then we have later calls, I believe on the 18th and 19th,
15 which were definitive communications that I believe it was on the 19th,
16 where it was definitively stated that it was over -- without getting into
17 more of the substance, but it was a termination relationship call. And
18 after that, there was a letter that was sent to him that documented the
19 telephonic communication.

20 Q As counsel, you were convinced, as least of January 19th,
21 that Matthew Farkas did not have authority to terminate Garman Turner
22 Gordon and hire you to dismiss this action. Is that accurate?

23 A That is accurate. That's when I was provided a document
24 that reflected an amended operating agreement. It was troubling to me,
25 because up until that point, there was not a hint about such document's

1 existence whatsoever in earlier phone calls, so on and so forth. And so
2 once that was presented, that's when I was -- it was definitively
3 expressed that he didn't have the authority to retain me and that what I
4 had understood and believed in good faith to be an ability to retain me,
5 that it was no longer valid, so I terminated it.

6 Q And if we could look at the call log with respect to January
7 4th, it indicates a call with Mr. Bloom -- between you and Mr. Bloom at
8 5:25 p.m. Do you see that?

9 A I do.

10 Q For 12 minutes, 13 seconds?

11 A I do.

12 Q Now, if we go to Exhibit 28 that is already in evidence, the
13 first page, RAN001.

14 A I'm looking at it.

15 Q We have at 6:15 p.m., which was -- I mean, less than 45
16 minutes later following that call, where you, Raffi Nahabedian, sent to
17 Jay Bloom an attorney retainer agreement for Matthew and you have
18 that form attached, correct?

19 A That's correct. There was the email and attached to the
20 email was the retainer, which is the next document going down,
21 RAN0002.

22 Q So it says, "I, Matthew Farkas, managing member of TGC
23 Farkas -- or TCG client as the client, hereby retains Raffi Nahabedian to
24 represent client, TCG Farkas in relation to a business dispute lawsuit
25 currently filed pending on Clark County."

1 And you have the case number, this case number, right?

2 A Correct.

3 Q Now prior to sending out this attorney retainer fee

4 agreement, you did not review the arbitration award or the judgment

5 that had been entered in this case, correct?

6 A I had not reviewed those documents, correct.

7 Q Or that there was an order to show cause issued regarding

8 Mr. Bloom as well as the Defendants on contempt, right?

9 A Never reviewed and completely unaware of such documents.

10 Q How did you receive the case number?

11 A That's a good question. I might have simply typed in

12 Matthew's -- the last name per search for Farkas and it popped up with a

13 case number.

14 Q Now, if we go to -- a little further down in this attorney

15 retainer fee agreement, it discusses the retainer. Do you see that?

16 A Yes.

17 Q Now, if we go to Exhibit 29, proposed Exhibit 29. It's not in

18 evidence yet. Can you describe what Exhibit 29 is?

19 A Exhibit 29, those were just -- over a period of time -- or

20 they're email -- or text messages -- sorry-- between myself and Mr.

21 Bloom.

22 Q Okay. And the intent --

23 A That came from my phone. I'm sorry. These are text

24 messages that I provided Mr. Larson [phonetic], my attorney, that were

25 text message communications between myself and Mr. Bloom.

1 Q All right. And these text messages all relate to this action
2 and not your other actions, correct?

3 A This pertains to the -- Matthew Farkas, yes.

4 Q All right.

5 MS. TURNER: Your Honor, I move to admit Exhibit Number
6 29.

7 MR. GUTIERREZ: Your Honor, my objection is it lacks
8 foundation as to time and date.

9 THE COURT: Sustained. Lay foundation relative to time.
10 BY MS. TURNER:

11 Q Mr. Nahabedian, when were these text messages sent and
12 received that are reflected in Exhibit 29?

13 A These were during the month of January, which would be
14 the duration of my involvement in terms of -- from -- between January 4
15 until January 20th or something to that effect.

16 Q Of 2021?

17 A Of 2021, correct.

18 MS. TURNER: Your Honor, I renew my offer.

19 MR. GUTIERREZ: No objection, Your Honor.

20 THE COURT: Okay. It's admitted.

21 [Plaintiff's Exhibit 29 admitted into evidence]

22 BY MS. TURNER:

23 Q Mr. Nahabedian, Jay Bloom was going to pay your retainer
24 required under this attorney retainer fee agreement with TGC Farkas,
25 correct?

1 A No, I never understood that to be the case.

2 Q Okay.

3 A I believed that Mr. Farkas would be paying my retainer fee.

4 Q Okay. Do you see Exhibit 29 about three-quarters of the way
5 down. And then it says, "You're going to have to send me a retainer or
6 transfer. Can you confirm wire instructions for the retainer?"

7 A Yeah. That is on my part -- there -- you know, text
8 messaging isn't always a perfect science. You're going to have him send
9 me a retainer fee or transfer. So I was understanding that he would be
10 sending me, meaning Mr. Farkas, a payment for my services. And in
11 fact, in one of the other exhibits that you have, my termination letter with
12 Mr. Farkas, I actually say to Mr. Farkas given the circumstances, as a
13 professional courtesy, I will not be seeking an attorneys or compensation
14 from you in relation to this matter.

15 Q These text messages are not with Matthew Farkas. They're
16 with Jay Bloom regarding your retainer, correct?

17 A Jay was serving as a conduit. It was his brother-in-law. And
18 so my communications with Mr. Bloom were with the understanding
19 that he was serving as a conduit, until I have the opportunity to meet
20 with Mr. Farkas. And anyway, so that is my recollection and it's a
21 distinct one. Like I said, you can -- it's verified in the termination letter,
22 where I say I won't charge you for these fees. I'll waive my retainer fees.

23 Q Okay. Exhibit 28, 29 and 30 were all produced by you last
24 Tuesday, March 2nd, correct?

25 A I provided these documents to Mr. Larson and Mr. Larson

1 then provided you with a privilege log. And if I'm not mistaken, the
2 privilege log was provided to you -- well, by Mr. Larson. And then after
3 the privilege log issue was resolved by the Court and/or the parties, I
4 believe Mr. Larson disclosed these documents to you.

5 Q Do you recall that the information was being withheld in your
6 deposition as well as the writings until after the Court ruled on whether
7 or not there was a privilege that would justify the withholding?

8 A Yeah. For clarification, when you had initially demanded me
9 to produce these documents and information, I contacted the State Bar
10 of Nevada and was unambiguously and unequivocally informed by State
11 Bar counsel to not produce and disclose anything until further notice
12 relating to a court order and/or -- and emphasize and/or and as the
13 emphasis should be on and. He was very expressive that I send a
14 correspondence to the parties involved, meaning Mr. Farkas and Mr.
15 Bloom, notifying them of the demand and requesting that they provide
16 an unequivocal waiver or no waiver of the disclosure of the information.

17 Q All right. And if we could look at RAN0355 in Exhibit 28.
18 RAN0355. We have a February 8th, 2021 email from you, Raffi
19 Nahabedian, to Mr. Bloom indicating, "Please confirm you have
20 consulted with counsel and based on our discussion, are instructing me
21 to not disclose confidential communications." Do you see that? Is this
22 the email that you were referring to?

23 MS. TURNER: Scroll down, Michelle.

24 THE WITNESS: I'm having a problem here finding it on my
25 computer. Give me one second.

1 BY MS. TURNER:

2 Q Can you see on the screen, Mr. Nahabedian?

3 A It's -- okay, so I wear glasses and I don't have bifocals, so it's

4 very difficult for me to go back and forth. And so what I've done is I just

5 want to make sure. You're saying 0055?

6 THE COURT: What's the exhibit reference on this, counsel?

7 MS. TURNER: It's Exhibit 28.

8 THE COURT: 28. Okay. Uh-huh.

9 MS. TURNER: And it's RAN0355 is the Bates number or

10 Plaintiff 480. It's marked twice.

11 THE WITNESS: Oh, 0355?

12 MS. TURNER: Yes, sir.

13 THE WITNESS: Oh. My apologies. I was looking at the

14 wrong document altogether. 0355. The February 8 correspondence

15 from me to Mr. Bloom?

16 MS. TURNER: Yes.

17 THE WITNESS: Okay. There it is.

18 BY MS. TURNER:

19 Q Is that the email that you were just referring to in your

20 testimony?

21 A This is the email string, correct.

22 Q Okay. And there was a prior email February 2nd, 2021, right?

23 A Correct, yes.

24 Q That's on the next page? Yeah.

25 A Yes. I'm looking at that one right now.

1 Q Okay. And Mr. Bloom responded to you on February 8th,
2 directing you that you should not disclose any communications to any --

3 A Yeah.

4 Q With regard to any discussion you had, whether they be an
5 oral or -- whether they be oral or in writing, right.

6 A Correct.

7 Q And that was not limited to the communications regarding
8 the unrelated lawsuit involving the speedway, but every communication,
9 including those involving TGC Farkas, right?

10 A Correct. And I will tell you that my discussion with State Bar
11 counsel was not limited in any capacity. He said any and all
12 communications of prior representation, current representation, et
13 cetera. So -- and so then when I received this letter from Mr. Bloom, I
14 interpreted this letter from Mr. Bloom to be specific as it relates to this
15 Farkas matter.

16 Q When you first identified the case number of A-20-822273-C,
17 our case, on January 4th, 2021, you understood that Jay Bloom was on
18 the other side of the aisle from TGC Farkas, correct?

19 A What I understood was that there was a dispute between
20 TGC Farkas and First 100 and that the principals of TGC Farkas, meaning
21 specifically Mr. Farkas as well as the principal of First 100, Mr. Bloom,
22 that those two parties came together to resolve a dispute and they were
23 looking for representation to assist and that Matthew was looking for
24 representation to assist in moving that settlement forward.

25 Q Jay Bloom communicated that to you?

1 A Mr. Bloom communicated that to me and --

2 Q And I'm talking --

3 A Oh. I'm sorry.

4 Q -- January 4th -- sorry. January 4th, 2021, in that initial
5 communication.

6 A That. I don't want to go into the depths of the discussion
7 specifically, but that was my understanding as to the purpose of my
8 involvement.

9 Q All right. If we can go to RAN006 in the same exhibit, 28. Mr.
10 Nahabedian, it was three days later, January 7th, 2021, that you received
11 the signed documents from Matthew Farkas from Jay Bloom, correct?

12 A I received -- yes. I received documents from Mr. Bloom.
13 Again, he was providing the -- as a conduit between himself and Mr.
14 Farkas.

15 Q All right. And it indicates that attached -- this is -- there's
16 documents attached, important docs scan and there were four
17 documents that were attached, correct?

18 A If that's the documentation, then that -- I don't want to
19 dispute that, if that's what the record reflects.

20 Q So you had the legal representation agreement signed by
21 Matthew Farkas retaining you, right?

22 A Okay.

23 Q And you have the settlement agreement signed by Matthew
24 Farkas and Jay Bloom, right?

25 A I'm seeing that now. I'm going through that exhibit right

1 now.

2 Q And then the very first document that's attached is a release
3 hold harmless and indemnification agreement. Do you see that?

4 A I do see that.

5 Q And that was also signed by Matthew Farkas at the same
6 time and returned at the same time, correct?

7 A That is correct.

8 Q All right. And that release, hold harmless and the
9 indemnification agreement is dated the same date as the settlement
10 agreement January 6th, 2021, right?

11 A If that's what the documents reflect, then that -- I mean, do
12 you want me to verify what the documents show? I don't understand. Is
13 that what -- I can verify that by looking at the document.

14 Q Sure.

15 A I see a page. It says dated Jan 6th, 2021 and it has Mr.
16 Farkas' signature. That's on the release document. And then there's a
17 settlement agreement that's dated Jan 6th, 2021 and that also reflects
18 Mr. Farkas' signature.

19 Q All right. This release, hold harmless and indemnification
20 agreement, in the first paragraph of mutual general release provides that
21 Matthew Farkas on his behalf and on behalf of his affiliated entities
22 hereby fully, completely, finally and forever releases, waives,
23 relinquishes and discharges First 100, LLC, First 100 Holdings, LLC and
24 its managers, officers, directors, owners. Do you see that? That very
25 first paragraph?

1 A I see the paragraph. I will tell you and make it very clear for
2 the record. I have nothing to do and I had nothing to do with this
3 document, its interpretation, its explanation. It was created unrelated to
4 me. I have nothing to do with its negotiation, preparation or anything to
5 that effect. So I can read what the document says, but in terms of its
6 interpretation and meaning, I was not retained for that purpose
7 whatsoever.

8 Q When you say you weren't retained for the purpose, it was
9 being provided to you in conjunction with your attorney retention
10 agreement and the settlement agreement and your testimony, to be very
11 clear, is that you had no involvement in its effect in reviewing its effect or
12 advising Matthew Farkas or TGC Farkas of its effect. Is that right?

13 A That is correct.

14 Q Okay. Now if you can go to RAN22 in the same exhibit, 28.
15 This was also in the documents provided to you on January 7th, 2021. A
16 January 6 letter purporting to terminate my office. Do you see that?

17 A I do.

18 Q Now, Matthew Farkas testified he did not write this letter.
19 Jay Bloom indicated he did not write this letter. And the document -- Jay
20 Bloom said he didn't know if you had written it. Did you write this letter?

21 A 100 percent no. I had nothing to do with the creation of this
22 letter, the contents of the letter. I was never consulted with the contents
23 of the letter or anything to that effect. This document was provided to
24 me and it was my belief that it was provided to me as part of the
25 transition or transmission from Mr. Farkas to me. And it was understood

1 that this document was from Mr. Farkas and was intended to be
2 delivered to me. And at no time have I ever been told this letter was
3 anything other than what I understood to be as a document from Mr.
4 Farkas, but I had nothing to do with the letter. Zero.

5 Q All right. If we go to Bates Number RAN45, we have January
6 10th, 2021, an email from you requesting that Matthew bring the
7 operating agreement of TGC Farkas. Do you see that?

8 A Okay. What's the date? Here --

9 Q January --

10 A -- Jan 10?

11 Q Yes.

12 A I think -- Jan 10?

13 Q Yes.

14 A Yes. Jan 10 was:

15 "Good afternoon. Additionally, Matthew must bring the
16 operating agreement of the LLC. This is critical to confirm
17 his authority of termination as authorized manager to fund
18 the operating agreement and not just a managing member."

19 Q And then it says: GTG may be very difficult in this process,
20 especially since they are owed fees; do you see that?

21 A I do.

22 Q You and I had never met, or talked, prior to January 10th,
23 2021, right?

24 A Correct.

25 Q And you had not talked to Matthew Farkas by that date,

1 right?

2 A I don't believe I had talked to Matthew by that date, I don't
3 believe so, but I may have. But I believe the first communication was
4 around that time, so it could have been before or after maybe January
5 10, 11, but I'm not certain, but it's around this -- that timeframe, that I
6 spoke with Matt, or had a conversation with Mr. Farkas.

7 Q Now Mr. Bloom had told you to prepare a substitution of
8 counsel to replace Garman Turner Gordon with yourself and effectuate
9 the dismissal of this action, pursuant to the settlement agreement,
10 correct?

11 A It was a conveyance of an understanding based upon the --
12 the settlement that Mr. Bloom and Mr. Farkas had -- had entered into,
13 and that the purpose of my involvement was to facilitate that for
14 Mr. Farkas, or GTC Farkas.

15 Q When you mentioned the "termination" you meant the
16 termination of Garman Turner Gordon, right?

17 A Yes. And that was part of the understanding that was being
18 conveyed to me, which was subsequently discussed in a telephone
19 conversation, and I was never disproved of any of the direction that I
20 would -- I had been informed of, so --

21 Q Okay. Now at the top of this page it says: "From Jay Bloom
22 to Raffi Nahabedian, with a cc to Jason Maier, and Joseph Gutierrez and
23 Danielle Barraza." Those are throughout your emails, you're
24 communicating with Jason Maier, Joseph Gutierrez and Danielle
25 Barraza, in addition to Jay Bloom; those are attorneys at Maier Gutierrez

1 & Associates, correct?

2 A Those are.

3 Q Now you understood that Mr. Maier, Mr. Gutierrez and
4 Ms. Barraza at Maier Gutierrez represented First 100, First 100 Holdings,
5 LLC and Mr. Bloom?

6 A During these exchanges that was my understanding, correct.

7 Q Okay. Now it indicates on January 10th at 12:35 p.m.:

8 "I doubt he has it. We should be fine with his representation
9 and his having engaged them in the first place, together with
10 his signing the subscription agreement, and the redemption
11 agreement on behalf of the entity, as manager. We need to
12 get this done and filed ASAP."

13 Is your understanding the same as mine, that "ASAP" means
14 "as soon as possible"?

15 A I understand that ASAP means as soon as possible, but that
16 didn't affect my determination to make certain of Mr. Farkas' title and
17 position and authority.

18 Q Why did this need to get done, meaning the substitution and
19 dismissal, ASAP?

20 A I couldn't tell you why he wanted it done ASAP.

21 Q Well, if we go to ran0049. I have your email January 11th,
22 2021, at the top of the page in the second paragraph, to the email sent to
23 Jay Bloom with a cc to Jason Maier, Joe Gutierrez and Danielle Barraza
24 at Maier Gutierrez & Associates. You indicate: "As substantive LLC
25 issues are foreseeable, having the operating agreement is an absolute

1 must to prevent claims." Do you see that?

2 A I do.

3 Q All right. And as of this date you had had a conference call
4 with Matthew Farkas, Jay Bloom and Joe Gutierrez, where Mr. Farkas,
5 Matthew Farkas, had indicated he had resigned his manager role at TGC
6 Farkas, correct?

7 A Hundred percent incorrect.

8 MR. GUTIERREZ: Your Honor, objection. It misstates
9 testimony, lacks foundation.

10 THE WITNESS: That's a hundred percent incorrect.

11 THE COURT: If it misstates the testimony the witness can so
12 say.

13 BY MS. TURNER:

14 Q Okay.

15 A That's a hundred percent incorrect. At this point I had
16 nothing other than the understanding that Mr. Farkas was the
17 administrative member and managing member of the LLC, and it wasn't
18 until around a week later that that information was disproved, when I
19 received a document from Mr. Farkas that reflected that he -- that the
20 structure had changed.

21 So at this point there was never any statement to me
22 whatsoever, other than him being the administrative member, and
23 managing member, and authorized to move forward as it was
24 understood for me to move forward, and as my correspondence with
25 you reflected, that I would be moving forward as.

1 Trust me, when I discovered -- when I discovered the
2 information that was later presented to me I was very upset and very
3 disturbed that my client had not informed me prior thereto; very
4 disturbed.

5 Q Mr. Nahabedian, isn't it true that on or about January 9th,
6 2021 there was a telephone conference with you, Joe Gutierrez,
7 Jay Bloom and Matthew Farkas where the subject matter of Mr. Farkas
8 resigning his position as manager came up, and he indicated he would
9 check his emails?

10 A I wasn't on that phone call, and I don't recall ever having a
11 phone call conversation like that, whatsoever. If I had ever been on a
12 phone call with Mr. Farkas, wherein Mr. Farkas had indicated he resigned
13 his position I would never, ever, have moved forward in any capacity,
14 whatsoever; in any capacity whatsoever.

15 I would never have sent you a letter. I would never have
16 provided you with the document, the documents that I provided you.
17 Never, ever was that informed to me, and I've tried to make that as clear
18 in the record as possible during my deposition and in correspondence.

19 I have made that abundantly clear, my attorney has
20 conveyed that. I was never informed of such, and as soon as I received
21 your letter, wherein you stated that there was an amended operating
22 agreement, everything changed going forward, everything changed.

23 At that point I notified him, orally, that -- and I'm not going to
24 get into specific details, but I'm going to express this as the
25 responsibilities I have as an attorney, that at that point I said that there is

1 a problem, and I need to address this problem, and I need to have an
2 understanding if there was an amendment to the operating agreement
3 that was different than the operating agreement's terms that I
4 understood and I was informed of, and have been acting under; and
5 once Mr. Farkas provided me with that document, that was it.

6 Q All right. That's a lot to unpack. At Exhibit 28 there are no
7 emails between you and anyone other than the opponent of TGC Farkas
8 Funding, meaning First 100's lawyers, and Jay Bloom, its manager, until
9 well after January 14th, 2021 when you sent the substitution of counsel
10 and notice of your intention to dismiss this lawsuit; isn't that right?

11 A If that's what the documents reflect, that's what the
12 documents reflect.

13 Q And Mr. Nahabedian, if we go to Exhibit P, P as in party.

14 A I don't have an Exhibit P. I was informed that we were
15 looking at Exhibits 28, 29 and 30.

16 Q That's all intended to, and this has come up in your
17 testimony, so I apologize. We have it up on the screen.

18 MS. TURNER: If we can go paragraphs 19, 20 and blow that
19 up so that Mr. Nahabedian can see it.

20 BY MS. TURNER:

21 Q I'm blind myself, Mr. Nahabedian.

22 All right. At paragraph 19, this is the declaration of Jay
23 Bloom where he says: "On or about January 9th, 2001, during a
24 telephone conference with TGC Farkas Funding, counsel Raffi
25 Nahabedian, Joe Gutierrez, and myself" meaning Jay Bloom, "Mr. Farkas

1 continued to state he has no recollection of resigning his position as
2 manager, but he would check his emails."

3 Do you see that?

4 A I see the contents of that paragraph, correct.

5 Q And so there was a telephone conference on or about
6 January 9th, 2021, where Matthew Farkas' authority was being
7 discussed, and he indicated he would check his emails; is that correct?

8 MR. GUTIERREZ: Objection. This misstates the testimony of
9 Mr. Bloom, about this issue.

10 THE WITNESS: The contents of the paragraph reads for
11 itself. That is never -- I was never a part of that discussion, and never
12 was such an issue brought to my attention at any time, by any source,
13 during any conversation, prior to your letter. Prior to your letter, there
14 was, no understanding, other than Mr. Farkas being the administrative
15 member, and managing member, or manager of TGC Farkas Funding,
16 LLC.

17 So the contents of this letter is completely inaccurate, or this
18 paragraph, as it relates to me. Up until my receipt of your letter, nothing
19 had raised that issue or was brought to my attention at any time.
20 Nothing except your letter, and once I received your letter everything
21 changed, and that is my testimony, the truth, the whole truth, so help me
22 God. And as soon as I received your letter everything changed, and
23 when I received confirmation documentation from Mr. Farkas, that was
24 it. There was no way I was going to move forward any further.

25 If I had received any information disputing Mr. Farkas'

1 authority and apparent authority, or actual authority, as serving and
2 being the administrative member and manager, I would never have
3 moved forward, I would never have sent you that letter, never.

4 BY MS. TURNER:

5 Q On --

6 A So up until I received your letter I had no knowledge of any
7 of this, none, zero.

8 Q Exhibit 20 -- I mean, Exhibit P, paragraph 20 it says -- this is
9 Jay Bloom: "It was not" --

10 MR. GUTIERREZ: Your Honor, I don't think this is an
11 admitted exhibit, so I don't know how counsel is trying to use it. Is she
12 trying to refresh his recollection? So I just want to make sure what the
13 purpose is.

14 THE COURT: Counsel?

15 MS. TURNER: Your Honor, I believe -- I thought it was in --

16 THE COURT: This is a Defense proposed exhibit -- I mean, a
17 Plaintiffs' proposed exhibit, right?

18 MS. TURNER: No, no. This is Defendant's proposed
19 exhibit --

20 THE COURT: It's Defense proposed exhibit, right? Proposed
21 Exhibit --

22 MR. GUTIERREZ: All you have got to do is just check his
23 public declaration.

24 THE COURT: Proposed Exhibit P, declaration of Mr. Bloom,
25 correct?

1 MS. TURNER: Yes.

2 THE COURT: Uh-huh.

3 MR. GUTIERREZ: And there was an objection to all the
4 declarations come in.

5 THE COURT: Say that again?

6 MR. GUTIERREZ: I think there was an objection to all the
7 declarations coming into evidence.

8 THE COURT: Well, there was no stipulation, okay. But now
9 it's being -- are you offering this, Ms. Turner?

10 MS. TURNER: Your Honor, I am -- I'll offer this exhibit into
11 evidence, that was proposed by Defendants. I went through it with
12 Mr. Bloom, in his cross-examination earlier this morning, specifically
13 paragraph 36, and last week went over these same paragraphs with
14 Mr. Bloom.

15 THE COURT: If --

16 MR. GUTIERREZ: Your Honor, she can refresh Mr. Bloom's
17 recollection with his own declaration. If she -- withdraw her objection to
18 an earlier objection and now stipulate to move it in, it's a different story.

19 THE COURT: All right. It's admitted.

20 [Plaintiffs' Exhibit 20 admitted into evidence]

21 BY MS. TURNER:

22 Q Okay. Mr. Nahabedian --

23 A Yes.

24 Q -- do you see at paragraph 20, it says: "It was not until on or
25 about January 10th, 2021, that Matthew Farkas, for the first time, said

1 that he found the email where he signed the September 2020
2 amendment to the TGC Farkas Funding operating agreement; do you see
3 that?

4 A I have read paragraph 20 in the document that you prepared
5 -- or presented me. I have no knowledge, whatsoever of the contents of
6 that -- that paragraph, as I have no knowledge of the contents of
7 paragraph 19.

8 Q Is it true, Mr. Nahabedian, that as purported counsel for TGC
9 Farkas Funding, you did not make inquiry into the authority to act on
10 behalf of and bind TGC Farkas Funding, prior to sending not only your
11 legal representation agreement, but also the substitution of counsel and
12 notice that you were intending to dismiss this action pursuant to the
13 settlement?

14 A That is completely untrue. Up until your letter, what I was
15 directly informed of, and unambiguously informed of, was that Matthew
16 was the administrative member, and the manager of the LLC, and at no
17 point prior to your letter, and have the information contained in your
18 letter provided to me, did he ever dispute or try to provide me with
19 information to the contrary.

20 So your question is in the no, and it is inaccurate as it applies
21 to me, that I did what I needed to do, as reflected in the documents that
22 you've referred to, that I want to have the operating agreement to verify
23 his authority. I received a copy of the operating agreement to verify his
24 authority. He knew that I was operating with the belief and
25 understanding that he was the administrative member, and the manager,

1 and it wasn't until your letter, when everything came out, that that was in
2 fact incorrect.

3 And at that point, when I got your letter, I asked for
4 documents. I'm not going to tell you what he said, but I said, "Why
5 didn't you ever inform me? Why wasn't this brought to my attention?"
6 And I'm not going to say anything more, other than the common sense
7 question would have been, why didn't you say this before I sent
8 everything? I won't tell you what he said, but I'm going to tell you that
9 once I got your letter everything changed, and I did what I needed to do
10 and removed myself from the situation.

11 But prior to that letter there was never any other
12 understanding, than other than him being the administrative member
13 and manager of TGC Farkas Funding, LLC.

14 Q So you have not one text message or email between you and
15 Mr. Farkas, up to the time you sent your January 14th letter notifying for
16 the very first time of the settlement, there's no record in the call-log, of
17 any call between you and Mr. Farkas directly? You were getting
18 information relating to authority of Matthew Farkas from Jay Bloom,
19 prior to that time, correct?

20 A That's incorrect. Because there was a global telephone
21 communication that existed with Mr. Farkas, and that's -- those
22 communications with Mr. Farkas were very clear he had the
23 documentation, he knew what was going forward, and at no point was I
24 ever instructed otherwise. And once I received your letter, obviously I
25 was flabbergasted, completely.

1 I mean, hit me over the head with a 2 by 4, because he had
2 every opportunity to say, oh, by the way, you're operating under the
3 assumption, or belief, or with good reason that I'm the administrative
4 member and manager; by the way, X, that never happened.

5 Q Is it your testimony --

6 A Once I received your letter everything changed, everything
7 changed. Oral communications never, ever included, going back to
8 paragraph 19 of the document that's on the screen still; that paragraph
9 19 never happened with my involvement on that call. Never was I a
10 communication of the content in that paragraph with me, on that call.

11 Q Mr. Nahabedian, is it your testimony that Matthew Farkas
12 affirmatively represented to you that he had authority to bind TGC
13 Farkas, without Adam Flatto's consent?

14 A I'm not going to violate --

15 MR. GUTIERREZ: Your Honor, this calls for --

16 THE WITNESS: -- attorney/client confidences --

17 MR. GUTIERREZ: -- attorney/client privilege --

18 THE WITNESS: -- as to his discussion. Sorry, Joe, go ahead.

19 MR. GUTIERREZ: Your Honor, I just want to be perfectly
20 clear, that I think counsel is asking for attorney/client privileged
21 communication with Mr. Farkas. His counsel, Ken Hogan, is not on the
22 phone and I think -- I don't know that this privilege has been waived.

23 THE WITNESS: It hasn't been waived. I'm sorry, Your
24 Honor. Go ahead.

25 THE COURT: Ms. Turner your response to the objection?

1 MS. TURNER: TGC Farkas owns the privilege that would
2 apply, if any, to the representation of Raffi Nahabedian on behalf of TGC
3 Farkas, and there is no privilege being maintained by TGC Farkas
4 Funding.

5 THE WITNESS: Your Honor, I'm not going to divulge any
6 communications, oral, from Mr. Farkas, to me. Given the instruction by
7 State Bar counsel, I understand that counsel is representing that she is
8 counsel for TGC Farkas, is asserting there's no privilege, however,
9 Mr. Farkas is represented by Mr. Hogan. Mr. Hogan received a
10 correspondence from me, and numerous correspondence from me and
11 my counsel, requesting authorization or information relating to any
12 waiver that would be effectuated.

13 I've never received such documentation wherein Mr. Farkas
14 waived and signed such authorization to waive any privileged
15 communication. I will speak --

16 BY MS. TURNER:

17 Q Let me help you out, Mr. Nahabedian. In your group
18 communication that you testified to, the one group communication, prior
19 to January 14th, 2021, that involved Mr. Gutierrez, Mr. Maier, or Jay
20 Bloom, so that there are somebody else that is adverse to TGC Farkas on
21 that call, in any communication involving Matthew Farkas, and
22 Jay Bloom, and Maier Gutierrez, or a combination of them, did Matthew
23 Farkas ever represent to you that he had the authority to bind TGC
24 Farkas Funding, without the consent of Adam Flatto?

25 A Mr. Flatto's name never came up at all, in that -- in any global

1 communication Mr. Flatto's name never came up. And in the global
2 communication the expressions were very clear for me to proceed, as I
3 proceeded, and based upon the direction to proceed as I proceeded,
4 without any opposition to the instruction, and without any statements to
5 the effect that Mr. Flatto would need to be involved and/or was the
6 administrative member and manager, that never occurred. And so had it
7 occurred, then you would never have received my correspondence.

8 Q Did Matthew Farkas affirmatively tell you he had authority to
9 bind TGC Farkas Funding, in January of 2021?

10 MR. GUTIERREZ: Objection --

11 THE WITNESS: Base on --

12 MR. GUTIERREZ: -- Your Honor.

13 THE WITNESS: -- the communications that I've had, where
14 other parties were involved, the apparent and actual authority was
15 demonstrated by the instruction.

16 BY MS. TURNER:

17 Q Sir, my question to you is, whether or not Matthew Farkas
18 ever affirmatively represented to you that he had the authority to bind
19 TGC Farkas Funding in January of 2021?

20 THE COURT: Counsel, are you referring to conversations in
21 which other people were involved?

22 MS. TURNER: Yes, sir.

23 THE COURT: The so called "global communications"?

24 MS. TURNER: Yes. I believe counsel's testimony is that's all
25 he had with Mr. Farkas, prior to January 14th.

1 THE WITNESS: All right. As it relates to global
2 communications, you're asking if there was ever a specific, verbatim, I
3 have this distinct power to do this. I don't know if he ever expressed it
4 in such terms, but his expression was very clear that as the managing
5 member, and administrative member, or as the person in charge of the
6 LLC, moved forward with this -- this strategy.

7 So as it related to global communications I was instructed to
8 move forward, as I did move forward. And based upon him instructing
9 me to move forward, as I did move forward, would be clearly indicative
10 of his expression of authority, because at no point did he express that he
11 didn't have authority. At no point was it ever expressed in that
12 conversation, or those conversations, that Mr. Flatto had the authority,
13 and/or Mr. Flatto needed to be involved, whatsoever.

14 And, again, had he ever expressed it during those
15 conversations that were global, or included others, this would never
16 have happened.

17 BY MS. TURNER:

18 Q Mr. Nahabedian, if you go to ran0072 of Exhibit 28; ran0072?

19 A I'm trying to get there right now.

20 Q Okay. So in response to your January 11th, 2021 email to
21 Jay Bloom, with a cc to Jason Maier, Joe Gutierrez and Danielle Barraza,
22 that substantive LLC issues are foreseeable. Jason Maier sent you the
23 engagement letter for the engagement of Garman Turner Gordon on
24 behalf of TGC Farkas Funding, correct?

25 A That's -- Monday, Jan. 11 at 10:24?

1 Q Yes.

2 A Okay.

3 Q Matthew signed that agreement on behalf of himself, as a

4 member of TGC Farkas Funding, correct?

5 A I don't have the document in front of me right now, so if I

6 had --

7 Q If you back up, it's the document preceding this email, and if

8 you go to ran0061.

9 A I'm going there now.

10 Q You have Gerry's signature, Gerry Gordon's signature, and

11 then Matthew Farkas', do you see that?

12 A I do.

13 Q And it's "Mr. Farkas, Member?

14 A I see that now --

15 Q [Indiscernible].

16 A Yes.

17 Q Okay. Now go back to ran72 in Exhibit 28, we have an email

18 at that top of the page from Jason Maier to you, with a cc to Jay Bloom,

19 Joe Gutierrez and Danielle Barraza; do you see that?

20 A This is Exhibit 78, you're saying?

21 Q 28, Exhibit 28.

22 A Oh, 28.

23 Q And this is Bates Number ran72, it's numbered by your

24 office.

25 A Wait, you want ran Bates Number 72?

1 Q Yes, 72.

2 A Ran72?

3 Q Yeah. And it should start with an email from Jason Maier,
4 dated January 11th, 2021?

5 A I see it.

6 Q And it says, "Raffi, here's a draft of a letter." Are we on the
7 same page?

8 A I see it.

9 Q All right. Jason Maier wrote the letter, he drafted the letter
10 on behalf of you, as counsel for TGC Farkas, in order to provide notice to
11 my firm of you coming in, because there had been a settlement; do you
12 recall that?

13 A What I recall is, I had injured my back, severely injured my
14 back, and that I was out of commission, and was not going to be able to
15 work, whatsoever, and so there was going to be a delay in anything I
16 was going to be doing for Mr. Farkas, and that they drafted a draft of a
17 letter which was sent to me, which I reviewed, and then I edited the letter
18 that was eventually presented to you.

19 Q And the letter is attached, the draft that came from Jason
20 Maier, at ran0077, onto the next page. That's what Jason Maier wrote;
21 correct, that draft?

22 A I believe so.

23 Q And in response to Jason Maier's draft letter, Jay Bloom
24 approved it, right?

25 A I -- I guess. If there if -- is there a confirmation email, I don't

1 know.

2 Q Ran79.

3 A Okay.

4 Q Let's see if that refreshes your recollection?

5 A I see it there.

6 Q And there's a cc to Joe Gutierrez and Jason Maier and
7 Danielle Barraza?

8 A I see that.

9 Q And there is no cc to Matthew Farkas, correct?

10 A I see that, correct. That's the way the document reads.

11 Q And, again, there is nothing leading up to this letter going
12 out to Garman Turner Gordon, indicating you emailing Mr. Farkas to
13 approve that letter?

14 A At this point -- I don't think there was at this point, but it was
15 part of the discussion we had, or telephonic communications that took
16 place.

17 Q And if we go to ran116, just to put a date stamp on it, that's
18 when you sent the letter, January 14th, 2001 -- or 2021, to me, with the
19 cc to Joe Gutierrez, Jason Maier, right?

20 A Let me pull up that. Hang on one second. Ran116, you said?

21 Q Yes.

22 A Yeah. That's my email to you, correct?

23 Q And if we go to ran118, second to the last paragraph, it
24 indicates "Mr. Farkas has resolved the TGC Farkas v. First 100 matter. On
25 behalf of TGC Farkas and a courtesy copy of the fully executed

1 settlement agreement is also enclosed herein." That settlement
2 agreement was not enclosed, right?

3 Q Yeah. That -- that is correct. For whatever reason I did not
4 include -- include it, and I think I testified at my deposition that I did not
5 believe at the time that I had the settlement agreement. I think that was
6 my testimony during my deposition. I have since learned, when I was
7 producing these documents, that it was part of documents that were
8 provided, and so the documents I provided shows that I did have the
9 settlement and the release agreement prior to this.

10 I didn't include it, because at the time I sent this letter -- I
11 don't know why I didn't include it, since I had it, and I apologize for that,
12 but once we prepared these documents that's when I saw that I did have
13 it. And why I didn't include it, I'm uncertain as to why I didn't include it.
14 My apologies for not including it.

15 But then I think at the time where there were
16 communications between yourself and myself, or your firm and myself, I
17 believe at some time during those communications Mr. Maier -- Mr.
18 Maier produced the document, and at that point I -- I figured it was a
19 moot issue, since it was produced by Mr. Maier.

20 A It was produced by Mr. Maier.

21 Q Mr. Maier didn't produce it until he attached it to a motion to
22 enforce settlement, correct?

23 A I don't know what it was, or how he produced it. I just
24 remember that the document became part of an email, that I think we
25 were all included on.

1 Q If we go to ran123. At the top of the page you have Jason
2 Maier sending you and Jay Bloom an FYI with a cc to Joe Gutierrez, and
3 that was forwarding the email from my office, indicating at the last line,
4 "Mr. Nahabedian claims that your office and he negotiated a settlement.
5 Please provide that immediately."

6 MS. TURNER: Can you put that --

7 BY MS. TURNER:

8 Q Do you see that?

9 A I do see that. I didn't -- and I've never made such a claim,
10 whatsoever, that we negotiated anything; that is patently false. I never
11 claimed that I was involved, that -- or negotiated a settlement,
12 preparation of documents, nothing, nothing of the sort. And I was -- it
13 had nothing to do with me, and so I don't know why that sentence reads
14 that way.

15 Q Do you see why there is a request for the production of the
16 settlement?

17 A Yeah. I see that there is a request in that letter, correct.

18 Q All right. And then the next page, ran126, that is the
19 communication from my office to you, in response, your letter notifying
20 of the settlement and providing the amendment to the operating
21 agreement, correct?

22 A The -- 126 is an email from Mr. Irwin --

23 Q From my office, and if you look at the --

24 A -- or it could be a Miss. It's --

25 Q -- attachment --

1 A It's a person by the name, of last name "Irwin." It could be a
2 male or female, sorry about that. Then I have your letter, the
3 attachment is the January 15 correspondence from you, correct.

4 Q And that's where the amended operating agreement that
5 removes Matthew Farkas, and is provided to your attention, correct?

6 A That's -- that this letter is the letter I've been referring to
7 throughout this testimony, where I said that you communicated with me,
8 and that communication was the absolute first time, without any doubt,
9 the first time I was ever made aware that Mr. Farkas did not have
10 authority to act on behalf TGC Farkas Funding, LLC.

11 And prior to this it was never expressed, otherwise, that he
12 was the person, as the administrative member, and manager, and that
13 when you provided this correspondence that's when things changed.

14 Q And if we go to ran133, January 15th, 2021 email, from
15 Dylan Ciciliano of my office; this is ran133.

16 A Okay.

17 Q All right. At the top of the page, January 15th, the same date
18 that you received the letter from me, and you have an email to Jason
19 Maier, you and a cc --

20 A Yeah, yeah.

21 Q -- to Danielle Barraza and Joseph Gutierrez, saying: "For the
22 avoidance of doubt, there has been no substitution of counsel and there
23 has been no settlement." Do you see that, that repudiation?

24 A So hang on. What -- which page are you looking, 133?

25 Q Yes, 133.

1 A Okay. So there's -- this is from Dylan's -- this is from --

2 Q Yes. .

3 A -- Mr. Ciciliano, "for the avoidance of doubt, that's what their
4 email reads, correct.

5 Q Okay. And as of the date of that repudiation had you
6 received any tender of a million dollars, or any portion of a million
7 dollars to be paid by the settlement agreement?

8 A Paid what?

9 Q Did you receive any money from First 100, in performance of
10 the settlement agreement, on behalf of TGC Farkas Funding?

11 A I received no such matter, whatsoever, and no involvement; I
12 -- I have no idea what you're talking about.

13 Q You never received any proof of funds of -- that were to be
14 paid under the settlement agreement?

15 A I have not.

16 Q Or any sale agreement showing that there was a sale of the
17 judgment, that is the subject of the settlement agreement?

18 A I have not. And at this point -- at this point here, and I will
19 tell you that my representation and my subsequent communications
20 were -- I -- I'm not -- no longer counsel, once I found out that the contents
21 of your communication were accurate.

22 Q All right. If we go to ran 0147. As I tell my husband, I'm
23 always right.

24 A All right. I'll just -- you can have that dinner with my wife.

25 Q Ran147. That same date, January 15th, I email you. At the

1 top of the page it says: "Mr. Nahabedian, you said you had an executed
2 settlement agreement in your possession, that needs to be provided
3 ASAP, along with an explanation of how and when it came into your
4 possession."

5 You never provided me a settlement agreement, or an
6 explanation of how it came into your possession, did you?

7 A I don't believe so. But if -- if I did it would be reflected in an
8 email, and if I didn't, I did not, it would be contained in -- in the email
9 exchange with you, that would have been provided by me.

10 Q Right. If we go to ran18 --

11 A I think at this point, I know that there's other
12 communications, but at this point I think everything, again, called into
13 question my ability to even act on behalf of the company, but I don't
14 know why I didn't provide it to you, to be honest with you.

15 Q All right. If we go to ran185. Ran185. All right. Here we
16 have my office, Dylan from my office, on January 19th, four days later,
17 saying: "Mr. Nahabedian, I wanted to follow-up on our demand for
18 documents, please provide them immediately." And if you scroll up to
19 ran184, we have your response of January 19th, 2021. And you say: "In
20 terms of the settlement agreement that you requested it appears that
21 Mr. Maier provided it to the Court, in his filing, that we all received this
22 afternoon via email." And you explain that -- you were apologizing for it
23 being left out of your January 14th letter; do you see that?

24 A Right. I do.

25 Q And you have no information to indicate that TGC Farkas

1 Funding had a copy of the settlement agreement prior to January 19th,
2 2021, when it was attached to the motion to enforce settlement
3 agreement?

4 A Oh, that's not my testimony, whatsoever. My -- I never said
5 that -- so, are you -- that -- that was the first time I understood that you
6 were receiving it, Ms. Turner or your office was receiving it. But that's --
7 that's all I could attest to, is that that would have been the first time that
8 you, Ms. Turner, or Mr. Ciciliano, or Max Irwin would have been
9 receiving the settlement agreement.

10 Q You did not provide the settlement agreement to Matthew
11 Farkas, correct?

12 A As I understood, that Mr. Farkas provided it to me, and I -- I
13 was in possession of it through his direction.

14 Q When you say you received it from Mr. Farkas, you received
15 the settlement agreement from Jay Bloom, correct?

16 A Correct. It was through, Mr. Bloom, and we went through
17 that email earlier, there was an email that I received that contained
18 Mr. Farkas' documents and that settlement agreement. And then
19 thereafter, again, there was a global communication that included all the
20 parties relating to the direction I was to pursue, given the fact that
21 Mr. Bloom and Mr. Farkas had negotiated and entered into the
22 settlement.

23 And at no time during that communication or conversation
24 was there ever an expression, during the global calls, that Mr. Farkas
25 was not in possession of it. To the contrary, that we were to move

1 forward, or I was to move forward, myself, on behalf of Mr. Farkas -- or
2 TGC Farkas Funding, LLC, was to move forward with sending you the
3 letter, such that a settlement with the Court could be provided. So --

4 Q It's your --

5 A What?

6 Q Let me unpack that. You did not provide the settlement
7 agreement to Matthew Farkas, correct?

8 A No. As I understood, Mr. Farkas was providing it to me,
9 along with his other documents that he signed.

10 Q And when you say that, to be clear, that was the email from
11 Jay Bloom, to you?

12 A Yeah. Mr. Bloom and Mr. Farkas are -- are brother-in-laws,
13 and the chain of communication was going that direction early on, and
14 then -- then it went from the -- that type of intermediary to a global
15 interaction that included multiple parties, including Mr. Bloom and his
16 counsel. And then it went to communications solely and exclusively
17 between myself and Mr. Farkas, wherein Mr. Farkas was continuing to
18 act as the administrative member and manager of TGS Farkas Funding,
19 LLC.

20 Q Did Jay Bloom disclose to you that Adam Flatto was required
21 to consent to any action on behalf TGC Farkas Funding, according to the
22 arbitrator's award?

23 A No one ever expressed that Mr. Flatto was to -- needed in
24 any capacity, neither Mr. Bloom, nor Mr. Farkas. That was -- that
25 communication never occurred.

1 MS. TURNER: All right. I'm going to pass the witness.

2 THE COURT: All right. Counsel, proceed.

3 MR. GUTIERREZ : Briefly, Your Honor. Just a few questions.

4 CROSS-EXAMINATION

5 BY MR. GUTIERREZ :

6 Q Mr. Nahabedian, can you hear me?

7 A Yes, I can.

8 Q Would you have agreed represent TGC Farkas Funding, if
9 you knew that Matthew Farkas resigned as the administrative manager
10 of the company, in September of 2020?

11 A I would never have represented Mr. Farkas as the
12 administrative member and manager of TGC Farkas Funding, LLC. I
13 would never have moved forward, whatsoever, had that information
14 been disclosed to me; I would never have done this.

15 Q And, Mr. Nahabedian, when you settle a litigation do you
16 routinely work with opposing counsel to prepare and finalize settlement
17 documents, to dismiss the case?

18 A That is typical.

19 MR. GUTIERREZ : Okay. Thank you, Your Honor. I don't
20 have any other questions.

21 Thank you, Mr. Nahabedian for your time.

22 THE COURT: Anything else, Ms. Turner?

23 MS. TURNER: No, Your Honor.

24 THE COURT: All right. The witness may stand down, so-to-
25 speak.

1 THE WITNESS: Thank you so much, Your Honor. Thank you
2 so much. So I can log off and be done with this, correct, or am I to
3 standby?

4 THE COURT: That's --

5 MS. TURNER: You can log off.

6 THE WITNESS: Okay. I'm logging off. Thank you so much.

7 THE COURT: Very well. Thank you.

8 All right. Next?

9 MS. TURNER: Next is rebuttal testimony from Matthew
10 Farkas. I just sent his counsel an email saying "ready." So we should
11 see them getting on. Should we take a two-minute break, to give them
12 an opportunity to hop on?

13 THE COURT: Well, let's discuss proceedings today. It's
14 almost a quarter to 12:00. How much longer do you think this is going to
15 take today?

16 MS. TURNER: I won't have more than 15 minutes, and that's
17 stretching it, with Mr. Farkas.

18 THE COURT: Mr. Gutierrez?

19 MS. TURNER: A very brief rebuttal.

20 THE COURT: How about you, Mr. Gutierrez?

21 MR. GUTIERREZ : I may have a few questions for Mr. Farkas.
22 I don't have any other witnesses. So I think we'd be ready for closing
23 arguments.

24 THE COURT: Okay. What we'll do then, is we'll go ahead
25 with Mr. Farkas, and then we'll recess for lunch. Okay?

1 MS. TURNER: Okay.

2 THE COURT: And we'll reconvene -- we'll designate the time
3 for reconvening, after Mr. Farkas' testimony. Okay?

4 MS. TURNER: Good morning, Mr. Hogan, is Matthew Farkas
5 joining us?

6 MR. HOGAN: I just let him know, he should be logging in
7 here any moment. I'll give him a call just to follow-up.

8 MS. TURNER: He's on. We can't hear you, Mr. Farkas.

9 THE COURT: Hold on just a second. Will counsel accept an
10 admonishment to the witness, or should he be re-sworn? Is there a
11 stipulation that I could admonish him?

12 MS. TURNER: I stipulate.

13 MR. GUTIERREZ : I stipulate, Your Honor.

14 THE COURT: Okay. Mr. Farkas, you realize that you're still
15 under oath?

16 MR. FARKAS: Yes, sir. I do.

17 MATTHEW FARKAS, PLAINTIFF'S WITNESS, PREVIOUSLY SWORN

18 THE COURT: Okay. Very well, you may proceed, Ms. Turner.

19 DIRECT EXAMINATION

20 BY MS. TURNER:

21 Q Mr. Farkas --

22 A Can everyone hear me?

23 Q Yes.

24 A Okay.

25 Q Mr. Farkas, Mr. Nahabedian just finished testifying that as a

1 result of his communications with you, in conjunction with others, Jay
2 Bloom, or Maier Gutierrez, he understood that you had authority to bind
3 TGC Farkas Funding; is that accurate?

4 A He didn't get that information from me; so the answer is, no.

5 Q Did you ever represent, directly or indirectly, that you had
6 authority to bind TGC Farkas Funding, in your communication that
7 involved Raffi Nahabedian, Jay Bloom and/or the attorneys for Maier
8 Gutierrez?

9 A No.

10 Q Mr. Farkas, did you have the settlement agreement that had
11 been executed by you, prior to it being provided by my office?

12 A I -- I don't think I understand the question. I'm sorry.

13 Q The first time that you received the settlement agreement,
14 understanding you had executed it before, but that you understood it
15 was a settlement agreement, was that after my office provided it to you?

16 A I -- I don't remember your office providing me anything. I --
17 the only settlement agreement I got was through the -- that day at the
18 UPS Store with Mr. Bloom.

19 Q You understood that you were signing a settlement
20 agreement, at that time?

21 A No, I did not. Again, when I -- when I -- and I've testified to
22 this before. I signed a whole bunch of documents at the UPS Store that
23 day, and all of them I signed under the assumption that I was retaining
24 Mr. Nahabedian to be my personal attorney. That was the only reason I
25 was there, and that was the -- those were the only papers that I thought I

1 was signing, but, again -- them first, that that is what -- that was my
2 understanding, and that's what Mr. Bloom had told me.

3 Q The first time that you understood that you signed a
4 settlement agreement that was being asserted against TGC Farkas
5 Funding, that was after the motion to enforce settlement agreement,
6 correct? Is that a, yes?

7 A Sorry. I'm sorry, I'm trying to speak as loud as I can.

8 Q It just goes out. Can you repeat the answer?

9 A The answer is, yes.

10 Q Okay. Now, Mr. Farkas, Jay Bloom testified that, and I want
11 to make sure I get his testimony correct: "Matthew Farkas should
12 provide records to Matthew Farkas, because you have possession of
13 documents, the books and records of the First 100 entities, and should
14 provide those to TGC Farkas Funding"?

15 A That's -- complete lie. It is such a lie that it is offensive to me.
16 I never had access to those books and records. I do not have them in
17 my home, nor have I ever, and that is such an offensive lie, I don't know
18 what to say. And by the way, if that were really the case, this action
19 started four years ago, it is now just coming up, that I have the books
20 and records; I find that very, very strange.

21 And if I had records, why didn't Mr. Bloom, or anyone else
22 from First 100, for that matter, send me an email asking for those books
23 and records? I -- I have never had them, and I am offended by what -- by
24 that -- by that statement.

25 Q Mr. Farkas, Mr. Bloom also testified that you provided a false

1 declaration to the arbitrators, in August of 2020, and if we go to Exhibit F,
2 Exhibit F. I'll have my paralegal put it up on the screen, for your ease.

3 A Thank you.

4 Q Can you --

5 A Yes. I've -- document before.

6 Q Is there anything in that declaration that is untrue?

7 A No.

8 Q Did you voluntarily sign the declaration after reviewing it and
9 confirming for yourself that the allegations are true?

10 A Yes.

11 Q And if we go to FF, FF, which is the declaration of Matthew
12 Farkas, provided in January of 2021. Just to be very clear you reviewed
13 every single sentence of this declaration, before signing it, correct?

14 A Yes, I did.

15 Q And when you went through and reviewed the sentences, or
16 the allegations, they were all true and correct?

17 A Yes.

18 Q And when Dylan Ciciliano, of my office, went to your house
19 on a weekend, to receive your signature, was there anything about that,
20 that made you uncomfortable, or made you feel like you were under
21 duress?

22 A No. In fact, I would argue that a good part of having
23 Mr. Ciciliano standing there, was that if I had any questions he was there
24 to explain them to me. Not to guide me, not to, you know, tell me that I
25 should answer one way or the other, or even sign this, it was simply he

1 was there. If I had a question I could answer, but I was not under any --
2 nobody forced me to do anything.

3 Q And finally, Mr. Farkas --

4 A That was within the presence of my wife.

5 Q Mr. Farkas, with respect to Raffi Nahabedian, did you
6 authorize Jay Bloom to be your conduit, and communicate on your
7 behalf, with Mr. Nahabedian, as counsel for TGC Farkas Funding, LLC?

8 A No. The only -- the only conversation -- in fact -- in fact,
9 Mr. Bloom didn't even tell me he was going to go to Raffi, he just --
10 Raffi's name came up. He said -- and again, this is when I went to the
11 UPS Store, he said, "Matthew, I found you a lawyer." I didn't ask him to
12 find me a lawyer at that point. He said, "I know you" -- he said -- he said,
13 "I have found a lawyer to represent you," Matthew Farkas, as an
14 individual in this proceeding, not as the new -- for TGC Farkas.

15 Q If we go to Exhibit 14, a release hold harmless and
16 indemnification agreement?

17 A Uh-huh.

18 Q Did Jay Bloom explain to you, before you executed this
19 release, hold harmless and indemnification agreement, that they include
20 your release on behalf of you and any affiliated entity releasing First 100,
21 First 100 Holdings, and any of its officers, directors or managers?

22 A Mr. Bloom explained nothing.

23 Q And --

24 A -- sent me documents. Again, he sent me documents that I
25 signed, that I did not read first. I trusted him as my brother-in-law,

1 anything I thought I was signing that day. And I take -- I told -- I said this
2 in my last deposition, I take responsibility for that, but I was absolutely
3 misled, as well.

4 Q If we go to Plaintiff 115 of the same Exhibit 14, there's no
5 signature on behalf of Jay Bloom on this release. There's no signature
6 on behalf of First 100 Holdings, or First 100, only your signature. Since
7 your testimony last week, have you received additional threats against
8 you, on behalf of First 100 Holdings and First 100?

9 A Additional? No, nothing new. I -- I've made it clear that --
10 that the threats that I have been getting from Mr. Bloom over the last
11 couple of months have been, as I mentioned last week, that he was
12 going to have, you know, all the shareholders of First 100 sue me for --
13 the responsibility, which I did not have.

14 Q Did your parents contact you since last week, to indicate that
15 Mr. Bloom is preparing a lawsuit?

16 A Last --

17 MR. GUTIERREZ: Objection. Your Honor, that's hearsay.

18 THE COURT: If the question is whether they contacted him,
19 I'll allow that; that's a yes, or no?

20 THE WITNESS: Yes. It would be not this week, but last
21 week.

22 BY MS. TURNER:

23 Q After you testified and it was said that you were going to
24 come back and rebut, or provide rebuttal testimony?

25 A Yes.

1 Q Sir?

2 A Yes. Yes. Now --

3 Q All right.

4 MS. TURNER: I'll pass the --

5 THE WITNESS: -- my parents, that is not coming directly
6 from Mr. Bloom.

7 MR. GUTIERREZ : Just briefly, Your Honor. I've got a few
8 questions.

9 CROSS-EXAMINATION

10 BY MR. GUTIERREZ :

11 Q Mr. Farkas, can you hear me?

12 A I can.

13 Q You just testified that Mr. Bloom explained nothing to you,
14 when you were signing the settlement agreement; is that what you said?

15 A Mr. Bloom and I did not discuss a settlement agreement. We
16 did not discuss it, and as I said last week, both parties were represented
17 by counsel, and if First 100 wanted to execute a settlement agreement
18 with TGC Farkas, that would have been up to you and Ms. Turner, not
19 Jay and I. I didn't have the ability to negotiate a settlement agreement.

20 Q But you never told that to Mr. Bloom, correct?

21 A I never -- I did not tell Mr. Bloom that I could do anything on
22 behalf of TGC Farkas.

23 Q Did you ever tell anyone that you were forced to sign the
24 declaration in Exhibit F, or you would be sued by Adam Flatto?

25 A Again, what happened was, last August, Mr. Bloom asked me

1 to send him a document, which I should not have sent him, okay. And
2 he gave it to the arbitrator, which he did not tell me that he was going to
3 do. I thought it was just under, let me take a look at it, to make sure you
4 don't make a mistake, but instead he sent it to the arbitrator without
5 telling me.

6 Then Ms. Turner and her firm amended what I signed, so that
7 I wouldn't be making a mistake, and Mr. Busch, who is the in-house
8 attorney for the Georgetown company, which is Adam's company, said,
9 because I had sent a privileged document they could sue me, but
10 because I don't have anything they're not going to sue me, and they
11 never brought it up again.

12 But they did say, that because of what I did, and I shouldn't
13 have sent that document, but again I trusted Jay, that they could have
14 sued me for that, but they were not going to.

15 Q I understand. But did you ever tell anyone that you were
16 forced to sign the declaration in Exhibit F, or you would be sued by
17 Adam; that's a yes or no question?

18 A No. I wasn't forced to -- to do it.

19 Q Okay.

20 A Anything --

21 Q You're telling me --

22 A Anything I've done, Mr. Gutierrez, in reference to this action,
23 was to help my partner.

24 Q I understand that. But did you ever tell anyone that you were
25 -- you had to sign the declaration, or you would be sued by Adam

1 Flatto --

2 A What -- what happened was, again, Mr. Busch told me that
3 because I had sent that document to Jay, which I shouldn't have sent to
4 him, that they could have sued me, that they could have sued me, but
5 they weren't going to, because they knew it didn't make any sense to sue
6 me. But they could have, because I shouldn't have sent that document
7 to Jay. It was a privileged document, and I thought I was sending it to
8 him, for him -- you know, he said, "Let me just take a look at it," and then
9 he gave it to the arbitrator.

10 Q Mr. Farkas, did you ever tell anyone that you signed a
11 declaration in January of '21, which is Exhibit Double F, or you would be
12 sued by Adam Flatto?

13 A I don't remember saying that to anybody, no.

14 Q Okay. Now when you signed the declaration, Exhibit Double
15 F, that was only a few days after the recorded phone call between you
16 and Dylan Ciciliano, at Garman Turner Gordon; isn't that true?

17 A Yes. It was around that time. That's right, yes.

18 Q And during the phone call, we've gone through -- already
19 through that during your prior examination, you were told by
20 Mr. Ciciliano that if you signed -- by signing that settlement agreement
21 you were going to extinguish Adam Flatto's million dollar investment;
22 isn't that true?

23 A That's what I was told, yes.

24 Q You later found out that was a lie, correct?

25 MS. TURNER: Objection. Misstates prior testimony,

1 argumentative.

2 THE COURT: Overruled.

3 THE WITNESS: I'm sorry, Mr. Gutierrez, could you please
4 repeat that? I apologize.

5 BY MR. GUTIERREZ :

6 Q Sir, you later found out that statement of Mr. Ciciliano about
7 extinguishing Adam Flatto's million dollar investment was not true,
8 correct?

9 A Right, yes.

10 Q And you also testified that that false statement by Garman
11 Turner Gordon made you angry at Jay Bloom; isn't that true?

12 A Yes.

13 Q And that false statement was never corrected before you
14 signed a January 23rd, 2021 declaration; isn't that true?

15 MS. TURNER: Objection. The document doesn't contain
16 that; it misstates the document.

17 THE COURT: Overruled.

18 THE WITNESS: Okay. Joe, could you -- I'm sorry,
19 Mr. Gutierrez, could you just ask me that again, please? I apologize.

20 BY MR. GUTIERREZ :

21 Q Sure, yeah. You signed the declaration on January 23rd,
22 2021, when Mr. Ciciliano came to your house; isn't that true --

23 A That's true.

24 Q Okay. And prior to you signing that declaration Mr. Ciciliano,
25 or nobody at Garman Turner Gordon ever corrected the misstatement

1 about you extinguishing Mr. Flatto's million dollar investment; isn't that
2 true?

3 A I believe that's true, yes.

4 Q Thank you, Mr. Farkas, for your time.

5 THE COURT: Redirect?

6 MR. GUTIERREZ : No further questions.

7 REDIRECT EXAMINATION

8 BY MS. TURNER:

9 Q Mr. Farkas, because I know that we had previously gone
10 through this, but I feel like I have to address it again, because of the
11 testimony you just provided. Whether or not the million dollar
12 investment that was exchanged for a membership interest, that gave a
13 right to books and records, there's no question the right to books and
14 records is extinguished by the -- by the settlement agreement, correct?

15 A I believe so.

16 Q And do you recall in the arbitration that First 100 and First
17 100 Holdings was actually disputing that TGC Farkas still even had a
18 membership interest, because you executed a redemption agreement?

19 A Right. That was from 2017.

20 Q And that the arbitrators addressed that argument, and said
21 that TGC Farkas Holding in fact had a membership interest; do you recall
22 that?

23 A I believe so, yes.

24 Q And the settlement agreement would wipe out the judgment
25 and the underlying arbitration award; you understand that, right?

1 A I don't understand that. No, I'm sorry.

2 Q Okay.

3 MS. TURNER: I'll pass the witness, Your Honor.

4 THE COURT: Recross?

5 MR. GUTIERREZ : No further questions, Your Honor.

6 THE COURT: Okay.

7 THE WITNESS: What blew me -- may I say one thing? I --
8 when I --

9 THE COURT: Counsel? Hold on just a second. Counsel, is
10 he -- can he say one thing?

11 MS. TURNER: Please say one thing, Your Honor.

12 THE WITNESS: -- what happened after that phone call, the
13 declaration I made, that I signed with Mr. Ciciliano, was 100 percent
14 accurate. It was 100 percent accurate, and it had nothing to do with that
15 phone call with Mr. Ciciliano.

16 Now I believe that Mr. Flatto is entitled to see these
17 documents. This has been going on for four years. I understand that
18 there were documents that I should not have signed, that I signed by
19 mistake, but that I absolutely was misled. And I want to make it clear
20 that -- that regardless of what Mr. Gutierrez just asked me, I knew exactly
21 what I was signing when Dylan was here, and I believe that I did and said
22 what was accurate.

23 And that's all I have to say.

24 THE COURT: Any follow-up questions based on what was
25 just stated?

1 MS. TURNER: No, Your Honor.
2 MR. GUTIERREZ : No, Your Honor.
3 THE COURT: All right. Thank you. The witness will stand
4 down.
5 THE WITNESS: Can I hang up?
6 MS. TURNER: Yes.
7 THE COURT: Yes, okay.
8 My understanding, from what's been stated earlier, is that
9 that concludes the testimony, correct?
10 MS. TURNER: Yes, Your Honor, from the Plaintiffs'
11 standpoint.
12 THE COURT: Mr. Gutierrez, is that the case with you, as
13 well?
14 MR. GUTIERREZ : Yes, Your Honor. We don't have any
15 further witnesses --
16 THE COURT: Okay.
17 MR. GUTIERREZ : -- and I think all the --
18 THE COURT: Okay. So what we'll do is, go into argument,
19 but I think we should go ahead and recess for lunch, give counsel an
20 opportunity to prepare for argument. Do you want to reconvene at 1:30,
21 or at 1:15, or --
22 MS. TURNER: At your pleasure, Your Honor.
23 MR. GUTIERREZ : One o'clock will be fine.
24 THE COURT: I beg your pardon.
25 MR. GUTIERREZ : Whatever works for the Court.

1 MS. TURNER: Yeah.

2 THE COURT: Okay. Let's reconvene at 1:30, okay? And offer
3 argument, and proceed accordingly, okay.

4 MS. TURNER: Thank you, Your Honor.

5 MR. GUTIERREZ : Thank you.

6 THE COURT: See you at 1:30. Thank you.

7 [Recess at 12:03 p.m., recommencing at 1:30 p.m.]

8 THE COURT: Good afternoon. This is the time for
9 resumption of evidentiary hearing in TGC/Farkas Funding, LLC v. First
10 100, LLC, et al.

11 I believe I see counsel are present. Are we waiting for
12 anybody else before we proceed?

13 MS. TURNER: Your Honor --

14 MR. GUTIERREZ: I don't --

15 MS. TURNER: -- not from my end.

16 MR. GUTIERREZ: Not from my end either, Judge.

17 THE COURT: All right. Very well. We'll proceed with
18 closing.

19 MR. GUTIERREZ: Thank you, Your Honor.

20 Joseph Gutierrez on behalf of First 100, LLC and First 100
21 Holdings, LLC.

22 Your Honor, I said in the opening that Plaintiff's opposition to
23 Defendant's motion to enforce the settlement agreement was really a
24 dispute between the members of TGC/Farkas, and that's exactly what the
25 evidence revealed in this hearing. You know, the first question that

1 came to mind was how could First 100 be expected to know who was in
2 charge of TGC/Farkas if the TGC/Farkas members cannot agree on it.
3 You know, why would First 100 be expected to know Adam Flatto
4 needed approval over a provision when you have two key documents.
5 You have one Adam Flatto's August 13th, 2020 declaration, Exhibit E,
6 submitted in arbitration. It clearly states Matthew Farkas is the
7 administrative manager at TGC/Farkas. And if you go to the operating
8 agreement, the administrative manager is defined and says they have
9 the ability to bind the company. Section 4.4 of that TCG operating
10 agreement states that third-parties can rely conclusively upon the power
11 and authority of the administrative manager for decision. As of August
12 of 2020, Your Honor, it's undisputed that was Matthew Farkas.

13 It's all undisputed from this hearing, Your Honor, that by
14 September 17th of 2020 when Matthew Farkas was removed as the
15 administrative manager of TGC/Farkas, that nobody informed First 100. I
16 think the evidence of that is abundantly clear. Mr. Flatto, Mr. Farkas, Mr.
17 Bloom all testified that First 100 was not made aware of that change.
18 There was an amendment sign that First 100 was never given prior to the
19 settlement agreement in January being signed, and in fact, Mr. Farkas
20 was not even aware he signed that amendment.

21 So at the time of the settlement agreement, First 100 was
22 entitled to rely on the representation from TGC/Farkas that were made in
23 the arbitration about Mr. Farkas having the authority to bind TGC/Farkas.
24 First 100 certainly is not, for Matthew Farkas, failing to read a two-page
25 settlement agreement before signing it, and we'll get into that a little bit,

1 Your Honor, but Matthew Farkas was sent four documents that were no
2 more than a total of six pages. The settlement agreement in this, Your
3 Honor, is a two-page document. The third page is a signature line. And
4 there's no reason for Mr. Farkas to be excused for allegedly not reading
5 a settlement document. The case law, Your Honor, on parole evidence is
6 clear. The parole evidence precludes Mr. Farkas or TGC/Farkas from
7 claiming that he was not signing on behalf of TGC/Farkas, because all
8 prior negotiations merged with the contract. Parole evidence was not
9 admissible to vary the terms.

10 The *Tallman* [phonetic] case, which is 66 Nev 248, when a
11 plaintiff pleads that a relief does not express the intentions of a party, he
12 would have to plead something which the law would not permit him to
13 approve. And that's what we have here. We have material terms and
14 settlement agreement. There's no claim of fraud. There's no claim that
15 Matthew Farkas didn't sign it. That's abundantly clear. There's no claim
16 that he was just given a signature page.

17 He was given all the documents, and he was standing in the
18 UPS store with ample time to go through each one of them. He even
19 testified that it was his fault. He could've called Adam Flatto when he
20 was standing at that UPS store and talked to them about it. He should've
21 read the documents. We didn't say he couldn't make edits to the
22 documents. Nobody was sitting there holding a gun to his head, and he
23 signed the documents and returned them.

24 With respect to Mr. Farkas blaming Mr. Bloom for Mr. Farkas
25 not reading the settlement agreement, Nevada Law clear list issue that --

1 and that's part of his duty to read the settlement agreement before
2 signing it. There's the *Yee v. White* [phonetic] case, which is cite 110
3 Nev 657. In that case, it involves a commercial lease. The Nevada
4 Supreme Court cited to the restatement of contract and held that if the
5 recipient shall discover the falsity by making a cursory examination, his
6 reliance is clearly not justified and he is not entitled to believe. He is
7 expected to use his senses and not rely blindly on the maker's
8 assertion.

9 And Your Honor, here we have a two-page settlement
10 agreement clear on its face. Signature line that clearly states Matthew
11 Farks as signed on behalf of TGC/Farkas. Any cursory examination
12 would be enough to know what was being signed. And Mr. Farkas had
13 an absolute duty to read and understand the terms of that settlement
14 agreement in which failure to do so does not diminish the force of that
15 agreement, Your Honor. Your Honor, it's not the Court's role to protect
16 parties from their own agreements.

17 Mr. Farkas -- there's no issue about his capacity. He's
18 competent. He testified he has an MBA from NYU from over 30 years
19 ago. He has over 30 years of business experience, including running a
20 hedge fund in New York. He was the vice president of finance for First
21 100. He's no stranger to documents. This is not a complicated
22 document. And it is not an excuse if they didn't read it, simply to avoid
23 any consequences from him signing that.

24 This next claim, Your Honor, was about duress, but the
25 evidence, Your Honor, has shown that there was no duress to Mr. Farkas

1 for signing this agreement. There was no threat of violence by Jay
2 Bloom, there was no misrepresentation of fraud. I think Mr. Farkas is
3 going to testify today that Mr. Bloom explained nothing about the
4 agreement. If he didn't explain anything, how could there be any fraud?
5 How could there be any duress? So if there was any duress, Your Honor,
6 I think the evidence showed that it came from Mr. Flatto, through his
7 attorney, Michael Busch, who did threaten claims against Mr. Farkas
8 prior to him signing certain documents, but there certainly was no
9 duress involved. It was Mr. Farkas signing the settlement agreement at
10 issue.

11 Again, Mr. Farkas' claim of not reading the contract is not
12 done by any court, Your Honor. California law holds very similar to
13 Nevada, I think. When a party to an agreement deal at arm's length does
14 it is not reasonable fail to read a contract before signing it. That's exactly
15 what we've dealt with here, Your Honor, with this hearing.

16 So Your Honor, we're requesting that the motions for
17 settlement agreement be granted. The issue really has been coming
18 down to authority, apparent authority. The two step test Your Honor, is
19 whether First 100 subjectively believed that the agent -- in this case, Mr.
20 Farkas -- had the authority to act for the company, and whether that
21 belief was objectively reasonable.

22 Your Honor, you hear from Mr. Bloom directly and Mr.
23 Farkas. Mr. Farkas and Mr. Bloom are brother-in-law's. They speak
24 regularly. Mr. Farkas was the VP of finance at First 100. The testimony
25 has come out that Mr. Farkas would clearly -- talk to Mr. Bloom about

1 issues regarding TGC/Farkas.

2 The TGC/Farkas operating agreement, hear talks about
3 reliance of that third-party. Mr. Farkas signed almost every single
4 document on behalf of TGC/Farkas, including the First 100 operating
5 agreement, the subscription agreement, and he had regular
6 communications through email, Your Honor, with Mr. Flatto where he
7 would send First 100 documents to Mr. Flatto directly, and those were in
8 Exhibit Y and Z.

9 The other issue is when you look at that First 100
10 subscription agreement, which is Exhibit A, page 0015. It requires that
11 notices of changes on member status remain in writing, sent via certified
12 mail to First 100. The Defendant stated that was not done. If anything,
13 they should've sent the amendment to the first one -- to the TGC/Farkas
14 operating agreement after it was signed in September of 2020 to First
15 100. We wouldn't be here. That was never done. Undisputed. That was
16 never done.

17 When we have -- when we're talking about First 100's
18 reliance on the terms and whether it was objectively reasonable in the
19 settlement, and the settlement really accomplished one thing. It ended
20 litigation, number one; and two, it ensured Mr. Flatto got his investment
21 back. What First 100 knows is Mr. Flatto got an email, Your Honor, that's
22 dated January 23rd, 2017 -- it's Exhibit C -- at First 0018, where Mr. Flatto
23 is emailing Mr. Farkas -- not Jay Bloom, but Mr. Farkas -- saying he
24 wants his million dollar investment back and wants no part of the
25 collection efforts against Raymond Ngan. He said, "We simply want our

1 investment returned. Discuss with Jay how you will return our
2 investment and take us out of this. The time has come to an end."
3 Matthew forwards that email to Jay Bloom and says, enclosed is the
4 email where Adam is willing to [indiscernible].

5 And it's interesting. Mr. Flatto says in that email, I want you
6 to discuss with Jay Bloom how that's going to be -- how my investments
7 got returned. Not him. He wants Mr. Farkas to discuss with Jay, his
8 brother-in-law, how his investment is going to be returned, and we
9 talked about Mr. Flatto and asked him, were there any other
10 communications between you and Mr. Farkas and Mr. Bloom where you
11 recanted that? He said no, there wasn't.

12 So First 100's belief going into this settlement agreement
13 was very simple. You want a litigation, and that's what Mr. Farkas
14 wanted, as well. And we also want to ensure Mr. Flatto gets his money
15 back, plus six percent interest, which Jay Bloom said was based on
16 communication he had. And the settlement accomplished that, Your
17 Honor.

18 Mr. Flatto and Mr. Farkas are both educated and experienced
19 businessmen, Your Honor. There's no excuse for any person that's
20 claiming they didn't read a document or it was too complicated. It's just
21 really an internal dispute between TGC/Farkas. First 100 has close to 50
22 members. They couldn't be expected to make sure and double check
23 every time a member made a representation on behalf of a company
24 that all of the other members were in agreement. It's not practical.
25 That's why First 100 in the subscription agreement said, if you have a

1 change, notify us in writing. Never done.

2 So Your Honor, the order to show cause is moot if the
3 settlement agreement is enforced. I think if we get to the second issue,
4 which is the order to show cause, if this motion to enforce the settlement
5 agreement is denied, the Court has to look at whether First 100 and Jay
6 Bloom should be held in contempt for not producing the First 100
7 company documents for TGC/Farkas.

8 Your Honor, with Mr. Bloom, in his personal capacity, he was
9 never a party to any order in the case to produce the documents.
10 There's no alter ego claim. There's no fact even alleged. SJC Venture is
11 the manager of First 100. They weren't even part of the arbitration order.
12 Any contempt or any order regarding Jay Bloom in his individual
13 capacity should be dismissed.

14 With First 100, Your Honor, the testimony has been pretty
15 clear that First 100 -- and it's been consistent. First 100 didn't have the
16 money to gather records. They hadn't been operational in over four
17 years. There's no willful non-compliance of the court order. The minute
18 Mr. Bloom -- when the arbitration order was entered, although he
19 disagreed with it, he submitted a declaration October 15th, 2020, which
20 is Exhibit G, as in George, that First 100 didn't have the money to pay for
21 it. There's no employees.

22 The records would need to be recreated, and the cost
23 associated with the production would have to be paid. The First 100
24 operating agreement provides that members, if they request it, need to
25 be the ones fronting that cost, and First 100 has been consistent that if

1 TGC/Farkas is going to pay for the costs associated with the collection
2 and organizing of these documents, that they can have these documents.
3 Exhibit V as in Victor is a letter from my firm to Ms. Turner that states
4 clearly that encloses Mr. Michael Hendrickson's estimate and what it
5 would cost to gather the documents, which is a few thousands dollars
6 for documents that the documents prior to 2015. It also states that if you
7 want us to recreate documents after 2016, here's what it's going to cost
8 because we're actually recreating documents and that costs money, and
9 that was First 100's position. And it was clear that the Plaintiff didn't
10 want to accept that request.

11 Your Honor, you also heard today -- I guess you're hearing
12 from Mr. Farkas, Mr. Flatto, and Mr. Bloom -- from Mr. Raffi Nahabedian,
13 who was clear in his role as the attorney for TGC/Farkas. It's very
14 limited. It was expressly to dismiss the case. He said he routinely works
15 with other attorneys to dismiss cases when it comes to finalizing
16 settlement documents, and his words were, I was upset and disturbed
17 the minute he found out there was this amendment to the operating
18 agreement that Mr. Farkas may have not had the authority that was
19 represented. And Mr. Nahabedian withdrew his counsel immediately.

20 He contacted State Bar to get advice on the scope of
21 attorney/client privilege, and he's protected that privilege from here on
22 out. He said he would've never accepted the representation of
23 TGC/Farkas if he knew that Mr. Farkas had signed an amendment in the
24 TGC operating agreement that removed him as the administrative
25 manager of the company. So his testimony actually was very helpful to

1 show that there was no evidence whatsoever that Mr. Farkas had signed
2 this amendment to the TGC/Farkas operating agreement.

3 Your Honor, this is a case, Your Honor, you're dealing with
4 family members. You're dealing with Mr. Bloom and Mr. Farkas who
5 have worked together at First 100 for over seven years. They're very --
6 their ability to settle this case without lawyers -- that's exactly what
7 should happen in cases like this. Mr. Bloom talked about his experience
8 in resolving defense litigation, which is handling the person on the other
9 side. Sometimes it's the fastest and most efficient way to get these
10 cases resolved.

11 Since 2013, Farkas was the point of contact between the
12 company and First 100. He was also the VP of finance, and Your Honor,
13 there's nothing in the settlement agreement that is unclear. The terms
14 are valid, binding, and Mr. Farkas clearly signed on behalf of the
15 company.

16 Your Honor, with this subjective belief, we've gone through
17 this as length. First 100 has had this subjective belief that Matthew
18 Farkas had the ability to bind the company and he did so.

19 So Your Honor, the relief that we're requesting today is that
20 you grant the Defendant's motion to enforce the settlement agreement.
21 This would render the order to show cause is moot and the case would
22 be dismissed. That you deny all of Plaintiff's requests for sanctions, that
23 you grant First 100's reasonable attorney's fees and costs associated
24 with having to defend this action. There was really no reason this action
25 should have been brought and continued the way it was.

1 And Your Honor, if the Court will deny a motion for a
2 settlement, we ask that you deny the order to show cause, that we
3 believe Mr. Bloom does not have any standing to be in the case on
4 ownership cause, and that First 100 has shown cause why it does not
5 have the ability to produce the documents that have been requested.

6 And Your Honor, if you have any questions, I would be more
7 than happy to answer any, but thank you for your time and
8 accommodating us for this year.

9 THE COURT: All right. Thank you.

10 Ms. Turner?

11 MS. TURNER: Yes.

12 So let's start with the order to show cause. It was entered
13 December 18th, 2020, on the issue of whether Defendants and Jay
14 Bloom are in contempt of court. And the facts outlined in that order to
15 show cause application have not changed. They're immutable. There
16 was a failure to comply with the Court's order, confirming the arbitration
17 award, denying the counter-motion to modify and judgment, entered
18 November 17th, 2020.

19 It's been almost five months and, you know, generally, the
20 scope of a contempt hearing is whether or not there have been
21 reasonable steps taken, whether or not there has been substantial
22 compliance, and here, we don't have those questions. There's been
23 nothing. Not one piece of paper, not one record has been produced.
24 There has been an absolute stonewall.

25 Now, NRS 22.0103 defines contempt relevant here as

1 disobedience or resistance of a court order, rule, or process issued by
2 the Court. That's what we have here. That's what we had in December
3 2020 and that's what we have now.

4 Now, in response to the order to show cause, there is a
5 settlement agreement and a motion to enforce settlement agreement,
6 and the timing is conspicuous indeed. This was not a settlement
7 agreement that was negotiated over time. It was executed while there
8 were pending contempt proceedings and executed without any back and
9 forth redlines, without any back and forth drafts. These were executed --
10 or this settlement agreement was executed January 7th, 2021 at a UPS
11 store following Jay Bloom sending the document and it being
12 accompanied by a form of release, and attorney/client retention
13 agreement for Raffi Nahabedian, and a letter purportedly terminating my
14 firm, Garman Turner Gordon, so that Mr. Nahabedian could dismiss this
15 lawsuit and dismiss the contempt proceedings before the consequences
16 of the contempt could ever come to bear.

17 We saw the email communication from Jay Bloom to Raffi
18 Nahabedian, as well as Joseph Gutierrez, opposing counsel, and the
19 opposing party's principal, telling counsel, Raffi Nahabedian, purportedly
20 acting on behalf of TGC/Farkas, purportedly acting in its best interest and
21 saying, we need to have this dismissal ASAP, we need this finalized
22 ASAP. What is the rush? Mr. Nahabedian didn't ask. He didn't care. He
23 was coming in just to dismiss the case. There is no impedance for
24 getting this dismissed other than to avoid the consequences of the
25 contempt.

1 Now, the primary argument for avoiding the contempt
2 consequences is that the settlement agreement rendered the contempt
3 move. The settlement agreement, if enforced, will result in dismissal of
4 the case with prejudice, with prejudice. That includes the judgment, the
5 underlying arbitration award, and any and all relating motions and
6 actions pending in the district court.

7 Now, there are not less than 10 reasons why the settlement
8 agreement cannot and should not be enforced. We have Exhibits 28
9 through 30 that were unknown to the Court and unknown to TGC/Farkas
10 until the motion to compel was granted. And the motion to compel --
11 thank goodness that we were able to get a hearing prior to these
12 proceedings, because without that evidence that was being produced, it
13 was being withheld and it was produced last Tuesday, the day before the
14 evidentiary hearing, corroborates Mr. Farkas and his explanation of the
15 events that transpired.

16 Number 1, Mr. Farkas did not have actual authority to enter
17 into the settlement agreement with Defendants on January 7th, 2021.
18 This is a point that's really undisputed. Exhibit 23 has the amendment to
19 the TGC/Farkas, LLC operating agreement, executed by Mr. Farkas on
20 September 17th, 2021, and it unambiguously provides for the removal of
21 Matthew Farkas from any management role and TGC 100 Investor, LLC,
22 managed by Adam Flatto, has the sole managerial control over
23 TGC/Farkas Funding. It's undisputed that that amendment was executed
24 in September of 2020. Sorry -- I think I said 2021, but it's 2020. And that
25 Matthew Farkas voluntarily agreed to give up his management.

1 So the question then turns to what the other side is arguing,
2 whether or not Mr. Farkas had apparent authority to enter into the
3 settlement agreement, and that is point number 2. Mr. Farkas did not
4 have apparent authority when we look at applicable Nevada law.

5 In Simmons Self Storage v. Rib Roof [phonetic], 130 Nev 540,
6 there must be evidence of the principles, knowledge, and acquiescence
7 to the agent holding himself out as having authority to bind the principle.
8 And we do not have that here. We have Exhibit E, which is Adam
9 Flatto's declaration submitted in the arbitration in August 2020, and in
10 that declaration at paragraph five, Mr. Flatto says that Matthew Farkas
11 does not have the authority to bind TGC/Farkas without the consent of
12 the other members.

13 Prior to that, we have Exhibit 22, an April 2017 email attached
14 to a July 2017 letter to Maier Gutierrez, an associate's counsel at the time
15 that the correspondence was sent, and we actually showed the secretary
16 of state records indicating that Maier Gutierrez was the registered agent
17 for much of the relevant time period.

18 In the email, there's no question that First 100 receives notice
19 that Adam Flatto is requiring to approve any action taken. Now, the
20 email refers to the redemption agreement, but if you look, it says it's
21 invalid and shall not be binding on TGC/Farkas Funding, LLC unless and
22 until approved by Adam Flatto.

23 If you go to the letter sent in July of 2017 to counsel that
24 attached this email, we go much broader. Mr. Flatto and TGC/Farkas tell
25 Joe Gutierrez of Maier Gutierrez that Matthew Farkas is not the manager

1 and counsel has previously sent correspondence explaining that
2 Matthew Farkas does not have the authority to bind TGC/Farkas Funding.

3 We have then the arbitration award that's entered in
4 September of 2020 that addresses authority to bind TGC/Farkas. That
5 was something that was arbitrated. And in that arbitration award, you
6 have an unequivocal determination that Adam Flatto has to consent to
7 actions taken on behalf of TGC/Farkas Funding. It is not enough for
8 Matthew Farkas to execute a document.

9 Now, the notices to Maier Gutierrez, the declaration, the
10 point number five of Adam Flatto and the arbitration award have not
11 been discussed. They've been ignored by the other side. You can't
12 ignore opposing inferences of authority. In Ellis v. Nelson, the Nevada
13 Supreme Court explains there is no apparent authority simply because
14 the party claiming so has acted upon its conclusions. There can only be
15 apparent authority where a person acts in good faith and gives heed to
16 opposing inferences. If there are opposing inferences of authority, a
17 party may not ignore them. A party may not ignore them.

18 The Great American Insurance case that was cited to by Mr.
19 Gutierrez in his argument discusses the subjective belief on Jay Bloom,
20 how to be objectively reasonable. In light of the arbitration award, it is
21 not objectively reasonable for Mr. Bloom to believe that Matthew Farkas
22 could alone receive the settlement agreement and execute it and return
23 it within 35 minutes and bind TGC/Farkas. That is not objectively
24 reasonable.

25 The settlement agreement was not emailed to Mr. Farkas so