

IN THE SUPREME COURT OF THE STATE OF NEVADA

JAY BLOOM, Petitioner,

v.

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Elizabeth A. Brown
Clerk of Supreme Court

THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA,
IN AN FOR THE COUNTY OF CLARK, AND THE HONORABLE MARK R.
DENTON, DISTRICT JUDGE, Respondent

-and-

TGC/FARKAS FUNDING, LLC, Real Party in Interest.

Supreme Court No. 84704

Eighth Judicial District Court
Case No. A-20-822273-C

**APPENDIX IN SUPPORT OF REAL PARTY IN INTEREST'S
ANSWERING BRIEF VOLUME II of V**

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CHRONOLOGICAL INDEX OF APPENDIX

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3/18/2020	Case No. A-20-809882-B Nevada Speedway v. Jay Bloom, et Raffi Nahabedian Initial Appearance for Jay Bloom	RA0001 - 0002	I
12/30/2020	Declaration of Service to Jay Bloom of 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 of Court	RA0003	I
1/5/2021	Declaration of Service to Jay Bloom of Subpoena Duces Tecum served upon Maier Gutierrez and Associates	RA0004	I
1/5/2021	Amended Declaration of Service to Jay Bloom of Subpoena Duces Tecum served upon wife Carolyn Farkas	RA0005	I
1/7/2021	Non-Party Jay Bloom's Objection to Subpoena - Civil	RA0006 - 0009	I
2/11/2021	Subpoena Civil issued to Adam Flatto	RA0010 - 0013	I
2/12/2021	Subpoena Civil Duces Tecum issued to Matthew Farkas	RA0014 - 0021	I
2/22/2021	Plaintiff's Motion to Compel and For Sanctions; And Application for Ex-Parte Order Shortening Time	RA0022 - 0150	I
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Date	Description	Bates No.	Vol.
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3/3/2021	Exhibit 03 Declaration of Jay Bloom to Countermotion to Modify Arbitration Award (PLTF_011 – 017)	RA0301 - 0307	II
3/3/2021	Exhibit 04 Order Confirming Arbitration Award, Denying Countermotion to Modify Arbitration Award and Judgment (PLTF_018 – 024)	RA0308 - 0314	II
3/3/2021	Exhibit 05 Order Granting Order to Show Cause Why Judgment Debtors and Jay Bloom Should Not Be Deemed in Contempt of Court (PLTF_025 – 027)	RA0315 - 0317	II
3/3/2021	Exhibit 06 Index of Exhibits to Claimants Arbitration Brief Letter to Gutierrez re Demand (PLTF_028 – 031)	RA0318 - 0321	II
3/3/2021	Exhibit 07 First Amended Operating Agreement of First 100, LLC (PLTF_032 - 059)	RA0322 - 0349	II
3/3/2021	Exhibit 08 1st One Hundred Holdings, LLC Operating Agreement (PLTF_060 – 090)	RA0350 - 0380	II

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3/3/2021	Exhibit 11 Correspondence from Raffi Nahabedian, Esq. re Substitution of Counsel (PLTF_096 – 101)	RA0381 - 0386	II
3/3/2021	Exhibit 13 Settlement Agreement (PLTF_106 – 108)	RA0387 - 0389	II
3/3/2021	Exhibit 15 Declaration of Jay Bloom in support of Reply on Motion to Enforce Settlement Agreement (PLTF_116 - 120)	RA0390 - 0394	II
3/3/2021	Exhibit 16 Jay Bloom text to Matthew Farkas (PLTF_121 - 122)	RA0395 - 0396	II
3/3/2021	Exhibit 17 Email from Jay Bloom to Matthew Farkas re Matthew Farkas Affidavit (PLTF_123 - 128)	RA0397 - 0402	II
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3/3/2021	Exhibit 21 Email to First 100 (PLTF_173 - 178)	RA0426 - 0431	III
3/3/2021	Exhibit 22 Letter to Joseph Gutierrez, Esq. (PLTF_179 - 195)	RA0432 - 0448	III
3/3/2021	Exhibit 23 TGC Farkas Funding, LLC Amendment to Operating Agreement (PLTF_196 - 202)	RA0449 - 0455	III
3/3/2021	Exhibit 25 Email from Dylan Ciciliano to Raffi Nahabedian (PLTF_209 – 211)	RA0456 - 0458	III
3/3/2021	Exhibit 26 First 100, LLC Secretary of State Entity Detail (PLTF_212 – 228)	RA0459 - 0475	III

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3/3/2021	Exhibit 28 Nahabedian Emails (PLTF_ 240 - 567)	RA0487 – 0814	III, IV
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3/3/2021	Exhibit A Declaration of Jay Bloom (FIRST0001-0035)	RA0822 - 0856	IV
3/3/2021	Exhibit C Declaration of Jay Bloom In Support Of Respondents' Arbitration Brief (FIRST0108-0191)	RA0857 - 0940	V
3/3/2021	Exhibit FF Declaration of Matthew Farkas (FIRST0506-0509)	RA0941 - 0944	V
3/3/2021	Exhibit II Arbitration Award (FIRST0531-0536)	RA0945 - 0950	V
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8/9/2021	Court Minutes - Status Check	RA1008	V
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2/11/2021	Subpoena Civil issued to Adam Flatto	RA0010 – 0013	I

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **APPENDIX IN SUPPORT OF REAL PARTY IN INTEREST’S ANSWERING BRIEF VOLUME II of V** was filed electronically with the Nevada Supreme Court on July 11, 2022. Electronic Service of the foregoing document shall be made in accordance with the Master Service List as follows:

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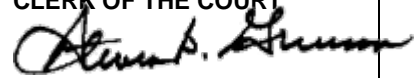
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DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC,

Plaintiff,

vs.

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

Defendants.

Case No: A-20-822273-C

Dept. No.: XIII

**OPPOSITION TO MOTION TO COMPEL
AND FOR SANCTIONS AGAINST NON-
PARTY JAY BLOOM AND HIS COUNSEL
AND
COUNTERMOTION FOR PROTECTIVE
ORDER AND SANCTIONS PURSUANT
TO NRS 18.010(2)(b)**

Defendants First 100, LLC and 1st One Hundred Holdings, LLC (collectively “First 100”), and non-party Jay Bloom (“Mr. Bloom”), by and through their attorneys of record, the law firm MAIER GUTIERREZ & ASSOCIATES, hereby submit this opposition to 1) the motion to compel filed by TGC/Farkas Funding, LLC, and 2) the motion for sanctions filed by TGC/Farkas Funding, LLC against non-party Jay Bloom and his counsel, Maier Gutierrez & Associates (“MGA”); and this counter-motion for protective order and for sanctions pursuant to NRS 18.010(2)(b).

This opposition and counter-motion is based on the following Memorandum of Points and

1 Authorities, the exhibits attached hereto, and any oral argument entertained at the hearing on the
2 motion.

3 **MEMORANDUM OF POINTS AND AUTHORITIES**

4 **I. INTRODUCTION**

5 This Court has made it clear that the evidentiary hearing taking place on March 3, 2021 will
6 be limited to two issues: (1) the validity of the settlement agreement that Matthew Farkas (member of
7 TGC/Farkas Funding, LLC) and Jay Bloom (member of First 100) both executed to resolve this
8 matter; and (2) whether First 100 and non-party Jay Bloom can show cause as to why First 100 has
9 not satisfied the judgment as to First 100's books and records – which is explained by TGC/Farkas
10 Funding, LLC's failure to pay for the production of such documents. *See Exhibit A*, Transcript from
11 1/28/2021 Hearing at p. 15.

12 TGC/Farkas Funding, LLC has ignored the limitations set by the Court and gone total
13 scorched-earth against not only First 100, but non-party Jay Bloom (who has no liability whatsoever
14 regarding a judgment that First 100 has incurred), and law firms such as Maier Gutierrez (counsel for
15 First 100 and non-party Jay Bloom) and Nahabedian Law (the firm that Matthew Farkas retained on
16 behalf of TGC/Farkas Funding, LLC before Garman Turner Gordon swooped in and made threatening
17 phone calls to Mr. Farkas and personal visits to his home to fraudulently induce him to backtrack on
18 that settlement).

19 Instead of focusing on the limited issues, TGC/Farkas Funding, LLC has taken a nominal
20 judgment for fees and the production of First 100's books and records and turned it into a full-fledged
21 litigation where they are attacking everyone involved, including counsel. This includes employing
22 tired employed tired intimidation tactics, such as needlessly deposing Raffi Nahabedian, Esq. (even
23 though he obviously has no relevant information given he had zero involvement in the settlement
24 discussions between Mr. Farkas and Mr. Bloom and has nothing to do with whether First 100 is
25 capable of following the Court's judgment order). TGC/Farkas Funding, LLC even tried to force Mr.
26 Nahabedian to violate the attorney/client privilege during his deposition – going so far as urging him
27 to ignore explicit direction he received from the Nevada State Bar in advance of his deposition.

28 Despite TGC/Farkas Funding, LLC doing its best to manufacture Mr. Nahabedian having

1 some sort of conflict of interest in agreeing to represent TGC/Farkas Funding, LLC (after the parties
2 came to a settlement, and for the limited purpose of submitting the agreement to the Court and
3 obtaining a dismissal), the reality is Mr. Nahabedian has only previously represented Jay Bloom
4 personally on various unrelated matters, so there is no conflict. Nor is there some sort of “scheme” at
5 play in Mr. Farkas selecting Mr. Nahabedian. Attorneys are frequently referred by word of mouth.
6 Naturally, after the parties worked out a settlement, Jay Bloom would have referred his brother-in-
7 law Matthew Farkas to Raffi Nahabedian, as Mr. Farkas had no interest in going through Garman
8 Turner Gordon – the law firm that disobeyed written instructions in the retainer agreement not to
9 initiate a lawsuit against First 100 in the first place.

10 However, because Mr. Nahabedian has represented Mr. Bloom, to the extent that Mr.
11 Nahabedian had communications with Mr. Bloom about any of those unrelated matters in which Mr.
12 Bloom serves as Mr. Nahabedian’s client, then such communications are privileged (aside from being
13 totally irrelevant to this upcoming evidentiary hearing), and it is inappropriate for TGC/Farkas
14 Funding, LLC to try to delve into the contents of such communications. Moreover, Mr. Nahabedian
15 indicated that he relied on advice from the Nevada State Bar in asserting the attorney-client privilege
16 during his deposition, therefore neither First 100, nor Mr. Bloom, nor their counsel Maier Gutierrez
17 & Associates should be punished or sanctioned as a result of Mr. Nahabedian relying on State Bar’s
18 advice.

19 To the contrary, the Court should enter a protective order to ensure that the attorney-client
20 privilege is preserved with respect to communications that Mr. Nahabedian has had with his clients
21 about their matters.

22 In addition to the protective order, sanctions should also be issued against TGC/Farkas
23 Funding, LLC and their counsel of record Garman Turner Gordon for egregiously going far beyond
24 the limited scope of discovery during depositions.

25 For example, ignoring that the Court never granted TGC/Farkas Funding, LLC the ability to
26 conduct judgment-debtor discovery, TGC/Farkas Funding, LLC has attempted to delve into First
27 100’s finances from over five years ago, including First 100’s agreements with individuals and entities
28 that have nothing to do with either the settlement agreement or First 100’s former obligations under

1 the nominal judgment before settlement was reached.

2 TGC/Farkas Funding, LLC has also outright speculated as to the nature of First 100's
3 collection efforts regarding the \$2 billion judgment that First 100 obtained in a matter against
4 Raymond Ngan, going so far as asking Mr. Bloom to testify about if he has filed a malpractice lawsuit
5 against Maier Gutierrez & Associates for the collection efforts that TGC/Farkas Funding, LLC
6 admittedly has no idea about – nor is it entitled to know about in light of the limited scope of this
7 evidentiary hearing.

8 And finally, as if that weren't bad enough, TGC/Farkas Funding, LLC asked non-party Jay
9 Bloom the following question during his deposition: "*Do you cheat on your wife?*" See **Exhibit B**,
10 Transcript of Deposition of Non-Party Jay Bloom at p. 120. This is so beyond harassing and appalling
11 and Garman Turner Gordon knows better. Sanctions are in order, as obviously Garman Turner
12 Gordon sees these depositions, and presumably testimony during the evidentiary hearing, to be an all-
13 out free for all where any kind of harassing or embarrassing question can be asked regardless of
14 whether it has anything to do with the limited scope of this evidentiary hearing.

15 As such, the Court should deny TGC/Farkas Funding, LLC's motion to compel and motion
16 for sanctions, and grant this countermotion for protective order and for sanctions against TGC/Farkas
17 Funding, LLC and their counsel Garman Turner Gordon for the disturbing line of questioning that has
18 taken place during depositions, constituting not only a waste of time and resources (on a nominal
19 judgment), but the kind of harassment that our rules are meant to protect against.

20 **II. LEGAL ARGUMENT**

21 **A. This Evidentiary Hearing Is Limited to Two Discrete Issues**

22 At the January 28, 2021 hearing, the Court ruled as follows: "[I]nstead of requiring the filing
23 of a Motion for Evidentiary Hearing, consider an evidentiary hearing on the Motion to Enforce
24 Settlement Agreement and set that, and also set the evidentiary hearing on the Order to Show Cause
25 at the same time." Ex. A at p. 15. The Court then indicated that the evidentiary hearing would be
26 limited to one day on these limited issues, with "no more than four" depositions being allowed. *Id.* at
27 p. 15; 18.

28 Counsel for TGC/Farkas Funding, LLC and for First 100 also had a meet and confer, where

1 First 100' s counsel made it clear that judgment debtor-related questions would of course be outside
2 the bounds of the limited scope of this upcoming evidentiary hearing. *See Exhibit C*, Transcript of
3 2/15/2021 Meet and Confer at pp. 24-25.

4 Despite those unambiguous limitations, TGC/Farkas Funding, LLC is apparently under the
5 impression that it can dive into Mr. Nahabedian's entire history regarding unrelated matters that he
6 has represented Mr. Bloom on, and pry into non-party Mr. Bloom's personal family matters, both of
7 which are entirely inappropriate and beyond the bounds of this evidentiary hearing.

8 **B. Mr. Nahabedian Should Not Be Compelled to Divulge Attorney-Client**
9 **Communications; a Protective Order Should Be Issued Instead**

10 During his deposition, Mr. Nahabedian confirmed that he has represented non-party Mr.
11 Bloom in various matters completely unrelated to this instant matter. *Exhibit D*, Transcript of Mr.
12 Nahabedian's Deposition at pp. 19-23. TGC/Farkas Funding, LLC has noticeably failed to present
13 any legal support for the notion that Mr. Nahabedian was therefore "conflicted" from representing
14 TGC/Farkas Funding, LLC for the limited ministerial purpose of entering an already-negotiated
15 settlement agreement into the record and obtaining a dismissal.

16 Mr. Nahabedian acquired his own counsel for his deposition, and he also relied on advice from
17 the Nevada State Bar in asserting the attorney-client privilege when appropriate during certain points
18 of his deposition. Naturally, if State Bar counsel provided any kind of inaccurate advice to Mr.
19 Nahabedian, then neither he nor Mr. Bloom nor Mr. Bloom's counsel should be faulted for that. In
20 any event, Mr. Gutierrez of Maier Gutierrez only lodged privilege objections during Mr. Nahabedian's
21 deposition in order to remind Mr. Nahabedian that "any communication that could potentially fall
22 under the umbrella of the attorney/client [privilege] he would be instructed . . . Mr. Bloom has not
23 waived that privilege, and he would be instructed to answer – not to reveal any information that might
24 violate that privilege." *Ex. D* at pp. 31-32. In other words, Mr. Gutierrez stated on the record that
25 Mr. Bloom has not waived any privilege in his capacity as Mr. Nahabedian's client on those certain
26 unrelated matters, which was completely proper.

27 Instead of compelling Mr. Nahabedian to violate the attorney-client privilege, this Court
28 should issue a protective order ensuring that any communications that took place between Mr.

1 Nahabedian and Mr. Bloom involving those unrelated matters be protected from disclosure.

2 There are certainly no grounds to sanction non-party Mr. Bloom nor his counsel Maier
3 Gutierrez for prudently reminding Mr. Nahabedian that Mr. Bloom was not waiving any privilege that
4 applied with respect to the unrelated matters.

5 **C. Sanctions Should Be Issued Against TGC/Farkas Funding, LLC and Garman Turner**
6 **Gordon for Exceeding the Bounds of Limited Discovery**

7 Where sanctions are in order are with respect to TGC Farkas Funding, LLC and its counsel of
8 record Garman Turner Gordon going completely outside the bounds of the limited scope of discovery
9 that this Court has permitted for purposes of this evidentiary hearing.

10 There is no legitimate non-harassing reason for Garman Turner Gordon to be asking non-party
11 Mr. Bloom if he cheats on his wife. Ex. B. at p. 120.

12 There is no legitimate non-harassing reason for Garman Turner Gordon to be using non-party
13 Mr. Bloom's deposition to speculate on how good a job First 100's counsel (Maier Gutierrez) has
14 done on attempting to collect on the \$2 billion Ngan judgment that First 100 has obtained, to the point
15 of asking Mr. Bloom if he has filed a *malpractice* action against Maier Gutierrez. Ex. B at pp. 109-
16 110.

17 There is no legitimate non-harassing reason for Garman Turner Gordon to be using non-party
18 Mr. Bloom's deposition to try to delve into any sort of business deals that First 100 made five or six
19 years ago. Ex. B. at pp. 150-157.

20 This evidentiary hearing is only focusing on: (1) the validity of the settlement agreement that
21 Mr. Bloom of First 100 and Matthew Farkas of TGC/Farkas Funding, LLC negotiated between
22 themselves; and (2) First 100's ability to comply with the nominal judgment and books and records
23 requests. For TGC/Farkas Funding, LLC to even be deposing Mr. Nahabedian, let alone submitting
24 a 22 page motion to compel regarding irrelevant (and privileged) testimony that it wants to pry from
25 him, is a huge waste of everyone's resources.

26 Not only that, but for TGC/Farkas Funding, LLC and its counsel of record Garman Turner
27 Gordon to be spending this deposition process harassing non-party Mr. Bloom, Maier Gutierrez &
28 Associates, and Mr. Nahabedian, is beyond inappropriate and a violation of the discovery rules. They

1 should be sanctioned to prevent such conduct from being repeated at the evidentiary hearing.

2 **III. CONCLUSION**

3 Based on the foregoing, First 100 and non-party Jay Bloom respectfully ask that the Court
4 deny the motion to compel, grant this countermotion for protective order as it relates to privileged
5 communications that Mr. Nahabedian should not be forced to divulge, and issue sanctions against
6 TGC/Farkas Funding, LLC and Garman Turner Gordon in the form of attorneys' fees for blatantly
7 abusing the discovery process and the limits of this evidentiary hearing and outright harassing non-
8 party Mr. Bloom with personal questions about whether he is faithful to his wife, and harassing Maier
9 Gutierrez & Associates as well by using deposition time to imply that they should be sued for
10 malpractice over a collection issue that TGC/Farkas Funding, LLC and its counsel Garman Turner
11 Gordon admittedly know nothing about.

12 DATED this 26th day of February, 2021

13 Respectfully submitted,

14 **MAIER GUTIERREZ & ASSOCIATES**

15 /s/ Joseph A. Gutierrez

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25 *Hundred Holdings, LLC*

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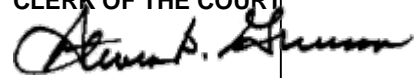
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EXHIBIT “A”



TRAN

DISTRICT COURT
CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC,)	
)	
Plaintiff(s),)	
)	Case No. A-20-822273-C
vs.)	
)	DEPT. XIII
FIRST 100, LLC,)	
)	
Defendant(s).)	

BEFORE THE HONORABLE MARK R. DENTON,
DISTRICT COURT JUDGE

THURSDAY, JANUARY 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
(Via Audio Via BlueJeans)

APPEARANCES:

For the Plaintiff(s):	ERIKA PIKE TURNER, ESQ.
For the Defendant(s):	JOSEPH A. GUTIERREZ, ESQ.

RECORDED BY: JENNIFER GEROLD, COURT RECORDER

1 **LAS VEGAS, NEVADA, THURSDAY, JANUARY 28, 2021**

2 [Proceeding commenced at 10:19 a.m.]

3
4 THE COURT: TGC/Farkas Funding, LLC, versus First 100,
5 LLC. Appearances, please.

6 MS. PIKE TURNER: Good morning, Your Honor. Erika
7 Pike Turner of Garman Turner Gordon on behalf of TGC/Farkas.

8 MR. GUTIERREZ: Good morning, Your Honor. Joseph
9 Gutierrez on behalf of First 100, LLC, and First One Hundred
10 Holdings, LLC.

11 THE COURT: All right. First item on calendar is show
12 cause hearing. This has to do with civil contempt, correct?

13 MS. PIKE TURNER: Yes, Your Honor.

14 So the -- there's really no question that there's a failure to
15 comply with the judgment. The judgment reflects an arbitration
16 award entered last September, became enforceable through the
17 judgment that was entered November 17th. There was an Order to
18 Show Cause entered by Your Honor on December 18th. And since
19 that point in time, we do not have one piece of paper that's been
20 produced.

21 The arbitration award said it -- the documents needed to
22 be prepared and produced within 10 days. The judgment reflects
23 that arbitration award, confirms it. We don't have one piece of
24 paper.

25 So in response to our efforts to enforce the judgment, we

1 have the Motion to Enforce Settlement Agreement. And the Motion
2 to Enforce Settlement Agreement is --

3 THE COURT: Yeah, it occurs to me that maybe what I
4 ought to do is hear that motion first and then get to the show cause.

5 MS. PIKE TURNER: I was going to say I'll be happy to
6 address that at length after Mr. Gutierrez.

7 THE COURT: Okay. So let me hear the Motion to Enforce
8 Settlement Agreement and vacate post-judgment discovery
9 proceedings.

10 MR. GUTIERREZ: Thank you, Your Honor. Yeah, this is
11 Joseph Gutierrez on behalf of the First 100 entities.

12 Yeah, Your Honor, this is a case where the parties, they
13 worked directly to resolve this litigation without counsel. You have
14 an issue where the parties, Jay Bloom on behalf of the First 100
15 entities and Matthew Farkas, who is the administrative member of
16 TGC/Farkas and happens to be the brother-in-law of Jay Bloom.
17 They speak frequently. Mr. Farkas was also the CFO of First 100.
18 So he's -- he understands completely the First 100 business and
19 business model.

20 But they worked directly and they settled this case on their
21 own without the involvement of counsel. On January 6th, they
22 reached a settlement agreement, which is attached as Exhibit 1,
23 Your Honor. Both parties executed it on behalf of their entities. A
24 settlement agreement is a valid contract and Mr. Farkas is not
25 disputing that he signed it.

1 The terms are clear. There was an offer acceptance and
2 consideration on it, and last night, Your Honor, we were -- we filed
3 a reply brief by -- that included a declaration for Mr. Bloom where
4 he described in detail how the parties reached their agreement.

5 My law firm received a copy of the signed agreement on
6 January 7th. We thought this matter was over. We said on the
7 agreement, as -- and reading the terms was consistent with the
8 signed Garman Turner Gordon engagement letter that Mr. Farkas
9 signed as a representative of TGC/Farkas --

10 THE COURT: Looks to me like there are all kinds of --
11 looks to me, as I review this, I haven't seen the reply yet, you just --
12 it was just filed. And that was just filed at 9:00, 9:01 p.m. yesterday.
13 But it appears to me from looking at what's being contended is that
14 there are really some genuine issues of material fact. You're
15 actually seeking a summary judgment on this settlement
16 agreement, right?

17 MR. GUTIERREZ: You're exactly right, Your Honor.
18 You're exactly right. And that's why I think we -- one of the things
19 we requested is an evidentiary hearing to really get to the bottom of
20 these issues. Because you have Mr. Farkas who is recanting, you
21 know, his authority and First 100 who relied on his representation
22 of this authority, but also documents provided by Adam Flato
23 [phonetic], his partner, stating that Mr. Farkas is the administrative
24 member of TGC/Farkas.

25 And, also, first 100 signed documents where they signed a

1 subscription agreement that Mr. Farkas signed. And this – they
2 signed the subscription agreement seven years ago. And over the
3 last seven years, that's who First 100 dealt with, Matthew Farkas.
4 And how he's saying he didn't have authority. There's a
5 requirement under the First 100 documents that they provide notice
6 of --

7 THE COURT: Yeah, but you're the one seeking to enforce
8 the settlement agreement, right? And what I just said would
9 indicate -- should indicate that I don't think that's something that I
10 can just enforce summarily, which is what you're seeking to do.

11 MR. GUTIERREZ: Understood. That's why, Your Honor, I
12 think that if -- to get to the bottom of the issues, so Your Honor
13 could -- to -- could flush these out, is to have an evidentiary hearing
14 where Mr. Farkas takes the stand, Mr. Flato takes the stand instead
15 of Mr. Bloom, and they really explain this. And we get to was there
16 authority or apparent authority on behalf of Mr. Farkas when he
17 signed the agreement. Because he's not disputing that he signed
18 the agreement.

19 What he's doing now is he's recanting his ability as
20 saying, I don't have authority to sign it, when First 100 relied on his
21 representations that he had authority to sign it, relied on the
22 documents that were previously provided that he was the
23 administrative member of TGC/Farkas that allowed him to sign on
24 behalf of the company.

25 So those issues, Your Honor, would flush out in

1 evidentiary hearing. I think there's enough, at this stage, that
2 First 100 had apparent authority to rely on his statements, I think
3 there was major issues involved in how Mr. Farkas' declaration was
4 subsequently obtained last week, and there were some
5 misrepresentations that are actually part of the record where
6 counsel for the defendant -- or counsel for TGC/Farkas stated, by
7 signing the settlement agreement, told Mr. Farkas he would
8 extinguish the \$1 million equity investment. And that's completely
9 false. The settlement agreement provides that they get the equity
10 investment.

11 So did he sign that under duress? is an issue. And these
12 are issues, I think, Your Honor, you can see based on just the
13 polarizing positions of the parties could flesh out during an
14 evidentiary hearing and we could hold that as soon as possible,
15 Your Honor.

16 Your Honor, the other things we did mention in the reply
17 brief under these files, that were -- we did provide documentation
18 that showed the -- First 100's apparent authority to rely on -- from
19 Mr. Farkas' position of the member of TGC/Farkas to sign there.
20 And that includes the assigning of a guarantor and engagement
21 letter, the representations he made to Mr. Bloom, First 100
22 operative unit that he signed, the First 100 subscription agreement
23 he signed. And included a declaration by Adam Flato, his partner,
24 who said that Mr. Farkas was an administrative member of
25 TGC/Farkas.

1 So, Your Honor, there's plenty of information that said
2 that he has the authority to sign on behalf of the company. And we
3 believe you can grant the motion as is, but at a minimum, you can
4 still have an evidentiary hearing before – to flush these issues out,
5 Your Honor.

6 THE COURT: All right. Thank you.

7 Ms. Turner.

8 MS. PIKE TURNER: Your Honor, I think your question to
9 counsel kind of nailed the issue here. We have a motion on an
10 Order Shortening Time for the purpose of staying post-judgment
11 discovery and avoiding a contempt proceeding when there's no
12 question there's been noncompliance with the judgment that
13 there's contempt.

14 With enforcement of this settlement agreement, they're
15 seeking to have the judgment reflecting the arbitration award
16 establishing membership rights and entitlement to documents
17 being produced by the company that had been wrongfully denied.
18 They're looking to deny those rights.

19 The arbitrators award reflects their finding there's a long
20 and bad-faith effort to deny TGC/Farkas its rights as a member of
21 these entities, and that's just continuing.

22 In order to enforce the settlement agreement, there must
23 be -- it has to be valid and enforceable. I don't think that's being
24 denied; those are the elements. To be valid and enforceable, it
25 must reflect a voluntary agreement of the company, of TGC/Farkas,

1 with the intent to be bound, and there has to be receipt of
2 consideration.

3 In our opposition in the motion, we show there was no
4 actual authority for Matthew Farkas to execute this document. The
5 things that are cited to by counsel are from long ago. And the
6 circumstances have changed. September 2020, Mr. Farkas does not
7 have the authority to bind the company. He does not have actual
8 authority.

9 So the only question, then, that's left is does he have the
10 apparent authority? And he doesn't. And there's not less than 10
11 reasons why he doesn't. We outline them at length in our
12 opposition. But in all, there's not any -- any way that there -- this
13 settlement agreement reflects a voluntary agreement of the
14 company with consideration provided.

15 When we look at the argument of apparent authority,
16 we -- the other side is forgetting that TGC/Farkas is an entity who
17 has had counsel of record this entire time. The only
18 communications from the company to the judgment debtors was in
19 their effort to enforce the judgment. So you have the manager of
20 the judgment debtors, Jay Bloom, go directly to the Matthew
21 Farkas, his brother-in-law. Matthew Farkas was provided
22 documents and told -- and this is not in dispute by Jay Bloom in his
23 declaration -- they were sent to a UPS Store and Matthew Farkas
24 was told to sign them and return them to Jay Bloom or he would
25 face adverse action. There was no negotiation, there was no ability

1 to review the documents.

2 Matthew Farkas says, I did not review them; I believed I
3 was signing in my personal capacity; I didn't understand I was
4 signing on behalf of the company; I don't represent the company; I
5 didn't represent that I had the authority to represent the company.
6 And there was certainly no ability to confer with counsel.

7 Now, Mr. Goodyear has said he got a copy of this
8 settlement agreement January 7th. Well, that was 12 days before it
9 was ever provided to the manager of TGC/Farkas or the counsel of
10 record. It was not produced to counsel of record until this Motion
11 to Enforce was filed.

12 Immediately after learning from Jay Bloom's personal
13 counsel, Raffi Nahabedian, that there had been a settlement
14 agreement and he intended to dismiss the judgment in this action,
15 something he could not do, we asked for the settlement agreement.
16 And we said: And in no circumstances does the company stand by
17 this settlement agreement. It doesn't exist. It's repudiated. There
18 was no authority.

19 That was before this Motion to Enforce was filed. There is
20 no purpose for this Motion to Enforce other than to thwart or
21 interfere with the administration of justice under the judgment and
22 the enforcement of that judgment.

23 When we look at the declaration of Jay Bloom, he doesn't
24 talk about the circumstances of getting the signature of Matthew
25 Farkas; he ignores that completely. He was either acting as a

1 conduit of counsel by presenting a settlement agreement that says
2 it was prepared with the benefit of counsel, or he was acting as
3 counsel for the judgment debtors. Counsel without a license. He
4 couldn't do either. He couldn't do either, it would not -- he could
5 not go to Matthew Farkas with a legal document related to this
6 action without the benefit of counsel of record. And --

7 THE COURT: All right. Let's do this. I'm not considering
8 this right now as a Motion for Summary Judgment. I'm
9 considering it as a Motion to Enforce Settlement Agreement. And
10 I've indicated that, in effect, can be characterized as asking the
11 Court to determine if there are no genuine issues, et cetera.

12 My inclination is to deny the motion, okay, without
13 prejudice to Motion for Summary Judgment, if one's going to be
14 made by the defendants or trial, whatever -- evidentiary hearing or
15 trial. All right?

16 I don't -- I'm not going to get into the merits of this motion
17 from the standpoint of whether or not there are genuine issues.
18 Okay. What I will do is permit defendants to proceed accordingly,
19 either by way of Motion for Summary Judgment or whatever.
20 Okay?

21 Mr. Gutierrez?

22 MR. GUTIERREZ: Yeah, just to clarify with the Motion for
23 Summary Judgment, can we just request an evidentiary hearing if
24 we file it as a Motion for Summary Judgment?

25 THE COURT: Well, I'll hear it first. I'll hear proffers and

1 everything else and then determine whether or not one should be
2 had. Okay? But I'm denying the Motion to Enforce Settlement. I --
3 there are a lot of issues here, it appears to me. But I'd rather have it
4 framed in that context than just on this Motion to Enforce
5 Settlement on an Order Shortening Time. Okay?

6 MR. GUTIERREZ: Understood, Your Honor.

7 THE COURT: Now, I need a proposed order on that,
8 Ms. Turner. Okay.

9 MS. PIKE TURNER: Thanks, Judge.

10 THE COURT: I'm denying the Motion to Enforce. You've
11 got your countermotion having to do with I think the declaration of
12 Mr. Maier? What -- I believe that's what it is.

13 MS. PIKE TURNER: Yes. Mr. Maier has submitted a
14 declaration to secure the Order Shortening Time. And he admits he
15 didn't have personal knowledge regarding whether or not
16 Mr. Farkas had actual or apparent authority. So it would be
17 properly stricken or at least that Section 7 would be properly
18 stricken under EDCR 2.20(c).

19 And we also ask for sanctions, because the result of this
20 motion on an Order Shortening Time was to delay our discovery
21 and to delay enforcement of the judgment. And, actually, it -- the
22 stated purpose was to avoid any compliance.

23 We provided extensive evidence of the effort to end run
24 the judgment and its enforcement by even having Matthew Farkas
25 sign an engagement agreement with Jay Bloom's personal counsel.

1 That didn't go anywhere and that counsel appropriately backed off.
2 But this is an intentional interference with justice.

3 So we asked for sanctions to be awarded. There's been a
4 lot of time and expense in addressing this, and it's been to the
5 prejudice of TGC/Farkas, so we do ask for sanctions. And we ask
6 that in addition to denying the Motion to Enforce, that the contempt
7 be determined. There's no question there's been no compliance.
8 We ask for an evidentiary hearing on the extent of the sanctions to
9 be awarded.

10 THE COURT: All right. Well, from the standpoint of
11 sanctions being awarded by way of the countermotion, I'm going to
12 deny that. I've already determined that the motion is -- the Motion
13 to Enforce is denied, but that there will be a further proceeding. So
14 I'll take into account later on what -- whether or not sanctions
15 should be imposed. So the countermotion is denied.

16 Again, I want a proposed order from you, Ms. Turner, that
17 relates to both the motion and the countermotion. The
18 countermotion's denied without prejudice to seeking sanctions
19 based on what has occurred thus far.

20 Now to get to the Order to Show Cause hearing, and
21 Ms. Turner, you just indicated that an evidentiary hearing should be
22 scheduled on that, correct?

23 MS. PIKE TURNER: Yes, Your Honor. I do think, with the
24 Motion to Enforce, there is contempt that's been in your presence.
25 But I think it's appropriate to have an evidentiary hearing even with

1 civil contempt. I think the Nevada Supreme Court has indicated
2 that's appropriate before sanctions are issued.

3 And while we filed the motion -- or the Order to Show
4 Cause application based on the notion that there was civil
5 contempt, I think there is a good likelihood that when Your Honor
6 hears the evidence of what's transpired to avoid compliance, this
7 could be a criminal contempt matter. So you would need a --

8 THE COURT: If that's the case --

9 MS. PIKE TURNER: -- evidentiary hearing --

10 THE COURT: -- I'm not so sure that I'm the one that would
11 be hearing it.

12 MS. PIKE TURNER: Pardon me?

13 MR. GUTIERREZ: And, Your Honor, can I address that?
14 Because I think counsel's made some pretty serious accusations --

15 THE COURT: No, in just a minute.

16 MR. GUTIERREZ: -- and we'd like to respond to it.

17 THE COURT: Just a moment here, I just want to make
18 sure that Ms. Turner understood what I said. If it gets into a
19 criminal contempt situation, I'm not sure that I'm the judge that
20 could hear the matter.

21 MS. PIKE TURNER: I understand. I think that would have
22 to be established as the first order, whether or not there was
23 contempt in your presence or not. And that would come at the
24 evidentiary hearing.

25 But, certainly, as a result of this Motion for Enforcement, I

1 guess I put it to Your Honor whether or not you think this is criminal
2 contempt at this point or whether or not you want to hear more at
3 the evidentiary hearing.

4 THE COURT: I'll probably want to hear more, but I'm --
5 the question I've got is whether or not what happens relative to
6 contempt is intermingled with the defendants' contentions
7 regarding the settlement agreement that they claim is enforceable
8 and that they're going to proceed to seek to enforce. I denied it at
9 this point, but I guess the question is, is to show cause -- if I were to
10 grant the motion -- find that there wasn't a settlement agreement
11 and grant that motion, what would that have to do with the
12 contempt proceedings? My understanding is you're contending
13 that those proceedings relate to things in the past that haven't been
14 done and don't necessarily relate to what might happen to the
15 settlement agreement; is that right?

16 MS. PIKE TURNER: The Court doesn't need to hear any
17 evidence on the compliance, because there's been none. It's not a
18 question of whether or not there's been substantial compliance or
19 there's been a good-faith effort to comply, because there's been
20 none. There's been not one piece of paper.

21 So the evidentiary hearing really is -- would not be
22 necessary to determine whether there was contempt. It is only
23 because the opposition to the contempt says it's by virtue of a
24 settlement agreement that there was not compliance that I think
25 that comes into play.

1 Your Honor, I'm not opposed to you hearing all of it at one
2 evidentiary hearing, for efficiency's sake, if you're inclined to hear
3 evidence with respect to their defense. We would say -- if you were
4 to direct production of the documents by Monday, a week from
5 now, if those aren't produced, there would need to be an
6 evidentiary hearing. I don't think there's any question about that.

7 The scope of that evidentiary hearing --

8 THE COURT: What if I were to backtrack a little bit, and
9 instead of requiring the filing of a Motion for Evidentiary Hearing,
10 consider an evidentiary hearing on the Motion to Enforce
11 Settlement Agreement and set that, and also set the evidentiary
12 hearing on the Order to Show Cause at the same time.

13 MS. PIKE TURNER: Since that's their stated defense, we
14 certainly dispute it. And if Your Honor wants to resolve the matter,
15 then I think that's the cleanest way --

16 THE COURT: How long --

17 MS. PIKE TURNER: -- the most efficient way to handle it.

18 THE COURT: How long do you think an evidentiary
19 hearing would take on these matters?

20 MS. PIKE TURNER: A day.

21 THE COURT: And Mr. Gutierrez?

22 MR. GUTIERREZ: I agree, Your Honor, with counsel. I
23 agree it would take a day. And I think that would be the most
24 appropriate remedy to hear the issue.

25 THE COURT: And when do you think you'd be -- it could

1 be framed and ready for the hearing? I think the issues have been
2 framed, but when do you think it could be set for?

3 MR. GUTIERREZ: Your Honor, however you do
4 evidentiary hearings -- I know, because I started trial with Judge
5 Gonzalez on Monday, and she's doing some in person, some
6 remote.

7 THE COURT: Remote.

8 MR. GUTIERREZ: So how are you --

9 THE COURT: Remote. Remote.

10 MR. GUTIERREZ: Okay. And that was just for purposes of
11 availability of witnesses, just to confirm.

12 For us, I don't know that it would take longer than two
13 weeks. I just started a trial Monday that would last most of next
14 week, but it wouldn't take us longer than two weeks. I think the
15 issues have been framed, I think they'll be -- I think we can outline
16 the witnesses and evidence in advance of that.

17 THE COURT: By what time?

18 MR. GUTIERREZ: Two weeks, Your Honor.

19 THE COURT: Ms. Turner?

20 MS. PIKE TURNER: So, Your Honor, that's fine. I have an
21 arbitration on the 9th of --

22 THE COURT: Well, I'm not going to -- I'm not going to be
23 able to set it now. My JEA will have to communicate with you --

24 MS. PIKE TURNER: Okay.

25 THE COURT: -- and get it set for the hearing. And that's

1 what I'll do.

2 So I'm going to retract a bit on my -- the ruling that I made
3 on the Motion to Enforce Settlement Agreement. It's denied
4 without prejudice to further proceedings. Okay. And that will be
5 the evidentiary hearing. Okay?

6 MS. PIKE TURNER: Your Honor, since this has expanded
7 to, really, resolving a Motion for Summary Judgment or a Motion
8 to Enforce that's being construed as a Motion for Summary
9 Judgment, there being issues of fact, we have a declaration of Jay
10 Bloom and counsel, and there's this Nahabedian -- I can't say his
11 name, pardon me. Can we have depositions before the hearing on
12 the purported settlement agreement?

13 THE COURT: Well, okay, now you bring up that issue.
14 You're talking about discovery. So do you want me to set a Rule 16
15 conference, then, and instead of scheduling this hearing in two
16 weeks, so I have a Rule 16 conference where we discuss discovery
17 or whatever?

18 MS. PIKE TURNER: I don't think we need discovery other
19 than the depositions, at least from our standpoint. The depositions
20 of those people who have provided declarations.

21 THE COURT: That seems fair.

22 Mr. Gutierrez, what do you think?

23 MR. GUTIERREZ: Yeah, I don't have any objection to that.
24 I think that's fair. If we're going to have the whole evidentiary
25 hearing on these issues, we should be able to have this issue

1 fleshed out.

2 THE COURT: What about the notice requirements of the
3 depositions? What period of time are we looking at there?

4 MS. PIKE TURNER: Since we're just dealing with parties
5 and their constituents, I don't think we need the full 14 days. I
6 would compromise those notice requirements so we can take
7 depositions next week, if possible.

8 THE COURT: Mr. Gutierrez?

9 MR. GUTIERREZ: I at least request seven days' notice for
10 a deposition. Like I said, I started trial Monday. That's going to take
11 an entire week.

12 THE COURT: All right.

13 MR. GUTIERREZ: So at least give us that notice.

14 THE COURT: How many depositions, Ms. Turner?

15 MS. PIKE TURNER: I would say no more than four.

16 THE COURT: Okay. No more than four, seven days'
17 notice. Okay?

18 MS. PIKE TURNER: Okay.

19 THE COURT: Okay. I still need an order that denies the
20 Motion to Enforce, okay, and denies the countermotion, okay, is
21 struck. Okay?

22 MS. PIKE TURNER: Understood. And I'll run it by
23 counsel. Will we need to contact Lorraine or will Lorraine contact
24 us for setting the hearing?

25 THE COURT: I believe that you'll need to contact her.

1 MS. PIKE TURNER: Okay.

2 THE COURT: Okay. She may reach out to you, I'm not
3 sure.

4 Lorraine, are you on?

5 THE JEA: Yeah, I'm on. But, unfortunately, I wasn't
6 listening. So --

7 THE COURT: We're going to schedule an evidentiary
8 hearing in this case. It's going to be two weeks, no sooner than two
9 weeks. It'll take a day. Okay.

10 THE JEA: Okay.

11 THE COURT: And counsel will need to confer with you or
12 communicate with you regarding the setting.

13 THE JEA: Okay. So you said no sooner than two weeks
14 and no -- do you want the week of, I guess, February 16th and on?

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1 MS. PIKE TURNER: Yes.
2 THE JEA: Okay. Okay. I'll be in touch with both of you.
3 MS. PIKE TURNER: Thank you.
4 THE JEA: Okay.
5 MR. GUTIERREZ: Thank you, Your Honor.
6 THE COURT: Okay. Thank you.
7 MS. PIKE TURNER: Thank you.
8 THE COURT: That concludes the hearing on that matter.
9 [Proceeding concluded at 10:45 a.m.]

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18 ATTEST: I do hereby certify that I have truly and correctly
19 transcribed the audio/video proceedings in the above-entitled case
20 to the best of my ability. Please note: Technical glitches in the
21 BlueJeans audio/video which resulted in distortion and/or audio
cutting out completely may have been experienced and will be
reflected in the transcript.

22 
23 Shawna Ortega, CET*562

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EXHIBIT “B”

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DISTRICT COURT

CLARK COUNTY, NEVADA

* * * * *

TGC/FARKAS FUNDING, LLC,

Plaintiff,

vs.

Case No. A-20-822273-C
Dept. No. 13

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

Defendants.

REMOTE VIDEOCONFERENCE DEPOSITION OF JAY BLOOM,

INDIVIDUALLY AND AS 30(b)(6) WITNESS FOR FIRST 100, LLC

AND FIRST ONE HUNDRED HOLDINGS, LLC

Taken on February 24, 2021

At 8:07 a.m.

Reported by: Kimberly A. Farkas, RPR, CCR #741

Job No. 43580

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1Remote Videoconference Deposition of JAY

2BLOOM, taken on Wednesday, February 24, 2021, at 8:07

3a.m., before Kimberly A. Farkas, Certified Court

4Reporter in and for the State of Nevada.

5

6APPEARANCES

7

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22Also present: Michael Busch

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25

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1DEPOSITION OF JAY BLOOM

2February 24, 2021

3Kimberly A. Farkas, CCR No. 741

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1Wednesday, February 24, 2021

28:07 a.m.

3DEPOSITION OF JAY BLOOM

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5(The court reporter was relieved of her

6duties under NRC 30(b)(5).)

7THE STENOGRAPHER: Do I have an agreement

8from all counsel to swear the witness remotely?

9MR. GUTIERREZ: Yes.

10MS. TURNER: Yes.

11

12JAY BLOOM,

13having been first duly sworn, was examined and

14testified as follows:

15EXAMINATION

16MS. TURNER: For the record, this is Erika

17Pike Turner of Garman Turner Gordon, counsel for

18TGC/Farkas Funding, LLC. Also on the line is Dylan

19Ciciliano and Michael Busch.

20MR. GUTIERREZ: Joseph Gutierrez on behalf of

21Jay Bloom in his individually capacity, and as 30(b)(6)

22witness of First 100, LLC and First One Hundred

23Holdings, LLC.

24BY MS. TURNER:

25Q. All right. Mr. Bloom, can you state and

<p>6</p> <p>1 spell your full name for the record.</p> <p>2 A. My name is Jay Bloom, J-A-Y, B-L-O-O-M.</p> <p>3 Q. Is there any middle name?</p> <p>4 A. Lawrence.</p> <p>5 Q. And are you being deposed today in your home</p> <p>6 located in Las Vegas, Nevada?</p> <p>7 A. Yes, I am.</p> <p>8 Q. And what is that address, for the record?</p> <p>9 A. 5148 Spanish Heights Drive, Las Vegas,</p> <p>10 Nevada, 89148.</p> <p>11 Q. Okay. Mr. Bloom, you're represented by</p> <p>12 counsel here today, both in your individual capacity</p> <p>13 and in your capacity on behalf of the judgment debtors,</p> <p>14 First 100 and First One Hundred Holdings.</p> <p>15 There may be times where counsel will lodge</p> <p>16 an objection. I'll be looking to you to provide a full</p> <p>17 and complete answer unless your counsel directs you not</p> <p>18 to answer; okay?</p> <p>19 A. That's fine.</p> <p>20 Q. All right. And if you don't understand my</p> <p>21 question, please ask me to restate it or repeat it, and</p> <p>22 I'll be happy to do that. If you don't ask me to</p> <p>23 restate or repeat, I'm going to assume that you</p> <p>24 understood the question; okay?</p> <p>25 A. That's fine.</p>	<p>8</p> <p>1 For what period of time did SJC Ventures</p> <p>2 Holding, LLC have a management role?</p> <p>3 A. From inception through, I don't know, maybe</p> <p>4 2015, 2016.</p> <p>5 Q. And did -- well, for SJC Ventures Holding,</p> <p>6 LLC, are you its sole manager?</p> <p>7 A. Yes.</p> <p>8 Q. And have you always been the sole manager?</p> <p>9 A. Yes.</p> <p>10 Q. Now, First 100 LLC, there's been no</p> <p>11 certificate of dissolution; correct?</p> <p>12 A. Correct.</p> <p>13 Q. And there's been no vote of the members to</p> <p>14 dissolve First 100 LLC?</p> <p>15 A. Correct.</p> <p>16 Q. Did SJ [sic] Ventures Holding, LLC resign its</p> <p>17 position as manager?</p> <p>18 A. I don't believe there's a formal resignation</p> <p>19 of its management position.</p> <p>20 Q. All right. You said that you're currently</p> <p>21 one of many directors of First 100 LLC. Who are the</p> <p>22 other directors?</p> <p>23 A. Carlos Cardenas, Chris Morgando,</p> <p>24 Albert Ramirez and Matthew Farkas.</p> <p>25 Q. How long have those individuals been</p>
<p>7</p> <p>1 Q. All right. Mr. Bloom, how long has</p> <p>2 Mr. Gutierrez been your personal counsel?</p> <p>3 A. A number of years. I don't know. I can't</p> <p>4 recall exactly how long.</p> <p>5 Q. And how long has he been counsel for</p> <p>6 First 100 and First One Hundred Holdings?</p> <p>7 A. Since inception.</p> <p>8 Q. Can you -- well, what is your current role</p> <p>9 with First 100, LLC?</p> <p>10 A. I am one of several directors.</p> <p>11 Q. Is that your only role with First 100, LLC?</p> <p>12 A. Yeah, First 100, LLC does not have any</p> <p>13 ongoing operations at this time.</p> <p>14 Q. What roles have you held with First 100 LLC?</p> <p>15 A. Just director.</p> <p>16 Q. Has any affiliated entity had a management</p> <p>17 role with First 100 LLC? And let me define</p> <p>18 "affiliated" for you. Any entity in which there is any</p> <p>19 amount of control or ownership by you.</p> <p>20 A. Yes, I believe so.</p> <p>21 Q. And what entity has a management role with</p> <p>22 First 100 LLC?</p> <p>23 A. I believe that SJC Ventures Holding had a</p> <p>24 management role.</p> <p>25 Q. And your answer was in the past tense.</p>	<p>9</p> <p>1 directors of First 100 LLC?</p> <p>2 A. I'm not sure how to address your compound</p> <p>3 question since there are five of us.</p> <p>4 Q. Let me take them one at a time.</p> <p>5 How long has Carlos been a director of</p> <p>6 First 100, LLC?</p> <p>7 A. Carlos, since inception, I think 2012.</p> <p>8 Q. And Chris?</p> <p>9 A. Since inception, 2012.</p> <p>10 Q. Albert?</p> <p>11 A. Since inception, 2012.</p> <p>12 Q. And Matthew Farkas?</p> <p>13 A. Since his date of hire, which I think was in</p> <p>14 2013.</p> <p>15 Q. Has there been any manager of First 100, LLC</p> <p>16 other than SJ Ventures Holding, LLC?</p> <p>17 A. Different individuals were given officer</p> <p>18 positions and assumed duties of management for the</p> <p>19 company.</p> <p>20 Q. Has there been any manager designated with</p> <p>21 the Nevada Secretary of State other than SJ Ventures</p> <p>22 Holding, LLC for First 100, LLC?</p> <p>23 A. I don't believe so.</p> <p>24 Q. And as the term manager is defined in the</p> <p>25 First 100, LLC operating agreement, as far as you know,</p>

<p>10</p> <p>1 has there been any other manager other than SJ Ventures Holding, LLC?</p> <p>2 A. To the extent that the manager assigned some of the managerial responsibilities to the officers under the operating agreement, yes, there are other people that have managerial roles as officers. But, no, there's only one manager designated, and that was SJ.</p> <p>3 Q. Okay. Now, was SJ Ventures Holding, LLC also a member of First 100, LLC?</p> <p>4 A. Yes, it was.</p> <p>5 Q. What was the percentage of membership held by SJ Ventures Holding, LLC?</p> <p>6 A. I don't recall the cap table, as we sit here today, so I couldn't give you an accurate number.</p> <p>7 Q. Did you have any other entity affiliated with you, using that same definition of affiliate that I already provided, who had a membership or manager role with First 100, LLC at any point since its inception?</p> <p>8 A. No.</p> <p>9 Q. Has there been any other entity affiliated with you, using that same definition of affiliate that I already provided, who had any beneficial interest or receiving wages or other compensation from First 100, LLC?</p>	<p>12</p> <p>1 individual for \$150 million that would have allowed the company to continue. In reliance on that individual's financing commitment, the company took its capital and bought a lien pool out of Florida --</p> <p>2 THE STENOGRAPHER: Bought a -- I'm sorry. I'm sorry, Mr. Bloom. Reliance on that financing commitment, the company bought a what?</p> <p>3 THE WITNESS: Bought of pool of delinquent homeowner association assessment liens out of Florida, and depleted its capital in that purchase in reliance on the financing commitment that breached. So that's one reason.</p> <p>4 The other reason is there was a shelf life to the business model. And by the time we got to 2016, banks realized that they were subject to extinguishment in subordination to the foreclosing homeowner association liens, and were now starting to satisfy the liens. And the investment community realized these properties going to sale in many instances were free and clear properties and not encumbered. So the markets became efficient. The banks became protected, and did advances to prevent the foreclosures, and the market normalized.</p> <p>5 So this opportunity in 2012, was identified as having a shelf life. So it ran its course, together</p>
<p>11</p> <p>1 A. Not that I can recall.</p> <p>2 Q. Mr. Bloom, you referenced that there was some delegation of duties by the manager to the officers of First 100, LLC. Was that delegation of duties pursuant to a written document or documents?</p> <p>3 A. I don't have a recollection of the nature of the delegation, whether it was written or just by practice.</p> <p>4 Q. Now, you indicated that Matthew Farkas was hired in 2013 by First 100, LLC. Matthew Farkas was hired to fill what position?</p> <p>5 A. Initially, he was the chief financial officer, and later he was moved over to the VP of finance.</p> <p>6 Q. Now, Mr. Farkas is no longer employed with First 100; correct?</p> <p>7 A. Well, nobody's employed with First 100 at this point. It hasn't had operations in probably four years, five years.</p> <p>8 Q. When did operations cease?</p> <p>9 A. I believe I just answered that, about four or five years ago.</p> <p>10 Q. Why did operations cease?</p> <p>11 A. There are a combination of factors. One, there was a breach of a financing commitment by an</p>	<p>13</p> <p>1 with the breach of the finance commitment, ran out of capital, and the combination of factors concluded the business opportunity.</p> <p>2 BY MS. TURNER:</p> <p>3 Q. Where are -- well, what was the business of First 100 while it was operating?</p> <p>4 A. First 100 would buy an assignment of the beneficial interest in the proceeds of homeowner association delinquent assessment account receivables. And then it would see the liens through foreclosure sale. And it would attend the foreclosure sale as a bona fide third-party purchaser, buy the properties at public auction. And then, subsequently, in a judicial proceeding, bring a quiet title action to extinguish any public liens that may be recorded.</p> <p>5 Q. Did First 100 sell any of these liens?</p> <p>6 A. On rare occasions, it did, but not often.</p> <p>7 Q. Did you have the members vote on a sale of liens?</p> <p>8 A. I don't believe so.</p> <p>9 Q. Who were the liens sold to?</p> <p>10 A. I don't recall the names. Third-party buyers. I think we actually only did that once to bring some capital in after the default so that was not a common practice.</p>

<p>14</p> <p>1 Q. And who was that sale to?</p> <p>2 A. I don't recall. It was a third-party buyer</p> <p>3 that I had no prior relationship with.</p> <p>4 Q. So the assets of First 100, LLC, you've</p> <p>5 testified to the pool of liens. Was there anything</p> <p>6 else that was an asset of First 100?</p> <p>7 A. There were liens, there were houses, and</p> <p>8 there's a judgment. The liens were lost to a bridge</p> <p>9 financing source when the -- when the financing</p> <p>10 commitment breached to us. Houses were sold --</p> <p>11 MR. GUTIERREZ: I'm sorry, Jay. For the</p> <p>12 record, Counsel, are you asking Mr. Bloom these</p> <p>13 questions in his individual capacity or are we</p> <p>14 combining this deposition that's also set for tomorrow</p> <p>15 of the 30(b)(6) of First 100?</p> <p>16 MS. TURNER: That's fair. I'm asking him in</p> <p>17 his personal capacity regarding his personal knowledge.</p> <p>18 But to the extent he answers, I won't be re-asking the</p> <p>19 question tomorrow.</p> <p>20 MR. GUTIERREZ: Thank you.</p> <p>21 THE WITNESS: I understood at the beginning</p> <p>22 of the deposition that I was here in both capacities</p> <p>23 today. In the beginning of the deposition, you said</p> <p>24 I'm here both in my individual capacity and as a</p> <p>25 30(b)(6) for First 100.</p>	<p>16</p> <p>1 homes to third parties?</p> <p>2 A. I don't believe so.</p> <p>3 Q. And when you say "unrelated third parties," I</p> <p>4 want to make sure we're on the same page. An unrelated</p> <p>5 third party would be somebody or an entity with no</p> <p>6 affiliation with First 100; correct?</p> <p>7 A. With no affiliation to First 100 or any of</p> <p>8 its managers or members, yes, correct.</p> <p>9 Q. Who were the third parties that purchased</p> <p>10 homes?</p> <p>11 A. I don't have a recollection. There were</p> <p>12 dozens of them.</p> <p>13 Q. Do you know who Greg Darroch is?</p> <p>14 A. Greg Duluck? Greg Darroch.</p> <p>15 Q. Yeah. I don't know how to pronounce it so,</p> <p>16 yes.</p> <p>17 A. Yes, I do.</p> <p>18 Q. Did you sell houses to an entity affiliated</p> <p>19 with Greg Darroch?</p> <p>20 A. He bought some of the houses, yes.</p> <p>21 Q. In the name of Kal-Mor; correct?</p> <p>22 A. Correct.</p> <p>23 Q. And in the name of GFY Management?</p> <p>24 A. No, I don't believe he bought houses in GFY.</p> <p>25 Q. Okay. Did GFY Management take any interest</p>
<p>15</p> <p>1 MS. TURNER: I didn't. But I will state for</p> <p>2 the record that nobody is going to waste your time. If</p> <p>3 you answer a question, I'm going to assume that your</p> <p>4 knowledge is the same, both in your individual capacity</p> <p>5 and on behalf of the company, unless you indicate</p> <p>6 otherwise.</p> <p>7 MR. GUTIERREZ: And, for the record, Counsel,</p> <p>8 Mr. Bloom will be the 30(b)(6) representative on the</p> <p>9 topics that you had addressed.</p> <p>10 MS. TURNER: Okay.</p> <p>11 BY MS. TURNER:</p> <p>12 Q. All right. Mr. Bloom, back to the question,</p> <p>13 or, actually, your response.</p> <p>14 You said there were liens, there were houses,</p> <p>15 and there was a judgment. The liens were lost to a</p> <p>16 bridge financing source when the financing commitment</p> <p>17 breached. Is that Omni?</p> <p>18 A. The bridge financing as Omni, yes.</p> <p>19 Q. Okay. And there was a settlement with Omni;</p> <p>20 correct?</p> <p>21 A. Yes.</p> <p>22 Q. Okay. And then you indicated houses were</p> <p>23 sold. Who were the houses sold to?</p> <p>24 A. Various unrelated third parties.</p> <p>25 Q. Did you notice the members on the sale of</p>	<p>17</p> <p>1 in any asset of First 100, LLC?</p> <p>2 A. GFY provided capital and partnered on an</p> <p>3 additional lien pool in Florida.</p> <p>4 Q. So GFY Management that was managed by</p> <p>5 Greg Darroch was a partner in a lien pool that was</p> <p>6 purchased by First 100, LLC out of Florida; is that</p> <p>7 right?</p> <p>8 A. Correct. That's my recollection, yes.</p> <p>9 Q. And did -- was that lien pool included in the</p> <p>10 settlement with Omni?</p> <p>11 A. I believe Omni sued GFY and Kal-Mor, and it</p> <p>12 was a global resolution.</p> <p>13 Q. The documents that relate to First 100's</p> <p>14 operations and sales of assets, where are those</p> <p>15 documents located?</p> <p>16 A. At this point, I don't know where all of them</p> <p>17 are. We have a former financial controller. He has</p> <p>18 his laptop or his desktop still in his possession. He</p> <p>19 no longer works for us, hasn't for years, but he would</p> <p>20 have some. Matthew Farkas, as the VP of finance, kept</p> <p>21 a lot of the books and records so he would have some.</p> <p>22 I'm not sure if I have any. I may have a</p> <p>23 banker's box, but I'd have to look. There's no one,</p> <p>24 central repository at this point given the chaotic</p> <p>25 nature of the windup of the operations.</p>

<p>18</p> <p>1 Q. There has been no vote -- take that back.</p> <p>2 There's been no receiver appointed over</p> <p>3 First 100?</p> <p>4 A. No.</p> <p>5 Q. No bankruptcy filing?</p> <p>6 A. No.</p> <p>7 Q. And as the manager of SJC Ventures Holding,</p> <p>8 LLC, describe everything you've done to marshal the</p> <p>9 documents?</p> <p>10 MR. GUTIERREZ: Form and overbroad.</p> <p>11 THE WITNESS: There's really very little that</p> <p>12 we're able to do. We requested financing under the</p> <p>13 operating agreement from the party requesting the</p> <p>14 documents to compile them, but without the -- without</p> <p>15 the financing to do so, we can't compel a nonemployee</p> <p>16 third party to perform work for us.</p> <p>17 So other than what Matthew Farkas retained as</p> <p>18 his role, in his role of VP of finance,</p> <p>19 Michael Henriksen would be able to put stuff together.</p> <p>20 We asked him for an estimate of what it would cost,</p> <p>21 which I believe he provided. But until somebody pays</p> <p>22 for that work to be done, we're at a standstill.</p> <p>23 BY MS. TURNER:</p> <p>24 Q. Okay. When did you first request documents</p> <p>25 from Michael Henriksen, the former controller for</p>	<p>20</p> <p>1 BY MS. TURNER:</p> <p>2 Q. Have you taken loans on behalf of</p> <p>3 First 100, LLC for the purpose of complying with the</p> <p>4 judgment entered against the company?</p> <p>5 A. Are you asking me in my individual capacity</p> <p>6 or in my 30(b)(6) capacity when you say "you?"</p> <p>7 Q. In any capacity. Have you taken a loan on</p> <p>8 behalf of First 100, LLC for the purpose of complying</p> <p>9 with the judgment entered against the company?</p> <p>10 A. I am not aware of any source of financing</p> <p>11 which First 100 would be able to take a loan so, no,</p> <p>12 First 100 has not taken a loan. Additionally, the</p> <p>13 arbitration award and the order require First 100 to</p> <p>14 provide the documents, but does not require First 100</p> <p>15 to pay for the documents, is my understanding. The</p> <p>16 operating agreement requires the requesting member to</p> <p>17 provide for the cost of that production and I don't</p> <p>18 believe the order requires First 100 to make the</p> <p>19 payment.</p> <p>20 Q. You understand that --</p> <p>21 A. And even if it did -- even if it did, it</p> <p>22 would be impracticable because First 100 has no bank</p> <p>23 accounts, much less any funds.</p> <p>24 Q. So as the ongoing manager of First 100, LLC,</p> <p>25 SJC Ventures Holding, LLC owes a fiduciary duty to the</p>
<p>19</p> <p>1 First 100?</p> <p>2 A. I don't recall the -- I don't recall when.</p> <p>3 It's been a while.</p> <p>4 Q. When you say, "it's been a while," that can</p> <p>5 mean different things to different people. Was it</p> <p>6 within the last 60 days?</p> <p>7 A. There were -- there were several discussions</p> <p>8 about the provision of documents going back -- first</p> <p>9 ones going back years, and the most recent ones going</p> <p>10 back, you know, within the last 60 days.</p> <p>11 Q. Do you have the emails with Mr. Henriksen?</p> <p>12 A. I don't recall if they're emails, texts, or</p> <p>13 phone conversations, or some combination thereof.</p> <p>14 Q. Now, as the manager of SJC Ventures Holding,</p> <p>15 LLC, have you made a capital call to the members of</p> <p>16 First 100?</p> <p>17 A. I don't believe so.</p> <p>18 Q. Have you borrowed any money on behalf of</p> <p>19 First 100?</p> <p>20 MR. GUTIERREZ: Object to the form, and</p> <p>21 outside the scope of the deposition.</p> <p>22 THE WITNESS: I'd also need some</p> <p>23 clarification in terms of the time period that you're</p> <p>24 asking about. Do you mean ever?</p> <p>25</p>	<p>21</p> <p>1 company and all its members. You agree with that;</p> <p>2 correct?</p> <p>3 A. I think every officer and member has a</p> <p>4 fiduciary duty to the others. I'm sure we'll be</p> <p>5 talking about that later.</p> <p>6 Q. And that would include SJ Ventures Holding,</p> <p>7 LLC; correct?</p> <p>8 A. That would include Matthew Farkas. That</p> <p>9 would include SJC. That would include Chris Morgando,</p> <p>10 Carlos, all employees, members. TGC/Farkas has a</p> <p>11 fiduciary duty. Yes.</p> <p>12 Q. And there's been no capital call that's been</p> <p>13 made by SJC Ventures Holding, LLC in order to raise the</p> <p>14 capital to comply with the Court's order; correct?</p> <p>15 A. The Court's order is the provision of the</p> <p>16 documents, but not for the payment of the cost for the</p> <p>17 provision of the documents. So the operating agreement</p> <p>18 requires the requesting member to provide for the cost.</p> <p>19 Q. So we're not asking for the production of</p> <p>20 documents under the operating agreement. We're asking</p> <p>21 for production of documents pursuant to a judgment.</p> <p>22 Let me make sure that you understand my question. I'm</p> <p>23 asking about the compliance with the judgment.</p> <p>24 Does that change your response at all?</p> <p>25 A. You and I have a different understanding of</p>

<p>22</p> <p>1 what the judgment means.</p> <p>2 Q. Okay.</p> <p>3 A. I would also add that the matter, subsequent</p> <p>4 to the judgment being entered, the matter was settled,</p> <p>5 which negates the obligation under the judgment.</p> <p>6 Q. We'll get to that in a minute, your position</p> <p>7 on that.</p> <p>8 A. I'm sure we will.</p> <p>9 Q. What have you done as the manager of SJ</p> <p>10 Ventures Holding, LLC to marshal the documents and</p> <p>11 records of First 100, LLC in order to comply with the</p> <p>12 judgment?</p> <p>13 A. I believe I answered that already, and I'll</p> <p>14 answer it again.</p> <p>15 MR. GUTIERREZ: Asked and answered. Go</p> <p>16 ahead.</p> <p>17 THE WITNESS: We contacted third parties that</p> <p>18 no longer worked for the company who are in possession</p> <p>19 of the documents, or at least that portion of the</p> <p>20 documents that exist, to be responsive, asked them for</p> <p>21 a cost for their labor to compile the documents,</p> <p>22 submitted a request for payment to the member</p> <p>23 requesting documents, and are awaiting the provision of</p> <p>24 the cost to pay the third party to compile the</p> <p>25 documents to provide the documents requested.</p>	<p>24</p> <p>1 counsel for First 100, LLC?</p> <p>2 A. Yes.</p> <p>3 Q. Did SJC Ventures Holding Company, LLC do</p> <p>4 anything to provide documents in response to this</p> <p>5 demand of May 2nd, 2017?</p> <p>6 A. I have very little recollection of the</p> <p>7 events, but I can tell you this would have been</p> <p>8 provided to Matthew Farkas, as the keeper of the books</p> <p>9 and records, to respond to.</p> <p>10 Q. So other than providing the correspondence</p> <p>11 back to Matthew Farkas, did SJC Ventures Holding</p> <p>12 Company, LLC do anything to comply with the demand?</p> <p>13 A. I think that would be a great question for</p> <p>14 Matthew Farkas, who was charged with responding to the</p> <p>15 demand. I don't have any personal knowledge or</p> <p>16 30(b)(6) knowledge of Matthew Farkas' actions or</p> <p>17 inactions.</p> <p>18 Q. Matthew Farkas was no longer an employee of</p> <p>19 First 100, LLC as of May 2nd, 2017; correct?</p> <p>20 MR. GUTIERREZ: Objection. Misstates</p> <p>21 testimony.</p> <p>22 THE WITNESS: At that time, I believe</p> <p>23 Matthew Farkas was still doing work for the company.</p> <p>24 BY MS. TURNER:</p> <p>25 Q. My question was whether Matthew Farkas was an</p>
<p>23</p> <p>1 BY MS. TURNER:</p> <p>2 Q. So, Mr. Bloom, if we could go to Exhibit 1.</p> <p>3 I provided your counsel -- did your counsel forward</p> <p>4 those to you?</p> <p>5 A. Yeah. I have it open in another window on my</p> <p>6 desktop or my laptop.</p> <p>7 (Exhibit 1 was marked.)</p> <p>8 BY MS. TURNER:</p> <p>9 Q. All right. If it would be easier for you to</p> <p>10 have us screen-share the exhibit, let me know. Are you</p> <p>11 able to see it on your desktop?</p> <p>12 A. I have it up. Yes.</p> <p>13 Q. All right. So Exhibit No. 1 is a May 2nd,</p> <p>14 2017, correspondence from my office to Maier Gutierrez.</p> <p>15 Do you see that?</p> <p>16 A. I do.</p> <p>17 Q. And if you look at the second page where it</p> <p>18 says, "Further, the investors demand."</p> <p>19 Do you see that, towards the bottom of the</p> <p>20 second page?</p> <p>21 A. I do.</p> <p>22 Q. Okay. Now, you've seen this correspondence</p> <p>23 before; correct?</p> <p>24 A. I don't recall having seen it.</p> <p>25 Q. In May of 2017, Maier Gutierrez Ayon was your</p>	<p>25</p> <p>1 employee of First 100, LLC as of May 2nd, 2017?</p> <p>2 A. I don't have a recollection at this point as</p> <p>3 to the date that he stopped being an employee.</p> <p>4 Q. And the members, to be clear for the record,</p> <p>5 the members of TGC/Farkas, never voted Matthew Farkas</p> <p>6 to be an officer of First 100, LLC; correct?</p> <p>7 A. So let me see if I understand your question.</p> <p>8 You're asking me if the members of TGC/Farkas, which</p> <p>9 your letter indicates is Marshall Rose and Adam Flatto,</p> <p>10 when, in fact, the documents show is Matthew Farkas and</p> <p>11 Adam Flatto -- you're asking me if TGC/Farkas Funding,</p> <p>12 LLC members voted for First 100 to appoint Matthew as</p> <p>13 an officer of First 100?</p> <p>14 Q. Did the members of First 100, all of the</p> <p>15 members of First 100, LLC ever vote to elect</p> <p>16 Matthew Farkas as an officer of First 100, LLC?</p> <p>17 A. Okay. That's a different question than you</p> <p>18 asked previously. In response to that question, no,</p> <p>19 officers are not elected by a vote of the members.</p> <p>20 Q. In fact, the operating agreement doesn't</p> <p>21 provide for the appointment of officers; correct?</p> <p>22 A. From my recollection, the manager has the</p> <p>23 ability to delegate responsibilities and appoint</p> <p>24 officers of the company.</p> <p>25 Q. Okay. And is it your testimony that the</p>

<p>26</p> <p>1 officers of the company that were appointed by you for 2 delegation of your responsibilities as manager of 3 First 100, that they could bind First 100, LLC? 4 A. In certain circumstances within certain 5 parameters, yes. 6 Q. And what circumstances are those? 7 A. It varied by officer and it varied by 8 circumstance. So in no event did they bind the company 9 in violation of the operating agreement. So there are 10 certain limitations on the manager's authority. They 11 could not bind the company beyond the manager's 12 authority, but they had the ability to take actions on 13 behalf of the company. 14 Q. Now, First One Hundred Holdings, LLC -- well, 15 actually, before I go to First One Hundred Holdings, 16 LLC. 17 Since the first demand of May 2nd, 2017, as 18 set forth at Exhibit 1, has your position been 19 consistent that TGC/Farkas Funding, LLC is not entitled 20 to any documents except those provided by 21 Matthew Farkas on behalf of First 100, LLC? 22 A. No. No. First 100 has been willing to turn 23 over the -- produce the documents at any time as long 24 as the costs to do so are provided by the requesting 25 member pursuant to the operating agreement. This is</p>	<p>28</p> <p>1 I think you're wasting a lot of your client's money, 2 quite frankly. 3 Q. As a result of the arbitration, there was an 4 arbitration award that was entered. And you saw that 5 award; correct? 6 A. I believe I did. 7 MS. TURNER: Okay. And if we go to 8 Exhibit 3, Exhibit 3 to the deposition. 9 (Exhibit 3 was marked.) 10 BY MS. TURNER: 11 Q. Do you see the award, sir? 12 A. It's loading. 13 Q. Okay. 14 A. Okay. So I have the award up. 15 Q. All right. Now, if you see the fifth page, 16 page 5, at the top of the page. It says, "Therefore, 17 the panel awards in favor of claimant and against 18 respondents in all respects on the primary claim and 19 orders respondents to forthwith, but no later than 10 20 calendar days from this date of this award, make all 21 the requested documents and information available from 22 both companies to claimant for inspection and copying." 23 Do you see that? 24 A. I see it. 25 Q. And this award was entered September 15th,</p>
<p>27</p> <p>1 not a refusal to tender documents. This is a 2 requirement to provide for the cost of complying with 3 the request. 4 Your firm has been very good at getting 5 Adam Flatto to pay your firm more in fees more than the 6 cost of producing the documents would have cost. 7 Q. Following the May 1st, 2017, demand for 8 documents, there was a refusal to provide the 9 documents, not a request for fees; correct? 10 MR. GUTIERREZ: Object to the form. 11 THE WITNESS: Yes. At that time we 12 understood that the membership interest had been 13 resigned by Matthew Farkas or redeemed by 14 Matthew Farkas in exchange for a payment obligation. 15 You know, a lot of this sounds like -- this is not a 16 TGC/Farkas-First 100 issue so much as an internal 17 TGC/Farkas among members. But Matthew Farkas took 18 actions on behalf of TGC/Farkas that would have 19 mitigated TGC/Farkas' ability to request documents back 20 in 2017. 21 BY MS. TURNER: 22 Q. So TGC Farkas Funding, LLC was forced to go 23 to arbitration. You recall that? 24 A. Well, nobody forced TGC/Farkas to go to 25 arbitration. TGC/Farkas elected to pursue that path.</p>	<p>29</p> <p>1 2020; correct? 2 A. Correct. 3 Q. And First 100, LLC did nothing to produce 4 documents as ordered under this award within 10 5 calendar days; correct? 6 MR. GUTIERREZ: Object to the form of the 7 question. 8 THE WITNESS: Not correct. It also misstates 9 my prior testimony. 10 BY MS. TURNER: 11 Q. Okay. What did First 100 do to produce 12 documents as ordered under this award within 10 13 calendar days? 14 A. I'd enter an objection as that question has 15 been asked and answered, and we're going to answer it 16 again. 17 First 100 asked the people who have the 18 documents the cost to produce it and requested payment 19 from the member for the cost of production. I'd also 20 clarify that the respondent is First 100 and not me in 21 an individual capacity. 22 Q. So in response to the arbitration award, 23 First 100, LLC asked for fees and expenses; right? 24 A. Correct. 25 MS. TURNER: All right. If we go to</p>

<p>30</p> <p>1 Exhibit 4 to your deposition. 2 (Exhibit 4 was marked.) 3 THE WITNESS: Okay. 4 BY MS. TURNER: 5 Q. All right. Now, Exhibit 4 is the Order 6 Granting Plaintiff's Motion To Confirm Arbitration 7 Award And Denying Defendant's Countermotion To Modify 8 Award; And Judgment. 9 You've reviewed this judgment previously; 10 correct? 11 A. I reviewed it, yes. 12 Q. And if we go to page 2, line 15, it 13 indicates, "Defendant's countermotion requests that the 14 Court modify the final award to require plaintiff to 15 pay in advance fees and costs associated with 16 defendant's production of the requested company 17 records." 18 Do you see that? 19 A. I do. 20 Q. And that countermotion was denied; correct? 21 A. Yes. 22 Q. And still it is First 100's position that 23 they will not produce the documents as awarded by the 24 arbitration panel and set forth in this judgment until 25 after TGC/Farkas pays the demanded sum?</p>	<p>32</p> <p>1 of money by paying a third party to compile them. Your 2 firm has a history of doing this. 3 Q. When was the first time that Mr. Henriksen 4 provided an estimate of the cost of production of the 5 books and records of First 100 to you as the manager of 6 CJC Ventures [sic], the manager of First 100? 7 MR. GUTIERREZ: Object to form. It's SJC 8 Ventures. 9 MS. TURNER: I'm sorry, SJC. 10 THE WITNESS: I was going to say I don't know 11 what "CJC" is. Can you ask the question again. 12 BY MS. TURNER: 13 Q. When was the first time that Mr. Henriksen 14 provided an estimate of the cost of production of the 15 books and records to you, as the manager of SJC 16 Ventures, the manager of First 100? 17 A. I don't know offhand when that was. 18 Q. Well, what is your best estimate when that 19 was? 20 A. You're asking me to speculate in response in 21 a deposition? 22 Q. As your counsel explained to Mr. Flatto 23 yesterday, there's a difference between guessing and 24 estimating. I am asking for your best estimate of the 25 time that Mr. Henriksen provided the estimate?</p>
<p>31</p> <p>1 MR. GUTIERREZ: Objection. Misstates 2 testimony. 3 THE WITNESS: Yeah, that's not what I said. 4 BY MS. TURNER: 5 Q. Okay. Please clarify. 6 A. So First 100 is incapable of producing the 7 documents until somebody funds the cost of their 8 production. If you can point to me in this order where 9 it says that First 100 will pay the cost, because I 10 haven't been able to find it, then we'll have a 11 different conversation. But the practicality is 12 First 100 has no money to pay for the cost of 13 production. 14 This order does not require First 100 to pay 15 for the production. It just does not require 16 TGC/Farkas to pay for it either. But it doesn't say 17 that in the absence of anybody paying for it, that it 18 has to be -- it's impossible to provide. Doesn't 19 exist. And there's a cost to produce it. 20 So, again, your firm has been very effective 21 in taking advantage of your clients because the funds 22 that your firm, a portion of the funds that your firm 23 has received, would have satisfied the cost to produce 24 the documents. If this were about producing the 25 documents, your client could have saved himself a lot</p>	<p>33</p> <p>1 A. I don't have an accurate recollection where I 2 could provide an accurate answer. 3 Q. Was the estimate in writing, similar to what 4 was provided on February 12th? 5 A. I think the initial one probably would have 6 been a phone conversation of, what will it cost for you 7 to take time off from work to compile the documents in 8 response to the request. I think later it was more 9 formally put into a written response. But I don't know 10 about the timing. 11 Q. I don't have anything prior to February 12th, 12 2021. Do you? 13 A. I have an idea of the cost, I believe, from 14 conversations prior to February of 2021. 15 Q. You indicated that there was a demand on the 16 member requesting the records. When was that first 17 made? 18 A. I would imagine it was prior to the motion to 19 modify the arbitration award because we would have had 20 it at that point. So that was -- let's see, the order 21 granting the plaintiff's motion was November of 2020. 22 So it would have been prior to November 17th of 2020. 23 I believe you had it actually prior to then and didn't 24 want to pay it. I don't know if you communicated it to 25 your client or not.</p>

<p>34</p> <p>1 Q. The same request for fees and expenses that</p> <p>2 was made prior to the motion to modify is what you are</p> <p>3 seeking to have paid as a condition of production</p> <p>4 today?</p> <p>5 A. It's a requirement of production. It's a</p> <p>6 practical requirement of production. It's a</p> <p>7 contractual requirement of production under the</p> <p>8 operating agreement.</p> <p>9 MS. TURNER: If we could go to Exhibit 8, the</p> <p>10 first amended operating agreement of First 100, LLC.</p> <p>11 (Exhibit 8 was marked.)</p> <p>12 BY MS. TURNER:</p> <p>13 Q. You're a signatory to this First Amended</p> <p>14 Operating Agreement of First 100, LLC, as both the</p> <p>15 manager of the manager and as the manager of a member;</p> <p>16 correct?</p> <p>17 A. It's loading. Okay. I'm at the signature</p> <p>18 page and it's loaded. So what was your question again?</p> <p>19 Q. Is that your signature on behalf of the</p> <p>20 manager, as well as on behalf of SJC Ventures Holding</p> <p>21 Company, LLC, a member?</p> <p>22 A. Yes, I believe it is.</p> <p>23 Q. Now, if we go to -- well, was this operating</p> <p>24 agreement that's set forth at Exhibit 8 entitled First</p> <p>25 Amended Operating Agreement of First 100, LLC, was it</p>	<p>36</p> <p>1 A. Correct. There's no capital requirement by</p> <p>2 First 100 to provide members documents for inspection.</p> <p>3 That's under the operating agreement, a financial</p> <p>4 requirement of the requesting member. If you'd like,</p> <p>5 we can go through the document and find the relevant</p> <p>6 language.</p> <p>7 MS. TURNER: If we go to Exhibit 9, the</p> <p>8 operating agreement of First One Hundred Holdings, LLC.</p> <p>9 (Exhibit 9 was marked.)</p> <p>10 BY MS. TURNER:</p> <p>11 Q. Let me know when you have it up.</p> <p>12 A. Okay. I have the document open.</p> <p>13 Q. At the bottom of the document, it indicates</p> <p>14 Operating Agreement of First 100, LLC. And that's the</p> <p>15 case throughout the document. But at the top, it says,</p> <p>16 "Operating Agreement of First One Hundred Holdings,</p> <p>17 LLC."</p> <p>18 Do you see that?</p> <p>19 A. Can you be more specific when you say, "at</p> <p>20 the bottom of the document?" Oh, on the footer, you</p> <p>21 mean?</p> <p>22 Q. Yes. Literally at the bottom of the</p> <p>23 document. Do you see that?</p> <p>24 A. Yeah.</p> <p>25 Q. Now, you executed this Operating Agreement of</p>
<p>35</p> <p>1 ever subsequently amended?</p> <p>2 A. I can't say with certainty, but I believe it</p> <p>3 was.</p> <p>4 Q. And in order to amend the operating</p> <p>5 agreement, there needed to have been consent of all</p> <p>6 members; correct?</p> <p>7 A. All members would have signed the amendment,</p> <p>8 yes.</p> <p>9 Q. If you go to Section 4.2 on Page 8. Are you</p> <p>10 there?</p> <p>11 A. Not yet. Okay. 4.2.</p> <p>12 Q. It says, "Subsequent contributions. If</p> <p>13 necessary and appropriate to enable the Company to meet</p> <p>14 its costs, expenses, obligations, and liabilities, and</p> <p>15 if no lending source is available, then the Manager</p> <p>16 shall notify each Class A Member ("Capital Call") of</p> <p>17 the need for any additional capital contributions, and</p> <p>18 such capital demand shall be made on each Class A</p> <p>19 Member in proportion to its Class A Membership</p> <p>20 Interest."</p> <p>21 Did I read that correctly?</p> <p>22 A. I believe so.</p> <p>23 Q. And if I understand your prior testimony,</p> <p>24 there's been no notice under this Section 4.2 on behalf</p> <p>25 of First 100, LLC; correct?</p>	<p>37</p> <p>1 First One Hundred Holdings, LLC on behalf of the</p> <p>2 manager; correct?</p> <p>3 A. Correct.</p> <p>4 Q. As well as on behalf of members SJC Ventures</p> <p>5 Holding Company, LLC, SJC1, LLC, and SJC2, LLC; is that</p> <p>6 right?</p> <p>7 A. I did.</p> <p>8 Q. Okay. And if you go to Schedule A, the list</p> <p>9 of members, which is the, looks like, the second to the</p> <p>10 last page of the exhibit.</p> <p>11 A. Okay.</p> <p>12 Q. There's a reference to SJC, LLC above --</p> <p>13 A. Correct.</p> <p>14 Q. Is that another entity in which you are the</p> <p>15 manager?</p> <p>16 A. Which entity are you asking about?</p> <p>17 Q. SJC, LLC.</p> <p>18 A. Yeah, that's SJC Ventures Holdings. That's</p> <p>19 the same entity.</p> <p>20 Q. Okay. What was the purpose of forming</p> <p>21 First One Hundred Holdings, LLC?</p> <p>22 A. There was a transaction, I believe -- I don't</p> <p>23 remember who the CEO of the company was at the time or</p> <p>24 the president, but there was a transaction where</p> <p>25 everybody transferred their interest from First 100 to</p>

<p>38</p> <p>1 First One Hundred Holdings as a holding entity. And</p> <p>2 then First One Hundred Holdings became a single member</p> <p>3 in First 100 as a wholly-owned subsidiary. But I don't</p> <p>4 remember the conversations or the rationale behind the</p> <p>5 CEO's reason for doing that.</p> <p>6 Q. As a practical matter, were the books and</p> <p>7 records kept together for First 100, LLC and</p> <p>8 First One Hundred Holdings, LLC?</p> <p>9 A. No. They had two separate sets of books.</p> <p>10 Q. Did First One Hundred Holdings, LLC receive</p> <p>11 fees or other compensation from First 100, LLC?</p> <p>12 A. Not that I can recall, no.</p> <p>13 Q. Okay. Did it have separate assets?</p> <p>14 A. I believe First 100, LLC held the assets as a</p> <p>15 wholly-owned subsidiary of the holding company.</p> <p>16 Q. Were there separate bank accounts for the two</p> <p>17 entities?</p> <p>18 A. I believe so, yes.</p> <p>19 Q. Now, is it your position that Mr. Henriksen</p> <p>20 has the books and records of</p> <p>21 First One Hundred Holdings, LLC as well as</p> <p>22 First 100, LLC?</p> <p>23 A. Mr. Henriksen has the ability to compile some</p> <p>24 of the books and records. Matthew Farkas would be the</p> <p>25 most likely to have the books and records of both</p>	<p>40</p> <p>1 A. I think there were, but I didn't keep it.</p> <p>2 But I believe in our meetings we did have somebody keep</p> <p>3 minutes.</p> <p>4 Q. Did you ever have the books and records of</p> <p>5 First 100, LLC or First One Hundred Holdings, LLC in</p> <p>6 your possession or control?</p> <p>7 A. As an individual, no. As a 30(b)(6) witness,</p> <p>8 they were kept in the offices of First 100 by</p> <p>9 Matthew Farkas and Michael Henriksen, and up until the</p> <p>10 point that First 100 no longer had an office.</p> <p>11 Q. And when was that, that it no longer had an</p> <p>12 office?</p> <p>13 A. It would have been 2016 or 2017, but I don't</p> <p>14 know the date.</p> <p>15 Q. Now, First 100 and First One Hundred Holdings</p> <p>16 previously had an office located in Southern Highlands;</p> <p>17 is that right?</p> <p>18 A. That was one location, yes.</p> <p>19 Q. What was the or what were the other</p> <p>20 locations?</p> <p>21 A. It had an office in -- on Sahara. It had an</p> <p>22 office in Henderson. I think those are the three</p> <p>23 locations it had.</p> <p>24 MR. GUTIERREZ: Counsel, do you mind if we</p> <p>25 take a quick, two-minute break so I can run to the</p>
<p>39</p> <p>1 entities from his former capacity of VP of finance.</p> <p>2 Q. Now, as the manager or representative of the</p> <p>3 manager of both First 100, LLC and</p> <p>4 First One Hundred Holdings, LLC, what have you done to</p> <p>5 meet your fiduciary duty of maintaining the books and</p> <p>6 records of the entities?</p> <p>7 MR. GUTIERREZ: Object to the form of the</p> <p>8 question.</p> <p>9 THE WITNESS: We delegated the role to the VP</p> <p>10 of finance and the CFO, which was Matthew Farkas, and</p> <p>11 the financial controller, Michael Henriksen.</p> <p>12 BY MS. TURNER:</p> <p>13 Q. And was that pursuant to a written delegation</p> <p>14 of authority?</p> <p>15 A. I'm trying to remember if he had an</p> <p>16 employment contract or not. I don't recall. Could</p> <p>17 have been.</p> <p>18 Q. Did you, as the manager of First 100, LLC</p> <p>19 and/or First One Hundred Holdings, LLC ever appoint a</p> <p>20 committee, a management committee?</p> <p>21 A. That role was basically effectuated by the</p> <p>22 directors.</p> <p>23 Q. And are there minutes of meetings of</p> <p>24 directors for First 100, LLC or</p> <p>25 First One Hundred Holdings, LLC?</p>	<p>41</p> <p>1 bathroom.</p> <p>2 MS. TURNER: That's fine. Go off the record.</p> <p>3 (Whereupon, a recess was taken.)</p> <p>4 BY MS. TURNER:</p> <p>5 Q. All right. So prior to the break, you were</p> <p>6 discussing your delegation of duties. I want to make</p> <p>7 sure I understand. You don't have any document where</p> <p>8 you requested documents from Matthew Farkas for the</p> <p>9 purpose of complying with the judgment; is that right?</p> <p>10 A. I would have to go back and check text</p> <p>11 messages and emails. I don't know if it was just phone</p> <p>12 conversations, but there may be text messages or emails</p> <p>13 that, in furtherance of those conversations.</p> <p>14 Q. And Mr. Farkas, I believe, has disputed that</p> <p>15 he was an officer of First 100, LLC or</p> <p>16 First One Hundred Holdings, LLC. Do you have any</p> <p>17 document that would indicate he was appointed, duly</p> <p>18 appointed, as an officer of these entities?</p> <p>19 A. Mr. Farkas lies a lot, like, to a</p> <p>20 pathological level. So, yes, every email he has he</p> <p>21 signed as the VP of finance. Every meeting he attended</p> <p>22 he represented himself as the VP of finance and the CFO</p> <p>23 in the beginning. I have the declarations of every</p> <p>24 member of management that identify Mr. Farkas as an</p> <p>25 officer. Yeah, no, we may have an employment agreement</p>

<p>42</p> <p>1 somewhere if we can find it in the records. Yeah, 2 there's plenty of evidence that he was vice president 3 as an officer position. There's lots. 4 Q. Let me break that down. So it is your 5 position that Mr. Farkas was appointed the CFO or chief 6 financial officer of First 100, LLC and 7 First One Hundred Holdings, LLC; is that correct? 8 A. It's the reality of the situation. 9 Q. My question is whether or not there is a 10 document in the records of First 100, LLC or 11 First One Hundred Holdings, LLC appointing 12 Matthew Farkas as the chief financial officer? 13 A. I believe that was asked and answered, but 14 we'll answer it again. Yes, there are emails where he 15 identifies himself as the vice president of finance. 16 There are -- I believe there's an employment contract 17 somewhere. I don't know if we can locate it or not. 18 There are -- there's testimony of every member of 19 management of the company that he was an officer of the 20 company. I mean, he's got his own emails that evidence 21 the work that he did as an officer of the company. 22 Yes, there's an avalanche of evidence. 23 Q. Sir, it's really important that you listen to 24 my question and answer it as asked. My question is 25 whether or not there's a document in the records of the</p>	<p>44</p> <p>1 apparent. 2 Q. And what specifically are you alleging that 3 Matthew Farkas lied about relevant to the present 4 dispute with First 100 that brings us here today? 5 Let's start there. 6 A. Well, I mean, there's several things. In the 7 declaration that Dylan went to his house and had him 8 sign on a Saturday morning contains all kinds of 9 untruths. But if Matthew signed a declaration saying 10 that we knew back in September that he was no longer 11 the manager, that's a flat out lie. Now, he either 12 knew he was lying or you guys prepared a declaration 13 without his participation and put a false document in 14 front of him to sign at gunpoint. And he signed it 15 without reading it. Either way, it's not truthful. 16 He's taking the position that he was just 17 there to raise money for the company and no other 18 purpose. That's not truthful. I don't have the 19 document in front of me, but that document is replete 20 with falsehoods. Either he intentionally is lying or 21 you prepared a document for him that was false and had 22 him sign it without reading it and without counsel 23 present. 24 I mean, I've seen some disturbing stuff in 25 the document production for this deposition. You</p>
<p>43</p> <p>1 entities that appoint Matthew Farkas as the chief 2 financial officer, not VP of finance, the chief 3 financial officer, of the entities. 4 A. I'd have to go back and find the initial 5 employment agreement. So that would be the document 6 that the company would have outside of how he 7 identified himself to third parties in his email 8 correspondence. 9 Q. And is it your testimony that Matthew Farkas 10 took the records of First 100 and 11 First One Hundred Holdings, LLC when he left the office 12 of the companies? 13 A. I don't know if he did or he didn't. And if 14 he did, I don't know if he did in whole or in part. So 15 I can't give you testimony that would accurately 16 represent what Matthew Farkas may or may not have done. 17 Q. Now, you testified adamantly that you believe 18 that Matthew Farkas is a liar. Did I understand that 19 testimony correctly, you believe he is a liar? 20 A. I do. 21 Q. How long have you believed that 22 Matthew Farkas is a liar? 23 A. That's an interesting question. I think he's 24 always had a problem with the truth, but the extent to 25 which he has a problem has only more recently become</p>	<p>45</p> <p>1 represent in the letter in the exhibits that 2 Matthew Farkas was not the manager back in 2017. That 3 wasn't true either, but you put it in a letter on 4 Garman Turner letterhead. That was false. You have 5 all kinds of NRPC [sic] 3.3 issues with your firm. If 6 I were going to file a bar complaint, I'd use the 7 exhibits to this deposition to support NRPC [sic] 3.3 8 and 8.1 violations. 9 Q. Are you threatening a bar complaint? 10 A. Are you worried about a bar complaint? 11 Q. No. I'm asking if that's a threat in the 12 deposition? As I'm asking you questions, are you 13 threatening a bar complaint? 14 A. It's not a threat. I'm telling you as a 15 member of the state bar disciplinary panel, I've seen 16 conduct from your office that is cause for concern. 17 You go and do you, but I got to tell you, I've seen 18 problems with your firm before and I'm seeing them 19 again. 20 Q. Sir, I've never met you before today, have I? 21 A. No, you have not, but Greg Garman has. We 22 have another matter where Greg Garman, the matter was 23 settled and Greg Garman said, I can't go back to my 24 partners and tell them we're not going to be getting 25 any fees anymore. At which point Gerry pulled him off</p>

<p style="text-align: right;">46</p> <p>1 the case and replaced him with another attorney, with 2 Bill Noall, and the case resolved. 3 But I think you're doing the same thing that 4 Greg Garman did. You're perpetuating a fee income to 5 keep a case going that doesn't need to go. 6 Q. Are you done? 7 A. You tell me. It's your deposition. 8 Q. No. I want to hear all the negative things 9 about me and my firm. It's really relevant. 10 So back to you, Mr. Bloom. Have you 11 articulated all the things in which you have reason to 12 believe that Matthew Farkas is a liar? 13 A. Matthew Farkas has been my brother-in-law for 14 25 years, 26 years. I've known him for a long time. 15 He's the brother of my wife. He's the son of my 16 mother-in-law, who resides in my home. So, yes, 17 Matthew, I don't think he lies maliciously, but I think 18 he tells little white lies. And when he gets in 19 trouble, as he is here, I think he lies a lot. 20 The declaration that you had him sign is 21 replete with falsehoods. Now, either you wrote it 22 without his participation and he signed it without 23 reading it, which is entirely possible, or he's just 24 lying, but they're demonstrable lies. 25 Q. So how did you discover that Dylan Ciciliano</p>	<p style="text-align: right;">48</p> <p>1 called Matthew Farkas on a Saturday that Dylan was at 2 the home of Matthew Farkas? 3 A. Yes. 4 Q. And were you present when your sister called 5 Matthew Farkas on that same day? 6 A. I don't have a sister. 7 Q. I'm sorry. Were you present when your wife 8 called Matthew Farkas on that same day? 9 A. Yes. 10 Q. And you witnessed both your mother-in-law and 11 your wife telling Matthew Farkas not to sign a 12 declaration presented to him by Dylan Ciciliano; 13 correct? 14 A. He actually represented to both of them that 15 he didn't sign anything, he didn't sign it because it 16 wasn't true. And then it showed up in documents that 17 you filed. He lied to them. 18 Q. And you actually were demanding that Matthew 19 provide a declaration you prepared for him; correct? 20 A. What I told him is that he needs to tell the 21 truth. And, unlike Dylan, I didn't show up at his 22 house on a Saturday morning with a document prepared 23 that I told him to sign. I said, Matthew, I'm going to 24 write a document. I'm going to write it with your 25 participation. I'm going to send it to a UPS Store for</p>
<p style="text-align: right;">47</p> <p>1 went to Matthew Farkas' home on a Saturday to obtain a 2 signature to a declaration? 3 A. Matthew told us. He told my wife. He told 4 his mother. They told me. Matthew told us. And he 5 told us you threatened him into signing it. 6 Q. He said he was -- 7 A. He told us back in August he signed a 8 declaration in support of your -- in support of your 9 motion for -- in the arbitration. He signed that 10 declaration without reading it because he said Adam 11 threatened to sue him within an hour if he didn't sign 12 it. And then I asked him if he signed anything after 13 that declaration, and he said, no, all the way through 14 the settlement. And then we asked him again, did you 15 sign anything? And he said, no. 16 And back in January, I think January 19th of 17 2021, he said, let me go check my emails and see if I 18 signed anything. And that's the first time we learned 19 that in September, despite his representation to the 20 contrary, that he signed something resigning his 21 position. And he said he signed it without reading it. 22 He didn't know it. He didn't know it himself. You 23 guys threatened him into signing documents. And he's 24 afraid of Adam. 25 Q. Were you present when your mother-in-law</p>	<p style="text-align: right;">49</p> <p>1 you to sign. I want you to review it. I want you to 2 make sure it's truthful, and I want you to tell me if 3 you want to make any changes. And sign it if you're 4 comfortable. 5 You didn't do that. You prepared a document 6 without his participation, and you showed up at his 7 house on a Saturday morning and threatened him into 8 signing a document that's not true. 9 Q. What is the basis for your statement that the 10 declaration was prepared without his participation or 11 review with the benefit of counsel? 12 A. That's what Matthew told me. He told me he 13 needs counsel to represent him. 14 Q. Did you provide him counsel to help him? 15 A. I gave him three different -- well, two or 16 three attorneys to represent him in an individual 17 capacity. 18 Q. Who were those attorneys? 19 A. I gave him -- I sent him to Vernon Nelson, 20 Sean Akari. I sent him to Kelsey Bernstein. 21 Q. You understood Kelsey Bernstein said no to 22 the representation because there would be a conflict of 23 interest? 24 A. I believe that's the conclusion she reached. 25 Q. And Sean Akari, has Sean Akari previously</p>

<p>50</p> <p>1 represented you or an entity in which you're 2 affiliated? 3 A. He has. 4 Q. And Vernon Nelson, has he represented you or 5 an entity in which you've been affiliated? 6 A. Yes. That's how I'm going to find an 7 attorney to represent Matthew in an individual 8 capacity. It's going to be somebody that I've dealt 9 with in the past. 10 Q. And in addition to recommending attorneys for 11 him individually, you recommended Raffi Nahabedian, 12 your current counsel; correct? 13 A. Matthew needed an attorney for TGC/Farkas to 14 enter the settlement agreement, a ministerial task, to 15 stipulate to dismiss and enter the agreement with the 16 Court. 17 Q. You recommended Raffi Nahabedian represent 18 TGC/Farkas; correct? 19 A. Correct. For a limited scope, yes. 20 Q. And you determined what the scope of the 21 representation would be? 22 A. No. Matthew did. 23 Q. Matthew said he needed somebody to stipulate 24 to dismiss the lawsuit? 25 A. I can't -- I can't set the scope of work for</p>	<p>52</p> <p>1 Q. -- the scope? 2 A. Yes. He said that was a condition of his 3 agreeing to retain you, that you were limited to your 4 scope, and he would not allow litigation. 5 Are you telling me that's not true? 6 Q. Now, back to my question. 7 A. Okay. I guess you are. 8 Q. Did Matthew indicate to you why he did not 9 terminate Garman Turner Gordon? 10 A. He did terminate Garman Turner Gordon. He 11 signed the termination letter terminating Garman Turner 12 Gordon back when he believed he was still the manager 13 in January of 2021. 14 Q. Mr. Bloom, you drafted that letter for 15 Matthew Farkas to sign, didn't you? 16 A. No, I did not. 17 Q. Is your testimony that Matthew Farkas 18 prepared a letter dated January 6, 2021, to terminate 19 Garman Turner Gordon? 20 A. My testimony is I did not draft that letter 21 and I didn't participate in its drafting. 22 Q. Who drafted the letter? 23 A. That would be a question for Matthew Farkas. 24 Q. So you didn't provide the letter to 25 Matthew Farkas on January 6 or 7th, 2021, for his --</p>
<p>51</p> <p>1 the lawyer for TGC/Farkas. Matthew does that. He 2 interlineated into your retention agreement language 3 specifically handwritten specifically precluding what 4 you're doing right now. He doesn't want to fight. He 5 wanted to resolve this. So he and I without counsel 6 negotiated a settlement, and we signed a settlement 7 among the parties. Then we needed somebody to just 8 enter it with the Court and let the Court know the 9 matter is settled. 10 Q. So you understood that the law firm of Garman 11 Turner Gordon represents TGC/Farkas Funding. Did 12 Matthew indicate to you why he wouldn't just direct 13 Garman Turner Gordon to dismiss the lawsuit? 14 A. Yes. You violated his interlineated 15 directive not to litigate. 16 Q. Is your testimony -- 17 A. He is not happy with Garman Turner Gordon. 18 Q. Did Matthew Farkas tell you he wrote on the 19 retention agreement for Garman Turner Gordon that 20 that's his handwriting on the retention agreement? 21 A. That's what he represented to me. Are you 22 telling me he lied? 23 Q. So Matthew Farkas told you that that was his 24 handwriting on the engagement letter limiting -- 25 A. Yes, he did.</p>	<p>53</p> <p>1 for him to sign and return back to you? 2 A. I had a package from his counsel that I sent 3 to a printer for him as a courtesy because he didn't 4 have a printer in his house. I did not prepare that 5 letter, is my testimony. I did not participate in the 6 preparation of that letter. 7 Q. Okay. You said that you had -- sorry, I have 8 to read this -- you had a package from his counsel. 9 Who was his counsel that you received a package from? 10 A. He retained the law office of 11 Raffi Nahabedian on behalf of TGC/Farkas to effectuate 12 the settlement agreement. 13 Q. So it's your testimony that Raffi Nahabedian 14 provided you the January 6th letter terminating Garman 15 Turner Gordon? 16 MR. GUTIERREZ: Objection. Misstates 17 testimony. 18 MS. TURNER: I'm trying to understand your 19 testimony. 20 THE WITNESS: Yes. There's a package of 21 documents that Matthew needed to sign that were 22 provided to me to give to Matthew. And I sent them to 23 a printer local to Matthew where he could review them 24 at his leisure, request any changes to the language 25 that he would have, and execute them and send them</p>

<p>54</p> <p>1 back.</p> <p>2 BY MS. TURNER:</p> <p>3 Q. How did you --</p> <p>4 A. Again, for a very limited scope of entering</p> <p>5 the settlement agreement into the Court.</p> <p>6 Q. How did you receive documents from Raffi</p> <p>7 Nahabedian?</p> <p>8 A. It would have been by email.</p> <p>9 Q. So why didn't you email the documents to</p> <p>10 Matthew Farkas so that he could review the documents at</p> <p>11 his leisure and consult with Adam Flatto regarding the</p> <p>12 documents prior to executing them?</p> <p>13 A. Well, so that's a compound question. I</p> <p>14 offered to send them to Matthew. He said he doesn't</p> <p>15 have a printer in his house. Send them to a</p> <p>16 FedEx-Kinkos near his house.</p> <p>17 He did have the opportunity to review them.</p> <p>18 He was standing alone. It's not me that went to his</p> <p>19 house on a Saturday morning documents in hand. You</p> <p>20 guys did that. He stood there alone in a UPS Store,</p> <p>21 had the ability to request changes from Raffi, had the</p> <p>22 ability to communicate with Adam. Whether or not he</p> <p>23 elected to, that's an internal issue at TGC/Farkas</p> <p>24 between Adam and Matthew. That's not a</p> <p>25 TGC/Farkas-First 100 issue.</p>	<p>56</p> <p>1 provided to Matthew Farkas as a constituent of</p> <p>2 TGC/Farkas Funding, LLC, as opposed to him in his</p> <p>3 personal capacity or merely reciting facts, that would</p> <p>4 be privileged. That's our position.</p> <p>5 MR. GUTIERREZ: So the recorded conversation</p> <p>6 between Dylan and Matthew Farkas had nothing to do with</p> <p>7 Matthew in his capacity as a member of TGC/Farkas?</p> <p>8 MS. TURNER: It may have included his</p> <p>9 communication relating to the TGC/Farkas, but the</p> <p>10 purpose of the call was to obtain facts. That was the</p> <p>11 purpose.</p> <p>12 All right.</p> <p>13 MR. GUTIERREZ: I just want to lodge my</p> <p>14 continuing objection because I do think you're</p> <p>15 selectively claiming the privilege, and I think this</p> <p>16 could be something discoverable. I think we'll deal</p> <p>17 with it on a motion to compel.</p> <p>18 THE WITNESS: I would also note that this is</p> <p>19 January of 2021, four months after you allege he</p> <p>20 resigned his position as a manager. And so I don't</p> <p>21 know what kind of privilege you have with</p> <p>22 Matthew Farkas after Dylan, in that recorded</p> <p>23 conversation, repeatedly insisted that you're not</p> <p>24 Matthew's lawyer. There's no privilege that attaches</p> <p>25 here.</p>
<p>55</p> <p>1 Q. How did you send the documents to the</p> <p>2 UPS Store that you received from Raffi?</p> <p>3 A. Matthew gave me the email address to send it</p> <p>4 to.</p> <p>5 MS. TURNER: All right. If we go to Exhibit</p> <p>6 17 to your deposition.</p> <p>7 (Exhibit 17 was marked.)</p> <p>8 MR. GUTIERREZ: For the record, Counsel, the</p> <p>9 email is redacted from Matthew Farkas to your firm. Is</p> <p>10 there a reason for that?</p> <p>11 MS. TURNER: Yeah. That's a privileged</p> <p>12 communication.</p> <p>13 MR. GUTIERREZ: But, yet --</p> <p>14 THE WITNESS: Matthew Farkas is not your</p> <p>15 client.</p> <p>16 MR. GUTIERREZ: You disclosed a recorded</p> <p>17 conversation between Matthew and Dylan in this case.</p> <p>18 So are you selectively claiming the privilege? Because</p> <p>19 I want to make sure we understand your position on</p> <p>20 this. And are you representing Matthew Farkas? So</p> <p>21 please explain your basis of the privilege in the</p> <p>22 redaction of this.</p> <p>23 MS. TURNER: So the privilege exists with</p> <p>24 respect to TGC/Farkas Funding, LLC and communications</p> <p>25 where there is advice being sought or advice being</p>	<p>57</p> <p>1 MS. TURNER: We are, for the record, not</p> <p>2 counsel for Matthew Farkas. We are counsel for</p> <p>3 TGC/Farkas Funding, LLC and its constituents.</p> <p>4 I'd ask you to review the rules of</p> <p>5 professional conduct related to representation of an</p> <p>6 organization before we have our meet and confer,</p> <p>7 Counsel.</p> <p>8 BY MS. TURNER:</p> <p>9 Q. All right. Mr. Bloom, Exhibit 17, below the</p> <p>10 redaction, it says, From: Jbloom@lvem.com.</p> <p>11 Is that your email?</p> <p>12 A. It is. You know, it's kind of interesting</p> <p>13 because you see I sent it to the UPS Store that Matthew</p> <p>14 directed me and copied Matthew. So when you asked me</p> <p>15 before why didn't I send it to Matthew so he could send</p> <p>16 it to Adam, and you have this email in your possession</p> <p>17 where you knew I sent it to Matthew, it's somewhat</p> <p>18 disingenuous on your part.</p> <p>19 Q. Mr. Bloom, I know you're insistent on arguing</p> <p>20 with me, but I asked you questions regarding the</p> <p>21 production of documents prepared by Raffi Nahabedian</p> <p>22 previously. This is a different document. If you want</p> <p>23 to take a moment to review it, go for it.</p> <p>24 A. Okay.</p> <p>25 Q. Mr. Bloom, what email addresses have you used</p>

<p>58</p> <p>1 since December 18th, 2021, email addresses?</p> <p>2 A. Primarily, this one.</p> <p>3 Q. Okay. Have there been any others?</p> <p>4 A. Yes.</p> <p>5 Q. What other email addresses have you used?</p> <p>6 A. What's the scope of this deposition?</p> <p>7 MR. GUTIERREZ: I object. This is outside</p> <p>8 the scope of the topics.</p> <p>9 BY MS. TURNER:</p> <p>10 Q. Sir --</p> <p>11 MR. GUTIERREZ: Are you limiting your</p> <p>12 question to business of First 100? Because, if not,</p> <p>13 then I'm objecting, and I'll instruct him not to answer</p> <p>14 because it's outside the scope of this deposition. And</p> <p>15 you're clearly just harassing the witness by getting</p> <p>16 into issues having to do with his other business</p> <p>17 matters.</p> <p>18 MS. TURNER: Are you directing the witness</p> <p>19 not to answer?</p> <p>20 MR. GUTIERREZ: Just like you did yesterday</p> <p>21 when you instructed Mr. Flatto not to answer a question</p> <p>22 about Marshall Rose. So we can take it up with the</p> <p>23 Court. Counsel, I gave you a lot of leeway on the</p> <p>24 questions you're asking Mr. Bloom. And you're starting</p> <p>25 to exceed that. So our position is not to answer</p>	<p>60</p> <p>1 BY MS. TURNER:</p> <p>2 Q. Have you used the f100.com -- f100llc.com</p> <p>3 email address since the judgment was entered in 2021?</p> <p>4 A. No.</p> <p>5 Q. Have you used the f100llc.com address at all</p> <p>6 in the year 2000?</p> <p>7 A. Not to my recollection.</p> <p>8 Q. I'm sorry. 2020?</p> <p>9 MR. GUTIERREZ: Object to the form.</p> <p>10 THE WITNESS: Not to my recollection.</p> <p>11 BY MS. TURNER:</p> <p>12 Q. All right. Now, this email is dated</p> <p>13 January 24th, 2021. That was a Saturday; correct?</p> <p>14 A. I don't know what --</p> <p>15 Q. I'm sorry. A Sunday.</p> <p>16 A. I'll accept your representation as to the day</p> <p>17 of the week that date represents. I don't know. I'm</p> <p>18 not one of those people that can calculate the day of</p> <p>19 the week from a date.</p> <p>20 Q. All right. And this email was sent to</p> <p>21 store4590@gmail.com. What was store4590@gmail.com?</p> <p>22 A. It was sent to store4590@gmail.com with a</p> <p>23 copy to Matthew Farkas. Store4590@gmail.com is the</p> <p>24 UPS Store that Matthew requested this information be</p> <p>25 sent to, and that is the email address that Matthew</p>
<p>59</p> <p>1 questions which do not have to do with this case, order</p> <p>2 to show cause and the motion to force the settlement</p> <p>3 agreement.</p> <p>4 MS. TURNER: You can succinctly state your</p> <p>5 position on the record. I'm not going to argue with</p> <p>6 you. That's what follow-up is for.</p> <p>7 BY MS. TURNER:</p> <p>8 Q. Mr. Bloom, since your counsel directed you</p> <p>9 not to answer the broader question, what emails have</p> <p>10 you used to communicate with Raffi Nahabedian related</p> <p>11 to TGC/Farkas Funding, LLC or Matthew Farkas?</p> <p>12 A. I believe the communications were with this</p> <p>13 email.</p> <p>14 Q. And what email communications have you had</p> <p>15 with Matthew Farkas?</p> <p>16 A. What email communications have I had?</p> <p>17 MR. GUTIERREZ: Object to the form.</p> <p>18 BY MS. TURNER:</p> <p>19 Q. Strike that.</p> <p>20 What email address have you used to</p> <p>21 communicate with Matthew Farkas?</p> <p>22 MR. GUTIERREZ: Same objection.</p> <p>23 THE WITNESS: I use this email address and,</p> <p>24 I've also in the past used j bloom@f100llc.com.</p> <p>25</p>	<p>61</p> <p>1 provided for sending it.</p> <p>2 Q. So, to be clear, Matthew provided you the</p> <p>3 Store 4590 address? You did not provide it to him?</p> <p>4 A. You broke up on the last part of your</p> <p>5 sentence.</p> <p>6 Q. Matthew Farkas provided you the Store 4590</p> <p>7 address? You did not provide it to him?</p> <p>8 A. My recollection is he gave me the address of</p> <p>9 the store that he wanted me to send the email to.</p> <p>10 Q. How did he communicate the address to you?</p> <p>11 A. I don't recall.</p> <p>12 Q. Now, this email has an attached</p> <p>13 Matthew Farkas affidavit. And you CC'd Matthew Farkas</p> <p>14 at his email?</p> <p>15 A. Correct.</p> <p>16 Q. Is it your testimony that you emailed the</p> <p>17 package of documents you received from</p> <p>18 Raffi Nahabedian, including the settlement agreement</p> <p>19 and termination letter, to Matthew Farkas?</p> <p>20 A. I think so, yes.</p> <p>21 Q. Have you done anything to review your</p> <p>22 documents to see if you have an email to</p> <p>23 Matthew Farkas?</p> <p>24 A. I have not.</p> <p>25 Q. So you understand that Matthew Farkas has</p>

<p style="text-align: right;">62</p> <p>1 taken the position that you sent these documents 2 containing the settlement agreement to the UPS Store 3 without emailing him? 4 A. No, no, I don't understand that's the 5 position he's taken. If you're making that 6 representation here, it's the first I'm hearing it. 7 Q. Now, this email indicates that you were 8 meeting with the attorneys at 8:00 a.m. tomorrow, and 9 then, "Return of this document will influence the 10 direction that we need to go in that meeting. So I'm 11 hopeful that you return this document today and I can 12 bring it with me to tomorrow's -- tomorrow morning's 13 meeting." 14 Which attorney were you meeting the next day, 15 attorney or attorneys? 16 MR. GUTIERREZ: Object to form of the 17 question. 18 THE WITNESS: I was meeting with Maier 19 Gutierrez. 20 BY MS. TURNER: 21 Q. Now, did you, at any time prior to sending 22 this affidavit to Matthew Farkas, threaten 23 Matthew Farkas with a lawsuit? 24 A. I did not. 25 Q. Did you, at any time prior to sending this</p>	<p style="text-align: right;">64</p> <p>1 told us in September that he's no longer the manager, 2 when he didn't know himself that he wasn't the manager 3 until January of 2021. You had him sign -- I mean, I 4 went through the false representations in the 5 declaration. 6 You know, and you do it, too, in Exhibit 2, I 7 believe. Back in July of 2017, you sent a letter 8 saying, Matthew is not the manager of the company. 9 That's a lie. That's false. Right. Dylan, on the 10 phone call. You have the audacity to submit a 11 transcript of a phone conversation where Dylan says 12 what Matthew signed cost Adam a million dollars. When 13 the settlement agreement that he signed says Adam gets 14 a million dollars plus 6 percent. That was a lie, too. 15 It is very serious, Erika, because you have a duty of 16 candor and Dylan has a duty of candor, and you 17 repeatedly violate that duty. 18 Q. The transcript of the phone call speaks for 19 itself. 20 A. Yes, it does. 21 Q. Be very careful with your representations 22 because you have a real defamation problem, Mr. Bloom, 23 if you're publishing this information beyond this 24 litigation. 25 MR. GUTIERREZ: Objection to your arguing</p>
<p style="text-align: right;">63</p> <p>1 affidavit to Matthew Farkas, threaten Matthew Farkas 2 with a lawsuit on behalf of First 100, LLC or any of 3 its members? 4 A. Matthew Farkas represented to me that all the 5 threats came from you and Adam. And that's why he 6 signed the false declarations for your benefit. No, I 7 did not threaten Matthew. In having Matthew sign false 8 affidavits, you put him in a position of breaching his 9 fiduciary duty to First 100. I'm trying to make sure 10 that that breach of fiduciary duty doesn't turn into 11 something more serious. 12 It's not a threat of a lawsuit. All I've 13 been doing is asking Matthew to tell the truth. It's 14 not convenient to your position. And he's afraid of 15 you so you have him lying for you. But that's to his 16 detriment. 17 Q. Those are very serious allegations -- 18 A. This is a very serious situation, Erika. 19 It's a very serious situation. 20 Q. -- that counsel would have a witness lie. So 21 what specifically do you know that counsel is suborning 22 perjury on? 23 A. You had him sign declarations that he 24 represented he did not participate in the preparation 25 of, that he did not read, that misrepresented that he</p>	<p style="text-align: right;">65</p> <p>1 with the witness. Carry on. 2 BY MS. TURNER: 3 Q. Mr. Bloom, when did you first communicate 4 with Raffi Nahabedian regarding the -- his 5 representation of TGC/Farkas Funding, LLC? 6 A. I first communicated with Mr. Nahabedian 7 subsequent to Matthew and mine execution on behalf of 8 our respective entities of the settlement agreement. 9 So I believe we signed January 6th of 2021. I would 10 have contacted Raffi Nahabedian subsequent to that. As 11 far as the exact date, I don't know. 12 Q. And what was your communication with 13 Raffi Nahabedian? 14 A. That Matthew Farkas is the manager of 15 TGC/Farkas, that he reiterated his representation, that 16 he remained the manager of TGC/Farkas, that he entered 17 a settlement agreement on behalf of TGC/Farkas with 18 First 100, that Garman Turner Gordon has a problem 19 settling matters because it interferes with their 20 ability to bill their clients. 21 That's been my history with people at your 22 firm, not you in particular, but certainly Greg Garman. 23 That's why Gerry Gordon removed him from that case and 24 replaced him with Bill Noall. And that Matthew, for 25 TGC/Farkas, needed an attorney for a very limited scope</p>

<p>66</p> <p>1 of work, to let the Court know the matter has been 2 settled. 3 Q. Are you sure that your first communication 4 with Raffi Nahabedian on this matter was after the 5 settlement agreement was executed? 6 A. That's my recollection. 7 MR. GUTIERREZ: Just object to the form. 8 Counsel, you're limiting your questions to Mr. Bloom 9 regarding this matter, correct, not about police chase 10 or anything else; correct? 11 MS. TURNER: Let me restate the question. 12 BY MS. TURNER: 13 Q. Are you sure that your first communication 14 with Raffi Nahabedian on this matter -- that was my 15 question -- relating to TGC/Farkas Funding was after 16 the settlement agreement was executed? 17 A. Yes, that's how I understood the question, 18 and that's -- my response was with that understanding. 19 Q. And who was on that initial call between you 20 and Raffi Nahabedian? 21 A. It was myself, Matthew, Raffi as attorney for 22 TGC/Farkas as retained by Matthew, and Maier Gutierrez 23 on behalf of First 100. 24 Q. That was the first call or first 25 communication that you had with Raffi Nahabedian</p>	<p>68</p> <p>1 Q. Okay. The substitution of counsel, was 2 that -- 3 A. Correct. 4 Q. Okay. And is it your testimony that the 5 settlement agreement was executed separately from 6 those -- that package of documents? 7 A. The settlement agreement was executed 8 separately and prior to and without the involvement of 9 counsel for either party. The parties settled this 10 matter and then involved the attorneys to memorialize 11 it. And by memorialize it, I don't mean the settlement 12 agreement document itself. I mean letting the Court 13 know the matter has been settled. 14 Q. The parties settled this matter, and then 15 involved the attorneys to memorialize it? 16 A. Yeah. Exactly. And by memorialize it, I 17 don't mean the settlement agreement. Because Matthew 18 and I drafted that jointly. What I mean is the 19 attorneys were to let the Court know that the matter 20 has been settled. 21 Q. When did you and Matthew first discuss 22 settling this matter? 23 A. From the beginning of the matter, Matthew 24 said he doesn't want any part in litigation, that he 25 doesn't want this to spiral out of control. And we've</p>
<p>67</p> <p>1 regarding TGC/Farkas Funding involving -- 2 A. That was the first substantive call. There 3 was a prior call that said Matthew needs representation 4 for TGC/Farkas and I would make the introduction, but 5 nothing substantive prior. 6 Q. And who was on that call, that initial call? 7 A. That was myself and Raffi Nahabedian. I was 8 asking him if he would entertain taking representation 9 for a limited scope of work. 10 Q. All right. Now, you received a package of 11 documents from Raffi Nahabedian by email. That was 12 your prior testimony; right? 13 A. That's my recollection. I have to go back 14 and double-check, but that's my recollection at this 15 point. 16 Q. And when you received the documents or the 17 package from Raffi Nahabedian, that included his 18 retention agreement; correct? 19 A. I believe so. 20 Q. And the letter terminating GTG; is that your 21 testimony? 22 A. Yes. 23 Q. And the settlement agreement? 24 A. No. The settlement agreement was already 25 signed prior to the involvement of counsel.</p>	<p>69</p> <p>1 been discussing how to resolve this for years. I 2 even -- I spoke to Adam Flatto, who said he just wants 3 his money back. And we negotiated 6 percent. And this 4 is going back several years. But what Adam Flatto 5 represented to me directly, as well as what I 6 understand he represented to Matthew, is what's 7 reflected in the settlement agreement that Matthew 8 signed when he believed he was the manager and I 9 believed he was the manager of TGC/Farkas. 10 Q. Why did you not negotiate the settlement 11 involving Adam Flatto? 12 A. I did negotiate the settlement regarding 13 Adam Flatto with Matthew Farkas. Raffi asked him on 14 our joint call. And he continued to represent he was 15 the manager up to and through approximately January 19, 16 2021. In addition, I never received notice from Adam 17 that Adam was the new manager, or I would have 18 negotiated with Adam. But all I had was what Matthew 19 represented and what the historical relationship has 20 been. Nobody told us there was a change. And I don't 21 think Matthew told us because I don't think Matthew 22 knew. 23 What Matthew told us is that -- when you told 24 Raffi that Matthew signed a resignation of September, 25 on January 19th, Matthew said, I'm going to go back and</p>

<p style="text-align: right;">70</p> <p>1 check my emails, but I don't remember signing anything. 2 And then I guess he found it. He signed it without 3 reading it. He didn't know he wasn't the manager. And 4 if he didn't know, based on his representations that he 5 continued to be the manager, and the lack of Adam 6 putting his hand up and saying, I'm the new manager, we 7 relied on his representation of the history between the 8 parties and entered into a settlement agreement, at 9 least with the person who had the apparent authority 10 and believed he had the actual authority at the time he 11 entered the settlement. 12 Q. When was the first time that you discussed 13 with Matthew Farkas the terms of the settlement 14 agreement that was executed by you and him dated 15 January 6, 2021? 16 A. Probably for a day or two prior. So maybe 17 January 4th, January 5th, we would have negotiated -- 18 it wasn't very hard to negotiate. Adam told me he 19 wanted his million dollars back and 6 percent. In 20 fact, he told me he didn't want anything other than his 21 million dollars back initially because he didn't like 22 what we found on our judgment debtor and the nature of 23 his business dealings. Adam didn't want to be 24 associated. He just wanted his money back. Based on 25 Adam's representations to me directly, together with</p>	<p style="text-align: right;">72</p> <p>1 the agreement that you provided him? 2 A. He didn't red-line it. We discussed what it 3 would contain. And then I sent him to the UPS Store 4 that he directed me. He was alone with the document 5 and had the opportunity to review it, had the 6 opportunity to have counsel advise him on it. And, you 7 know, again, it's not like I showed up with a document 8 at his house on a Saturday morning and told him, sign 9 it. 10 He was alone with that document. He had all 11 the time in the world to review it. He could have 12 talked to Adam, you know, if that's what he chose to 13 do. But I keep coming back to this is an internal 14 TGC/Farkas matter among its members. 15 Q. Did you email the settlement agreement to the 16 UPS Store? 17 A. With a copy to Matthew, I believe so. 18 Q. So the settlement agreement you emailed to 19 the UPS Store with a copy to Matthew Farkas' email? 20 A. That's my recollection. 21 Q. And is it your testimony that you sent just 22 the settlement agreement to Matthew Farkas and no other 23 documents with it? 24 A. I don't recall. I don't recall if it was the 25 settlement agreement with the declaration or just the</p>
<p style="text-align: right;">71</p> <p>1 what Matthew's representations were that Adam just 2 wants his money back, we negotiated a settlement that 3 accommodated that. 4 Q. When was your last communication with 5 Adam Flatto? 6 A. Adam and I haven't talked in a while. 7 Q. You said that Adam told you he would take a 8 million dollars plus 6 percent interest. When was 9 that? 10 A. That was probably around the time of your 11 2017 letter. 12 Q. And, in fact -- 13 A. The 6 percent didn't come from me. That was 14 a request from Adam. 15 Q. Have you had any communication with 16 Adam Flatto since 2017? 17 A. Probably those communications in 2017, but I 18 don't know that we've -- I don't know that we've spoken 19 since. If we have, I don't recall it. 20 Q. Now, who drafted the settlement agreement? 21 A. I did. Well, I drafted the initial and 22 Matthew participated. It was jointly drafted, but we 23 modeled it on a settlement agreement I've had from 24 prior matters. 25 Q. Is it your testimony that Matthew red-lined</p>	<p style="text-align: right;">73</p> <p>1 settlement agreement. It may have just been the 2 settlement agreement. I'm not sure. 3 Q. So do you have your email access right there 4 in front of you? 5 A. Yeah. My computer is acting a little funky 6 so I'm concerned if I start going through it, it may 7 interfere. My computer locks up lately. So I can 8 search, but it might disconnect us. 9 Q. Go ahead and search. 10 A. Computer turn off. Computer off. Alexa. 11 Okay. 12 So what did you want me to look for? 13 Q. The email sending the settlement agreement 14 for Matthew's signature. 15 A. What was that store number that was on the 16 email? 17 THE STENOGRAPHER: 4590. 18 MS. TURNER: Thank you. 19 THE WITNESS: I can't find it. The first 20 email I'm seeing to the UPS Store is January 7th. I 21 can't find the settlement agreement. But I know I sent 22 it. 23 BY MS. TURNER: 24 Q. What was contained in the documents emailed 25 on -- or what comprised the documents sent on</p>

<p style="text-align: right;">74</p> <p>1 January 7th?</p> <p>2 A. It was a letter to Garman Turner Gordon, the</p> <p>3 attorney retainer agreement for Matthew Farkas, oh, the</p> <p>4 settlement agreement, and a release hold harmless and</p> <p>5 indemnification agreement.</p> <p>6 Q. Are you willing to forward that email to</p> <p>7 counsel for production or do I need to send a subpoena?</p> <p>8 A. I'll discuss this with counsel.</p> <p>9 MR. GUTIERREZ: You can forward it to me, but</p> <p>10 I'd object. Are you asking him in his individual</p> <p>11 capacity to produce documents at this stage? I don't</p> <p>12 think we're even in discovery to get to that.</p> <p>13 MS. TURNER: Let me clarify. We can have it</p> <p>14 subpoenaed for production at the hearing. It's an</p> <p>15 evidentiary hearing. Or, to obviate that, we can act</p> <p>16 professionally and just do it outside the court. It's</p> <p>17 your pleasure.</p> <p>18 MR. GUTIERREZ: If you want to forward it to</p> <p>19 me, I'll review it and then we can speak after,</p> <p>20 Counsel, because there's obviously documents we'll want</p> <p>21 from your client as well, if we're going to be</p> <p>22 requesting documents from each other. I didn't ask</p> <p>23 Mr. Flatto to produce all his emails he had, and I very</p> <p>24 well could have so...</p> <p>25 THE WITNESS: All right. I'll forward it to</p>	<p style="text-align: right;">76</p> <p>1 same documents to Matthew Farkas under prior cover?</p> <p>2 A. Yeah. It would have either -- either I would</p> <p>3 have sent them to him or Raffi would have sent them to</p> <p>4 him. But it would have been redundant to include him</p> <p>5 on the same documents again when they were sent to be</p> <p>6 printed.</p> <p>7 Q. Do you have a prior email to Matthew Farkas</p> <p>8 attaching the settlement agreement?</p> <p>9 A. The settlement agreement that he signed?</p> <p>10 Q. Yes. Or any version.</p> <p>11 A. Yeah.</p> <p>12 Q. What was the date?</p> <p>13 A. Yeah, of course. I don't know. I'd have to</p> <p>14 go through my emails and find it.</p> <p>15 Q. Okay. We'll wait.</p> <p>16 A. Okay. I'm still trying to get it to forward</p> <p>17 the January 7th email. So my computer is not being</p> <p>18 very cooperative. It now says "not responding" so</p> <p>19 eventually it will come back. We can continue to wait</p> <p>20 or we can move on and then come back to this when my</p> <p>21 computer responds.</p> <p>22 Q. All right. Mr. Bloom, have you taken special</p> <p>23 care to preserve all text messages and emails that</p> <p>24 relate to TGC/Farkas Funding, LLC or Matthew Farkas'</p> <p>25 communications with you?</p>
<p style="text-align: right;">75</p> <p>1 my counsel, and we'll go from there.</p> <p>2 BY MS. TURNER:</p> <p>3 Q. Okay. Mr. Bloom, when you sent the email to</p> <p>4 Mr. Farkas and the UPS Store on January 24th, 2021,</p> <p>5 with the Matthew Farkas Affidavit, that affidavit that</p> <p>6 you prepared, was that -- did it contain what you</p> <p>7 believed to be the truth?</p> <p>8 A. It contained what I believe to be the truth.</p> <p>9 It contained what Matthew represented to me. And in</p> <p>10 the email you'll notice I said, Matthew, please review</p> <p>11 it. Make sure it's truthful. Let me know if you need</p> <p>12 to change anything, and sign it when you're comfortable</p> <p>13 with it. Again, it's very different than showing up at</p> <p>14 his house on a Saturday morning with a document saying,</p> <p>15 sign it or else.</p> <p>16 Q. The documents that were sent January 7th,</p> <p>17 2021, to the UPS Store, were those CC'd to</p> <p>18 Matthew Farkas at his email?</p> <p>19 A. The January 7th documents, I don't believe</p> <p>20 they were -- he was CC'd when I sent them to the UPS</p> <p>21 Store. I think he was CC'd on these documents in a</p> <p>22 prior email.</p> <p>23 Q. So that I understand your testimony, when the</p> <p>24 documents were sent to the UPS Store on January 7th,</p> <p>25 2021, Matthew Farkas was not CC'd, but you had sent the</p>	<p style="text-align: right;">77</p> <p>1 A. Nothing has been deleted or destroyed.</p> <p>2 Q. Okay.</p> <p>3 A. Okay. So I have that sent to my counsel.</p> <p>4 Now I'll try to see if I can find the settlement</p> <p>5 agreement as shared with Matthew. It's not responding</p> <p>6 again.</p> <p>7 Q. We'll put a pin in it while you're pulling it</p> <p>8 up.</p> <p>9 A. Okay.</p> <p>10 Q. Now, the settlement agreement, Mr. Bloom, are</p> <p>11 you an attorney?</p> <p>12 A. I am not.</p> <p>13 Q. Have you ever been licensed as an attorney?</p> <p>14 A. I have not.</p> <p>15 Q. What's your educational background?</p> <p>16 A. I have a bachelor's in economics from Rutgers</p> <p>17 University. And I have an MBA in finance from Fordham</p> <p>18 University. And I have the Credit Training Program at</p> <p>19 Manufacturers Hanover Trust.</p> <p>20 Q. And where are you currently employed?</p> <p>21 A. Is that within the scope of this deposition?</p> <p>22 Q. Yeah. I'm only asking who your employer is,</p> <p>23 not the detail --</p> <p>24 A. My employer is not a law firm, if that's what</p> <p>25 you're asking.</p>

<p style="text-align: right;">78</p> <p>1 Q. Have you ever worked as a paralegal for a law 2 firm or as a lawyer? 3 A. I have not. 4 Q. Now, the settlement agreement that you 5 prepared and provided to Matthew Farkas, was that 6 reviewed by any attorney representing First 100? 7 A. It was not, not in its final form. It was 8 reviewed by counsel for use in a prior matter, and I 9 relied on the form of the document for reuse for this 10 purpose. 11 MS. TURNER: So if we go to Exhibit 12 of 12 this deposition. 13 (Exhibit 12 was marked.) 14 THE WITNESS: Okay. 15 BY MS. TURNER: 16 Q. Paragraph 8, that contains some legalese. 17 Are you saying that you pulled that legalese out of a 18 separate settlement agreement that First 100 had with 19 another party? 20 A. I don't know if that's legalese, but it's 21 certainly English. But, yes, this document -- this 22 document was originally drafted for another matter. 23 And we used it, Matthew and I used it, as a template 24 for the settlement for this matter. 25 Q. What did you change from the template that</p>	<p style="text-align: right;">80</p> <p>1 BY MS. TURNER: 2 Q. So Section 5 of the agreement, there's no 3 Section 4, says, "Upon execution of the agreement, TGC 4 will file a dismissal with prejudice of the current 5 actions related to this matter, including the 6 arbitration award, and all relation motions and actions 7 pending in the District Court." 8 Do you see that? 9 A. I do. 10 Q. And I believe your testimony was that you 11 talked to Raffi Nahabedian about effectuating a 12 dismissal of the judgment; correct? 13 A. Well, that was my discussion with Matthew, 14 yes. Because Matthew didn't want this to continue. 15 It's a waste of everybody's time. It's a waste of 16 everybody's dollars. 17 And I understand why it's profitable for your 18 firm for it to continue. I had this with Greg Garman 19 before. And Gerry Gordon actually put an end to it by 20 pulling him off the case and putting in Bill Noall, and 21 the matter resolved within 10 minutes between the 22 parties. This is the same situation. 23 MS. TURNER: Well, we can have Maier 24 Gutierrez talk to Bill Noall. We'll see if they get 25 anywhere.</p>
<p style="text-align: right;">79</p> <p>1 you used? 2 A. That's kind of a broad question. And I don't 3 know that I'll have all of the -- I don't know that 4 I'll have all of the information to give you a 5 comprehensive answer, but, clearly, the date and the 6 names of the parties and the amounts of the payments. 7 Q. What was the purpose of the settlement 8 agreement from First 100's standpoint? 9 A. The purpose of the settlement agreement was 10 to end the litigation. That's what Matthew wanted. 11 That's what we wanted. That's what First 100 wanted. 12 That's what I understood Adam wanted. The only one 13 that doesn't want this to resolve is your firm. 14 Q. When you say end litigation, the litigation 15 is resulted in a judgment. By settling the litigation, 16 it was your desire to have that judgment dismissed; 17 correct? 18 MR. GUTIERREZ: Object to the form of the 19 question. 20 THE WITNESS: You know, I don't care if you 21 have a judgment for the production of documents of 20 22 something thousand dollars. This settlement is to get 23 Adam back his million dollars plus 6 percent and to 24 stop ridiculous fees on QAnon-level theories that your 25 firm keeps spewing.</p>	<p style="text-align: right;">81</p> <p>1 THE WITNESS: He was with Gordon Silver at 2 the time. I don't know if he came over to GTG with 3 you. But, yes, Bill Noall was able to resolve it when 4 Greg couldn't. 5 BY MS. TURNER: 6 Q. So, Mr. Bloom, the settlement agreement does 7 not provide for the production of documents as ordered 8 in the judgment; correct? 9 A. Correct. 10 Q. And when you communicated with 11 Raffi Nahabedian, there was discussion of effectuation 12 of this settlement agreement with the dismissal of the 13 judgment; correct? 14 A. Correct. 15 Q. Now, what this settlement agreement does 16 purport to provide is an agreement from First 100 to 17 pay the amount owed to TGC as follows: And it says, 18 "Concurrent with its collection of proceeds from the 19 sale of its award, First 100 and/or F100 will cause to 20 pay a million dollars plus 6 percent interest accrued 21 from the date of investment to TGC/Farkas." 22 See that? 23 A. I do see that, which is why I was astounded 24 when Dylan represented on a phone call that what 25 Matthew signed obliterated Adam's million dollars. It</p>

<p>82</p> <p>1 clearly does not, based on that document you read. I 2 don't know why Dylan would make that misrepresentation 3 to Matthew, other than to work him up into a frenzy to 4 get him to sign things that aren't true. 5 Q. Mr. Bloom, the arbitration establishes 6 TGC/Farkas Funding's rights as a member of First 100 7 and First 100 Holding, LLC; right? 8 A. Well, First One Hundred Holdings is the 9 entity with membership. First 100 is a wholly-owned 10 subsidiary and has one member, the holding company. 11 So, I mean, if the arbitration panel found him to be a 12 member of First 100, it's just another error by the 13 arbitration panel, but it's irrelevant. It's not worth 14 wasting dollars and time on. 15 Q. Pursuant to this settlement agreement, if 16 effectuated by the Court, is it your position that 17 TGC/Farkas Funding, LLC no longer has any rights as a 18 member of First 100 or First 100, LLC -- pardon me -- 19 First 100, LLC or First One Hundred Holdings, LLC? 20 MR. GUTIERREZ: Object to form. Objection as 21 to the word "rights" in the form of the question. 22 THE WITNESS: I'm not going to draw any legal 23 conclusion from what the document says. 24 BY MS. TURNER: 25 Q. What is your understanding of TGC/Farkas</p>	<p>84</p> <p>1 A. I'd have to get advice from counsel as to 2 whether or not a wholly-owned subsidiary would be 3 subject to a books and records production and 4 inspection to be able to answer that question. I don't 5 know. 6 Q. All right. Now, it says in this settlement 7 agreement that First 100 agrees that TGC is currently 8 owed a million dollars. 9 Where did that million dollars come from? 10 A. That's my understanding of the capital 11 contribution by TGC. That's the capital provided. 12 Q. Okay. When you say, currently owed -- let me 13 back up a minute. 14 Has First 100, LLC or 15 First One Hundred Holdings, LLC made any distribution 16 to the members? 17 A. I don't believe so. 18 Q. So when you say, "TCG is currently owed" in 19 this settlement agreement, you're not saying that TCG 20 is due an outstanding distribution of a million 21 dollars? 22 A. No. That would have been under the 23 redemption agreement, but, no. TGC, in the settlement 24 agreement -- we're trying to accomplish what everybody 25 wants except your firm. Adam wants his million dollars</p>
<p>83</p> <p>1 Funding, LLC's continuing role or continuing rights as 2 a member of First 100 and First One Hundred Holdings, 3 LLC if this settlement agreement is effectuated? 4 A. So we went through both operating agreements 5 for First 100 and First One Hundred Holdings. And 6 TGC/Farkas was never a member of First 100, LLC. Was 7 only a member of the holding company. And that was 8 subsequent to the holding company becoming a single 9 member in First 100, LLC as a subsidiary. So in terms 10 of First 100, LLC, TGC/Farkas is not a member. In 11 terms of First One Hundred Holdings, it is. 12 Q. So based on your understanding alone, the 13 settlement agreement couldn't be effectuated by the 14 Court, and TGC/Farkas Funding, LLC has the right to 15 demand books and records of First One Hundred Holdings, 16 LLC in its -- 17 A. With the provision of the costs to produce 18 them as required under the operating agreement, yes, 19 that's been our position and remains so. We're not 20 saying Adam can't see it. We're saying we can't 21 produce it without paying a third party to compile what 22 he's requesting. 23 Q. And TGC/Farkas Funding, LLC would have no 24 rights to books and records with respect to First 100, 25 LLC; that's your understanding?</p>	<p>85</p> <p>1 back. Matthew wants him to get his million dollars 2 back. I want him to get his million dollars back. So 3 this agreement is he gets a million dollars back that 4 they provided as a capital contribution. And then in 5 my discussions with Adam, he wanted 6 percent as a 6 return. And we took what all of us wanted and put it 7 into a document as a settlement to resolve the matter. 8 Q. And, again, that communication with Adam was 9 back in 2017? 10 A. Probably. 11 Q. Okay. Now, the agreement to pay the amount 12 owed to TGC, it says, "Concurrent with its collection 13 of proceeds from the sale of its Award." 14 Did First One Hundred Holdings, LLC or 15 First 100, LLC sell the judgment in their favor against 16 Raymond Ngan and his affiliated entities? 17 A. We're in the process of finalizing that now. 18 Q. When did -- when you say you're in the 19 process of finalizing that, who are you in the process 20 of finalizing a sale of the award with? 21 MR. GUTIERREZ: I'll just object as to not 22 reveal any confidentiality or any agreements that may 23 be bound by confidentiality. In the event it does 24 cross over, I'd instruct you not to answer. 25 THE WITNESS: I'm not going to violate the</p>

<p>86</p> <p>1 confidentiality provisions and have you depose the 2 buyer and blow up the sale and cost all 50 members 3 their recoveries, including your own client. 4 BY MS. TURNER: 5 Q. So it's your position that you will not 6 disclose any details of a purported sale of the award? 7 A. I'm bound by a confidentiality agreement that 8 precludes me from doing so. 9 Q. Did you disclose any details of a purported 10 sale to Matthew Farkas when negotiating or purportedly 11 negotiating the settlement agreement? 12 A. If I had, I'm sure you'd know about it by 13 now. 14 Q. Is your answer no? 15 A. My answer is no. 16 Q. And subsequent to execution of the settlement 17 agreement, you have not paid any amount to TGC/Farkas 18 Funding, LLC; correct? 19 MR. GUTIERREZ: Object to form. You're 20 asking if pursuant to the settlement agreement? Just 21 objecting to the form of the question. 22 BY MS. TURNER: 23 Q. Subsequent to execution of the settlement 24 agreement, First 100 and First One Hundred Holdings, 25 LLC have not paid any amounts, any amounts, to</p>	<p>88</p> <p>1 continue to call me Erika and otherwise try to demean 2 me on the record, but I'm asking you to show me the 3 same respect I am showing you. 4 A. I have some real issues with the way you've 5 conducted yourself in this case and your firm, and 6 that's going to be reflected in my testimony. Now, if 7 you have a question, I'll be happy to answer it. 8 Q. Please do. 9 Mr. Farkas -- 10 A. Do you have a question? 11 Q. Mr. Farkas signed the document set forth at 12 Exhibit 12, the settlement agreement, and returned it 13 to you from the UPS Store; correct? The UPS Store 14 provided it to you? 15 A. Mr. Farkas, my understanding, I wasn't 16 present with him, Mr. Farkas signed it and gave it to 17 the UPS Store to scan and email back to me because he 18 not only has no printer, he has no scanner. 19 Q. Mr. Bloom, when -- what was the period of 20 time between the time that you sent the documents to 21 the UPS Store on January 7th, 2021, and you received 22 them back from the UPS Store? 23 A. I don't know. It was sometime the same day. 24 I don't know what the time frame was. 25 Q. Well, you would have an email to reflect when</p>
<p>87</p> <p>1 TGC/Farkas Funding, LLC; correct? 2 MR. GUTIERREZ: Same objection to the form. 3 THE WITNESS: Subsequent to this agreement 4 goes from January 6, 2021 on to infinity. So, to date, 5 no, but that's very different than there won't be a 6 payment in the near future. I'm anticipating this 7 thing is going to close and everybody is going to get 8 paid and we're still going to be having this 9 conversation and we'll be holding Adam's million 10 dollars while your firm continues to bill him. 11 BY MS. TURNER: 12 Q. So, Mr. Bloom, in your declaration you 13 provided to the arbitrators in August of 2020, do you 14 recall telling them that you believed you would have 15 funds within 30 days? 16 A. Um-hum. This was originally supposed to 17 close in September of 2020, and was postponed to March 18 of 2021 for a variety of reasons. 19 Q. Now, Mr. Bloom -- 20 A. Erika. 21 Q. To be clear, and, you know, I think you're 22 trying to be funny, but I am not calling you Jay. I am 23 not disrespecting you. I'm calling you Mr. Bloom 24 because I don't know you. I'm not familiar with you. 25 And I'm trying to show you some respect. You can</p>	<p>89</p> <p>1 you received the documents; correct? 2 A. I would. 3 Q. All right. Can you look at your email? 4 A. I can try. It's still not very responsive. 5 MS. TURNER: All right. Let's take a 6 five-minute break, and then we'll come back. It's 7 10:36 -- 10:37. 8 (Whereupon, a recess was taken.) 9 BY MS. TURNER: 10 Q. While you're pulling that up, Mr. Bloom, what 11 have you done to preserve your emails and text 12 messages? 13 A. Well, nothing has been deleted or destroyed 14 or removed so I just left everything as is, unchanged. 15 First thing I'm seeing from them is on 16 January 7th, which would have been after the settlement 17 agreement. I wonder if they faxed it to me. Hang on. 18 Q. Well, that's my question is from the time you 19 sent the email containing the settlement agreement to 20 the UPS Store, and the time you received the documents 21 back on January 7th, what was that time period? 22 A. Yeah, I understand the question. I'm just 23 trying to find when I sent it to them and when they 24 sent it back to give you that answer. And to do that, 25 I need to find how they sent it back. So I'm checking</p>

<p style="text-align: right;">90</p> <p>1 with my e-fax because I'm not seeing an email with them 2 prior. 3 Q. Do you have an email from the UPS Store of 4 January 7th, 2021? 5 A. I do. 6 Q. And that contains the executed settlement 7 agreement? 8 A. Yes. Yes, it does. 9 Q. Okay. So what time is that email 10 January 7th, 2021, from the UPS Store to you? 11 A. It's at 2:41 p.m. 12 Q. Okay. Now, your email to the UPS Store is 13 what time? 14 A. That's what I'm trying to find. It says 15 Outlook not responding. Give it a second to come back. 16 Q. All right. In the meantime, I understand 17 you're not going to testify regarding the amount of the 18 purported sale of the -- 19 A. I found it. 20 Q. Oh, you did. Okay. 21 A. Yeah. It was sent at 1:58. 22 Q. And are the same documents attached to your 23 email to the UPS Store as sent back to you, just signed 24 by Matt Farkas? 25 A. I'd have to open them, but I believe so. I'd</p>	<p style="text-align: right;">92</p> <p>1 A. I believe so. 2 MS. TURNER: All right. I'm sorry for the 3 interruption, but I just got notice my computer is 4 going to die if I don't plug it in so I've got to get 5 my plug from the other room. It will take two seconds. 6 Let's go off the record. 7 (Discussion held off the record.) 8 BY MS. TURNER: 9 Q. With respect to the release, was that 10 negotiated directly between you and Matthew Farkas or 11 was that something that was provided to you by 12 Raffi Nahabedian? 13 A. That was directly between Matthew Farkas and 14 I without the involvement of Raffi Nahabedian. 15 Q. And was counsel for First 100 involved in 16 negotiating or drafting that release? 17 A. I don't believe so, no. 18 Q. Now, did you explain to Matthew Farkas what 19 First 100 would be releasing against him personally? 20 A. Yes. 21 Q. And what was that explanation? 22 A. Any and all claims the company may have, 23 including his breach of fiduciary duty to First 100 for 24 his signing a false declaration for the benefit of your 25 firm, adverse to his company, adverse to -- well, he</p>
<p style="text-align: right;">91</p> <p>1 have to open the documents. Yes. 2 Q. And just so the record is clear, that's the 3 Raffi Nahabedian retention letter or retention 4 agreement, the letter terminating GTG, the substitution 5 of counsel, and the settlement agreement. Was there 6 anything else? 7 A. I don't see the substitution of counsel. The 8 four documents are the termination letter, the retainer 9 agreement for Matthew, the settlement agreement 10 executed, and a release, hold harmless and 11 indemnification. And then I think that last document 12 came later on a different occasion. 13 Q. Who is -- the release and hold harmless, who 14 is being released? 15 A. I think it was all parties. Let me see. The 16 release is between First One Hundred Holdings, 17 First 100, and Matthew Farkas. It says, "the parties 18 wish to resolve the dispute without litigation." 19 Q. And that was First 100 and 20 First One Hundred Holdings, LLC releasing 21 Matthew Farkas for breach of the fiduciary duty? 22 A. It was all parties releasing each other for 23 any and all claims, which would be inclusive of his 24 breach of fiduciary duty. 25 Q. Was that release drafted by you, as well?</p>	<p style="text-align: right;">93</p> <p>1 has competing fiduciary duties between TGC/Farkas and 2 First 100, and he breached his duty to First 100 by 3 signing the false declaration adverse to First 100 at 4 your direction. 5 Q. What declaration did Matthew sign that was 6 false? 7 A. In August of 2020, he signed a declaration 8 for the benefit of TGC/Farkas in furtherance of the 9 arbitration that contained false representations. 10 Q. What was false? 11 A. I'd have to go back to the declaration to 12 identify what it was. 13 Q. Sitting here, you don't recall? 14 A. I do not. 15 Q. Did Matthew Farkas have personal counsel at 16 the time you sent him the release? 17 A. I don't know. I'm unaware. 18 Q. At the time the settlement agreement was sent 19 by you to Mr. Farkas, you knew that Garman Turner 20 Gordon was counsel of record for the company; right? 21 A. I did. 22 Q. And you had indicated earlier that you had 23 made recommendations of counsel to represent Matthew 24 individually. Did you make that recommendation before 25 or after you sent the release?</p>

<p>94</p> <p>1 A. I don't recall the chronology or the timing 2 of that sequence of events. 3 Q. All right. Back to the settlement agreement 4 at Exhibit 12. I understand your position that you're 5 not going to disclose the amount of the sale of the 6 award. When there is a sale that's effectuated, if 7 there is a sale that's effectuated, all members of 8 First 100, LLC and First One Hundred Holdings, LLC will 9 be entitled to a distribution of the proceeds of that 10 sale; correct? 11 A. Correct. 12 Q. Did you and Matthew have any discussions 13 regarding whether or not the distribution that would be 14 payable to TGC/Farkas exceeded or was less than a 15 million dollars plus 6 percent interest? 16 A. The distribution would have been less than a 17 million dollars plus 6 percent absent the settlement 18 agreement. The distribution -- I think the math works 19 out to after fees, expenses, AP, I think the math works 20 out to somewhere around 100 to 150 thousand dollars a 21 point. And the goal was to get Adam back his money 22 with the return that Adam requested, which required a 23 separate agreement that would give him a 24 disproportionately larger distribution than the other 25 members.</p>	<p>96</p> <p>1 that he signed something and didn't read it. 2 Q. So you have said that Matthew Farkas is a 3 liar, but you believe that what Matthew Farkas 4 described to you is accurate? 5 A. Can you be more specific in what he described 6 to me. 7 Q. So you just testified that Matthew Farkas was 8 the manager for TGC/Farkas, and that he represented 9 that. But you previously testified that you believe 10 Matthew Farkas is and was a liar. So what did you do 11 to confirm what Matthew Farkas was saying regarding his 12 role at TGC/Farkas Funding was accurate? 13 MR. GUTIERREZ: Objection. Misstates the 14 testimony. 15 THE WITNESS: So, again, Matthew Farkas 16 signed the subscription agreement as the manager. 17 Matthew Farkas signed the redemption agreement as the 18 manager. Matthew Farkas held himself out as the 19 manager. 20 Adam Flatto signed the declaration in August 21 of 2020 that Matthew remained the manager. No 22 communication was forthcoming subsequent to that 23 Adam Flatto representation that Matthew is the manager. 24 We relied on Matthew's representations. We relied on 25 Adam's representations. We relied on the documentation</p>
<p>95</p> <p>1 Q. The distribution calculation, what would be 2 payable above equity? 3 A. Well, if we're at a hundred thousand a point, 4 TGC/Farkas would have \$300,000. The settlement 5 agreement gives him a million dollars plus 6 percent. 6 For the life of me, I can't understand why he'd want to 7 set that aside, but that's your position. 8 Q. Well, TGC/Farkas Funding was not ever asked 9 to execute the settlement agreement. It was the -- the 10 agreement went to Matthew Farkas? 11 A. Matthew Farkas was the manager for 12 TGC/Farkas. He represented it. He was since 13 inception. He maintained it throughout the course of 14 the negotiation of the settlement and the execution of 15 the settlement on January 6 of 2021. He didn't know he 16 wasn't the manager. So, no, we didn't talk to Matthew 17 in his individual capacity. We spoke to Matthew Farkas 18 as manager of TGC/Farkas. 19 As late as August of 2020, Adam Flatto signed 20 a declaration saying, Matthew Farkas is the manager. 21 There was no communication subsequent to that of any 22 change by Adam and certainly not by Matthew, who didn't 23 even read what you put in front of him to sign in 24 September. He thought he was the manager up to and 25 including the date that he checked his email and found</p>	<p>97</p> <p>1 itself and the absence of any notice of change which 2 otherwise would have been required under the operating 3 agreement. If TGC/Farkas had a change in management, 4 the new manager should have contacted us and said, I'm 5 the new manager; you need to deal with me. That never 6 happened. 7 If Adam Flatto sent us a writing that said, 8 I'm the new manager, you'd be waving it like the flag 9 on the 4th of July. You're not because it doesn't 10 exist. All we have is Adam Flatto's representation in 11 August of 2020, Matthew's continued representations 12 through January 19th of 2021. There's nothing more we 13 could have done. If nobody tells us there's a change, 14 and the manager who was the manager for years insists 15 he's still the manager, we have every reason to rely on 16 that representation. 17 In this instance, I don't think Matthew is 18 lying. I think he didn't know. I think you had him 19 sign a document under threat that he didn't read until 20 January 19th of 2021. 21 BY MS. TURNER: 22 Q. So what threat was that? 23 A. The threat of a lawsuit. Matthew told me 24 that Adam said, sign this or we're going to sue you 25 within the hour. Matthew is afraid of Adam.</p>

<p style="text-align: right;">98</p> <p>1 Q. Adam will sue what -- sue him without signing 2 what within the hour? 3 A. Signing declarations. Well, I guess it's the 4 declarations. He said he was threatened in August. He 5 was threatened in September, I guess, for the 6 amendment. And he was threatened in January with a new 7 declaration replete with falsehoods. But I don't know 8 that he knew that because he didn't read it. At least 9 that's his representation. 10 Q. What did you tell Matthew Farkas regarding 11 TGC/Farkas getting a distribution from a sale versus a 12 million dollars pursuant to a settlement agreement? 13 A. We didn't have a discussion relating to a 14 distribution from a settlement agreement. The 15 discussion was, Adam wants his million dollars back, 16 plus 6 percent. Adam told me that. When testimony 17 came out about our judgment debtor and where he got his 18 money from, Adam said, I don't want anything to do with 19 that. I just want my money back. 20 The guy that we got the judgment against is a 21 bad guy. He was involved with a lot of nefarious 22 things. And Adam didn't want money from him. He just 23 wanted his money back. That was Adam's representation 24 to me. 25 We entered a settlement agreement that</p>	<p style="text-align: right;">100</p> <p>1 So, you know, how do you know? Because it's 2 a better position than where we are today. 3 BY MS. TURNER: 4 Q. So perhaps the distribution above equity, and 5 when I say -- maybe distribution is the wrong word 6 because that usually is referring to equity. 7 Payments -- 8 A. Yeah, just the tender above equity. 9 Q. Yeah. -- to know whether or not those are 10 appropriate would really be relevant to a decision on 11 whether or not to take a sum certain; correct? 12 A. Potentially. 13 Q. And under this settlement agreement, 14 TGC/Farkas is not entitled to any documents related to 15 the sale or prior payments that were made, whether to 16 managers, members, or third parties. 17 MR. GUTIERREZ: Object to form. 18 THE WITNESS: Is there -- I'm not sure 19 there's a question pending. 20 BY MS. TURNER: 21 Q. Well, this settlement agreement does not 22 provide any right to review the documentation to 23 TGC/Farkas so that it can be satisfied that this is in 24 its best interests; right? 25 A. I think the document speaks for itself in</p>
<p style="text-align: right;">99</p> <p>1 accomplished what Adam wanted as I understood it direct 2 from Adam, as well as what Adam wanted as I understood 3 it through Matthew's representations. And the 4 settlement agreement is a better position than Adam 5 would get with a straight distribution. Adam came in 6 later on at a higher valuation than other members. And 7 the only way to get him back his money with this 8 distribution was to pay him a disproportionately larger 9 distribution than the other members and that's what 10 this settlement agreement accomplishes. 11 Q. How does TGC/Farkas Funding know that they're 12 in a better position under the settlement agreement if 13 they're not privy to the documents of the company and 14 related to the sale and where the sale proceeds are 15 going? 16 MR. GUTIERREZ: Object to the form of the 17 question. 18 THE WITNESS: Right now the company has no 19 money whatsoever. So any position is a better position 20 than no money whatsoever. The company cannot pay 21 \$20,000 in fees and costs under the award. The company 22 cannot pay for the cost of the compilation of the 23 documents for production. There's no objection to 24 providing the documents, but there's no money to fund 25 the production.</p>	<p style="text-align: right;">101</p> <p>1 that regard. 2 Q. How does TGC/Farkas -- strike that. 3 How is First 100 paying its attorneys? 4 A. With respect to what? 5 Q. I'll break that down. 6 How did First 100 pay for Maier Gutierrez to 7 represent its interest in the arbitration? 8 A. Maier Gutierrez bills First 100, and has an 9 account receivable. And that account receivable is 10 part of the use of funds from the collection of the 11 judgment or the collection of the proceeds from the 12 sale of the judgment. We have almost 50 investors. 13 TGC/Farkas is the only problem one. We have dozens of 14 vendors. None of them are problems. 15 We have a reality of a situation here that 16 there's no money in the company, but there's money 17 coming enough to cure everybody. And I believe that 18 Adam spoke directly to Joe. Joe said, why don't you 19 use your resources to help in a resolution. And Adam 20 chose not to. 21 Q. So is it your testimony that TGC/Farkas 22 Funding, LLC does not have an interest in confirming 23 that these losses were as a result of legitimate 24 business losses as opposed to some fraud or some other 25 untoward explanation?</p>

<p style="text-align: right;">102</p> <p>1 MR. GUTIERREZ: Objection.</p> <p>2 THE WITNESS: Yeah, this is, again, you're</p> <p>3 going down a path that is QAnon-level crazy conspiracy</p> <p>4 theories. You're welcome to the books and records. To</p> <p>5 compile them will cost money. First 100 doesn't have</p> <p>6 the money. The membership agreement, the operating</p> <p>7 agreement, requires the requesting party to pay for the</p> <p>8 cost of production. They're available and if he wants</p> <p>9 them, they can be compiled. Nobody is saying he can't</p> <p>10 have them.</p> <p>11 BY MS. TURNER:</p> <p>12 Q. You have not compiled any documents in your</p> <p>13 possession; correct?</p> <p>14 MR. GUTIERREZ: Objection. Misstates the</p> <p>15 testimony.</p> <p>16 THE WITNESS: The documents are in the</p> <p>17 possession of Matthew and Michael Henriksen. I have</p> <p>18 very limited documents available to me.</p> <p>19 BY MS. TURNER:</p> <p>20 Q. The documents that are in your possession or</p> <p>21 control have not been compiled and produced to</p> <p>22 TGC/Farkas Funding; correct?</p> <p>23 A. I don't know that there are documents in my</p> <p>24 possession that are responsive to the request.</p> <p>25 Q. Have you reviewed the documents to date to</p>	<p style="text-align: right;">104</p> <p>1 the privilege statutes.</p> <p>2 BY MS. TURNER:</p> <p>3 Q. Are you taking your advice or your direction</p> <p>4 from counsel?</p> <p>5 A. Yes. I have no intention of waiving</p> <p>6 privilege and discussing my privileged communications</p> <p>7 with my attorneys.</p> <p>8 Q. And back to my earlier question. TGC/Farkas</p> <p>9 Funding is to take your word for it that there's been</p> <p>10 no fraud or anything else that's untoward to explain</p> <p>11 the loss of everybody's investment?</p> <p>12 MR. GUTIERREZ: Objection to form.</p> <p>13 THE WITNESS: Also compound, but I'll try and</p> <p>14 answer. No, TGC/Farkas can either take my word for it</p> <p>15 or provide for the compilation of the documentation by</p> <p>16 a third party and make their own determination. And</p> <p>17 with respect to the last part of your statement, that</p> <p>18 everybody is taking a loss, they are not. We've been</p> <p>19 working diligently for years pursuing the recovery for</p> <p>20 everybody, vendors, investors, everybody. And we</p> <p>21 believe we're on the cusp of doing it. We had hoped it</p> <p>22 was going to be last September. It's now pushed to</p> <p>23 this March. And we will see a recovery. So, no, there</p> <p>24 will not be a loss for every investor, as you falsely</p> <p>25 represented in your question.</p>
<p style="text-align: right;">103</p> <p>1 determine their responsiveness?</p> <p>2 A. I haven't seen documents in my possession</p> <p>3 that are responsive.</p> <p>4 Q. That's not my question. My question is have</p> <p>5 you reviewed the documents to date to determine whether</p> <p>6 or not they're responsive?</p> <p>7 A. Yeah, I just answered that. I have not seen</p> <p>8 any documents in my possession that are responsive to</p> <p>9 the production request.</p> <p>10 Q. Have you made a demand on counsel to produce</p> <p>11 documents that are responsive to the requests?</p> <p>12 MR. GUTIERREZ: Object. Calls for</p> <p>13 attorney/client privilege. Don't discuss anything that</p> <p>14 my firm and you had talked about.</p> <p>15 BY MS. TURNER:</p> <p>16 Q. My question is whether or not there's been a</p> <p>17 demand on counsel to produce documents, not to seek</p> <p>18 advice, but whether or not there's been a demand to</p> <p>19 produce documents responsive to the requests?</p> <p>20 MR. GUTIERREZ: And the objection stands.</p> <p>21 You're asking Mr. Bloom for his communications with my</p> <p>22 law firm so that's bound by attorney/client privilege.</p> <p>23 Instruct him not to answer as counsel for the firm --</p> <p>24 or for the company.</p> <p>25 MS. TURNER: I would ask that counsel review</p>	<p style="text-align: right;">105</p> <p>1 BY MS. TURNER:</p> <p>2 Q. So that I understand your testimony,</p> <p>3 TGC/Farkas and First 100 would be entitled to receive a</p> <p>4 million dollars plus 6 percent per annum since the date</p> <p>5 of investment pursuant to this settlement agreement, in</p> <p>6 addition to maintaining its right of distribution in</p> <p>7 its capacity as both a member of First 100, LLC and</p> <p>8 First One Hundred Holdings, LLC as that membership</p> <p>9 interest was established in the arbitration?</p> <p>10 MR. GUTIERREZ: Objection to form. Compound.</p> <p>11 THE WITNESS: No, this settlement agreement</p> <p>12 is comprehensive of all recovery of TGC. It is not a</p> <p>13 million dollars plus 6 percent on top of membership</p> <p>14 distribution. This is the membership distribution</p> <p>15 grossed out to recover the income and provide for the</p> <p>16 return that was requested by Adam directly.</p> <p>17 BY MS. TURNER:</p> <p>18 Q. This settlement agreement, you just testified</p> <p>19 this settlement agreement is comprehensive of all</p> <p>20 recovery of TGC. When you say that, do you mean</p> <p>21 monetary recovery? TGC/Farkas would still be entitled</p> <p>22 to the books and records of the entities; right?</p> <p>23 A. I could care less. You're welcome to it.</p> <p>24 Q. I'm trying to understand your position. As a</p> <p>25 member, all membership rights are retained under this</p>

<p style="text-align: right;">106</p> <p>1 settlement agreement; is that your testimony?</p> <p>2 A. Yes, depending on the final structure of the</p> <p>3 settlement agreement. If the documents come back and</p> <p>4 they want to buy the membership interest for a million</p> <p>5 dollars plus 6 percent, in line with what they're doing</p> <p>6 with every other member, then, no, there would be a</p> <p>7 transfer of the membership interest for the million</p> <p>8 dollars plus 6 percent. If it's a sale of the judgment</p> <p>9 and the membership interest was retained, then, yes.</p> <p>10 We'll know in a couple of weeks. But it depends on the</p> <p>11 final form.</p> <p>12 Q. TGC/Farkas did not agree to transfer its</p> <p>13 membership interest under this settlement agreement,</p> <p>14 did it? Or do you have a different understanding?</p> <p>15 A. No. As written, it contemplates the sale of</p> <p>16 the judgment, which would result in a distribution, a</p> <p>17 disproportionate distribution, to TGC. However, if</p> <p>18 that structure were to change, which is part of the</p> <p>19 discussions that are ongoing, and instead the buyer</p> <p>20 wanted not the judgment but the membership interest,</p> <p>21 then there would be an offer tendered where TGC or TCG</p> <p>22 would be offered a million dollars plus 6 percent for</p> <p>23 its membership interest. And then TGC would have a</p> <p>24 decision to make, do they take the million dollars and</p> <p>25 6 percent for membership interest and end the</p>	<p style="text-align: right;">108</p> <p>1 A. Well, we'll know in a couple of weeks. Right</p> <p>2 now there's a million dollars plus 6 percent that's</p> <p>3 agreed to in the settlement agreement with what we</p> <p>4 understood was the manager of TGC/Farkas.</p> <p>5 Q. Are you guaranteeing the close of a sale and</p> <p>6 a million dollars plus 6 percent by March of 2021?</p> <p>7 MR. GUTIERREZ: Object to form.</p> <p>8 THE WITNESS: I'm not in the position to</p> <p>9 guarantee the performance of third parties, but that's</p> <p>10 my belief and understanding.</p> <p>11 BY MS. TURNER:</p> <p>12 Q. And what have you done to confirm that there</p> <p>13 is an ability to pay and an intention to pay by the</p> <p>14 third party that you've been communicating with the</p> <p>15 sale of the judgment to?</p> <p>16 A. To the extent that asks me to breach my</p> <p>17 confidentiality agreement, I'm not going to answer.</p> <p>18 However, I can answer that I'm satisfied that the funds</p> <p>19 and the intentions are there to consummate this</p> <p>20 transaction.</p> <p>21 Q. What have you done to value the judgment</p> <p>22 against Raymond Ngan?</p> <p>23 MR. GUTIERREZ: N-G-A-N. But it's pronounced</p> <p>24 N-O-N. Go ahead.</p> <p>25 THE WITNESS: Can you repeat the question.</p>
<p style="text-align: right;">107</p> <p>1 litigation, end the conflict, or do they say no to the</p> <p>2 million dollars and the 6 percent return, keep the</p> <p>3 membership interest, and continue paying your firm to</p> <p>4 tilt in windows.</p> <p>5 Q. So at this point in time, February 24th,</p> <p>6 2021, First 100, LLC and First One Hundred Holdings,</p> <p>7 LLC does not understand the structure of the sale of</p> <p>8 the award and whether or not TGC/Farkas would have to</p> <p>9 transfer its membership interest in the entities?</p> <p>10 MR. GUTIERREZ: Objection. Form. Compound.</p> <p>11 Misstates testimony.</p> <p>12 BY MS. TURNER:</p> <p>13 Q. Is that right?</p> <p>14 A. No. At this point in time, our understanding</p> <p>15 is that it's a purchase of the judgment. What I'm</p> <p>16 doing is I'm telling you that that's subject to change</p> <p>17 up until the time we have final documents that are</p> <p>18 executed. I would strongly caution you against</p> <p>19 advising your client to turn down a million dollars and</p> <p>20 6 percent because I could spell out the malpractice</p> <p>21 case in this deposition for you.</p> <p>22 Q. A million dollars has never been -- plus</p> <p>23 6 percent, has never been offered to TGC/Farkas Funding</p> <p>24 or provided to my attention for me to provide that</p> <p>25 advice.</p>	<p style="text-align: right;">109</p> <p>1 BY MS. TURNER:</p> <p>2 Q. What have you done as the manager of</p> <p>3 First 100 and First One Hundred Holdings, LLC to value</p> <p>4 the judgment?</p> <p>5 A. We evaluated the collectability of the</p> <p>6 judgment against the defendant, and we've negotiated</p> <p>7 what we believe is in excess of what we would recover</p> <p>8 if we were to pursue the judgment as an alternative.</p> <p>9 Q. When did First 100 obtain the judgment</p> <p>10 against Raymond Ngan?</p> <p>11 A. I don't know the dates. I'd have to look at</p> <p>12 the judgment itself.</p> <p>13 Q. How much has First 100 and</p> <p>14 First One Hundred Holdings, LLC collected on that</p> <p>15 judgment?</p> <p>16 A. It has not collected anything to date.</p> <p>17 Q. And how much in attorneys' fees and costs</p> <p>18 have been incurred in obtaining the judgment and</p> <p>19 pursuing collection?</p> <p>20 A. I don't know what that number is offhand.</p> <p>21 Q. Do you have an estimate?</p> <p>22 A. I don't.</p> <p>23 Q. If there is collectability from the judgment,</p> <p>24 as you've determined, have you commenced a malpractice</p> <p>25 case against your collection counsel for failure to</p>

<p style="text-align: right;">110</p> <p>1 collect?</p> <p>2 MR. GUTIERREZ: Object to the form of the</p> <p>3 question. Are you talking about has he commenced a</p> <p>4 case against my law firm for failing to collect?</p> <p>5 That's your question?</p> <p>6 BY MS. TURNER:</p> <p>7 Q. Have you commenced a malpractice case against</p> <p>8 your collection counsel for failure to collect anything</p> <p>9 on the judgment?</p> <p>10 MR. GUTIERREZ: Objection. Argumentative.</p> <p>11 You can answer.</p> <p>12 THE WITNESS: With all due respect, the</p> <p>13 malpractice I'm seeing is not on this side of the</p> <p>14 table.</p> <p>15 BY MS. TURNER:</p> <p>16 Q. So is it your testimony that Maier Gutierrez</p> <p>17 and their firm have done anything that is appropriate</p> <p>18 in trying to collect on the judgment against</p> <p>19 Raymond Ngan?</p> <p>20 A. Unequivocally, yes. They have gone above and</p> <p>21 beyond what most law firms would have done. I think</p> <p>22 they're out of pocket more than your clients in the</p> <p>23 pursuit of this judgment.</p> <p>24 Q. And despite their tremendous effort above and</p> <p>25 beyond, they've been unable to collect anything?</p>	<p style="text-align: right;">112</p> <p>1 thereof?</p> <p>2 MR. GUTIERREZ: Objection. Calls for</p> <p>3 attorney/client privilege. Don't discuss anything what</p> <p>4 you authorized or spoken to my law firm about.</p> <p>5 BY MS. TURNER:</p> <p>6 Q. Are you taking your counsel's direction?</p> <p>7 A. Yes. I am not about to waive privilege</p> <p>8 against advice of counsel to give you an answer to a</p> <p>9 question that doesn't make any sense.</p> <p>10 Q. If there is a sale of the award, as you have</p> <p>11 represented, do you stand to receive compensation,</p> <p>12 either directly or through one of your affiliated</p> <p>13 entities?</p> <p>14 MR. GUTIERREZ: Just for clarification,</p> <p>15 you're asking him today in his individual capacity?</p> <p>16 MS. TURNER: Yes.</p> <p>17 THE WITNESS: Yes. One of my entities is a</p> <p>18 member and will receive a proportionate distribution,</p> <p>19 as every other member does.</p> <p>20 BY MS. TURNER:</p> <p>21 Q. So you, Jay Bloom, are not entitled to any</p> <p>22 amounts from First 100 or First One Hundred Holdings,</p> <p>23 LLC beyond a proportionate membership distribution?</p> <p>24 A. All employees, including myself, have back</p> <p>25 wages that have accrued, but nothing beyond wages.</p>
<p style="text-align: right;">111</p> <p>1 A. Yet. We have reason to believe that there's</p> <p>2 collectability, and we're going to monetize the</p> <p>3 judgment through sale. We found enough that we have a</p> <p>4 buyer that says that they're willing to pay us to buy</p> <p>5 the judgment to satisfy all investors and all debt.</p> <p>6 And then that buyer will pursue collection against --</p> <p>7 pick up where we left off. And they believe they can</p> <p>8 collect.</p> <p>9 Q. And we're to believe that that is real</p> <p>10 because you say so. You're unwilling to provide any</p> <p>11 documents in order to support your contention; is that</p> <p>12 right?</p> <p>13 A. You can make your own decision as to what you</p> <p>14 want to believe. There's a reason that Maier Gutierrez</p> <p>15 is still expending efforts. There's a reason that I'm</p> <p>16 still pursuing this. I am not going to breach a</p> <p>17 confidentiality agreement and give you the name so that</p> <p>18 you can interfere with the collection, which benefits</p> <p>19 every member, every vendor, including your client,</p> <p>20 where you could potentially jeopardize everybody's</p> <p>21 recovery. It's not going to happen.</p> <p>22 Q. Did you authorize your counsel to enter into</p> <p>23 a confidentiality agreement with its -- with</p> <p>24 First 100's own member so that the member could</p> <p>25 determine the strength of your representations or lack</p>	<p style="text-align: right;">113</p> <p>1 There are no bonuses. There are nothing like that.</p> <p>2 Q. Were you an employee of First 100 or</p> <p>3 First One Hundred Holdings?</p> <p>4 A. Yes, First One Hundred Holdings.</p> <p>5 Q. And what was your employment position?</p> <p>6 A. I was in my role as manager through SJC.</p> <p>7 Q. And that pursuant to a written agreement?</p> <p>8 A. I don't recall if there was an employment</p> <p>9 agreement or not. There may have been.</p> <p>10 Q. Did you receive any remuneration while</p> <p>11 First 100 or First One Hundred Holdings was operating?</p> <p>12 A. Yes.</p> <p>13 Q. And what was that?</p> <p>14 A. I don't recall. I think it was, like, 200 or</p> <p>15 250 thousand a year. Most of it was deferred and</p> <p>16 payable, not received.</p> <p>17 Q. Did you receive any portion of the million</p> <p>18 dollars invested by TGC/Farkas Funding?</p> <p>19 MR. GUTIERREZ: Object to the form of the</p> <p>20 question.</p> <p>21 THE WITNESS: I don't know that I did. I</p> <p>22 think it was primarily used to buy a lien pool from</p> <p>23 Point Siena. And it was used for legal fees. And I</p> <p>24 know Matthew received about \$750,000 in compensation.</p> <p>25 I don't know how much of Matthew's compensation came</p>

<p style="text-align: right;">114</p> <p>1 from TGC/Farkas' funds. It would have to match of</p> <p>2 source of use.</p> <p>3 BY MS. TURNER:</p> <p>4 Q. Have you ever reported to the members how the</p> <p>5 investment dollars were used and allocated by the</p> <p>6 companies?</p> <p>7 MR. GUTIERREZ: Object to the form.</p> <p>8 Overbroad.</p> <p>9 THE WITNESS: We never provided by member a</p> <p>10 source of use for each member's individual capital</p> <p>11 contribution and matched that capital contribution to</p> <p>12 its specific use. However, each member did receive</p> <p>13 annual financials that showed in the aggregate how much</p> <p>14 capital came in and what the expenditures were.</p> <p>15 BY MS. TURNER:</p> <p>16 Q. And when you say there were annual</p> <p>17 financials, was there anything beyond a K-1?</p> <p>18 A. Yeah. There was a P&L and balance sheet for</p> <p>19 First 100 and First One Hundred Holdings. I believe</p> <p>20 those were provided by Matthew to Adam.</p> <p>21 Q. Did you discuss with Raffi how he would be</p> <p>22 paid his retainer?</p> <p>23 A. To the extent that calls for attorney/client</p> <p>24 privileged communications, I'm not going to answer</p> <p>25 that. Do you want to be more specific in your</p>	<p style="text-align: right;">116</p> <p>1 updates. He is not.</p> <p>2 Q. Okay. As of January 6th, 2021, he was your</p> <p>3 personal counsel in pending litigation; correct?</p> <p>4 A. On an unrelated matter. That's how I knew</p> <p>5 him to refer him for TGC/Farkas for the benefit of</p> <p>6 Matthew.</p> <p>7 Q. So the only privilege that you're maintaining</p> <p>8 is with respect to your communications with</p> <p>9 Raffi Nahabedian on the unrelated matter regarding the</p> <p>10 police chase; right?</p> <p>11 A. Retaining any privilege that would be</p> <p>12 applicable. And I believe he sought counsel -- he</p> <p>13 sought advice from bar counsel, and he's following the</p> <p>14 directive of bar counsel.</p> <p>15 Q. Sir, with respect to the privilege you own,</p> <p>16 did you have an attorney/client relationship with</p> <p>17 Raffi Nahabedian regarding TGC/Farkas Funding?</p> <p>18 A. No.</p> <p>19 Q. Did you make any direction or have -- strike</p> <p>20 that.</p> <p>21 Did you have any communication with</p> <p>22 Raffi Nahabedian regarding TGC/Farkas Funding where you</p> <p>23 were seeking advice on behalf of yourself?</p> <p>24 A. I don't recall the specificity that would be</p> <p>25 required to answer that question appropriately so I'd</p>
<p style="text-align: right;">115</p> <p>1 question?</p> <p>2 Q. Did you discuss with Raffi Nahabedian how he</p> <p>3 would be paid his retainer set forth in the attorney</p> <p>4 retainer fee agreement on behalf of TGC/Farkas?</p> <p>5 A. Yes, I would be loaning the money to Matthew.</p> <p>6 Q. Did you loan the money to Matthew?</p> <p>7 A. Raffi Nahabedian never entered the case so he</p> <p>8 was never paid a retainer.</p> <p>9 Q. And, to be clear, you're not claiming any</p> <p>10 privilege over your communications with</p> <p>11 Raffi Nahabedian relating to TGC/Farkas Funding; right?</p> <p>12 A. To the extent that Raffi talked to me in my</p> <p>13 capacity as a client, I am not waiving any privilege.</p> <p>14 And I leave it to Raffi to determine what that</p> <p>15 privilege applies to that I'm not waiving.</p> <p>16 Q. Okay. So you were not a client of</p> <p>17 Raffi Nahabedian related to TGC/Farkas Funding, LLC;</p> <p>18 correct?</p> <p>19 A. That's correct.</p> <p>20 Q. And Raffi Nahabedian is your personal</p> <p>21 counsel, but on separate matters; right?</p> <p>22 A. He has been in the past.</p> <p>23 Q. Well, he's your current counsel on current</p> <p>24 litigation; correct?</p> <p>25 A. You may want to check Odyssey for any</p>	<p style="text-align: right;">117</p> <p>1 have to go back and look at my conversations with him.</p> <p>2 But I would reiterate, to the extent that any</p> <p>3 attorney/client privilege attaches, I do not waive that</p> <p>4 privilege.</p> <p>5 Q. If there is a communication involving your</p> <p>6 counsel, Joseph Gutierrez or Jason Maier, and</p> <p>7 Matthew Farkas, would you agree with me that no</p> <p>8 privilege would apply to that communication relating to</p> <p>9 TGC/Farkas Funding?</p> <p>10 MR. GUTIERREZ: Objection. Calls for a legal</p> <p>11 conclusion.</p> <p>12 THE WITNESS: Yeah. I would defer to the</p> <p>13 advice of bar counsel as provided to Raffi Nahabedian.</p> <p>14 They're in a better position to make that determination</p> <p>15 than I am.</p> <p>16 BY MS. TURNER:</p> <p>17 Q. We are submitting the member to bar counsel.</p> <p>18 But my question to you is whether or not you are</p> <p>19 asserting a privilege applies to communication relating</p> <p>20 to TGC/Farkas Funding?</p> <p>21 A. To the extent the privilege exists, yes, I'm</p> <p>22 asserting it.</p> <p>23 Q. I want to understand something you testified</p> <p>24 to earlier, at the beginning of the deposition. I'll</p> <p>25 go back so I use the exact terms. I have all my</p>

<p style="text-align: right;">118</p> <p>1 questions and your answers right here so I can look at 2 them. 3 A. Do you need time to collect your thoughts or 4 do you have a question pending? 5 Q. I want to make sure I'm accurate in what you 6 testified to. 7 You testified that Matthew Farkas as the VP 8 of finance kept the books and records. 9 What did you do to supervise Matthew Farkas' 10 exercise of your delegation that he be the custodian of 11 records? 12 MR. GUTIERREZ: Object to form. 13 THE WITNESS: I had frequent communications 14 with Michael Henriksen, the financial controller, to 15 assure that books and records were kept and they were 16 proper and they were accurate. It was Matthew Farkas 17 and Michael Henriksen that were in charge of keeping 18 the books and records. 19 BY MS. TURNER: 20 Q. What was your direction on how the books and 21 records would be maintained? 22 MR. GUTIERREZ: Object to the form. 23 Overbroad as to timing. 24 THE WITNESS: Books and records were to be 25 kept and maintained in compliance with the statute and</p>	<p style="text-align: right;">120</p> <p>1 conclusion. Form. 2 THE WITNESS: I'm not going to offer an 3 opinion on what the statutory requirements are. 4 BY MS. TURNER: 5 Q. You disagree with me that you owed the 6 members a duty of due care? 7 MR. GUTIERREZ: Same objection as to asking 8 him for a legal conclusion as to Nevada law on this 9 issue. 10 THE WITNESS: I think all members and 11 managers and officers have a duty of due care and a 12 fiduciary duty of responsibility. That's Matthew's 13 problem. He had a fiduciary duty that you had him 14 breach that put him in harm's way. 15 BY MS. TURNER: 16 Q. But you and Matthew Farkas -- you've already 17 testified you believe he's a liar. You have a pretty 18 interesting family dynamic there. Do you cheat on your 19 wife? 20 MR. GUTIERREZ: Objection. Move to strike. 21 Argumentative. 22 BY MS. TURNER: 23 Q. Sir? 24 MR. GUTIERREZ: What was the question? 25 THE WITNESS: If I had you for a wife, I</p>
<p style="text-align: right;">119</p> <p>1 the operating agreement and in a form and substance 2 that would comply with any obligations of the company 3 to maintain such books and records. 4 BY MS. TURNER: 5 Q. And you agree, as the manager of First 100 6 and First One Hundred Holdings, LLC, that the members 7 could look to you for the obligations to be met as 8 their fiduciary? 9 A. No, that obligation would have been -- they 10 would have been referred to Matthew and 11 Michael Henriksen for a response. Because that's where 12 the responsibility was delegated. 13 Q. Not under the operating agreement; correct? 14 A. I think the operating agreement provides for 15 the delegation of responsibilities to officers. It's 16 been years since I've looked at it, at least that 17 provision, but my recollection is the operating 18 agreement provides for the delegation of 19 responsibilities to officers of the company. 20 Q. And when you delegated the responsibilities 21 for the maintenance of the books and records, in 22 accordance with Nevada law, you had an obligation to do 23 so with the duty of due care and loyalty to the 24 members; correct? 25 MR. GUTIERREZ: Objection. Calls for a legal</p>	<p style="text-align: right;">121</p> <p>1 would, for sure. 2 MR. GUTIERREZ: Move to strike as 3 argumentative. Counsel, that is one of the most 4 inappropriate questions I've heard in a deposition. 5 THE WITNESS: You know, you just keep pushing 6 the boundaries of what is appropriate for an attorney, 7 how the attorney should conduct themselves. Have you 8 cheated on your wife is an outrageous question. 9 Certainly, beyond the limited scope of this deposition. 10 BY MS. TURNER: 11 Q. Sir, your wife is Matthew Farkas' sister; 12 correct? 13 MR. GUTIERREZ: Objection. Asked and 14 answered. 15 BY MS. TURNER: 16 Q. Correct? 17 A. You cut out when you were saying whatever you 18 were saying. You want to repeat your question, if it's 19 appropriate this time. 20 Q. Your wife is Matthew Farkas' sister; correct? 21 A. That's correct. 22 Q. Does Matthew Farkas have information that has 23 led to discord between you and your wife? 24 MR. GUTIERREZ: Objection. Overbroad. Form. 25 THE WITNESS: You are dangerously close to</p>

<p style="text-align: right;">122</p> <p>1 ending this deposition with an inappropriate line of 2 questioning. 3 BY MS. TURNER: 4 Q. Sir, it's yes or no. I'm trying to 5 understand this family dynamic where we have a claim of 6 duress. 7 MR. GUTIERREZ: Counsel, we also have a claim 8 of duress against you and your law firm for how you've 9 handled this so I think you -- I'm going to instruct 10 Mr. Bloom not to answer. We can flush out the scope of 11 this on Monday in front of the judge before we file a 12 counter-motion for protective order on this issue. 13 MS. TURNER: I'll ask a broader question. 14 MR. GUTIERREZ: Let me finish my objection. 15 You either move on and we can deal with this Monday or 16 we can stop the deposition now with your inappropriate 17 line of questioning. So I highly, highly suggest you 18 move on and get to the meat of this issue, and let's 19 move forward with this case. 20 BY MS. TURNER: 21 Q. From your standpoint, Mr. Bloom, what led to 22 the discord between you and Matthew Farkas? 23 A. Matthew Farkas indicated to me that he signed 24 documents under threat by your firm and by Adam that 25 were adverse to this company and to me individually.</p>	<p style="text-align: right;">124</p> <p>1 Q. And did you see where he indicated that you 2 asked him to read documents without reviewing them? 3 You saw that? 4 A. He showed me the declaration that you had him 5 sign, and indicated to me that he signed your 6 declaration without reading it and didn't realize what 7 it said. You prepared it without his involvement and 8 you threatened him into signing it. And it's replete 9 with falsehoods, like a lot of your communications are. 10 You lied in your letter in 2017, when you 11 said he's not the manager. Dylan lied in that 12 telephonic conversation where you provided a 13 transcript, telling him what he signed wiped out Adam's 14 million dollars. It did not. And the declaration that 15 you had him sign that he didn't read that you prepared 16 without his involvement is also full of lies. 17 Q. You are assuming that the August 2020 18 declaration that was submitted to the arbitration was 19 prepared without Matthew Farkas' involvement? 20 A. That is Matthew Farkas' representation, that 21 not only didn't he read it but he didn't participate in 22 its preparation. 23 Q. And Matthew Farkas, you said that he signed 24 it without reading it? 25 A. He represented that he signed it without</p>
<p style="text-align: right;">123</p> <p>1 Q. And it's your testimony that that is all that 2 has led to the discord between you and Matthew Farkas? 3 A. In this particular instance, over the last 4 quarter century, I've had my issues with him in the 5 past, but they are beyond the scope of this deposition 6 and completely irrelevant. I guarantee you have issues 7 with your family based on what I'm seeing in this 8 deposition. 9 Q. Mr. Farkas executed a declaration in the 10 arbitration. And it is your position that the 11 declaration was false; is that right? 12 A. Are you referring to the August declaration? 13 Q. Yes. 14 A. There are elements in that declaration that 15 are false. Matthew represented to me he didn't read 16 it, and he signed it under duress because he was told 17 he had one hour to sign it or he would be sued by 18 TGC/Farkas for a breach of his fiduciary duty to 19 TGC/Farkas. 20 Q. You've read Matthew Farkas' declaration in 21 this case; correct? 22 A. Which one? You had him sign several. 23 Q. The one that was executed in response to your 24 motion to enforce settlement. 25 A. Yes, I read that.</p>	<p style="text-align: right;">125</p> <p>1 reading it and under duress because he was told that 2 Adam was going to sue him within an hour if he didn't 3 sign it. 4 Q. Do you have any other basis for your 5 testimony that Matthew Farkas did not read that 6 declaration submitted in August 2020 or prepare it with 7 the assistance of counsel? 8 A. I have Matthew Farkas' representations to 9 that effect. 10 Q. Now, what do you have that corroborates your 11 position that the substance of the declaration is 12 false? 13 A. Well, one, with respect to his -- well, your 14 representation that you had him sign, that he told us 15 that he wasn't the manager as of September of 2020. If 16 that were the case, he wouldn't have to go back to 17 check his emails to find out what he signed. It was 18 only in January 19th of 2021, that he first realized, 19 first time, what he signed back in September because he 20 never read it. He said he never read it. His actions 21 indicate he never read it. You bullied him into 22 signing a false declaration, plain and simple. There 23 are other misrepresentations in there, too. 24 Q. You keep going back to this opinion you have 25 and these arguments that he was bullied. You've</p>

<p style="text-align: right;">126</p> <p>1 acknowledged you have no basis for these arguments 2 other than what Matt Farkas purportedly told you. He 3 can testify under oath about that on Friday. But you 4 have nothing to support -- 5 A. Now you're making up testimony of your own. 6 That's not what I said. What I said is his actions, 7 his correspondence, his representations, have been 8 pretty consistent. You keep shoving things under his 9 nose to sign without giving him an opportunity to have 10 personal counsel review it, without giving him an 11 opportunity to read it or understand it, and you had 12 him sign false testimony. You are in a very perilous 13 position. 14 Q. I've gotten all your threats. I've gotten 15 all your threats. My client is on the phone. He's 16 gotten all -- 17 A. They're not threats. They're not threats. 18 Q. Mr. Bloom, when you have a question that says 19 what corroborates your position that the substance of 20 the August 2020 declaration is false, I'm asking for 21 corroboration, evidence. Other than your statements 22 about what Matthew Farkas told you, what is the 23 corroboration that the substance is false? That's the 24 question. 25 MR. GUTIERREZ: Object to form.</p>	<p style="text-align: right;">128</p> <p>1 Pardon me. Page 3, paragraph 19. Are you there? 2 A. I'm here. 3 Q. It says, "On or about January 9th, 2021, 4 during a telephone conference with TGC/Farkas Funding 5 LLC counsel, Raffi Nahabedian, Joseph Gutierrez, and 6 myself, Matthew Farkas continued to state that he has 7 no recollection of resigning his position as Manager, 8 but he would check his emails." 9 You see that? 10 A. I do. 11 Q. So on January 9th, on or about January 9th, 12 during this telephone conference, how did it come up 13 whether he had resigned his position as manager? 14 A. I think that your office made a 15 representation to Raffi Nahabedian, when 16 Raffi Nahabedian was trying to ascertain Matthew's 17 representation to him that he was the manager, you had 18 communicated with them that Matthew resigned. So 19 Matthew had been repeatedly asked, Did you sign 20 anything else besides the August declaration. And he 21 repeatedly said, No, all the way through mid-January. 22 Q. January 9th, he said he would check his 23 emails; right? 24 A. Correct. 25 Q. And then January 10th, 2021, if we go to the</p>
<p style="text-align: right;">127</p> <p>1 THE WITNESS: We would need to pull up the 2 August declaration, and we would need to go through it 3 line by line and I will identify what's not accurate 4 and I will tell you what the corroboration is for each 5 piece. Otherwise, it's a compound question without a 6 foundation to be able to answer. 7 BY MS. TURNER: 8 Q. Now, you've testified, I think multiple 9 times, that Matthew Farkas did not tell you about the 10 September 2020 amendment to the TGC/Farkas operating 11 agreement until January 19th, 2021. Is that your 12 testimony? 13 A. That's the facts of the case, yes. 14 MS. TURNER: All right. If we could go to 15 Exhibit 19. 16 (Exhibit 19 was marked.) 17 BY MS. TURNER: 18 Q. Do you have it up? 19 A. It's loading now. All right. It's up. 20 Q. Okay. You're certainly familiar with this 21 document, the Declaration of Jay Bloom? 22 A. Yes. 23 Q. And that's your signature on page 5? 24 A. I'm not on page 5, but I'm sure it is. 25 Q. All right. If we can go to paragraph 3.</p>	<p style="text-align: right;">129</p> <p>1 next paragraph, "Matthew Farkas" -- and you state -- 2 "for the first time, said he found an email where he 3 signed a September 2020 amendment to the TGC/Farkas 4 Funding operating agreement." 5 Right? 6 A. On or about, yes. 7 Q. Okay. On or about. And you would have an 8 email to confirm the date; right? 9 A. It would probably be a text message, but when 10 I asked him to provide it to me, he said he wasn't 11 going to provide it. And I told him it was 12 discoverable, and he said he's not going to provide it. 13 So when we found out that he signed something in 14 September that he didn't realize what he signed, and he 15 signed the operating -- he signed the settlement 16 agreement with the belief that he was the manager, with 17 our belief that he was the manager, and then only a 18 week later did he first realize that he signed 19 something four months prior where he resigned his 20 position. 21 Again, I'm repeating myself. It was very 22 clear. In September, he didn't read what he had to 23 sign. He signed it under duress, is his 24 representation. And he had no idea he wasn't the 25 manager. He certainly didn't tell us that he was.</p>

<p style="text-align: right;">130</p> <p>1 Nobody knew. The only person that knew was Adam, and</p> <p>2 Adam didn't tell us.</p> <p>3 Q. Well, as of January 10th, 2021, you</p> <p>4 understood that there was an amendment to the</p> <p>5 TGC/Farkas Funding, LLC operating agreement; correct?</p> <p>6 A. On or about. Not as of. On or about</p> <p>7 January 10th. The date is an estimate. On or about</p> <p>8 January 10th, we first started hearing for the first</p> <p>9 time that there may be a document that Matthew signed</p> <p>10 that he didn't remember.</p> <p>11 Q. When was the first time that you saw the</p> <p>12 amendment to the TGC/Farkas Funding operating</p> <p>13 agreement?</p> <p>14 A. I don't think I got it until about -- and I'm</p> <p>15 doing this from memory so I don't remember the exact</p> <p>16 date or circumstances, but about January 19th.</p> <p>17 Q. If we go to Exhibit 2 to the deposition. And</p> <p>18 if we go to, looks like, it's Exhibit 3 to Exhibit 2.</p> <p>19 A. Exhibit 2 or Exhibit 3?</p> <p>20 Q. Exhibit 3 to Exhibit 2.</p> <p>21 A. Wait. Exhibit 3 to Exhibit 2? What does</p> <p>22 that mean?</p> <p>23 Q. Exhibit 2 has exhibits to it. Exhibit 3 to</p> <p>24 Exhibit 2 is what I'd like to have you look at.</p> <p>25 A. Exhibit 2 is a July 13th, 2017 letter.</p>	<p style="text-align: right;">132</p> <p>1 membershipredemption@f100llc.com.</p> <p>2 Do you see that?</p> <p>3 A. Okay. Yes.</p> <p>4 Q. And Matthew Farkas forwards that on. And</p> <p>5 then you have Michael Busch sending an email to</p> <p>6 membershipredemption@f100llc.com with a CC to</p> <p>7 Adam Flatto, Michael Busch, and</p> <p>8 Matthew Farkas@f100llc.com.</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. And it says in the paragraph two, "Please be</p> <p>12 advised that Matthew Farkas did not have the authority</p> <p>13 to unilaterally bind TGC/Farkas Funding, LLC, and that</p> <p>14 any purported approval, consent, or execution of the</p> <p>15 redemption materials solely by him is invalid and shall</p> <p>16 not be binding on TGC/Farkas Funding, LLC unless and</p> <p>17 until approved by Adam Flatto. Feel free to contact me</p> <p>18 should you have questions."</p> <p>19 Do you see that?</p> <p>20 A. I do.</p> <p>21 Q. Did you ever follow-up with Michael Busch,</p> <p>22 directly or indirectly through counsel, with questions</p> <p>23 regarding this second paragraph?</p> <p>24 A. So I am not membershipredemption@f100llc. So</p> <p>25 this would have gone to either Matthew Farkas or</p>
<p style="text-align: right;">131</p> <p>1 Q. Yes. And then we have some attachments.</p> <p>2 A. "Your Dropbox isn't responding." I'm trying</p> <p>3 to open it.</p> <p>4 Q. Exhibit 2 and Exhibit 3.</p> <p>5 A. Okay.</p> <p>6 (Exhibit 2 was marked.)</p> <p>7 THE WITNESS: Said the page isn't responding,</p> <p>8 Dropbox. NRCP 30(b)(6) and Bloom depositions. All</p> <p>9 right. Okay. So Exhibit 2. I'm on page 3 and trying</p> <p>10 to scroll down. So I have Exhibit 1 to Exhibit 2.</p> <p>11 Okay. So where did you want me to go?</p> <p>12 MS. TURNER: Exhibit 3 to Exhibit 2.</p> <p>13 THE WITNESS: Okay.</p> <p>14 BY MS. TURNER:</p> <p>15 Q. Do you have it up?</p> <p>16 A. I do.</p> <p>17 Q. All right. Exhibit 3 is an email chain</p> <p>18 starting April 13th, 2017, where membership redemption</p> <p>19 was sent to Matthew Farkas.</p> <p>20 Do you see that at the bottom of page 1 of</p> <p>21 the exhibit, Mr. Bloom?</p> <p>22 A. Hang on. So I'm on Exhibit 3, which is an</p> <p>23 April 1st email.</p> <p>24 Q. Yes. If you go to the bottom of that first</p> <p>25 page, the email chain starts with</p>	<p style="text-align: right;">133</p> <p>1 Michael Henriksen. Notwithstanding, given Mr. Flatto's</p> <p>2 testimony yesterday, he could provide confirmation to</p> <p>3 Matthew, by either orally or in writing, to his consent</p> <p>4 by any action by Matthew. So this, again, could</p> <p>5 indicate this is not a First 100-TGC issue, but an</p> <p>6 internal issue with TGC among its membership.</p> <p>7 Q. Sir, my question to you was something</p> <p>8 entirely different. I don't know if you can hear me or</p> <p>9 not. I'm going to restate it.</p> <p>10 Did you ever follow-up with Michael Busch,</p> <p>11 directly or indirectly through counsel, with questions</p> <p>12 regarding the second paragraph?</p> <p>13 A. I'll repeat my answer, at least in part.</p> <p>14 With respect to this email, there was no opportunity to</p> <p>15 follow-up because I am not</p> <p>16 membershipredemption@f100llc.</p> <p>17 Q. All right. So this email was attached as an</p> <p>18 exhibit to a letter sent to Joseph Gutierrez at Maier</p> <p>19 Gutierrez & Associates, July 13th, 2017.</p> <p>20 Mr. Gutierrez and the Maier Gutierrez firm</p> <p>21 were counsel for First One Hundred Holdings, LLC and</p> <p>22 First 100 as of July 13th, 2017; correct?</p> <p>23 A. Correct.</p> <p>24 Q. All right.</p> <p>25 MS. TURNER: It's 12:08. Let's take -- how</p>

<p style="text-align: right;">134</p> <p>1 much time do you need for a lunch break?</p> <p>2 MR. GUTIERREZ: How much longer do you have?</p> <p>3 And are you confirming that you're going to be done</p> <p>4 today because I think you've covered both Jay's</p> <p>5 testimony individually and as the 30(b)(6) for</p> <p>6 First 100.</p> <p>7 MS. TURNER: I think I have covered a lot of</p> <p>8 it. So that I understand, nobody else is being</p> <p>9 designated as the 30(b)(6).</p> <p>10 MR. GUTIERREZ: That's correct.</p> <p>11 MS. TURNER: I am not going to re-ask the</p> <p>12 same questions tomorrow. So if I can get it all done</p> <p>13 today, I certainly will. I'll look over lunch and see</p> <p>14 how much I have left, but we've gone through a lot.</p> <p>15 MR. GUTIERREZ: Okay. So I'm fine with</p> <p>16 whatever break you guys need and the court reporter.</p> <p>17 THE WITNESS: I don't need a break. If</p> <p>18 having a break means it continues to tomorrow, I'd</p> <p>19 rather skip the break. If we can take a break and</p> <p>20 you're still comfortable that you can finish today, we</p> <p>21 can take as long as you like, as long as we don't</p> <p>22 compromise finishing today.</p> <p>23 MS. TURNER: Well, we get to take lunch</p> <p>24 breaks. You can't see from the camera, but I have a</p> <p>25 lot of girth to keep up. We also have the court</p>	<p style="text-align: right;">136</p> <p>1 A. I briefly skimmed the documents that you</p> <p>2 provided as exhibits for the deposition. And I</p> <p>3 attended Mr. Flatto's deposition yesterday.</p> <p>4 Q. Did you review any documents of First 100,</p> <p>5 LLC or First One Hundred Holdings, LLC?</p> <p>6 A. I think there are documents of</p> <p>7 First One Hundred Holdings and First 100 in the exhibit</p> <p>8 pack that you submitted for this deposition today so in</p> <p>9 that regards, yes.</p> <p>10 Q. I sent the exhibits I intended to discuss</p> <p>11 with you during the deposition this morning. Did you</p> <p>12 do anything other than attend Adam Flatto's deposition</p> <p>13 or review the documents that I sent over this morning</p> <p>14 in preparation for today's deposition or the deposition</p> <p>15 of the 30(b)(6) of First 100 and</p> <p>16 First One Hundred Holdings, LLC?</p> <p>17 A. No.</p> <p>18 MS. TURNER: We can go to Exhibit 24 of the</p> <p>19 proposed exhibits to your deposition.</p> <p>20 (Exhibit 24 was marked.)</p> <p>21 BY MS. TURNER:</p> <p>22 Q. I'll represent to you this is Exhibit 13 to</p> <p>23 TGC/Farkas Fundings' arbitration brief submitted in the</p> <p>24 arbitration, and it's referenced in the judgment.</p> <p>25 If you go to Exhibit 24, have you reviewed</p>
<p style="text-align: right;">135</p> <p>1 reporter. How much time do you need? We won't take a</p> <p>2 long break. Kim?</p> <p>3 THE STENOGRAPHER: Do you want to say 1:00?</p> <p>4 MS. TURNER: That's fine. I can't imagine I</p> <p>5 won't finish today so that's a reasonable time.</p> <p>6 THE WITNESS: We'll see you all back at 1:00.</p> <p>7 I'm going to stay logged in and just close off my</p> <p>8 camera and my microphone.</p> <p>9 MR. GUTIERREZ: Jay, make sure to turn off</p> <p>10 your phone, too.</p> <p>11 (Whereupon, a recess was taken.)</p> <p>12 MS. TURNER: It's 1:00 o'clock. Let's go</p> <p>13 back on the record.</p> <p>14 BY MS. TURNER:</p> <p>15 Q. Mr. Bloom, you understand that the same oath</p> <p>16 you took this morning still applies even though we've</p> <p>17 taken a lunch break?</p> <p>18 A. Yep.</p> <p>19 Q. Now, I understand from this morning that you</p> <p>20 are the sole designee on behalf of First 100, LLC and</p> <p>21 First One Hundred Holdings, LLC between the 30(b)(6)</p> <p>22 notices; is that correct?</p> <p>23 A. That's correct.</p> <p>24 Q. What did you do to prepare for the 30(b)(6)</p> <p>25 depositions?</p>	<p style="text-align: right;">137</p> <p>1 this document before today?</p> <p>2 A. Not to my recollection. I think I saw this</p> <p>3 this morning when I was reviewing the documents you</p> <p>4 submitted for the deposition.</p> <p>5 Q. Other than reviewing them this morning, you</p> <p>6 don't have any recall of reviewing the list of</p> <p>7 documents set forth in this Exhibit 24?</p> <p>8 A. I don't recall this letter, was my testimony.</p> <p>9 Q. Okay. Do you recall reviewing the list of</p> <p>10 books and records that are set forth in this letter?</p> <p>11 A. I recall seeing a list of documents that were</p> <p>12 requested, but I don't know if it's the same list</p> <p>13 that's incorporated into this correspondence.</p> <p>14 Q. Okay. Again, I'll represent to you that this</p> <p>15 is the list that correspondence with the judgment that</p> <p>16 was entered by Judge Denton. If I could just talk to</p> <p>17 you about this list.</p> <p>18 No. 1, "The company books, inclusive of any</p> <p>19 and all agreements relating to the company's</p> <p>20 governance, operating agreements, amendments, consents</p> <p>21 and resolutions."</p> <p>22 What did you do to comply with the obligation</p> <p>23 to produce those documents relating to the governance</p> <p>24 of First 100, LLC and First One Hundred Holdings, LLC?</p> <p>25 A. You've already been provided the operating</p>

<p style="text-align: right;">138</p> <p>1 agreements and amendments so that's a duplicative 2 request. I'm not aware of any consents or resolutions 3 outside of maybe a banking resolution to establish a 4 bank account early on. But I'm not in possession of 5 those documents. 6 Q. You indicated that we have already been 7 provided the operating agreements and amendments. 8 When? 9 A. Oh, I don't -- I don't remember, but I think 10 you produced them in this deposition. You already have 11 them. 12 Q. So do you recall your testimony from earlier 13 this morning where I asked if there was an amendment to 14 the operating agreement of First 100, LLC beyond the 15 first amended operating agreement of First 100, LLC? 16 A. No, I don't recall that question. 17 MR. GUTIERREZ: Object to form. 18 BY MS. TURNER: 19 Q. Who has possession of the operating 20 agreements, amendments, consents and resolutions of 21 First 100, LLC and First One Hundred Holdings, LLC? 22 A. To the best of my knowledge, it would be 23 Matthew Farkas, and electronically, probably 24 Michael Henriksen. I may have it in an attachment to 25 an email somewhere. And you have possession of it.</p>	<p style="text-align: right;">140</p> <p>1 membership interest was transferred to 2 First One Hundred Holdings. So First 100, LLC has a 3 single member First One Hundred Holdings. And our cap 4 table moved over to the holding company. 5 Q. And who has possession of this agreement? 6 A. I believe that would be Matthew Farkas and 7 possibly Michael Henriksen. I may have it as an 8 attachment to an email, but I'm not certain. 9 Q. When was the agreement to transfer the 10 membership interest executed? 11 A. There were individual agreements with each 12 member at the time. I don't know the dates by member 13 and I don't know an estimate of dates other than it was 14 prior to TGC/Farkas becoming involved. 15 Q. Why were the K-1s issued to TGC/Farkas from 16 First 100, LLC? 17 A. I don't know. That would be a question for 18 VP of finance. 19 Q. Is it your testimony that you have control, 20 continued control, over Michael Henriksen today? 21 A. No. 22 Q. When did you cease having control over 23 Michael Henriksen? 24 A. He ceased being an employee of First 100 25 maybe four or five years ago.</p>
<p style="text-align: right;">139</p> <p>1 Q. How long does -- you don't know what I have 2 or what I don't have, do you, other than what I've 3 provided you this morning? 4 A. Well, I mean, you produced it this morning 5 and I imagine you would have produced it in this 6 matter. Are you holding back documents? 7 Q. The amended operating agreement of 8 First 100, LLC, has there been any amendment to that 9 agreement? 10 A. I don't have any recollection of an amendment 11 to that agreement -- oh, other than the change in 12 membership interest to First One Hundred Holdings as 13 being the sole member. But I don't remember any 14 substantive change other than the cap table. And that 15 was prior to TGC/Farkas' involvement. 16 Q. Changing the membership interest from 17 First 100, LLC to First One Hundred Holdings, LLC, that 18 was pursuant to a written agreement? 19 A. Yes, again, prior to TGC/Farkas, the original 20 cap table was members held in interest in 21 First 100, LLC, and later I think it was Joel Just or 22 Craig Hale at First One Hundred Holdings, as a parent 23 company. And everybody traded their membership 24 interest in First 100, LLC for membership interest in 25 First One Hundred Holdings. And the First 100, LLC</p>	<p style="text-align: right;">141</p> <p>1 Q. Do you currently have control over 2 Matthew Farkas? 3 A. No. Matthew Farkas is out of control for 4 years now. 5 Q. How long has Michael Farkas -- I keep saying 6 Michael -- Matthew Farkas been out of your control? 7 A. As long as I've known him individually. And 8 as a 30(b)(6) witness, he stopped working for the 9 company, I think, maybe five years ago, four years ago, 10 something like that. I don't know the date. 11 Q. So since four to five years ago, you, as the 12 manager of First 100 and First One Hundred Holdings, 13 LLC, have not had control over the books and records of 14 First 100, LLC and First One Hundred Holdings, LLC? 15 MR. GUTIERREZ: Objection. Misstates 16 testimony. 17 THE WITNESS: First 100 has the elements to 18 compile the books and records that reside with, in 19 part, Matthew and, in part, Michael Henriksen, and then 20 a small part with me, potentially. But, no, First 100 21 does not have a completed, finalized set of books and 22 records at this point. 23 BY MS. TURNER: 24 Q. Is it true that you are unable to produce any 25 of the books and records for First 100, LLC and</p>

<p style="text-align: right;">142</p> <p>1 First One Hundred Holdings, LLC, as ordered by Judge 2 Denton, without the voluntary cooperation of those 3 outside of your control? 4 A. We are unable to produce any further books 5 and records beyond the books and records that you 6 already are in possession of. You have the operating 7 agreements. You have the amendments. You have the 8 financial statements. You have certain of the 9 agreements. A lot of what TCG [sic] is asking for, if 10 it exists, would reside with TGC/Farkas member 11 Matthew Farkas in his capacity as VP of finance. So 12 there's this very -- there's nothing I can provide 13 beyond what you already have without engaging third 14 parties to construct it or search for it. 15 Q. Did you ask Matthew Farkas how much it would 16 cost him to compile the documents if he truly had them? 17 A. I don't believe that he'll have a cost to 18 compile the documents in his possession. 19 Q. Do you have evidence of the transfer of 20 documents to the custodianship of Matthew Farkas? 21 MR. GUTIERREZ: Object to the form. 22 THE WITNESS: Matthew Farkas was in 23 possession of them when he worked for the company. 24 Matthew Farkas did not turn the documents over to 25 anybody when he left and they were not with the company</p>	<p style="text-align: right;">144</p> <p>1 First One Hundred Holdings, LLC, to comply with the 2 obligation to produce the financial statements? 3 A. So to the extent they've been produced in the 4 past, I was able to confirm that they were provided to 5 Matthew Farkas on behalf of TGC/Farkas. It's my 6 understanding that he's communicated them to Adam. To 7 the extent we need to get them again today, we'd either 8 have to find those attachments to old emails or 9 Michael Henriksen would have to recreate them, and in 10 that regard, I asked Michael Henriksen as part of his 11 scope what his cost would be to do so. 12 Q. After Matthew Farkas left his employment at 13 First 100 and First One Hundred Holdings, LLC, 14 whichever it was, did you continue to provide financial 15 statements to Matthew Farkas? 16 A. When he left, it was around the time 17 everybody left, and there stopped being day-to-day 18 operational business so there are no more bank accounts 19 at that point and there was no financial reporting 20 ability. There was no income. There was no expenses. 21 The company at that point became an entity to hold 22 ownership of a large judgment and to pursue its 23 collection. 24 Q. The same purpose that it has today? 25 A. Correct.</p>
<p style="text-align: right;">143</p> <p>1 when he left. 2 BY MS. TURNER: 3 Q. Did First 100, LLC or 4 First One Hundred Holdings, LLC ever commence any 5 action against Matthew Farkas to compel the turn over 6 of documents he purportedly retained? 7 A. To date, no. If you're suggesting that we'd 8 commence an action against Matthew, it's certainly 9 possible. 10 Q. And so that I'm clear -- perhaps that 11 question wasn't clear -- have you ever made a demand 12 against Matthew Farkas for return of the documents? 13 A. We have not. 14 Q. And have you ever sought the assistance of a 15 court to compel their return? 16 A. No. 17 Q. Has Matthew Farkas asserted any lien over 18 documents of First 100 or First One Hundred Holdings, 19 LLC? 20 A. He has not. 21 Q. All right. If we go back to Exhibit 24, 22 point no. 2, "Financial Statements, inclusive of 23 balance sheets and profit and loss statements." 24 What have you done, you being the company 25 representative, First 100, LLC and</p>	<p style="text-align: right;">145</p> <p>1 Q. Where was the bank account or account or 2 accounts of First 100, LLC and 3 First One Hundred Holdings, LLC? 4 A. They were at Bank of America. 5 Q. Who were the signatories to those accounts? 6 A. Matthew Farkas and Bob Crowe were primary 7 signatories, and then myself, Chris Morgando, and 8 Carlos Cardenas were secondary signatories. The 9 corporate controls required dual signature on every 10 check and no signer was authorized to sign a check to 11 themselves. 12 Q. What have you done to acquire the bank 13 statements? 14 A. Well, we put in a request for the cost of the 15 bank statements as part of -- bank statements are what 16 you're requesting, which I don't know if I see them on 17 this list. Which number on this list are bank 18 statements? 19 Q. My question is what have you done to acquire 20 them? If the answer is nothing -- 21 MR. GUTIERREZ: I'd just object. Outside the 22 scope. If they're not part of this list, I don't 23 believe there's relevance to the question. 24 THE WITNESS: Yeah, they weren't requested so 25 there was no -- there was no efforts to get them. If</p>

<p style="text-align: right;">146</p> <p>1 we want them, the bank can produce them, but there's a</p> <p>2 cost per page to do so.</p> <p>3 BY MS. TURNER:</p> <p>4 Q. So is your answer that you've done nothing to</p> <p>5 request the bank statements?</p> <p>6 MR. GUTIERREZ: Objection. Misstates</p> <p>7 testimony.</p> <p>8 THE WITNESS: I'd repeat and reiterate my</p> <p>9 previous answer.</p> <p>10 BY MS. TURNER:</p> <p>11 Q. What have you done to produce the general</p> <p>12 ledger and backup, inclusive of invoices?</p> <p>13 A. I'm not in possession of that information.</p> <p>14 First 100 is not in possession of that information.</p> <p>15 Michael Henriksen took his accounting computer with him</p> <p>16 to safeguard it and has offered to produce a general</p> <p>17 ledger and backup and invoices to the extent that they</p> <p>18 are present in the general ledger that he and Matthew</p> <p>19 maintained. But he would need to be retained to do so.</p> <p>20 So I requested a cost for his services to generate the</p> <p>21 request, and that's been provided from MGA to your</p> <p>22 firm.</p> <p>23 Q. The general ledger doesn't use or refer to</p> <p>24 the backup or to the bank statements as backup?</p> <p>25 A. I don't know what you're intending by your</p>	<p style="text-align: right;">148</p> <p>1 A. Well, Michael Henriksen and Matthew Farkas</p> <p>2 maintained it so they should be in possession of it to</p> <p>3 date. I confirmed Michael Henriksen. Matthew Farkas</p> <p>4 has been less than cooperative.</p> <p>5 Q. Did you make any demand for the return of the</p> <p>6 QuickBooks that we can see in writing?</p> <p>7 A. The only one I've been able to confirm -- the</p> <p>8 only one I've been able to confirm that has it is a</p> <p>9 third party who safeguarded it and has offered to</p> <p>10 provide it if he's retained to do so. That request has</p> <p>11 been communicated to your office, I believe.</p> <p>12 Q. And that's this Henriksen person?</p> <p>13 A. It is.</p> <p>14 Q. Okay. The documents sufficient to show the</p> <p>15 company's assets and their location. I think we've</p> <p>16 confirmed that all the assets were sold off except for</p> <p>17 the award?</p> <p>18 A. Sold off, and I would add to the statement,</p> <p>19 foreclosed upon by the bridge lender.</p> <p>20 Q. And all the agreements that reflect any sales</p> <p>21 of the assets would be with Mr. Henriksen?</p> <p>22 A. What number on your list are you referring</p> <p>23 to?</p> <p>24 Q. "Documents sufficient to show the company's</p> <p>25 assets and their location," No. 4.</p>
<p style="text-align: right;">147</p> <p>1 terminology. The general ledger backup could be</p> <p>2 electronic backup of a QuickBooks file. It could mean</p> <p>3 paper backup, which would be pretty voluminous. So to</p> <p>4 the extent you mean paper backup, there's going to be</p> <p>5 significant cost for Michael Henriksen to recreate</p> <p>6 that.</p> <p>7 Q. My question is whether or not the general</p> <p>8 ledger was prepared with reference to the bank</p> <p>9 statements as its backup.</p> <p>10 A. The general ledger was prepared against the</p> <p>11 bank statements. Payments that were made from the bank</p> <p>12 statements. And, yes, they would have done a monthly</p> <p>13 reconciliation from the bank statements at the time.</p> <p>14 But I don't know who's in possession of the bank</p> <p>15 statements or if they survived the last five years.</p> <p>16 They can be reobtained. And somebody who has nothing</p> <p>17 better to do is certainly welcome to reconcile the</p> <p>18 general ledger against the bank statements and other</p> <p>19 information, but, yeah, that's a Herculean task that</p> <p>20 would require funds from a third party to do.</p> <p>21 Q. Did First 100 and First One Hundred Holdings,</p> <p>22 LLC have QuickBooks?</p> <p>23 A. Yes.</p> <p>24 Q. And as the manager of those two entities,</p> <p>25 what did you do to preserve the QuickBooks?</p>	<p style="text-align: right;">149</p> <p>1 A. Okay. So, I mean, to the extent that it was</p> <p>2 foreclosed upon, that's in the public with Omni. To</p> <p>3 the extent they were sold, Michael Henriksen may or may</p> <p>4 not have those contracts. I don't know. If anything,</p> <p>5 they may be in attachments to emails that he would have</p> <p>6 to go through one by one and print out and compile.</p> <p>7 Q. Well, certainly, any sale of an asset of</p> <p>8 First 100 and First One Hundred Holdings, LLC required</p> <p>9 your knowledge and consent; correct?</p> <p>10 A. So Carlos Cardenas was the VP of sales, and</p> <p>11 he was the one who was signing the purchase and sales</p> <p>12 agreements, and he was the one who was signing the</p> <p>13 documents to record the sale of real property. So I</p> <p>14 have a general awareness that we were in the business</p> <p>15 of selling property that we acquired at foreclosure</p> <p>16 sale at a gain, but, no, I wasn't involved in each</p> <p>17 individual sale.</p> <p>18 Q. What did you do to obtain documents from</p> <p>19 Carlos Cardenas?</p> <p>20 A. I don't believe he's in possession of any</p> <p>21 documents.</p> <p>22 Q. Now, we already touched on Greg Darroch was a</p> <p>23 member of both First 100, LLC and</p> <p>24 First One Hundred Holdings, LLC?</p> <p>25 A. Sequentially. Not at the same time.</p>

<p style="text-align: right;">150</p> <p>1 Q. And First 100, LLC or</p> <p>2 First One Hundred Holdings, LLC, or a combination of</p> <p>3 the two, sold assets to Greg Darroch's affiliated</p> <p>4 company Kal-Mor. You recall that testimony?</p> <p>5 A. Yes.</p> <p>6 Q. Was that a transaction that was negotiated --</p> <p>7 that's the only one I know about so I'm using that as</p> <p>8 the example. Was that a transaction that was</p> <p>9 negotiated by you or with your participation?</p> <p>10 A. So that was primarily negotiated by</p> <p>11 Carlos Cardenas. I joined in the conversation and had</p> <p>12 parts. Greg Darroch bought several dozen homes and,</p> <p>13 subsequently, after buying the homes, became an</p> <p>14 investor. He liked the business model. He learned</p> <p>15 about us as a bona fide purchaser. And then after the</p> <p>16 transaction he liked the business model and asked to</p> <p>17 invest.</p> <p>18 Q. Did any member or an affiliate of any member</p> <p>19 ever receive compensation from First 100 or</p> <p>20 First One Hundred Holdings, LLC in the form of funds or</p> <p>21 other assets of the companies?</p> <p>22 MR. GUTIERREZ: Object to the form.</p> <p>23 Overbroad. Outside the scope of the deposition.</p> <p>24 THE WITNESS: Yes.</p> <p>25</p>	<p style="text-align: right;">152</p> <p>1 is the only other member that had a deal for something</p> <p>2 different because of his joint venture on the lien</p> <p>3 portfolio, the resulting litigation with Martin Boone</p> <p>4 and other positions and roles that he played extraneous</p> <p>5 to his membership interest. So we compounded a global</p> <p>6 resolution of him.</p> <p>7 BY MS. TURNER:</p> <p>8 Q. Did you say Martin Boone, B-O-O-N-E?</p> <p>9 A. I said Greg Darroch.</p> <p>10 Q. Oh, I'm sorry. I completely missed that.</p> <p>11 What did Greg Darroch receive that was</p> <p>12 different than a pro rata distribution?</p> <p>13 A. Because he had money invested in a joint</p> <p>14 venture on a lien hold and he had properties, what we</p> <p>15 did is we just said -- we arrived at a number that</p> <p>16 makes him whole, as we did with TGC/Farkas.</p> <p>17 Q. When was that agreement reached with</p> <p>18 Greg Darroch?</p> <p>19 A. I can't recall.</p> <p>20 Q. And who has possession of the agreement.</p> <p>21 A. I don't know. Greg Darroch would have</p> <p>22 possession. I'd probably have it as an attachment to</p> <p>23 an email somewhere. I don't know where the original</p> <p>24 went if the original is even a wet signature. I don't</p> <p>25 know. Greg Darroch is a Canadian citizen.</p>
<p style="text-align: right;">151</p> <p>1 BY MS. TURNER:</p> <p>2 Q. Okay. And which member or members received</p> <p>3 compensation from First 100 or</p> <p>4 First One Hundred Holdings, LLC in the form of funds or</p> <p>5 other assets of the companies?</p> <p>6 A. Carlos Cardenas got discretionary bonus on</p> <p>7 properties sold. And Matthew Farkas got commissions on</p> <p>8 capital that he brought in.</p> <p>9 Q. When you say "discretionary bonus," whose</p> <p>10 discretion?</p> <p>11 A. Discretion of the board. There were five</p> <p>12 board members, and the board members would make</p> <p>13 decisions.</p> <p>14 Q. This morning we looked at a settlement</p> <p>15 agreement that was executed between you and</p> <p>16 Matthew Farkas relating to TGC/Farkas, where TGC/Farkas</p> <p>17 would receive something different than what they were</p> <p>18 entitled to as a pro rata distribution. Did First 100</p> <p>19 or First One Hundred Holdings, LLC enter into any</p> <p>20 agreement with any member of either entity in which it</p> <p>21 agreed to pay the member something different than a pro</p> <p>22 rata distribution?</p> <p>23 MR. GUTIERREZ: Object to the form.</p> <p>24 Compound.</p> <p>25 THE WITNESS: Yes. Greg Darroch, I believe,</p>	<p style="text-align: right;">153</p> <p>1 Q. Did your counsel for the companies negotiate</p> <p>2 the agreement?</p> <p>3 A. No.</p> <p>4 Q. Did you negotiate the agreement with</p> <p>5 Greg Darroch on behalf of the companies?</p> <p>6 A. I did.</p> <p>7 Q. Now, Mr. Bloom, you indicated that you're</p> <p>8 very familiar with Nevada rules of professional conduct</p> <p>9 that govern attorneys. Are you aware of the obligation</p> <p>10 to have counsel represent the interests of an entity as</p> <p>11 opposed to having an individual act as counsel?</p> <p>12 MR. GUTIERREZ: Object to the form of the</p> <p>13 question.</p> <p>14 THE WITNESS: For the purposes of appearing</p> <p>15 in a litigation, yes, an entity needs to be represented</p> <p>16 by a member of the bar. But an officer of the company</p> <p>17 is certainly free to enter negotiations on behalf of</p> <p>18 that company without counsel's involvement. That's not</p> <p>19 an NRPC [sic] issue.</p> <p>20 BY MS. TURNER:</p> <p>21 Q. When you have an obligation, as the sole</p> <p>22 manager of First 100 or First One Hundred Holdings, to</p> <p>23 act in its best interests, you don't feel that there is</p> <p>24 an obligation due the members to obtain advice of</p> <p>25 counsel before executing agreements that provide</p>

<p style="text-align: right;">154</p> <p>1 consideration to others on behalf of the company?</p> <p>2 MR. GUTIERREZ: Objection. Form of the</p> <p>3 question.</p> <p>4 THE WITNESS: Well, it also misstates my</p> <p>5 testimony.</p> <p>6 MR. GUTIERREZ: Also calls for a legal</p> <p>7 conclusion about duty owed.</p> <p>8 THE WITNESS: Yeah, no. My testimony is that</p> <p>9 I negotiated the agreement. You're interjecting a</p> <p>10 misstatement that I didn't involve counsel for advice.</p> <p>11 Those are two separate statements. I can certainly</p> <p>12 negotiate an agreement with a third party and then get</p> <p>13 the advice of counsel after it's negotiated.</p> <p>14 BY MS. TURNER:</p> <p>15 Q. Okay. So let's talk about the agreement</p> <p>16 between --</p> <p>17 MR. GUTIERREZ: Counsel, I'm going to stop</p> <p>18 you because you're way outside your scope. You're</p> <p>19 asking him about agreements with Mr. Darroch and advice</p> <p>20 of counsel. You're so far outside -- you can ask him</p> <p>21 about the documents you requested as part of the order</p> <p>22 to show cause, but you are way outside the scope of</p> <p>23 what this deposition is. Your asking him about his</p> <p>24 duties of something that happened five or six years ago</p> <p>25 has nothing to do with what we're going on with now.</p>	<p style="text-align: right;">156</p> <p>1 cheats on his wife and about whether he sues attorneys.</p> <p>2 So those will all be included in that countertermotion</p> <p>3 that will be heard Monday.</p> <p>4 So my objection stands that any question of</p> <p>5 this nature is outside the scope and you should move</p> <p>6 on, unless you're going to go down your list and talk</p> <p>7 about something that is the subject of the order to</p> <p>8 show cause.</p> <p>9 MS. TURNER: Well, Counsel, with respect to</p> <p>10 questions that have been posed, with respect to the</p> <p>11 issues between Matthew Farkas and Mr. Bloom, I actually</p> <p>12 asked the broader question to find out why there is the</p> <p>13 discord and the family dynamic that there is. The</p> <p>14 detail you directed him not to answer so there was no</p> <p>15 prejudice there.</p> <p>16 With respect to this particular line of</p> <p>17 questioning, the reason why no documents have been</p> <p>18 provided to the members since 2017 on demand is</p> <p>19 relevant to whether or not we have willful contempt of</p> <p>20 the judgment. That's what's on for calendar next week.</p> <p>21 MR. GUTIERREZ: You can ask him about those</p> <p>22 questions. I have no problem with that. But you're</p> <p>23 asking him about details between a transaction between</p> <p>24 Mr. Darroch and First 100, and you're asking him about</p> <p>25 his duties and whether he breached those duties as a</p>
<p style="text-align: right;">155</p> <p>1 MS. TURNER: Well, I beg to differ. We need</p> <p>2 to understand how Mr. Bloom runs the companies.</p> <p>3 MR. GUTIERREZ: How is that relevant to the</p> <p>4 two issues that we're dealing with on Wednesday?</p> <p>5 MS. TURNER: Because he negotiated a</p> <p>6 settlement agreement with TGC/Farkas, or purporting to</p> <p>7 be with TGC/Farkas, where he agreed to pay more, from</p> <p>8 his standpoint, from his testimony, than what</p> <p>9 TGC/Farkas would be entitled to as a pro rata</p> <p>10 distribution.</p> <p>11 MR. GUTIERREZ: And you're asking him about a</p> <p>12 deal he did five or six years ago with Greg Darroch.</p> <p>13 How is that relevant to the settlement agreement he had</p> <p>14 with Mr. Farkas and TGC?</p> <p>15 MS. TURNER: If he's in the habit of giving</p> <p>16 away money of the company, we need to understand the --</p> <p>17 MR. GUTIERREZ: Hold on. I think if you want</p> <p>18 to pursue judgment debtor proceedings, those are stayed</p> <p>19 and you can possibly do that after this is done and you</p> <p>20 can get into some of those questions, but it has</p> <p>21 nothing to do with what we're dealing with for these</p> <p>22 limited issues. And it would be subject of a</p> <p>23 countertermotion for protective order that's going to be</p> <p>24 on file shortly, including some of your massively</p> <p>25 inappropriate questions about Mr. Bloom, whether he</p>	<p style="text-align: right;">157</p> <p>1 member by not involving counsel. That's far outside</p> <p>2 what you just said. If you want to ask him about</p> <p>3 production of documents and production of documents to</p> <p>4 members, go ahead. But that's not what you were doing.</p> <p>5 BY MS. TURNER:</p> <p>6 Q. Mr. Bloom, did you provide notice to the</p> <p>7 members of your agreement negotiated with Mr. Darroch?</p> <p>8 A. The agreement was approved by the directors,</p> <p>9 which represent a majority of the ownership by itself.</p> <p>10 So to the extent that I brought it to and obtained the</p> <p>11 approval of the other directors, yes, those members</p> <p>12 received notice. And that constituted a majority,</p> <p>13 actually, a super majority, of the ownership. Did it</p> <p>14 go to every member, no.</p> <p>15 Q. It did not go to the members then for a vote</p> <p>16 to approve the sale or settlement with Mr. Darroch?</p> <p>17 MR. GUTIERREZ: Object to the form of the</p> <p>18 question. Compound.</p> <p>19 THE WITNESS: It went to the directors, which</p> <p>20 included Mr. Farkas in his capacity as a manager of</p> <p>21 TGC/Farkas. But the directors represented the super</p> <p>22 majority, and the directors approved the transaction.</p> <p>23 BY MS. TURNER:</p> <p>24 Q. You indicated earlier today that there was a</p> <p>25 valuation done of the collectability of the judgment</p>

<p style="text-align: right;">158</p> <p>1 against Raymond Ngan. Did you provide --</p> <p>2 A. I think that misstates my testimony.</p> <p>3 Q. Okay. Did you -- what part of that was</p> <p>4 inaccurate?</p> <p>5 A. You stated that I represented that there was</p> <p>6 a valuation done on the collectability of the judgment.</p> <p>7 I don't believe that was my testimony.</p> <p>8 Q. Okay. Was there a valuation done regarding</p> <p>9 the judgment against Raymond Ngan?</p> <p>10 A. No.</p> <p>11 Q. Was there any analysis of the collectability</p> <p>12 of the judgment against Raymond Ngan?</p> <p>13 A. Yes.</p> <p>14 Q. And was that analysis provided to the members</p> <p>15 of First 100 and First One Hundred Holdings, LLC?</p> <p>16 A. No. It was provided to the managers -- to</p> <p>17 the directors.</p> <p>18 Q. And what have you done to provide that</p> <p>19 analysis to TGC/Farkas in compliance with the judgment?</p> <p>20 A. Matthew Farkas, manager of TGC/Farkas, was</p> <p>21 one of the directors who received that information and</p> <p>22 participated in the decision. And I don't know that</p> <p>23 there's anything that relates to the collectability of</p> <p>24 the judgment that's listed in these items. So I don't</p> <p>25 know that -- the analysis of the collectability of the</p>	<p style="text-align: right;">160</p> <p>1 You see that?</p> <p>2 A. I do.</p> <p>3 Q. What did you do on behalf of First 100, LLC</p> <p>4 and First One Hundred Holdings, LLC to produce</p> <p>5 documents relating to the value of the company,</p> <p>6 First 100, LLC or First One Hundred Holdings, LLC or</p> <p>7 its assets?</p> <p>8 A. There are no documents that would be</p> <p>9 responsive to that request. Our analysis was a verbal</p> <p>10 analysis of the directors as to what assets we were</p> <p>11 able to locate, and it was all a conversational in</p> <p>12 trying to determine the collectability of the judgment.</p> <p>13 There are no responsive documents to that request.</p> <p>14 Q. What did First 100 LLC,</p> <p>15 First One Hundred Holdings, LLC do to market the</p> <p>16 judgment to a potential purchaser?</p> <p>17 A. We went through a brokerage. We went through</p> <p>18 personal relationships. We went through litigation</p> <p>19 finance companies. So there's a bevy of activity to</p> <p>20 try and monetize this judgment absent collection.</p> <p>21 Q. And who has possession of the related</p> <p>22 documents?</p> <p>23 A. Probably the majority are with</p> <p>24 Matthew Farkas. Matthew Farkas went to litigation</p> <p>25 funding companies. He went to relationships that he</p>
<p style="text-align: right;">159</p> <p>1 judgment against Raymond Ngan is not one of the items</p> <p>2 on the list that relates to the arbitration award.</p> <p>3 Q. Collectability of the judgment goes to its</p> <p>4 value; don't you agree?</p> <p>5 A. Those are two different things. That would</p> <p>6 be one component of determining a value, but it's not</p> <p>7 the value itself. You know, if it's impossible to</p> <p>8 collect or it's a high likelihood of collecting it,</p> <p>9 that would be a factor. The amount of the judgment is</p> <p>10 another factor that would determine the collectability.</p> <p>11 The locations of the assets is another factor that</p> <p>12 would determine the value of the judgment. So there</p> <p>13 are a number of factors that would go into a valuation,</p> <p>14 and a valuation did not occur. We did look at</p> <p>15 assessing the collectability. It was not a formal,</p> <p>16 third-party report. It was an assessment of the</p> <p>17 directors.</p> <p>18 Q. Collectability of the judgment is a factor</p> <p>19 relating to the value of the judgment; correct?</p> <p>20 A. It is one of several factors relating to a</p> <p>21 valuation analysis.</p> <p>22 Q. So if you go to point no. 5 in the list of</p> <p>23 documents to be produced under the judgment, it says,</p> <p>24 "Documents relating to value of the company and/or the</p> <p>25 company's assets."</p>	<p style="text-align: right;">161</p> <p>1 had. A lot of it wasn't documented, but was</p> <p>2 conversational, telephonic.</p> <p>3 Q. Do you, Jay Bloom, have possession of any</p> <p>4 documents that relate to the monetization of the</p> <p>5 judgment?</p> <p>6 A. I would object to the extent that that</p> <p>7 incorporates -- that is a attorney/client privilege.</p> <p>8 Anything I discussed with my attorneys relating to the</p> <p>9 collection of the judgment or to the sale of the</p> <p>10 judgment would be privileged.</p> <p>11 Q. Who was the CPA or is the CPA for First 100</p> <p>12 or First One Hundred Holdings, LLC?</p> <p>13 A. I believe we used Mark Dicus.</p> <p>14 Q. And what did you do to contact Mark Dicus and</p> <p>15 request production of documents relating to tax</p> <p>16 returns?</p> <p>17 A. I didn't.</p> <p>18 Q. Did you do anything to marshal the tax</p> <p>19 returns for the company?</p> <p>20 A. Tax returns would be with Matthew Farkas, and</p> <p>21 Michael Henriksen may have them. That would be an</p> <p>22 easier route to get them than going to Mark Dicus.</p> <p>23 Q. When was the last time that First 100, LLC</p> <p>24 filed a tax return?</p> <p>25 A. I don't recall the year. It's been -- it's</p>

<p style="text-align: right;">162</p> <p>1 had no activity for the last five years or so so it</p> <p>2 will be at least five years ago.</p> <p>3 Q. And First One Hundred Holdings, LLC?</p> <p>4 A. Same.</p> <p>5 Q. Why hasn't a certificate of dissolution been</p> <p>6 filed for these entities?</p> <p>7 A. Because these entities hold ownership of a</p> <p>8 \$2.2 billion judgment that has value, and if we</p> <p>9 dissolve it, what do we do with the judgment?</p> <p>10 Q. Have you heard of a liquidating trustee?</p> <p>11 A. No.</p> <p>12 Q. You indicated that there were some AR that</p> <p>13 First 100, LLC or First One Hundred Holdings, LLC has</p> <p>14 that would need to be paid above equity with the</p> <p>15 proceeds of a sale?</p> <p>16 A. Some AP, accounts payable.</p> <p>17 Q. Did I say receivable?</p> <p>18 A. You did.</p> <p>19 Q. All right. So there are accounts payable</p> <p>20 incurred by the company that would need to be paid</p> <p>21 ahead of equity?</p> <p>22 A. Correct.</p> <p>23 Q. And what did you do to produce the documents</p> <p>24 sufficient to show what those accounts payable are?</p> <p>25 A. Matthew Farkas is in possession of that</p>	<p style="text-align: right;">164</p> <p>1 writing that he compiled or maintained the accounts</p> <p>2 payable or other books and records of First 100, LLC or</p> <p>3 First One Hundred Holdings, LLC?</p> <p>4 A. I believe we have writings from</p> <p>5 Matthew Farkas that confirm that, yes.</p> <p>6 Q. And what have you done to produce those</p> <p>7 writings in compliance with the judgment?</p> <p>8 A. I don't believe there's anything in the</p> <p>9 arbitration award or the judgment or any outstanding</p> <p>10 requests for writings that confirm that Matthew Farkas</p> <p>11 compiled books and records. If I'm missing it, please</p> <p>12 point it out.</p> <p>13 Q. Well, certainly, you have an obligation to</p> <p>14 show compliance with the judgment obligations; correct?</p> <p>15 A. Yeah, and I think that's going to get</p> <p>16 addressed next week; right. You've already -- your</p> <p>17 client already has the compliance, and now we're going</p> <p>18 to show it to the Judge next week that you had it all</p> <p>19 along.</p> <p>20 Q. So Mr. Farkas has documents sufficient to</p> <p>21 show payments made to you, Mr. Darroch, his affiliates,</p> <p>22 or any other members of First 100?</p> <p>23 A. He should.</p> <p>24 Q. Who else has those documents?</p> <p>25 A. Michael Henriksen would have to compile them,</p>
<p style="text-align: right;">163</p> <p>1 information.</p> <p>2 Q. So as you're negotiating a sale of the</p> <p>3 judgment, and negotiating a settlement agreement with</p> <p>4 TGC/Farkas, you don't know what the accounts payable</p> <p>5 are to be paid by the company ahead of equity?</p> <p>6 A. Off the top of my head, I do not, but that's</p> <p>7 certainly a document that we could provide, again, to</p> <p>8 TGC/Farkas now that we're aware there's a new manager.</p> <p>9 So if you're asking us to supplement our production,</p> <p>10 we'll provide it again to the new manager. But, again,</p> <p>11 this sounds more of an internal member issue at</p> <p>12 TGC/Farkas than a personal knowledge.</p> <p>13 Q. So do you have evidence that the current</p> <p>14 accounts payable were communicated to Matthew Farkas in</p> <p>15 response to the judgment?</p> <p>16 A. He would have had it prior to -- prior to the</p> <p>17 arbitration award. So it wouldn't have been provided a</p> <p>18 second time if he's already in possession of it.</p> <p>19 Q. When were the AP documents provided to</p> <p>20 Matthew Farkas?</p> <p>21 A. Well, he compiled them in his keeping of the</p> <p>22 books and records. And then, as we discussed use of</p> <p>23 proceeds, he would have been provided a list of the AP</p> <p>24 from Michael Henriksen.</p> <p>25 Q. Has Matthew Farkas ever acknowledged in</p>	<p style="text-align: right;">165</p> <p>1 but those are the only two.</p> <p>2 Q. Does First 100 or First One Hundred Holdings,</p> <p>3 LLC have insurance policies in place?</p> <p>4 A. Not at this point, no.</p> <p>5 Q. Have they ever had insurance policies?</p> <p>6 A. I think the CEO took D & O and E & O</p> <p>7 liability in 2012, 2013, 2014, but they haven't been in</p> <p>8 force for a long time.</p> <p>9 Q. Who was the CEO at that time?</p> <p>10 A. It would have been -- well, at which time?</p> <p>11 Q. The time that you said the CEO took out</p> <p>12 insurance policies.</p> <p>13 A. It would have been Joel Just, Craig Hale, or</p> <p>14 Bob Crowe.</p> <p>15 Q. Do you know if those are claims made</p> <p>16 policies?</p> <p>17 A. I don't know. I remember discussions about</p> <p>18 getting the policies. I never saw the policies and I</p> <p>19 wasn't involved in their procurement.</p> <p>20 Q. You've never seen the policies and don't have</p> <p>21 them in your possession?</p> <p>22 A. Correct.</p> <p>23 Q. What have you done to try to locate the</p> <p>24 policies for production?</p> <p>25 A. If I've never seen them and I don't have them</p>

<p style="text-align: right;">166</p> <p>1 in my possession, I'm kind of limited in my ability to 2 recover them. The only one that might have them would 3 be Matthew Farkas or Michael Henriksen. And 4 Michael Henriksen, we asked him what it would cost for 5 him to compile the information, and we provided those 6 costs in a request to the member requesting the 7 provision of the books and records pursuant to the 8 operating agreement. 9 Q. What documents have you compiled, if any, 10 sufficient to show the use of the TGC/Farkas funds by 11 the company? 12 A. I don't have a request for a source of use on 13 an individual capital contribution, but I can tell you 14 a lot of money went to the acquisition of the Point 15 Siena portfolio. Some of it went to legal fees. A 16 chunk of it went to Matthew Farkas. 17 Q. Legal fees to who? 18 A. To MGA relating to quiet title actions, to 19 whatever firm that Jeff Albregts is at. But the 20 company did a lot of litigation. Because every time we 21 got a house in a nonjudicial foreclosure, we then had a 22 following judicial proceeding to quiet title to 23 extinguish the bank lien from the land record, and they 24 were significant ones. 25 Q. Sorry to interrupt you. Did Jeff Albregts</p>	<p style="text-align: right;">168</p> <p>1 matter a long time ago. 2 BY MS. TURNER: 3 Q. Do you recall the appointment of Larry Birch? 4 A. Oh, yeah. He wasn't a receiver though. 5 Q. What is your understanding of the role of a 6 receiver, so that I know that we're on the same page? 7 MR. GUTIERREZ: And so I know what we're on 8 the same page, what is the relevance of this line of 9 questioning? If you don't have it, then I object and 10 instruct him not to answer. You're asking about some 11 litigation that your firm was involved with that 12 happened well over 10 years ago. So I'd object and 13 instruct the witness not to answer. You're just 14 wasting everyone's time at this stage. 15 MS. TURNER: Sir, it goes to the duties to 16 comply with the judgment and the disregard, willful 17 disregard, of the obligations. If we have a person who 18 is -- who doesn't understand what obligations are as a 19 manager of a company, that is corroborated by prior bad 20 acts. 21 MR. GUTIERREZ: Okay. You definitely have my 22 objection on this. I'll instruct him not to answer 23 because that's absolutely completely wrong, and you 24 know that, Counsel. That's not even -- you're asking 25 him about a separate entity where Mr. Birch was</p>
<p style="text-align: right;">167</p> <p>1 receive a membership interest in First 100 or 2 First One Hundred Holdings, LLC as payment for legal 3 services? 4 A. No, he did not. 5 Q. Did Jeff Albregts provide capital 6 contribution in exchange for membership interest? 7 A. Yes, he did. 8 Q. So without talking about an individual 9 investor, First 100 and First One Hundred Holdings 10 documents sufficient to show the use of all the 11 investors' funds, where are those documents? 12 A. They were provided to Matthew Farkas. 13 Matthew Farkas provided them to Adam. 14 Q. How do you know that? 15 A. I believe I've seen communications in that 16 regard. 17 Q. And when were those communications? 18 A. Contemporaneous with the productions of the 19 financial statements so it would have been 2016 and 20 prior. 21 Q. Have you ever had a receiver appointed over 22 an entity you have managed, Mr. Bloom? 23 MR. GUTIERREZ: Object to form. Outside the 24 scope of this deposition. 25 THE WITNESS: I vaguely remember one from a</p>	<p style="text-align: right;">169</p> <p>1 appointed by a Court. And this is public record. He 2 wasn't a receiver. And now you're trying to tie this 3 to this limited issue. So at this stage, I'd object 4 and instruct him not to answer, at least subject to a 5 countermotion protective order that will be on file by 6 tomorrow. 7 MS. TURNER: Sir, you have an obligation to 8 meet and confer with me. 9 MR. GUTIERREZ: I have a transcript of the 10 2.34 call. That will be attached as well. You agreed 11 to limit the issues during that phone call. I agreed 12 to limit the issues, which I did. Now you've vastly 13 exceeded the scope. 14 We've already met and conferred. You 15 obviously are completely disregarding your prior 16 agreement on the issue. We either move on or we'll 17 address it Monday in my countermotion for sanctions and 18 protective order. And you can reserve your right to 19 come back and ask Mr. Bloom these questions if the 20 Court allows you to. You're so far outside the scope 21 of this deposition and what you agreed to limit on the 22 record. 23 MS. TURNER: Counsel, I'm entitled to 24 understand why these documents haven't been produced. 25 Let me ask -- I'll move on from that, but let me ask</p>

<p style="text-align: right;">170</p> <p>1 this.</p> <p>2 BY MS. TURNER:</p> <p>3 Q. If you don't have control over the documents,</p> <p>4 what is your intention on producing the documents if</p> <p>5 the Court orders payment of the demanded costs? What</p> <p>6 is your plan?</p> <p>7 A. So to the extent that you use a pronoun</p> <p>8 "you," I'm going to answer this in two different ways,</p> <p>9 one in my individual capacity and one in my 30(b)(6)</p> <p>10 capacity. In my individual capacity, I don't have a</p> <p>11 role in this. I don't have a dog in this fight. This</p> <p>12 is not Jay Bloom individually. I'm not a respondent.</p> <p>13 I'm not a judgment debtor.</p> <p>14 You're way out of bounds looking to me</p> <p>15 individually. In fact, I think you're unhinged and</p> <p>16 asking for criminal contempt. That's just absurd.</p> <p>17 In terms of my 30(b)(6) role, First 100 will</p> <p>18 produce the documents that it has to the extent of its</p> <p>19 ability to produce documents. And to the extent of any</p> <p>20 monetary judgment, you're a judgment creditor for 20</p> <p>21 something thousand dollars. And when First 100 gets</p> <p>22 money, you'll get paid.</p> <p>23 Q. How would you provide documents in response</p> <p>24 to the judgment if there was payment to or for the</p> <p>25 Mr. Henriksen demand for funds? How would you compel</p>	<p style="text-align: right;">172</p> <p>1 MR. GUTIERREZ: Let me finish. Let me</p> <p>2 finish. Outside the scope. I instruct the witness not</p> <p>3 to answer of any pending litigation outside of this</p> <p>4 scope. And irrelevance to what we're dealing with and</p> <p>5 it's the subject of protective order.</p> <p>6 BY MS. TURNER:</p> <p>7 Q. Mr. Bloom, is your home the subject of a</p> <p>8 former interest of First 100 or</p> <p>9 First One Hundred Holdings, LLC? Was it ever an asset</p> <p>10 of either entity?</p> <p>11 A. It was not.</p> <p>12 MS. TURNER: Counsel, if you'd let me finish</p> <p>13 my question, you would have seen that's the extent of</p> <p>14 my question on that one.</p> <p>15 MR. GUTIERREZ: I appreciate the second</p> <p>16 question. But the first question about bankruptcy was</p> <p>17 not where you were going. I apologize if I jumped in</p> <p>18 beforehand, but the second one I'm fine with.</p> <p>19 BY MS. TURNER:</p> <p>20 Q. All right. If we go to -- let me ask the</p> <p>21 overarching question.</p> <p>22 Have we discussed in this deposition all</p> <p>23 efforts that you have made, Jay Bloom, either</p> <p>24 individually or on behalf of First 100, LLC and</p> <p>25 First One Hundred Holdings, LLC, to comply with the</p>
<p style="text-align: right;">171</p> <p>1 that production on behalf of the companies?</p> <p>2 A. So, again, in an individual capacity, this</p> <p>3 doesn't involve me. In my role as one of five</p> <p>4 directors of First 100, we would authorize</p> <p>5 Michael Henriksen to provide the books and records as</p> <p>6 ordered by the Court, once he's engaged and compensated</p> <p>7 for his work as a third party. We're not obstructing</p> <p>8 the production. We're authorizing it.</p> <p>9 Q. Do you have a contract with Mr. Henriksen</p> <p>10 regarding the production of books and records?</p> <p>11 A. I do not.</p> <p>12 Q. So with an outstanding obligation to produce</p> <p>13 the books and records pursuant to a judgment and pay</p> <p>14 the monetary award, and your testimony is that there is</p> <p>15 insufficient assets to meet those obligations, has</p> <p>16 there been any effort to file First 100, LLC or</p> <p>17 First One Hundred Holdings, LLC into bankruptcy?</p> <p>18 A. No.</p> <p>19 Q. The entity that holds your home was filed</p> <p>20 into bankruptcy recently?</p> <p>21 A. I think you're outside the scope of your</p> <p>22 questions.</p> <p>23 Q. Sir, I'm not done with the --</p> <p>24 MR. GUTIERREZ: Let me object, Counsel.</p> <p>25 MS. TURNER: The question --</p>	<p style="text-align: right;">173</p> <p>1 judgment entered by the District Court?</p> <p>2 A. I think in some form or fashion, we have. I</p> <p>3 don't know that it's an exhaustive list of efforts, but</p> <p>4 I can't think of anything beyond what we've discussed.</p> <p>5 Q. With respect to why the documents have not</p> <p>6 been produced, we've talked about the cost and the</p> <p>7 dispute over who should pay that cost, and, two, that</p> <p>8 you believe it's a mute point given the settlement</p> <p>9 agreement.</p> <p>10 A. And, three, a lot of the documents are</p> <p>11 already in your possession.</p> <p>12 Q. And there has been no communication since the</p> <p>13 judgment regarding that position. Have you compiled or</p> <p>14 directed the compilation of evidentiary support for</p> <p>15 that position?</p> <p>16 A. To the extent you're asking me about</p> <p>17 communications with my attorneys, I'm not going to</p> <p>18 answer attorney/client privileged communications.</p> <p>19 Q. Not your communications with counsel. So</p> <p>20 exclude that. But have you compiled or directed the</p> <p>21 compilation of evidentiary support for that position</p> <p>22 outside of communications with counsel?</p> <p>23 A. Which position are you referring to?</p> <p>24 Q. That many of the documents have already been</p> <p>25 produced?</p>

<p style="text-align: right;">174</p> <p>1 A. Yes.</p> <p>2 Q. And what have you compiled to demonstrate</p> <p>3 that many of the documents ordered to be produced under</p> <p>4 the judgment have, in fact, been produced?</p> <p>5 A. Well, have been produced is your language.</p> <p>6 My language is they are in your possession or in your</p> <p>7 client's possession already, and was prior to the</p> <p>8 order. So if you're asking us to reproduce what you're</p> <p>9 already in possession of, I don't know that that makes</p> <p>10 any difference. We can certainly give you what you</p> <p>11 already have. But, yes, we've gone through</p> <p>12 communications and Matthew's communications, and we</p> <p>13 believe that we can demonstrate that you're in</p> <p>14 possession of a lot of the information you're asking</p> <p>15 for.</p> <p>16 Q. I think I'm understanding your testimony now.</p> <p>17 So, to be clear, there's nothing to show that documents</p> <p>18 have been produced post-judgment. No documents have</p> <p>19 been produced post-judgment. You're referring to</p> <p>20 communications with Matthew Farkas before the</p> <p>21 arbitration?</p> <p>22 A. Correct. A lot of the things you're asking</p> <p>23 for you're already in possession of.</p> <p>24 Q. Just to close out the questioning about the</p> <p>25 settlement agreement, has there been a settlement</p>	<p style="text-align: right;">176</p> <p>1 in the course of this deposition, I have not been able</p> <p>2 to locate them. Doesn't mean we can't come back and</p> <p>3 supplement later.</p> <p>4 MS. TURNER: Counsel. Mr. Gutierrez?</p> <p>5 MR. GUTIERREZ: I'm listening.</p> <p>6 MS. TURNER: We could --</p> <p>7 MR. GUTIERREZ: Do you want to leave a blank</p> <p>8 in the deposition or an attachment that if Mr. Bloom</p> <p>9 does find it, we supplement the deposition?</p> <p>10 MS. TURNER: I'm trying to avoid a fight. I</p> <p>11 see it that we could -- we could subpoena it for</p> <p>12 production at the hearing. I don't know that we need</p> <p>13 to go through that if we have an agreement that</p> <p>14 Mr. Bloom will look through his emails when we're done,</p> <p>15 and then we'll put a blank and get it attached if he</p> <p>16 locates it.</p> <p>17 MR. GUTIERREZ: I'm fine with that.</p> <p>18 INFORMATION TO BE SUPPLIED: _____</p> <p>19 _____.</p> <p>20 BY MS. TURNER:</p> <p>21 Q. All right. And then, Mr. Bloom, what phone</p> <p>22 numbers or phone number do you use when communicating</p> <p>23 with Matt Farkas?</p> <p>24 A. 702-423-0500.</p> <p>25 Q. And who's your service provider?</p>
<p style="text-align: right;">175</p> <p>1 agreement with any other member of either First 100</p> <p>2 entity for the payment of sale proceeds other than what</p> <p>3 we have with TGC/Farkas?</p> <p>4 A. No. TGC/Farkas is the only member that has</p> <p>5 issues.</p> <p>6 Q. And we have your testimony on when you first</p> <p>7 provided that to Matt Farkas and when you first</p> <p>8 discussed it with Matt Farkas, I believe.</p> <p>9 Did you have any text messages with</p> <p>10 Matt Farkas related to the settlement agreement?</p> <p>11 A. I can't recall. I'd have to go back and look</p> <p>12 at the text message chain.</p> <p>13 Q. And did you confirm that there was no email</p> <p>14 to Matt Farkas with the settlement agreement or</p> <p>15 regarding the settlement agreement during our break?</p> <p>16 A. No, I did not.</p> <p>17 Q. You had testified earlier that you thought</p> <p>18 you had provided the settlement agreement to</p> <p>19 Matt Farkas prior to sending it to the UPS Store. Do</p> <p>20 you have any document to support that?</p> <p>21 A. I have not yet been able to find it. I think</p> <p>22 there are -- I know there were telephonic</p> <p>23 communications about what he wanted in the settlement</p> <p>24 agreement. There may be text messages that reference</p> <p>25 it. I think I sent him an email of a draft, but, no,</p>	<p style="text-align: right;">177</p> <p>1 A. Verizon.</p> <p>2 Q. All right. And then when was the first time</p> <p>3 that you saw the letter terminating Garman Turner</p> <p>4 Gordon from Matthew Farkas?</p> <p>5 A. When was the first time I saw Matthew's</p> <p>6 letter terminating Garman Turner Gordon?</p> <p>7 Q. Yes.</p> <p>8 A. After January 6th of 2021. So maybe</p> <p>9 January 7th or January 8th of 2021.</p> <p>10 Q. You had indicated earlier that you received</p> <p>11 that letter from Raffi Nahabedian. Do you recall that?</p> <p>12 A. Yes.</p> <p>13 Q. Do you know who drafted the letter?</p> <p>14 A. I don't. I know I did not. I didn't draft</p> <p>15 it and I didn't participate in its drafting. I don't</p> <p>16 know who drafted it.</p> <p>17 Q. All right. If we go to Exhibit 15.</p> <p>18 A. 15, 1-5?</p> <p>19 Q. 1-5. The second page. Let me know when you</p> <p>20 have that.</p> <p>21 (Exhibit 15 was marked.)</p> <p>22 THE WITNESS: Says, "PDF files are supported</p> <p>23 but something went wrong." It's not doing a preview of</p> <p>24 it. I have to download it and open the download.</p> <p>25 Okay. So it may still be loading. All I have is</p>

<p style="text-align: right;">178</p> <p>1 Dylan Ciciliano, a black line across the top, "Subject: 2 Forward text from Jay Bloom," and the rest of the page 3 is blank. 4 BY MS. TURNER: 5 Q. Can you go to the next page, please. 6 A. Okay. Okay. 7 Q. All right. We have a text message from you 8 to Matthew. It says 2:33 p.m. Do you see that? 9 A. Yes. 10 Q. Then above that it's cut off and it says, 11 "This is from the TGC/Farkas operating agreement. I 12 just tried calling you back." 13 Do you see that? 14 A. I do. 15 Q. When was the first time you had a copy of the 16 TGC/Farkas operating agreement? 17 A. I'm not sure. It would have been in 2021, 18 sometime in January 2021, I think. Unless -- no. 19 Maybe -- I don't know. I don't know. Was it attached 20 to the documents in 2020, in the filings in the 21 arbitration? It would have been whenever it was 22 produced in the arbitration or in this particular 23 litigation. 24 Q. Let me ask a different question. When do you 25 recall the first time reviewing the TGC/Farkas</p>	<p style="text-align: right;">180</p> <p>1 A. I didn't at the time. I didn't see the 2 declaration. Matthew told me he didn't sign it. I 3 didn't see it until you filed it into the case. 4 Q. So when you -- 5 A. Actually, Matthew told me, his sister, and 6 his mother that he didn't sign it. And then it showed 7 up in the case. But I was putting him on notice not to 8 sign another false declaration like he did in August. 9 Q. But if the declaration was true, there 10 wouldn't be an issue; right? 11 A. Right, as long as he was truthful. All I 12 asked Matthew to do was be truthful. 13 Q. I assure you that's all TGC/Farkas has asked 14 him to do. 15 A. That's not Matthew's reputation and that's 16 not what the declaration shows that he had signed. 17 Q. Here it says, "You're hereby informed and 18 provided notice that if you sign a declaration or any 19 document adverse to the company." 20 The truth can be adverse to the company; 21 right? 22 A. It's not in this case. I don't have a 23 problem with him being truthful. I do have a problem 24 with him signing things for the benefit of your firm 25 adverse to the company that are false. And that's what</p>
<p style="text-align: right;">179</p> <p>1 operating agreement? 2 A. The original or as amended? 3 Q. The original. 4 A. I can't recall. 5 Q. In this text message, you say, "Matthew, the 6 purpose of this text is to establish a record. You are 7 hereby informed and provided notice that if you sign a 8 declaration or any document adverse to the company, you 9 will be held responsible for breach of your fiduciary 10 duty. Such act will be actionable. You are formally 11 on notice." 12 Do you see that? Did I read it right? 13 A. I do. Yep. 14 Q. Now, this was -- this text message was sent 15 in January of 2021; correct? 16 A. I believe I sent that the day Dylan was at 17 his house on Saturday morning with a document that he 18 was being threatened to sign that contained false 19 testimony that you were eliciting. 20 Q. Did you review the declaration before -- 21 A. I did not. 22 Q. Pardon? I'm sorry? 23 A. I did not. 24 Q. So how did you know that the declaration 25 contained false information?</p>	<p style="text-align: right;">181</p> <p>1 we're dealing with here. And what you did is you put 2 him in harm's way by having him breach his fiduciary 3 duty to First 100 and lie for you in a declaration. I 4 think that's reprehensible. 5 Q. So what part of Matthew Farkas' declaration 6 do you contend was false? 7 A. You have him signing a declaration saying 8 that he told us back in September of 2020, that he 9 signed the September 2020 amendment. That is not true. 10 He didn't know what he signed in 2020. There's no way 11 he would have told us. Adam didn't tell us. We didn't 12 know that he signed that September 2020 amendment until 13 January, the second or third week of January, when we 14 saw, of 2020, when we saw it for the first time. So 15 that is one thing that's not true. 16 He also said that he didn't do anything 17 except raise money. That was his sole purpose. That's 18 not true. We have all kinds of documents that show 19 that he was a primary signer on the checking account, 20 that he was involved in the preparation of financials. 21 He was involved with the collection attorney in Florida 22 in Point Siena. So the document that you wrote where 23 he says he just raised money, that's not true. Then 24 you also had him attest that he was never the CFO. 25 That is not true.</p>

<p style="text-align: right;">182</p> <p>1 That's from recollection. I don't have the</p> <p>2 declaration in front of me. But that's three</p> <p>3 falsehoods that you put in writing and shoved under his</p> <p>4 nose to sign under threat, that he represented he</p> <p>5 signed under duress without reading.</p> <p>6 Q. When did he represent that to you?</p> <p>7 A. After we asked him why he signed it when it</p> <p>8 wasn't true, and after he told us on Saturday that he</p> <p>9 didn't sign it. He told me, he told his sister, and he</p> <p>10 told his mother that he didn't sign it. And then when</p> <p>11 it showed up in the pleadings, he said, Well, I signed</p> <p>12 it because they made me sign it. And we said, Did you</p> <p>13 read it, and he said, No.</p> <p>14 Q. Was that in text message or email?</p> <p>15 A. I don't think it was email. I think it was</p> <p>16 text message and telephonic conversation. I think my</p> <p>17 text message actually says, You're a fuckin' liar, is</p> <p>18 our last conversation.</p> <p>19 Q. You called him an F-ing liar?</p> <p>20 A. I wasn't that polite. I called him a fucking</p> <p>21 liar.</p> <p>22 Q. So you have --</p> <p>23 A. He allowed himself to be manipulated by you</p> <p>24 the way he was.</p> <p>25 Q. You have a text message from you to</p>	<p style="text-align: right;">184</p> <p>1 time period.</p> <p>2 A. January 24th?</p> <p>3 Q. Yes, sir. That's the Sunday. So you said</p> <p>4 there was Saturday. Is there anything on Saturday the</p> <p>5 23rd or thereafter from Matthew indicating that he was</p> <p>6 subject to some kind of duress?</p> <p>7 A. So on January 19th, he sent me a text that</p> <p>8 said, "Call me. The law firm just called and told me</p> <p>9 whatever I signed obliterated Adam's case."</p> <p>10 Q. Okay.</p> <p>11 A. And then I sent him a copy from his</p> <p>12 agreement. We had a conversation that followed and</p> <p>13 conferenced his representation that he was threatened</p> <p>14 with litigation and that he may as well just kill</p> <p>15 himself. So on January 19th, he said, Call me. The</p> <p>16 law firm just called and told me that whatever I signed</p> <p>17 obliterated Adam's case." I think what he's referring</p> <p>18 to, is when Dylan lied to him and said that he wiped</p> <p>19 out Adam's million dollars by signing the settlement</p> <p>20 agreement, which clearly is the opposite of what the</p> <p>21 settlement agreement says.</p> <p>22 So I sent him the part that you referenced</p> <p>23 that's cut off at the top of, I guess, Exhibit 15 that</p> <p>24 we have open. It's Section 4.2 exculpation from the</p> <p>25 TGC/Farkas operating agreement, where they've agreed</p>
<p style="text-align: right;">183</p> <p>1 Matt Farkas where you called him an F-ing liar. And</p> <p>2 I'll ask Kim to put in the real world.</p> <p>3 Do you have any text from Matthew to you</p> <p>4 saying that he either failed to review the declaration</p> <p>5 or he was forced to sign the declaration, as you are</p> <p>6 now representing?</p> <p>7 A. I would have to go back and read the exact</p> <p>8 language. I know he told me telephonically. He may</p> <p>9 have put it in text. He certainly doesn't deny that he</p> <p>10 lied. There's nothing in there where he says, No, I</p> <p>11 didn't lie. I very strongly called him out on his lies</p> <p>12 and he doesn't deny it. But I know telephonically he</p> <p>13 said he was threatened into signing. He's more afraid</p> <p>14 of Adam than he is of anything we can do so he's going</p> <p>15 to lie for him.</p> <p>16 Q. He said that in -- to you, that he is going</p> <p>17 to lie for him?</p> <p>18 A. No. He said that he's afraid of Adam.</p> <p>19 Q. Do you have your phone with you, Mr. Bloom?</p> <p>20 A. I'm on this for this call.</p> <p>21 Q. Are you able to go in and review your text</p> <p>22 messages?</p> <p>23 A. Let me see. Yes.</p> <p>24 Q. Can you find the text messages that followed,</p> <p>25 it looks like January 23rd, 24th and thereafter is the</p>	<p style="text-align: right;">185</p> <p>1 internally not to litigate and to hold each other</p> <p>2 harmless.</p> <p>3 So that was the extent of that conversation.</p> <p>4 And then we don't talk again until the 23rd when I find</p> <p>5 out that you guys show up at his house on a Saturday</p> <p>6 morning and force him to sign a document. And I put</p> <p>7 him on notice that if he signs something adverse to the</p> <p>8 company, listen, again, it better be truthful, and his</p> <p>9 problem is it's not. You had him bear false testimony.</p> <p>10 You elicited false testimony. And I advised him -- I</p> <p>11 put him on notice that if he does that, he's breaching</p> <p>12 his fiduciary duty to First 100.</p> <p>13 Q. So in the text message set forth at</p> <p>14 Exhibit 15, can you point to where it says, don't sign</p> <p>15 anything that you believe is false?</p> <p>16 A. Well, "Don't sign a declaration or document</p> <p>17 that's adverse to the company." If he was truthful, it</p> <p>18 wouldn't be adverse to the company; right.</p> <p>19 The problem you have is you had him sign</p> <p>20 false testimony in August. I was concerned you were</p> <p>21 going to do it again. He told myself, his mother, and</p> <p>22 his sister that he didn't sign anything. And then you</p> <p>23 introduce a document that's replete with falsehoods</p> <p>24 that he signed that morning.</p> <p>25 Q. And what is the basis for alleging that</p>

<p style="text-align: right;">186</p> <p>1 counsel knew that there was a falsehood in the 2 declaration of Matthew Farkas and the suborned false 3 testimony? 4 A. Matthew's representation was that you showed 5 up with a document. He did not participate in drafting 6 it. He did not read it. He signed it blindly because 7 he was threatened to. 8 Q. And that's not in a text message or email 9 communication with you? 10 A. For that particular Saturday morning, no. 11 Q. Or any time thereafter? 12 A. It says, "Jay, my problem in this whole 13 situation is that I've been trying to accommodate 14 everyone's wishes. Erika Turner told me back in the 15 summer that if I weren't going to be part of this, I 16 can't be part of this. All I seem to do with both 17 sides is make everyone angry no matter what I do." 18 Q. Anything else? 19 A. I responded, "You signed the affidavit in 20 August. You did that the day after you told me you 21 weren't signing it. When we talked to the lawyers, you 22 said you didn't sign anything in September. You need 23 to send that to me." 24 So as of January 19th, I still had not seen 25 the amendment. As of January 19th of 2021, I was</p>	<p style="text-align: right;">188</p> <p>1 Then he wanted to meet Vernon outside of 2 Joe's office. I said, "Of course." 3 Then he asked me about communications between 4 you and Jason Maier so I forwarded him that 5 communication. And he wrote, "Wow, so sad." 6 Then I encouraged him to sign a declaration 7 telling the truth and walking back what he didn't read 8 what your office had him sign. And I said, "If the 9 settlement gets enforced, litigation is over. When the 10 company gets the money, Adam gets a disproportionately 11 large distribution and gets his million dollars plus 12 6 percent, which is better than Adam's position without 13 the settlement." 14 Then I said, "No word back from Vernon. Put 15 another call into Sean Akari. He asked to make the 16 meeting in the afternoon." 17 Then he said he can't sign any more documents 18 after signing your document. When I asked him to walk 19 back and just tell the truth, he said he can't sign any 20 more documents until an independent lawyer tells him 21 to. He doesn't want to be the reason that 50 angry 22 shareholders don't get paid. 23 Q. That was in response to you or your counsel 24 telling Matthew Farkas that there was going to be a 25 letter to the shareholders implicating that he was</p>
<p style="text-align: right;">187</p> <p>1 asking you to provide the amendment to the TGC 2 operating agreement, where he resigned his position 3 that we first learned of in January 9th, 10th, of 2021. 4 He wrote, "Please call me." And then he got 5 into, "The law firm just called me and told me that 6 whatever I signed obliterated Adam's case." 7 I think he's referencing the telephonic 8 conversation that you provided a transcript where you 9 told him that his signature is bad, it's really bad, 10 what you signed wiped out Adam's million dollars. 11 Clearly, that's in contravention to what the settlement 12 agreement actually says. I can't believe you provided 13 that transcript. 14 Q. Anything else in text message with 15 Matthew Farkas? 16 A. Well, I was referring him to attorneys 17 because he wanted personal representation. He asked if 18 the attorney, "is he my attorney or a friend." I said, 19 "I don't see him socially. You shouldn't have a 20 conflict." 21 We were talking about Vernon. He said, "as 22 long as there's no conflict." 23 He asked if he was in Joe's office. I said, 24 "No, there's nobody in Joe's office that would handle 25 this case for you."</p>	<p style="text-align: right;">189</p> <p>1 responsible for blowing up the settlement; right? 2 A. No. No. No. I said, "I have a meeting 3 tomorrow morning at 8:00 a.m. Are you going to sign 4 the declaration tomorrow? Are you going to change your 5 mind again?" I said, "Of course, unless an independent 6 lawyer tells you not to." 7 His response was, "I can't sign the document 8 until an independent lawyer tells me to, understanding 9 also that the lawyer understands everything and can 10 give me a decision. It may not happen until Tuesday. 11 I need to make sure I'm doing what is best for me. I 12 need to see a document from you guys confirming that if 13 this is signed, you're not going to tell 50 angry 14 shareholders I was the reason they didn't get paid." 15 Q. And what was your response? 16 A. I said, "Of course. I have counsel for you. 17 He's licensed in California, as well as Nevada. He's 18 in California now. Call him anytime tomorrow and he 19 can walk you through a consultation by phone on what to 20 do in this situation as an independent counsel. I gave 21 him some basic background and I'll email him some 22 documents, but you can describe what's going on and ask 23 him any questions you may have." 24 And he said, "Okay. Great." 25 Q. So what was your last text message with</p>

<p>190</p> <p>1 Mr. Farkas?</p> <p>2 A. My last text message was, "You lied your ass</p> <p>3 off in the declaration you signed, and you lied to your</p> <p>4 mother and your sister when you said you didn't sign</p> <p>5 it. I hope you're proud of yourself. You're a fucking</p> <p>6 liar."</p> <p>7 And that was January 27th.</p> <p>8 MS. TURNER: If you go to Exhibit 16 to your</p> <p>9 deposition.</p> <p>10 (Exhibit 16 was marked.)</p> <p>11 THE WITNESS: So it says, "PDF files are</p> <p>12 supported but something went wrong." I don't know why</p> <p>13 it's doing this now, but I have to download it to open</p> <p>14 it. So it's downloading now. Before it was just</p> <p>15 opening on the screen. Now it's scanning for viruses.</p> <p>16 MR. GUTIERREZ: Counsel, maybe you can share</p> <p>17 the screen with it. I had that problem earlier with</p> <p>18 this exhibit. I have it open now.</p> <p>19 THE WITNESS: Okay. I'm opening the file</p> <p>20 now.</p> <p>21 MR. CICILIANO: It's Exhibit 16, Erika?</p> <p>22 THE WITNESS: I have it. Okay.</p> <p>23 BY MS. TURNER:</p> <p>24 Q. We have an email from you to Matthew Farkas</p> <p>25 with a CC to Carolyn Farkas, January 24th at 5:23 p.m.</p>	<p>192</p> <p>1 Q. All right. If we go through the privilege</p> <p>2 log, I would normally not refer to a privilege log to</p> <p>3 ask questions, but I don't have anything else.</p> <p>4 It says, "Email from Raffi Nahabedian to</p> <p>5 Jay Bloom dated 1/4/2021 regarding attorney retainer</p> <p>6 agreement from Matthew Farkas to TGC/Farkas."</p> <p>7 Are you claiming a privilege applies to that</p> <p>8 communication?</p> <p>9 A. To the extent the privilege may apply, I'm</p> <p>10 not going to waive it.</p> <p>11 Q. All right. The oral communication that</p> <p>12 preceded this email from Raffi to you, are you</p> <p>13 maintaining that same privilege, that even though it's</p> <p>14 regarding the attorney retainer agreement for</p> <p>15 Matthew Farkas-TGC/Farkas, that there is a privilege</p> <p>16 that applies?</p> <p>17 A. To the extent that a privilege applies, I'm</p> <p>18 not going to waive it.</p> <p>19 Q. All right. And these are communications that</p> <p>20 included just you and Raffi Nahabedian. If we go down</p> <p>21 one, two, three, four, five, there's an email from</p> <p>22 Jay Bloom to Jason Maier with a CC to Raffi Nahabedian,</p> <p>23 Joe Gutierrez, and Danielle Barraza.</p> <p>24 Do you see that?</p> <p>25 A. I do.</p>
<p>191</p> <p>1 Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. Did you ever receive a response from</p> <p>4 Matthew Farkas?</p> <p>5 A. No. For whatever reason, he believed --</p> <p>6 despite Dylan saying that we're not you're counsel, he</p> <p>7 believed that you were his counsel and you were</p> <p>8 advising him.</p> <p>9 MS. TURNER: All right. If we go to Exhibit</p> <p>10 18.</p> <p>11 Dylan, can you screen share it since he's not</p> <p>12 able to bring it up.</p> <p>13 (Exhibit 18 was marked.)</p> <p>14 MS. TURNER: Dylan?</p> <p>15 MR. CICILIANO: Can you hear me Erika?</p> <p>16 MS. TURNER: Yes.</p> <p>17 MR. CICILIANO: Hold on one second. I've got</p> <p>18 to find the actual original.</p> <p>19 BY MS. TURNER:</p> <p>20 Q. We have a privilege log that's been produced</p> <p>21 by Mr. Nahabedian regarding written documents, not</p> <p>22 oral.</p> <p>23 A. Okay. Not sure what oral documents are.</p> <p>24 Q. Not oral documents. Oral communication.</p> <p>25 A. Okay.</p>	<p>193</p> <p>1 Q. All right. That email communication includes</p> <p>2 Raffi, as well as the attorneys from the</p> <p>3 Maier Gutierrez firm. And this email is dated</p> <p>4 January 10th, after the settlement agreement and after</p> <p>5 Raffi Nahabedian was retained. Does that change your</p> <p>6 position on whether or not you believe a privilege</p> <p>7 applies to that communication?</p> <p>8 A. That does not change my opinion.</p> <p>9 Q. Okay. You're still refusing to provide the</p> <p>10 communications based on a privilege?</p> <p>11 A. To the extent that a privilege applies, I'm</p> <p>12 not going to be providing testimony relating to</p> <p>13 attorney/client privileged communications, especially</p> <p>14 in light of bar counsel's recommendation, as I</p> <p>15 understand it, that the privilege would apply.</p> <p>16 Q. You indicated that bar counsel has provided a</p> <p>17 recommendation. How do you know that?</p> <p>18 A. It's my understanding from my conversations</p> <p>19 with Raffi Nahabedian.</p> <p>20 Q. When did Raffi Nahabedian advise you that bar</p> <p>21 counsel had recommended that a privilege applies?</p> <p>22 A. Sometime in the second week of January 2021.</p> <p>23 I don't remember the date.</p> <p>24 Q. Who else was on the communication or the call</p> <p>25 between you and Raffi?</p>

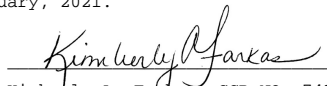
<p style="text-align: right;">194</p> <p>1 A. I don't recall that anybody else was on the 2 communication or the call. 3 Q. So you were communicating directly with 4 Raffi Nahabedian regarding a privilege applying over 5 your communications relating to TGC/Farkas Funding? 6 A. I was receiving information from Raffi that 7 he had to -- that he had talked to bar counsel and 8 privilege applies. And then he asked me if I would 9 waive privilege, and I said, no. 10 Q. Okay. All right. I'm not going to go one by 11 one. I think I understand your position. 12 MS. TURNER: Counsel, we've been going some 13 time. If we could go off the record for just five 14 minutes, I'll try to do a quick review and see if 15 there's anything else, but I think we're getting close 16 to the end. 17 MR. GUTIERREZ: So you want to take a 18 five-minute break? 19 MS. TURNER: Yep. 20 MR. GUTIERREZ: Okay. 21 (Whereupon, a recess was taken.) 22 BY MS. TURNER: 23 Q. For the hearing next week, I want to make 24 sure that I fulfill my duty to discover all positions 25 that you're taking on behalf of First 100 and First 100</p>	<p style="text-align: right;">196</p> <p>1 Matthew's deposition. 2 MS. TURNER: Yes. 3 (Whereupon, the deposition was concluded at 4 2:58 p.m.) 5 * * * * * 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>
<p style="text-align: right;">195</p> <p>1 Funding at that hearing on the order to show cause why 2 you shouldn't be found in contempt and your effort to 3 enforce the settlement agreement. 4 Are you providing testimony next week on 5 behalf of the companies? 6 A. I expect that I will be. 7 Q. Okay. Is anybody else expected to provide 8 testimony on behalf of First 100 and 9 First One Hundred Holdings? 10 A. I imagine Matthew Farkas will be testifying. 11 He has kind of a dual. I'm not aware of anyone else. 12 MS. TURNER: Okay. I'm going to pass the 13 witness. Mr. Gutierrez, if you want to ask questions. 14 MR. GUTIERREZ: I don't have any questions. 15 Thank you. 16 MS. TURNER: All right. I think we're 17 turning this around pretty quick. If you have any 18 supplement to that blank spot, I'll just look to your 19 counsel to provide it. 20 MR. GUTIERREZ: Yes. Ms. Farkas, I know we 21 requested a rough draft, or my paralegal. 22 So you'll vacate the deposition tomorrow 23 morning; correct. 24 MS. TURNER: Yes. 25 MR. GUTIERREZ: And available Friday for</p>	<p style="text-align: right;">197</p> <p>1 CERTIFICATE OF REPORTER 2 STATE OF NEVADA) 3) ss: 4 COUNTY OF CLARK) 5 I, Kimberly A. Farkas, a Certified Court Reporter 6 licensed by the State of Nevada, do hereby certify: 7 That I reported the deposition of JAY BLOOM, February 8 24, 2021, at 8:07 a.m. 9 That prior to being deposed, the witness was 10 duly sworn by me to testify to the truth. That I 11 thereafter transcribed my said stenographic notes into 12 written form, and that the typewritten transcript is a 13 complete, true and accurate transcription of my said 14 stenographic notes; that review of the transcript was 15 requested. 16 I further certify that I am not a relative, 17 employee or independent contractor of counsel or of any 18 of the parties involved in the proceeding; nor a person 19 financially interested in the proceeding. 20 IN WITNESS WHEREOF, I have set my hand in my 21 office in the County of Clark, State of Nevada, this 22 25th day of February, 2021. 23  24 Kimberly A. Farkas, CCR NO. 741 25</p>

EXHIBIT “C”

1 DISTRICT COURT
2 CLARK COUNTY, NEVADA
3 * * * * *
4
5 TGC/FARKAS FUNDING, LLC,
6 Plaintiff,
7
8 vs. Case No. A-20-822273-C
9 Dept. No. 13
10 FIRST 100, LLC, a Nevada
11 limited liability company;
12 FIRST ONE HUNDRED HOLDINGS,
13 LLC, a Nevada limited
14 liability company aka 1st ONE
15 HUNDRED HOLDINGS, LLC, a
16 Nevada limited liability
17 company,
18
19 Defendants.
20
21 REMOTE VIDEOCONFERENCE MEETING BETWEEN COUNSEL
22 Taken on February 15, 2021
23 At 10:00 a.m.
24 Reported by: Kimberly A. Farkas, RPR, CCR #741
25 Realtime Trials Reporting

Realtime Trials Reporting - (702) 277-0106

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1 Monday, February 15, 2021
2 10:00 a.m.
3 * * * * *
4 MS. TURNER: So on the 30(b)(6) categories, I
5 don't know if you saw the letter to Danielle where we
6 said Adam will be the designee on the categories that
7 we think are appropriate, given the limited scope of
8 the hearing. I don't know if that is sufficient for
9 your purposes or if you still want to go forward with
10 these categories.
11 MR. GUTIERREZ: Let me ask you about the
12 letter really quick. I'm looking at your February 11th
13 letter. And then you've identified categories 4, 6, 8,
14 9, 10, 11, 14, 15, 16, it says, "limited." With the
15 other ones, are you objecting to the other categories
16 that you didn't list or are you --
17 MS. TURNER: Yeah. 18 I didn't have any
18 objection. So it says 18 without anything else. The
19 others, yes, we're standing on the objections. And I
20 think -- I mean, we can run through them one by one,
21 but it seems to be a category that runs through a lot
22 of the different categories you have. It's largely the
23 same objection. It's like you're going back
24 prejudgment and attacking Matt's involvement in the
25 underlying litigation, what his -- there's a lot of

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1 privilege here. So if you could give me your thoughts
2 on --
3 MR. GUTIERREZ: I guess the first thing is
4 I'm in agreement with you that the discovery needs to
5 be limited to, I guess, the two really main issues for
6 the hearing, which is the order to show cause and then
7 the motion to enforce settlement. And I think with
8 these categories, and we tried to outline really some
9 of the issues that we thought were responsive, at least
10 to the apparent authority issue, as to whether or not
11 the settlement agreement that Matthew signed would be
12 enforceable. And I think that stems back to the
13 September, amending the operating agreement and
14 weighing, sort of, the circumstances that were
15 surrounding that.
16 So, you know, that's kind of really what our
17 thought process was in putting together these topics.
18 Obviously, I'm open to limiting them. You know,
19 obviously, making sure it's reciprocal with your topic
20 list for First 100, as well. So I'm glad we're talking
21 through this to make sure to figure out how to do that.
22 MS. TURNER: All right. Let's go through
23 yours first, and then we'll go through mine.
24 We are on the same page on the scope when we
25 talk about it in those general terms. That's all it

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1 is, is contempt and defenses to contempt, which is the
2 motion to enforce settlement.
3 MR. GUTIERREZ: Correct. Correct. Okay.
4 MS. TURNER: All right. Number 1. "All
5 information, knowledge, documents and facts relating to
6 TGC/Farkas executing engagement letters with GTG with
7 respect to the underlying litigation."
8 I mean, that is attorney/client privilege and
9 that has nothing to do with authority. That has to do
10 with my authority, not Matt Farkas'.
11 MR. GUTIERREZ: Well, I think our position
12 there was that Matt Farkas also signed on the GTG
13 engagement letter and then he had limited in
14 handwriting -- and this is all stuff that was
15 disclosed, obviously, in the motion for fees that you
16 guys had filed. But Farkas had limited the authority
17 of the firm to act on behalf of TGC/Farkas. We wanted
18 to ask him, obviously, about that, and then why that
19 changed. So that's kind of our position on it. That's
20 the reasoning behind it.
21 MS. TURNER: So I think if you were to ask
22 the designee for the company whether or not
23 Matthew Farkas had authority to sign that agreement and
24 limit it at the time, that's one thing. But subsequent
25 communications about authorizing this firm I think are

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1 all privileged.
2 MR. GUTIERREZ: I don't disagree with that.
3 I think my position on that would be really just trying
4 to identify at what point the privilege with
5 Matt Farkas on behalf of TGC ended with your firm.
6 Because we have the recorded telephone call that I know
7 that has been disclosed between Dylan and Matthew that
8 I believe your firm is going to take the position
9 that's not privileged. You know, at what point does
10 that end so we know where inquiry can begin?
11 MS. TURNER: Well, so Matthew Farkas, we
12 provided the amended or you have the amendment to the
13 operating agreement for TGC/Farkas, and you have
14 Matt Farkas' signature on that, which was Docu-signed
15 so there's a stamp on it. And you have his email
16 communicating his signature. That was September of
17 2020, after the arbitration award. Matt Farkas is
18 still a 50 percent member and still a constituent of
19 the company so there are privileges.
20 With respect to the telephone conference that
21 was recorded, those were facts and not advice so I
22 don't think we could have held that call as a
23 privilege, given the contents. Notwithstanding, I
24 think that we have an ongoing privilege with respect to
25 TGC/Farkas.

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1 MR. GUTIERREZ: Well, if I'm asking Matthew
2 about, you know, how he interpreted a portion of that
3 call, which is when Dylan told him specifically that by
4 signing the settlement agreement it would eliminate the
5 million dollar investment from TGC/Farkas, is that
6 something you're going to claim privilege on? It's in
7 the recorded call, but my questioning with Farkas on
8 that is going to be on his mindset, you know. Because,
9 obviously, we think he signed declarations or whatever
10 he did probably out of whatever state of mind he was
11 in.
12 MR. CICILIANO: Well, you've already asked
13 him that question though, haven't you? I mean, you've
14 already talked to him about that?
15 MR. GUTIERREZ: I'm talking about asking him
16 about it in his deposition.
17 MR. CICILIANO: Well, you already previously
18 talked to him about it though so you didn't think it
19 was privileged at the time --
20 MR. GUTIERREZ: I don't.
21 MR. CICILIANO: But you already know the
22 answer.
23 MR. GUTIERREZ: I don't think it's
24 privileged. I'm making sure that we're on the same
25 page going forward.

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1 MS. TURNER: You can ask Matthew about his
2 frame of mind when he signed the settlement agreement.
3 I don't think there's going to be any objection there.
4 That's fair game. The contents of that call I think
5 are fair game.
6 But getting back to this section 1, executing
7 engagement letters beyond his execution of the
8 engagement letter, which you have, he can confirm he
9 signed it. He can discuss in general terms his
10 participation in the arbitration. He signed that
11 declaration that was submitted in the arbitration, but
12 anything beyond that is privileged.
13 MR. GUTIERREZ: Okay. And I don't disagree
14 with you. I just want to make sure we're on the same
15 page.
16 MS. TURNER: And that goes to 2 as well, your
17 category No. 2.
18 MR. GUTIERREZ: 2 and 3, I think, are very
19 similar on that issue. Okay. I'll ask him about --
20 and this is really for Matthew, I believe, more than
21 for TGC/Farkas. I might ask Adam about this, as well,
22 as far as scope. I mean, I don't want to ask -- I
23 think this goes back to the operating agreements. I
24 want to ask Adam about -- I mean, obviously, they both
25 signed off on your engagement letter. It wasn't just

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1 one or the other. And at some point, there was an
2 amendment to the operating agreement. And I want to
3 ask him circumstances around that. I don't want to get
4 into communications with Matthew or Adam with your
5 firm. I don't think that's relevant. I do think it's
6 privacy or it could be a violation of attorney/client
7 privilege. I just want to make sure we're on the same
8 page. A lot of my topics kind of overlap so I want to
9 make sure we're on the same page on that.

10 MS. TURNER: Communications between Adam and
11 Matthew without counsel we would not assert a
12 privilege. If counsel is involved, we will be
13 asserting a privilege.

14 MR. GUTIERREZ: Understood.

15 MS. TURNER: Concerning the business of
16 TGC/Farkas.

17 MR. GUTIERREZ: No. 5 would really be
18 communications between Matthew and Adam, I guess,
19 regarding the scope or how the scope of the
20 representation changed, but, I mean, if that involves
21 attorney/client communication, we can just move over
22 that. I don't need to get into that on No. 5. But if
23 it's something, I guess, was their decision without
24 attorney/client communications involved in that, I
25 think we can probably touch on that. Let me know your

1 thoughts. That's No. 5.

2 MS. TURNER: I think it's the same thing. To
3 the extent Matt and Adam spoke directly related to the
4 operating agreement or amendment First 100, et cetera,
5 I think that's fair game except that I don't know how
6 relevant that is to our limited scope of the hearing.
7 So why does it matter what they communicated about
8 First 100?

9 MR. GUTIERREZ: Well, it's our position that
10 I think -- I mean, that Matthew Farkas never wanted to
11 file a lawsuit against First 100. That's our position.
12 That's why he and Jay Bloom engaged in a settlement
13 where they were able to resolve it outside of
14 litigation. At some point, for whatever reason, there
15 was the decision to move forward with litigating
16 against First 100. And whether that came from Adam
17 or -- but -- or the company, I think that goes to the
18 apparent authority issue that Matthew's intent was
19 there is no litigation. That's why he signed off on
20 the settlement. If that's the case, First 100 could
21 rely on that representation in resolving the case. So
22 that's our position on it. If you feel differently,
23 let me know.

24 MS. TURNER: Yeah. So we're at post-judgment
25 proceedings. I mean, there was a pending contempt

1 motion when that settlement agreement was executed, and
2 it provides for the dismissal of the lawsuit. Whether
3 or not Matt wanted to enforce the judgment or not is an
4 issue for Matt and TGC/Farkas. It has -- whether or
5 not he could bind the company, whether or not he had
6 authority to speak on behalf of the company, is all
7 that's at issue. It's not what he wanted or didn't
8 want prior to the judgment being entered or even
9 post-judgment.

10 I don't see the relevancy. You can ask him
11 whether or not he wanted to pursue contempt. I don't
12 think it matters if he doesn't have the authority to
13 make decisions. And I think it kind of exemplifies why
14 he had to be -- why there was the amendment is this guy
15 has a conflict with his brother-in-law, threatening him
16 with, you know, litigation on behalf of First 100. So,
17 I mean, if you want to -- I'm not going to prevent you
18 from asking questions regarding Matt's authority to
19 bind the company and representations he made to you
20 guys and when. But to get into every discussion
21 between Adam and Matt regarding First 100, even prior
22 to the judgment, I think that's too far and it doesn't
23 matter.

24 MR. GUTIERREZ: Well, here's why I do think
25 it matters. I do think that First 100 had very clear

1 terms in its subscription agreements for its members,
2 that if you were going to change who the notification
3 person was, you had to do it in writing and you had to
4 do that to the company. And Matt Farkas has been the
5 voice and contact on behalf of TGC/Farkas for 8 years
6 now, and nothing has been in writing submitted to
7 First 100 that would change that. So First 100 is
8 relying on that. I want to ask TGC/Farkas what they do
9 have in writing that has notified the company that
10 there is a change in the representative.

11 MS. TURNER: That's a fair question.

12 MR. GUTIERREZ: But that goes back
13 pre-judgment so I understand your position, but it
14 also -- I'm not going to touch on a lot. This is why,
15 I'll be honest, Counsel, I don't want to spend -- I
16 think I have noticed Adam's depo and the TGC/Farkas PMK
17 depo at the same time. I don't plan on going -- I know
18 he has a restriction. I don't plan on going all day.
19 I think a lot of this with the limited scope can be
20 done in that time frame. So it would be more
21 background information, but that's why I would go that
22 far back is to ask him those questions.

23 MS. TURNER: So related to notification of
24 who has authority.

25 MR. GUTIERREZ: Exactly. Yes.

1 MS. TURNER: That's fine. Okay. Yeah, it's
2 the all communications. If we go to 6, it's the same
3 objection, all communications with First 100 or
4 First One Hundred Holdings. That's just --

5 MR. GUTIERREZ: What we mean by that is that
6 notification, is to get into -- I'll ask Adam Flatto
7 what communications he had with First 100 over the 8
8 years that he's been an investor; right. Not get into
9 every single one, just establishing exactly what it is
10 that Matt Farkas was the primary point of contact. So
11 it is, the way it's worded, broad. But that's kind of
12 the intent behind it. We can clarify it.

13 MS. TURNER: Yeah, can we clarify it, that it
14 would be all communications providing notice of
15 authority and with anyone other than Matt Farkas. I
16 think the concern is the burden of educating Adam on
17 every communication that Matt had would be insane and
18 not really needed.

19 MR. GUTIERREZ: I agree with you. All
20 communications that TGC/Farkas has had with First 100
21 or First One Hundred Holdings, LLC regarding notice of
22 authority with anyone other than Matt Farkas.

23 MS. TURNER: Okay.

24 MR. GUTIERREZ: That will be No. 6. Okay.

25 MS. TURNER: All right. 7. Yeah, this gets

1 into -- I mean, counsel for the company, that's not
2 something that you would rely on, is whoever we're
3 communicating with, that's not something that you are
4 privy to or that you rely on so it doesn't go to
5 apparent -- doesn't go to apparent authority. And
6 given that all information, knowledge, documents and
7 facts, I think we get into the privilege itself.

8 MR. GUTIERREZ: Okay. Yeah, I'm fine with
9 eliminating that one. I understand it does kind of
10 overlap with the attorney/client. I think the one
11 question I would want to know is if Matt Farkas did
12 have independent counsel help him review any amendment
13 to the operating agreement he did sign. I don't know
14 if that gets into attorney/client, but it's really an
15 issue that what independent counsel he had at the time
16 he gave up the rights and what consideration did he get
17 for that is kind of really all I want from that. I
18 don't care what the company and your firm talked to --
19 talked about. I don't think it's relevant.

20 MS. TURNER: You can ask him that.

21 MR. GUTIERREZ: No. 8, I think we've already
22 talked about. I think that's kind of -- that will
23 surround really the amendment and those issues.

24 MS. TURNER: Okay. Yeah. 9, regarding the
25 indemnity of the original. I mean, that just -- the

1 operating agreement and the amendment speak for
2 themselves. And to say, all information, knowledge,
3 documents and facts, we get into the privilege.
4 There's no question Matt was the original
5 administrative member and that changed in September
6 with the amendment. That's it.

7 MR. GUTIERREZ: I don't think I'm going to
8 delve much into that, other than what their
9 understanding was as to his role in that position and
10 his authority. And that's really what I wanted to get
11 into, and why it changed.

12 MS. TURNER: Does it matter why it -- what
13 they think their authority is? It's whatever the
14 agreement provides.

15 MR. GUTIERREZ: I do, only in the sense that
16 if that's what Matthew is representing out to Bloom in
17 their discussion of settlement, I think it matters.

18 MS. TURNER: That's a big assumption of
19 facts.

20 MR. GUTIERREZ: Never know what Matthew is
21 going to say. So that's kind of our position on that.
22 All three of those, 8, 9, and 10, kind of overlap, but
23 that's really the intent behind it.

24 MS. TURNER: Well, I think you can understand
25 on a 30(b)(6) depo, you're going to have the witness

1 refer to the agreement itself. When they're charged
2 with being educated, that's it. And if you want to ask
3 Matthew about his representations to Jay, that's more
4 than fine. And he can get into what he represented and
5 why he represented it and when.

6 MR. GUTIERREZ: Okay.

7 MS. TURNER: Okay. Yeah, this is something I
8 was a little concerned about, this 11, the preparation
9 of affidavits and declarations in the underlying
10 litigation. I mean, that is so privileged,
11 communications with the witnesses that are constituents
12 of the company, I don't know a circumstance where that
13 wouldn't be privileged.

14 MR. GUTIERREZ: Well, I guess -- and I
15 understand that there's been declarations prepared by
16 Matthew in the arbitration prior to him -- prior to the
17 amendment being filed, but there was also a declaration
18 prepared by him last month. I don't know if you're
19 saying that that's privileged or not.

20 MS. TURNER: The preparation of his
21 declaration, yeah. He offered that declaration as a
22 member, as a 50 percent member and former manager, and
23 former administrative member of TGC/Farkas. It was
24 prepared with counsel. Now, the facts themselves I
25 think you're better off just asking Matt about that,

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1 but the preparation of the declaration, that's counsel.
2 I mean, it was prepared by GTG. It's their work
3 product. And the communications with Matt about the
4 contents, the facts are what the facts are, but our
5 communications about anything beyond that would be
6 privileged. You could ask, did you have a conversation
7 to help them prepare it, did you give them the facts.
8 He can say, yes, that's the taped call and we had
9 subsequent calls, but I don't think you can go beyond
10 that.

11 MR. GUTIERREZ: I do think it's relevant.
12 I'm not going to ask him about, because you are
13 asserting privilege on his behalf, about what
14 communication you had with GTG in preparation of the
15 declaration, but I do want to ask him about the
16 circumstances around it without getting into
17 communications as long as that privilege is being
18 asserted.

19 MS. TURNER: That's fine. Anything beyond
20 the advice provided or the request for advice related
21 to TGC/Farkas.

22 MR. GUTIERREZ: Okay. No. 12, I think we've
23 discussed, but that's the position as far as when the
24 subscription agreement was signed and the notification
25 requirement was put in, really what changes were made

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1 in writing to the company on that issue.
2 MS. TURNER: Okay. That's fair.
3 MR. GUTIERREZ: 13, is this relating to what
4 information the company had as far as the communication
5 between Jay and Matthew on the settlement that they
6 signed?

7 MS. TURNER: Okay. It was -- the facts
8 aren't an issue. Documents aren't an issue. It's all
9 information and knowledge would include privilege so we
10 just thought it went too far. If you were to ask, when
11 did you find out about the settlement agreement, how
12 did you find out, that kind of thing, I think that's
13 relevant, certainly. Even though -- I mean, we're
14 going to run this deposition concurrent with Adam, but
15 on something like that, I think it's fair for Adam to
16 say, Matthew's receipt of the settlement agreement,
17 signature, and those circumstance are better
18 for Matt Farkas. Do you disagree?

19 MR. GUTIERREZ: That's fine. If that's what
20 he says, that's fine. Like I said, what I'll likely do
21 when I start that deposition with the company is I'll
22 ask Adam if there's any point where he's answering in
23 his individual capacity versus on behalf of the
24 company. He can just let me know.

25 MS. TURNER: No. 14, I mean, to the extent it

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1 calls for privilege, advice of counsel, that would be
2 improper. Asking for facts, I don't have any objection
3 to facts being requested.

4 MR. GUTIERREZ: Okay. So that would be the
5 same with 15; right?

6 MS. TURNER: Yeah. As regarding the visit.
7 Yeah, there was -- I mean, there would be advice of
8 counsel made to Matt Farkas in his capacity as a former
9 administrative member-manager, as well as in his
10 capacity as a current 50 percent member, but when Dylan
11 went to his house, what happened there, I think those
12 facts are discoverable.

13 MR. GUTIERREZ: Who was there. Yeah, I
14 understand that.

15 MS. TURNER: Who was there, who called and
16 threatened Matt while Dylan was there, that should all
17 come out.

18 MR. GUTIERREZ: That will be fun. Okay.
19 16 is the recorded phone call.

20 MS. TURNER: It is what it is.

21 MR. GUTIERREZ: So I'll walk through the
22 transcript with Matthew and with Adam.

23 MS. TURNER: That's fine. If you're just
24 going to ask him about what's set forth in the phone
25 call, that's fine. But any communications with

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1 counsel, like with Adam, between Adam and counsel or
2 Matt with counsel providing advice that hasn't been
3 disclosed, we're going to have to kind of do a
4 question-by-question look at that. I don't know that
5 there is any privilege, but it kind of depends on your
6 questions, like follow-up.

7 MR. GUTIERREZ: I agree. No, you'll assert
8 the privilege on that issue. We'll see how the
9 questions and the answers go with it.

10 MS. TURNER: Yeah, on 17. So we have had
11 communications with Matt, but never regarding any
12 issues he has with First 100. It's only been regarding
13 his allegations or questions with respect to TGC/Farkas
14 Funding. So we're going to be asserting privilege
15 there and we think that's covered by privilege. He
16 does have separate counsel now with Ken. You can ask
17 him, have you discussed any potential claims that
18 First 100 has threatened against you personally or the
19 performance of your duties on behalf of First 100.
20 Those aren't covered.

21 MR. GUTIERREZ: I can ask Adam about his
22 discussions with Matthew on that issue, as well.

23 MS. TURNER: Sure.

24 MR. GUTIERREZ: Okay.

25 MS. TURNER: But not regarding communications

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1 with GTG.
 2 MR. GUTIERREZ: I agree. I agree.
 3 MS. TURNER: All right.
 4 MR. GUTIERREZ: 18.
 5 MS. TURNER: We didn't object to that one.
 6 So 19.
 7 MR. GUTIERREZ: I'll make some revisions and
 8 send this out to you, but I think we're on the same
 9 page with how this will go.
 10 MS. TURNER: All right.
 11 MR. GUTIERREZ: I'm looking at your notice
 12 for the First 100 deposition. The only really -- I
 13 didn't really have objections to it, other than, I
 14 think, the scope. But I think we've narrowed the
 15 scope. And I do think that No. 2, any questions on
 16 First 100 assets, inspections, obligation, insider
 17 transfers, would be a judgment debtor issue. I think
 18 you can ask the First 100 representative about, do you
 19 have the money to pay for any type of gathering in
 20 compliance with the Court order, absolutely you can get
 21 into that. And it will be Jay Bloom on behalf of the
 22 company, how much he suspects it will cost. But I
 23 think going back into the history of the company, into
 24 their assets, expenses, obligations over the last five,
 25 six years I think is judgment debtor exam territory and

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1 really better suited for a judgment debtor exam, not
 2 what we're doing here.
 3 MS. TURNER: So because contempt, whether
 4 there is civil contempt, criminal contempt, you have to
 5 look at the willfulness of the conduct. And if it's --
 6 if this settlement agreement and the refusal to comply
 7 and provide the documents is because there is a
 8 concerted effort to avoid discovery of fraudulent
 9 transfers, insider transfers, those things that
 10 Larry Birch found with regard to Murder, Inc. --
 11 MR. GUTIERREZ: Oh, you mean, Larry Birch,
 12 the one who was working with Lionel Sawyer Collins?
 13 MS. TURNER: Yeah.
 14 MR. GUTIERREZ: You know what's funny about
 15 that is that that report was actually drafted by Todd
 16 Touton and the rest of them so that didn't turn out
 17 well for those guys.
 18 I guess my concern here is you could ask the
 19 First 100 representative if the refusal to comply with
 20 the Court order is because of insider transfers or any
 21 of the other stuff, but I think going back and trying
 22 to prove insider transfer, all that other stuff, is
 23 going to be -- it's not the purpose of this deposition.
 24 I think this is going to be -- if First 100 is taking
 25 the position that they couldn't comply with the order

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1 because they couldn't financially do it, because the
 2 company doesn't have, it's really no going concern on
 3 them trying to collect on a judgment.
 4 MS. TURNER: Doesn't that beg -- sorry to
 5 interrupt you, Joe. Doesn't that kind of beg the
 6 question, why? Why were all those portfolios
 7 transferred to Kal-Mor? And really it might just be,
 8 we sold those and we got \$3 million in receipt. I
 9 don't know what the answer is, but it begs that
 10 question. And I don't know the answer to that.
 11 MR. GUTIERREZ: But that was something --
 12 actually, it's probably a matter of public record. You
 13 can pull what happened in the First 100-Omni case.
 14 I'll be honest with you, if you go and just look at the
 15 Omni litigation, this all stems from -- think about the
 16 company that had an investor that was going to -- and
 17 if you look at the case, the affidavits that were
 18 provided by Bloom and Morgando and them. You had an
 19 investor that was investing \$150 million, 50 to buy the
 20 Poinciana portfolio in Florida, 100 million to the
 21 company. They had Omni as, you know, that was ready to
 22 foreclose, and Kal-Mor. So that whole case in front of
 23 Boulware kind of outlined exactly what happened with
 24 that. That was back in '16, '17, I don't remember.
 25 But the damages associated with the Raymond

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1 Ngan case are extensive. I mean, this whole company
 2 was really reliant on this investment. And that's why
 3 we got in front of Judge Cory on this whole issue. And
 4 we outlined through our expert, which is a matter of
 5 public record, exactly the damage that was caused by
 6 this investment that, you know, went south because of
 7 his actions. That's all outlined in there.
 8 And I don't know that -- and that whole
 9 history would take days to really explain. I just
 10 don't think -- you may be entitled to it during the
 11 judgment debtor exam and all those other questioning,
 12 but not, I don't believe, at this stage because it's
 13 really a long, tortured history. And a lot of it is a
 14 matter of public record because of First 100's ability
 15 to get that judgment was both in front of Judge Cory
 16 and Judge Denton.
 17 MS. TURNER: I don't think we'll get into the
 18 Ngan issue. I mean, there is a judgment that hasn't
 19 been collected on. We get that. But there were assets
 20 that were transferred to Kal-Mor and others. What was
 21 received in return? Where did the money go? And is
 22 this stonewall? And I'm not saying that to be
 23 argumentative. But is it because there is something
 24 untoward or is this just a lack of resources? We just
 25 need to ask a few questions on that.

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1 MR. GUTIERREZ: I don't mind if it's general.
2 I just think it's a long history, and Jay can explain
3 it pretty quickly.

4 MS. TURNER: I won't belabor the point. I'm
5 just going to ask some big, overreaching questions like
6 the portfolios that were purchased with, you know, the
7 investor money, what happened with those portfolios?
8 Why were they transferred?

9 MR. GUTIERREZ: I'm fine with just some
10 general questions on that. I think we can talk if it
11 gets into -- Jay can answer that. A lot of it is a
12 matter of public record, honestly. And if you look at
13 the Omni litigation, if you look at some of the other
14 cases that First 100 had, it's, you know, the company
15 has lost a lot as a result of Raymond Ngan and
16 Joel Just. There's a judgment they have against their
17 former president for what he was trying to do last year
18 in front of Denton.

19 So, yeah, that's in general. But getting
20 into really the details of it, I don't know that -- as
21 long as there's some -- it just doesn't seem to be --

22 MS. TURNER: Anything else that concerns you?

23 MR. GUTIERREZ: Here's what my problem was of
24 the communications with Raffi Nahabedian. Sorry if I
25 was rude on Friday, and I apologize. I guess my

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1 concern is that Raffi is counsel for Jay Bloom in the
2 police chase case. And I don't know the answer to
3 whatever state bar counsel had informed him that
4 communications with Mr. Bloom about this matter could
5 be, could fall into that privilege. I don't know that
6 answer. I'll be a hundred percent honest with you. I
7 don't know and I don't want to step on Raffi's claim of
8 privilege. I was objecting on behalf of Mr. Bloom.
9 Raffi is co-counsel with us on a couple personal injury
10 cases. I don't want him to get into the details of
11 those. And you really didn't get into that with him
12 anyways. But that was really my objection on that.

13 And as far as Matthew Farkas's privilege,
14 that's, obviously, for Ken Hogan to deal with, but, you
15 know, that's not my position. But I do think that the
16 Bloom position was where we asserted that. So when you
17 say, communication with Raffi Nahabedian, obviously,
18 that could be attorney/client stuff that I don't know
19 the answer to on that.

20 MS. TURNER: So the communications involving
21 Raffi and Matt Farkas, those shouldn't relate at all to
22 your personal injury cases or the Nevada Speedway case.
23 They shouldn't relate to that at all. And I wasn't
24 looking into those, not asking for those. Jay Bloom
25 has a privilege with respect to Nevada Speedway, no

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1 question. The problem with Raffi's broad-based, I
2 guess, paintbrush of claiming of privilege is that he
3 doesn't own the privilege so it's up to Ken Hogan and
4 you to direct him and say, you don't have a privilege
5 except here, and to define what it is. And,
6 apparently, Raffi doesn't think for himself and has
7 never done a privilege log. So we'll deal with his
8 counsel on that separately. But you can't say that
9 there was no conflict of interest with his concurrent
10 representation of Jay and TGC/Farkas because they're so
11 unrelated, and then say, my communications involving
12 Matt and Jay Bloom and you are privileged. Those are
13 inconsistent.

14 So we'd like to avoid having to go to the
15 Court, but I understand that if Mr. Nahabedian requires
16 a Court order, we're going to have to do that. I want
17 to make sure you and I are on the same page. And you
18 and I have never had a case together, I don't think,
19 but you've been around long enough. You know what
20 we're talking about. There's just very limited
21 privilege that can be protected. And it can't be when
22 Matt's on the phone with opposing counsel and the
23 opposing party. It just can't happen.

24 MR. GUTIERREZ: And I don't disagree with
25 you. Like I said, I think I understand Raffi's concern

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1 that that's what the state bar counsel told him. I
2 don't know that. But I'll speak with Jay. And I do
3 think there's a way that he can respond to your
4 questions and get you what you need without having to
5 get into some of the issues. Obviously, definitely not
6 the issues with the Nevada Speedway case or any other
7 prior representation that Raffi had. Related to Raffi
8 limited scope, definitely have to take that as you
9 question Jay about that. But I'll definitely -- that's
10 my kind of position on it. I hadn't heard state bar
11 counsel -- I hadn't heard that position taken, where a
12 communication with one client in an unrelated matter
13 can be privileged. I hadn't heard that.

14 MS. TURNER: So with respect to categories 1
15 and 2, and I know I have to go back to Raffi on these,
16 but on number 1 and 2, do you disagree with us on the
17 privilege?

18 MR. GUTIERREZ: Where are you at? I'm
19 looking at your notice of depo.

20 MS. TURNER: I'm sorry. My email to you
21 Friday night. I tried to categorize the three
22 privileges that have been asserted. One is by
23 Matt Farkas on his individual communications with
24 Raffi. I get that from Ken's standpoint. But the
25 first and second are really privileges that are owned

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1 by Jay Bloom or First 100, and that is -- actually, it
2 would just be the second because we own the TGC/Farkas
3 one.

4 MR. GUTIERREZ: Correct. So number 1, I
5 don't have to respond to 1.

6 MS. TURNER: Right. So communications
7 between Raffi and Jay Bloom regarding TGC/Farkas, those
8 wouldn't be privileged. And telephone communications
9 or emails where Jay Bloom and Matt Farkas are on there
10 or Jay Bloom, you, and Matt Farkas are on there, or you
11 and Jay Bloom are on there related to this matter only,
12 those are the -- those are really the issues that we're
13 trying to discover. And there should be no privilege.

14 MR. GUTIERREZ: Hold on a second. I'm
15 looking at your email now. Number 3, where Jay Bloom
16 or members of MGA were participants with Matt Farkas
17 and Raffi on communications, I don't agree with that
18 position. I'm not going to take the privilege on that.
19 But, again, I don't know, when it comes to Raffi
20 talking about this, that if he is concerned about state
21 bar counsel's position on that, that's not my issue. I
22 can't comment on that. But as far as for the purposes
23 of this call, when you ask Jay Bloom about that, we're
24 not going to assert the privilege on that. I think, to
25 me, that's our position on it. But I think that's

1 really if Farkas is communicating with Jay and my firm
2 and Raffi is on it, I think it's fair game. You can
3 ask him about that.

4 MS. TURNER: And how about No. 2, between
5 Raffi and Jay Bloom and/or members of your firm
6 relating to TGC/Farkas, where that's the subject
7 matter, as opposed to your other matters?

8 MR. GUTIERREZ: Again, I haven't seen
9 anything in my research that says that that is
10 privileged. So, you know, unless I find something,
11 that's really kind of the position that we're not going
12 to really with Raffi and Jay or members of my firm
13 regarding that. So this is without --

14 MS. TURNER: This goes to the subject matter,
15 yeah, without Matt. But Raffi had said he had emails
16 with current or former clients. It had to be
17 Jay Bloom. I mean, who else is he going to be sending
18 it to. And he said that they may have included you.
19 Then we would just take the position -- then you look
20 at the subject matter. Is the subject matter just this
21 matter, then those aren't privileged.

22 MR. GUTIERREZ: My thought is that the minute
23 Raffi comes in on behalf of TGC/Farkas, he's adverse.
24 There's no privilege there. That's my thought
25 initially.

1 MS. TURNER: That's right.

2 MR. GUTIERREZ: The problem is you have --
3 and I know you've limited this to related to this
4 matter, which I think is appropriate. And I know Raffi
5 is concerned if he talks with me or Jay on the police
6 chase matter, that's privileged. But you're not asking
7 him about that. That's my thought. I just don't see
8 how the minute he comes in as counsel for TGC/Farkas or
9 Matt Farkas and he's communicating with us, he's
10 adverse, he's going to be like me communicating with
11 you.

12 MS. TURNER: All right. We're on the same
13 page.

14 MR. GUTIERREZ: Yeah. I think part of the
15 problem with Raffi on Friday, I think you're right, in
16 that he was taking -- he was just relying on the state
17 bar counsel's opinion on this and took an overly broad
18 scope of this. And this is why I suggested having
19 Bart Larsen on so he can lay out that position and talk
20 to Raffi about it, but that's between them. But for
21 our purposes, for the deposition of First 100, that's
22 the position we'll take.

23 MS. TURNER: Okay. All right. Actually,
24 this was pretty productive, Joe.

25 MR. GUTIERREZ: I agree. I agree. I agree.

1 I think we'll get this knocked out -- just so you know
2 for Thursday, we're starting at 8:00 o'clock. Danielle
3 will cover for me. Then I'll jump back on as soon as
4 that's over for purposes of that. We'll start at 9:30
5 next week on the 23rd with Adam. I'm going to do them
6 both at the same time if it goes. I don't see it going
7 longer given the scope where we limited things. I'll
8 work with you to reschedule. Then we have Matt set for
9 the 26th.

10 MS. TURNER: Yes. All right.

11 MR. GUTIERREZ: Anything else?

12 MS. TURNER: I think that's it.

13 MR. GUTIERREZ: All right. Appreciate it.
14 So let me know -- I'll send you a new 30(b)(6), but I
15 think we've kind of narrowed it just based on this
16 transcript, as far as where we will be. If there's
17 anything else, let me know.

18 (Whereupon, the meeting was concluded at
19 10:51 a.m.)

20 * * * * *

CERTIFICATE OF REPORTER

STATE OF NEVADA }
COUNTY OF CLARK } ss:

I, Kimberly A. Farkas, a Certified Court Reporter
licensed by the State of Nevada, do hereby certify:
That I reported the Meeting Between Counsel, February
15, 2021, at 10:00 a.m.

That I thereafter transcribed my said stenographic
notes into written form, and that the typewritten
transcript is a complete, true and accurate
transcription of my said stenographic notes.

I further certify that I am not a relative,
employee or independent contractor of counsel or of any
of the parties involved in the proceeding; nor a person
financially interested in the proceeding.

IN WITNESS WHEREOF, I have set my hand in my
office in the County of Clark, State of Nevada, this
25th day of February, 2021.


/s/ Kimberly A. Farkas, RPR, CRR

EXHIBIT “D”

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DISTRICT COURT

CLARK COUNTY, NEVADA

* * * * *

TGC/FARKAS FUNDING, LLC,

Plaintiff,

vs.

Case No. A-20-822273-C
Dept. No. 13

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

Defendants.

REMOTE VIDEOCONFERENCE DEPOSITION OF

RAFFI NAHABEDIAN, ESQ.

VOLUME I

Taken on February 12, 2021

At 1:00 p.m.

Reported by: Kimberly A. Farkas, RPR, CCR #741

Job No. 43564

<p>2</p> <p>1 Remote Videoconference Deposition of RAFFI 2 NAHABEDIAN, ESQ., taken on Friday, February 12, 2021, 3 at 1:00 p.m., before Kimberly A. Farkas, Certified 4 Court Reporter in and for the State of Nevada.</p> <p>5</p> <p>6 APPEARANCES</p> <p>7</p> <p>8 For the Plaintiff:</p> <p>9</p> <p>10 ERIKA PIKE TURNER, ESQ. Garman Turner Gordon, LLP 11 7251 Amigo Street, Suite 210 Las Vegas, Nevada 89119 12 (725)777-3000 eturner@gtg.legal</p> <p>13</p> <p>14</p> <p>15 For the Defendants:</p> <p>16</p> <p>17 JOSEPH GUTIERREZ, ESQ. DANIELLE BARRAZA, ESQ. 18 Maier Gutierrez & Associates 8816 Spanish Ridge Avenue 19 Las Vegas, Nevada 89148 (702)629-7900 20 jag@mgalaw.com</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>4</p> <p>1 DEPOSITION OF RAFFI NAHABEDIAN 2 February 12, 2021 3 Kimberly A. Farkas, CCR No. 741 4 * * * * *</p> <p>5</p> <p>6 INDEX</p> <p>7 Page</p> <p>8 RAFFI NAHABEDIAN</p> <p>9 Examination by Ms. Turner 7</p> <p>10 * * * * *</p> <p>11</p> <p>12 EXHIBITS</p> <p>13 No. Description Page</p> <p>14 Exhibit 1 Register of Actions 18</p> <p>15 Exhibit 2 1/14/21 Letter with 40 Attachments</p> <p>16</p> <p>17 Exhibit 3 Declaration of Jay Bloom 90</p> <p>18</p> <p>19 Exhibit 4 Attorney Retainer 113 Fee Agreement</p> <p>20 Exhibit 5 January 12, 2021 Letter 113</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p>3</p> <p>1 APPEARANCES (Continued)</p> <p>2</p> <p>3 For Matthew Farkas:</p> <p>4</p> <p>5 KENNETH E. HOGAN, ESQ. Hogan Hulet 6 1140 North Town Center Drive #300 Las Vegas, Nevada 89144 7 (702) 800-5482 ken@h2legal.com</p> <p>8</p> <p>9</p> <p>10 For the witness:</p> <p>11</p> <p>12 BART K. LARSEN, ESQ. Shea Larsen 13 1731 Village Center Circle #150 Las Vegas, Nevada 89134 14 (702)471-7432</p> <p>15</p> <p>16 Also present: Michael Busch 17 Dylan Ciciliano, Esq. 18 Adam Flatto</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>5</p> <p>1 Friday, February 12, 2021 2 1:00 p.m. 3 DEPOSITION OF RAFFI NAHABEDIAN 4 * * * * *</p> <p>5 (The court reporter was relieved of her 6 duties under NRCP 30(b)(5).)</p> <p>7 MS. TURNER: I'm Erika Pike Turner, Garman 8 Turner Gordon, counsel for TGC/Farkas Funding, LLC. I 9 have Dylan Ciciliano on the line with me and will be 10 sharing his screen.</p> <p>11 MR. GUTIERREZ: Joseph Gutierrez on behalf of 12 First 100.</p> <p>13 MR. LARSEN: Bart Larsen for 14 Raffi Nahabedian.</p> <p>15 THE WITNESS: Raffi Nahabedian. I'm the 16 person with the glasses on.</p> <p>17 MS. TURNER: Okay. As we go through the 18 deposition, as I mark exhibits, we'll be emailing them 19 to everybody on the line and the court reporter. The 20 court reporter is Kim Farkas.</p> <p>21 And, Kim, can you hear everybody?</p> <p>22 THE STENOGRAPHER: So far.</p> <p>23 THE WITNESS: If I may, before we start -- so 24 you're going to email exhibits. How do I get them -- 25 so are you going to email the exhibit, we'll take a</p>

<p>6</p> <p>1 break, we'll print them out, I'll have the hard copy so</p> <p>2 I can --</p> <p>3 MS. TURNER: No. We'll email the exhibits to</p> <p>4 everybody so your counsel has a copy. And we'll share</p> <p>5 the screen with you with the document.</p> <p>6 THE WITNESS: I think the way it would work</p> <p>7 is you'll email an exhibit, I will have it printed out</p> <p>8 so I can review the exhibit in tangible form such that</p> <p>9 I'm clear on what I'm looking at.</p> <p>10 MS. TURNER: If you can't read the document</p> <p>11 online, then that's fine.</p> <p>12 THE WITNESS: I want to have a document</p> <p>13 tangible so I can review it.</p> <p>14 MS. TURNER: That's fine. We'll take --</p> <p>15 THE WITNESS: Thank you.</p> <p>16 MS. TURNER: Some people can read online.</p> <p>17 Some people can't.</p> <p>18 THE WITNESS: Well, I'm from the old</p> <p>19 generation maybe and, typically, I like things in</p> <p>20 tangible form.</p> <p>21 MS. TURNER: That's fine.</p> <p>22 THE WITNESS: I've been doing this for over</p> <p>23 25 years. I consistently and continuously like to have</p> <p>24 my cases printed out if I have them with my work, so on</p> <p>25 and so forth. So I'm not trying to be problematic. I</p>	<p>8</p> <p>1 Q. A fine?</p> <p>2 A. No.</p> <p>3 Q. A complaint alleging a violation of a rule of</p> <p>4 professional conduct?</p> <p>5 A. Submitted to a state bar?</p> <p>6 Q. Yes.</p> <p>7 A. No.</p> <p>8 Q. Ever been arrested?</p> <p>9 A. No.</p> <p>10 Q. Ever been convicted of a felony?</p> <p>11 A. No.</p> <p>12 Q. Ever been sued for professional malpractice?</p> <p>13 A. Have I been sued for professional</p> <p>14 malpractice?</p> <p>15 Q. Yes.</p> <p>16 A. There was an allegation made against me when</p> <p>17 I sought to collect on an unpaid balance for legal</p> <p>18 services rendered. That's a matter of public record.</p> <p>19 That matter settled for a multiple in my favor.</p> <p>20 Q. Okay. Ever been sued for intentional</p> <p>21 misconduct, including fraud?</p> <p>22 A. No.</p> <p>23 Q. All right. Now, you're not listed in the</p> <p>24 Clark County directory.</p> <p>25 Do you practice in Clark County, Nevada?</p>
<p>7</p> <p>1 just like it tangible such that I have the document in</p> <p>2 front of me. So Mr. Larsen will get them printed out</p> <p>3 whenever a document is sent, and then if I could have</p> <p>4 the opportunity to review the document in tangible</p> <p>5 form.</p> <p>6 MS. TURNER: That's fine.</p> <p>7</p> <p>8 RAFFI NAHABEDIAN,</p> <p>9 having been first duly sworn, was examined and</p> <p>10 testified as follows:</p> <p>11 EXAMINATION</p> <p>12 BY MS. TURNER:</p> <p>13 Q. All right. Mr. Nahabedian, you referenced</p> <p>14 being a lawyer for, I think you said, 25 years. You've</p> <p>15 been a lawyer licensed in California for 25 years?</p> <p>16 A. Since 1995, yes.</p> <p>17 Q. Your bar number is 176407 in California?</p> <p>18 A. That is correct, yes.</p> <p>19 Q. And you've been licensed in Nevada since</p> <p>20 when?</p> <p>21 A. 2005, bar number 9347.</p> <p>22 Q. Ever had a reprimand by a state bar?</p> <p>23 A. No.</p> <p>24 Q. A suspension?</p> <p>25 A. No.</p>	<p>9</p> <p>1 A. I do. Is it a requirement that I'm listed in</p> <p>2 the directory?</p> <p>3 Q. Do you practice in the state and federal</p> <p>4 courts?</p> <p>5 A. I practice in the state court, primarily. I</p> <p>6 have practiced in the federal court. I was sworn in by</p> <p>7 the Honorable Judge Pro in federal court. I was sworn</p> <p>8 in in state court by the Honorable Justice Cherry.</p> <p>9 Q. Now, are you a solo practitioner?</p> <p>10 A. I am.</p> <p>11 Q. And you practice out of your home?</p> <p>12 A. I practice out of a home office located in a</p> <p>13 home, but not in my home.</p> <p>14 Q. Okay. Is it your parents' home?</p> <p>15 A. It is a trust, which I am a member of, and it</p> <p>16 has a rather large office within it.</p> <p>17 Q. And is that office located at 7408 Doe</p> <p>18 Avenue?</p> <p>19 A. It is.</p> <p>20 Q. Do you have meeting rooms or conference rooms</p> <p>21 in the home?</p> <p>22 A. If I need to meet with people, I can meet</p> <p>23 with them there or elsewhere, depending on where they</p> <p>24 want to meet. So I don't really understand the purpose</p> <p>25 of the question.</p>

<p>10</p> <p>1 MR. GUTIERREZ: I'll object on relevance. 2 BY MS. TURNER: 3 Q. Have you ever used the offices of another 4 attorney for depositions or meetings? 5 MR. GUTIERREZ: Same objections. 6 THE WITNESS: I have the opportunity to work 7 with counsel in matters, and when I work with counsel 8 in matters, we will utilize the facilities of those 9 counsels' office, if necessary and warranted. 10 BY MS. TURNER: 11 Q. Have you ever noticed a deposition for 12 examination at the offices of Maier Gutierrez & 13 Associates? 14 A. I'm involved in a case with that law office. 15 And we have noticed and taken depositions at that law 16 office, correct. That's a matter of public record. 17 Q. My question was whether or not it was a 18 deposition that you noticed on behalf of your client? 19 A. Well, we handle these matters in tandem, 20 where my name appears, as well as the Maier Gutierrez & 21 Associates caption appears. And so the notices 22 typically will get sent out with the utilization of a 23 paralegal at the Maier Gutierrez & Associates firm. 24 Q. What's the name of the paralegal? 25 MR. GUTIERREZ: Objection. Relevance.</p>	<p>12</p> <p>1 A. That case resolved, and I can't remember her 2 name. 3 Q. You don't work with Jason Maier? 4 A. Jason is one of the shareholders there. I 5 interact with Jason when I see him if I'm in the 6 office, but I don't have a case where he and I are 7 working together. 8 Q. And Joseph Gutierrez? 9 A. Joe is the partner on the files, and his name 10 will appear on the caption above Mr. Clough's name. So 11 if there's an opportunity to discuss matters relating 12 to the case, there are times, perhaps, that 13 Mr. Gutierrez will be involved and Mr. Gutierrez will 14 participate in certain matters related to the case or 15 cases, but typically it's between myself and 16 Mr. Clough. 17 Q. And what case or cases are you currently 18 involved where you're co-counsel with the MGA firm? 19 A. That's a matter of public record. There is a 20 Duncan Dalton matter. I believe we are co-counsel in a 21 case involving my wife who was injured, severely 22 injured, in an accident. And there might be one other 23 case. I can't remember Joseph's last name, but the 24 plaintiff is named Joseph. He was also severely 25 injured in an accident.</p>
<p>11</p> <p>1 THE WITNESS: It's superfluous to me. I 2 don't know. If I need to notice a deposition, I 3 interact with the attorney that I work with at that 4 office, Mr. Stephen Clough. And so Steve and I will 5 discuss a notice of the deposition and deal with it 6 accordingly. I typically, actually, don't even 7 instruct anybody at that office, to be completely 8 honest with you. The instructions come through 9 Mr. Clough. 10 BY MS. TURNER: 11 Q. Mr. Clough is an attorney at Maier Gutierrez 12 & Associates? 13 A. That's correct. 14 Q. Have you worked with any other attorneys at 15 Maier Gutierrez & Associates? 16 MR. GUTIERREZ: Gutierrez, Counsel. It's 17 Maier Gutierrez. 18 THE WITNESS: Are there other attorneys that 19 I work with over there? 20 BY MS. TURNER: 21 Q. Yes. 22 A. My cases are assigned with Mr. Clough. There 23 was a female lawyer. We had a case together. I can't 24 remember her name, to be honest with you. 25 Q. And other than --</p>	<p>13</p> <p>1 Q. Those are the only three cases that you have 2 currently? 3 A. That are coming to my mind right now. 4 MS. TURNER: Now, if we could go to 5 Exhibit 13 or tab 13. Dylan -- 6 MR. GUTIERREZ: Counsel, I don't have any of 7 the proposed exhibits. 8 MS. TURNER: They're going to be emailed so 9 that you have them. And the witness has indicated he 10 wants to print them out and review them. 11 THE WITNESS: Would it be to everybody's 12 advantage -- to prevent delay that I don't know how 13 many exhibits you intend on introducing, would it be to 14 all of our advantages to have all of these exhibits 15 sent such that we can print them out? 16 Because what you're showing me here right 17 now, honestly, I mean, I can't even see it. So this is 18 harassing, in my opinion. So maybe if you send these 19 to us, we can have them printed and then provide 20 professionalism and professional courtesy such that we 21 would have the opportunity to review these. 22 MS. TURNER: Sir, you can print the exhibit. 23 It's being provided to you by email, and you have the 24 ability to print. 25 THE WITNESS: So let's go off record then.</p>

<p style="text-align: right;">14</p> <p>1 We'll go ahead and print this. And then I'll review 2 it. And then we can come back on and we can discuss 3 it. 4 MS. TURNER: I am not agreeing to go off 5 record. 6 THE WITNESS: How am I supposed to review 7 this? 8 MR. GUTIERREZ: Why don't you send us the 9 whole group of exhibits you have so we can print them 10 all at once. 11 MS. TURNER: It depends on -- like any 12 deposition, it depends on how the witness responds to 13 what exhibits we'll be going through or the order in 14 which we'll be going through them. I'll conduct the 15 deposition -- in a deposition, I hand the witness an 16 exhibit, the witness has the right and the ability to 17 review it, and then we come back on the record. 18 MR. GUTIERREZ: Counsel, I'd appreciate -- 19 I'm sure there's going to be some attorney/client 20 privilege issues involved so -- 21 MS. TURNER: Well, that's -- 22 MR. GUTIERREZ: Counsel, let me finish -- 23 MS. TURNER: I am not agreeing. 24 MR. GUTIERREZ: Let me finish my objection. 25 Are you done? Okay. So there may be some</p>	<p style="text-align: right;">16</p> <p>1 about it. 2 THE WITNESS: So are we going to stay on the 3 record while this is taking place or can we mute 4 everything or what do we do? 5 MS. TURNER: It's like we have in any 6 deposition. There's a pending question and so there is 7 no privilege with respect to this document that I'm 8 going to be asking you about. That's the law. 9 THE WITNESS: That doesn't solve my purpose 10 in my statement to you at all. 11 MS. TURNER: That's in response to 12 Mr. Gutierrez. 13 THE WITNESS: We'll continue down the path 14 like this. We'll wait for Mr. Larsen to print the 15 document, bring me a copy, so I can review it. 16 MS. TURNER: Okay. For the record, my 17 comment was in response to Mr. Gutierrez's objection on 18 behalf of the witness. 19 THE WITNESS: Do we have an identity of 20 everybody who's on this deposition? Can everybody 21 identify -- I don't know if any -- I only see three 22 people. Do we know who's on this deposition? Can 23 anybody hear me? 24 MR. CICILIANO: Yes, we can hear you. 25 There's no question asked though so we're not under any</p>
<p style="text-align: right;">15</p> <p>1 attorney/client issues involved for Mr. Nahabedian's 2 counsel. I'd appreciate the professional courtesy of 3 sending some of these exhibits ahead of time so we can 4 lodge our objection accordingly or so Mr. Nahabedian 5 can print them out and have them to review instead of 6 one exhibit at a time. I just got an email a second 7 ago from Dylan with just one exhibit. So I'd 8 appreciate it if you would send us your list of 9 exhibits so we can move this along. 10 MR. LARSEN: Counsel, Bart Larsen here. To 11 avoid having to walk down the hall and print the 12 exhibits every time you want to show him something, if 13 you want to send them all to me, I can print them out 14 and have them here but not show them to Mr. Nahabedian 15 until you're ready for me to present them to him. That 16 will save us all a lot of time. 17 MS. TURNER: Well, there's -- you know, the 18 order may change. We're going to do it this way. 19 Mr. Gutierrez, do you have a client on the 20 phone? 21 MR. GUTIERREZ: No. 22 MS. TURNER: I'm not understanding your 23 objection. 24 Please take the time to print the exhibit and 25 review it, and let me know when you're ready to testify</p>	<p style="text-align: right;">17</p> <p>1 obligation to identify ourselves. 2 THE WITNESS: Well, I think that during a 3 deposition, everybody identifies themselves for the 4 record. I've never seen a deposition go forward where 5 people don't identify themselves for the record. 6 MS. TURNER: I'm looking at the list right 7 now, Mr. Nahabedian, and everybody has made their 8 appearance except for Michael Busch, who is my 9 consultant. 10 THE WITNESS: Okay. Everybody -- because I 11 only see three people right now. 12 MS. TURNER: Everybody's identified 13 themselves. 14 THE WITNESS: It's weird that I only see 15 three people. And I think there's -- are there more 16 people -- I see Mr. Gutierrez, I see myself, and I see 17 Ms. Turner, but I see no one else. Oh, there we go. 18 Okay. Perfect. Thank you. 19 And Mr. Flatto and Michael Busch. 20 MS. TURNER: Mr. Flatto has joined. He's my 21 client representative. 22 THE WITNESS: And then Mr. Ciciliano. 23 MS. TURNER: Have you reviewed the document 24 that is -- what will be Exhibit No. 1 to this 25 deposition?</p>

<p>18</p> <p>1 THE WITNESS: I have. 2 (Exhibit 1 was marked.) 3 BY MS. TURNER: 4 Q. All right. If you could go through the list 5 of cases that have been filed in your name or where 6 you're indicated as a counsel of record in the 7 Clark County state and federal court. Can you walk 8 through and tell me which cases were in conjunction 9 with MGA, whether it's -- 10 MR. GUTIERREZ: Object to form as far as "in 11 conjunction." 12 MS. TURNER: I'm not done with my question. 13 Let me ask it again before I was interrupted. I didn't 14 get a chance to finish. 15 BY MS. TURNER: 16 Q. If you could walk through and tell me which 17 cases were in conjunction with MGA as your co-counsel 18 or a co-plaintiff or co-defendants counsel. If you 19 want me to break that down, I can. 20 MR. GUTIERREZ: Same objection. Compound. 21 THE WITNESS: So A-17-753963-C, that's 22 Duncan. Alexander Smallwood, A-19-789374-C, that case 23 has been dismissed, so. I was represented by the MGA 24 firm on my case, A-19-791725-C. And that appears to be 25 it.</p>	<p>20</p> <p>1 Q. And it's pending in Department 13? 2 A. If that's what the record reflects. 3 Q. And you represent Jay Bloom in that case? 4 A. And that is correct. That's what the public 5 record reflects. 6 Q. How many other cases identified in Exhibit 13 7 [sic] have you represented the interests of Jay Bloom? 8 A. I believe that's the only case. 9 Q. Of the cases listed in Exhibit 1 -- pardon me 10 on the last one. I said "13." It should be "1." 11 Of the cases listed in Exhibit 1, how many of 12 these cases did you represent the interest of 13 First 100, LLC? 14 A. I believe there's just one. 15 Q. Which one? 16 A. I'm looking for that now. So when I'm 17 looking at this now, I guess what I need to express is 18 that there are some cases will say First 100. But you 19 see the ones that say Kal-Mor USA, I represented 20 Kal-Mor USA. And the cases -- some of those cases 21 included the title of First 100. And if I recall 22 correctly, the reason is that Kal-Mor USA inherited 23 the title of the case with the First 100s. So when you 24 see that, that's a clarification I think that's 25 important for you to understand.</p>
<p>19</p> <p>1 BY MS. TURNER: 2 Q. Okay. If we can go to the same list, except 3 for that in Exhibit 1, please identify those cases that 4 MGA was counsel in the case at the same time that you 5 were counsel for a party in the case. 6 A. You know, I would have to go back and look at 7 every filing that remotely reflects that. But on the 8 federal side, I mean, gosh, there's the Omni Financial, 9 which is 2-16-cv-00099-RFB. There's two of those, 10 2-16-cv-00109-RFB. So I'm thinking those on the fed 11 side. 12 On the state side, there's Nevada Speedway, 13 A-20-809882-B. I believe that's it, but if I go back 14 and check and I find that I should be correct -- to the 15 best of my recollection, that's what I believe to be 16 complete as to that question that you raised. 17 Q. Okay. On the same list at Exhibit 1, can you 18 identify which cases you were referred the file from 19 MGA. 20 A. Referred a file from MGA? 21 Q. Yes. 22 A. I don't think I've ever been referred a file. 23 Q. Okay. All right. And with respect to the 24 Nevada Speedway case, that's a pending case; correct? 25 A. Correct.</p>	<p>21</p> <p>1 Q. In cases where Kal-Mor USA is indicated as a 2 party, were you representing the interests of 3 Kal-Mor USA? 4 A. Yes. 5 Q. Okay. And if I understand your testimony, 6 where it indicates First 100, LLC, if you're title of 7 record, it's because you came in on behalf of 8 Kal-Mor USA, who was the successor in interest in the 9 claims of First 100? 10 A. Correct. I mean, if you look at the first 11 page, you'd see at the bottom, there's two cases, 12 First 100 LLC v. Bank of New York Mellon, then you'd 13 see Kal-Mor USA v. First Horizon. So I inherited those 14 cases, and I inherited the caption as is designated at 15 the time. 16 Q. What is the relationship between Kal-Mor USA 17 and First 100, as you understand it? 18 A. Oh, I don't know. I think you would have to 19 ask Kal-Mor and/or First 100 as to what their 20 relationship is. 21 Q. Well, you concluded that Kal-Mor USA had 22 standing to step in the shoes of First 100? 23 A. I expressed that I took over these cases as 24 the caption was delineated there, and I was 25 representing, because I was retained by, Kal-Mor USA.</p>

<p>22</p> <p>1 THE WITNESS: Sorry. Give me one -- sorry</p> <p>2 about that. My apologies, sincere apologies.</p> <p>3 BY MS. TURNER:</p> <p>4 Q. When you represented the interests of</p> <p>5 Kal-Mor USA, who directed your work?</p> <p>6 A. The representative of Kal-Mor.</p> <p>7 Q. And who is that?</p> <p>8 A. The manager of Kal-Mor was Greg -- Greg's</p> <p>9 last name -- I can't believe I forgot. Craig Darroch,</p> <p>10 sorry. Greg Darroch.</p> <p>11 Q. And for each of these cases in which you</p> <p>12 represented the interest of Kal-Mor USA that are</p> <p>13 delineated on Exhibit 1, was your sole client contact</p> <p>14 Gary Darroch?</p> <p>15 A. It was Greg Darroch, correct.</p> <p>16 D-A-R-R-O-U-C-H, Greg Darroch. Oh, no "U." D-A-R-R --</p> <p>17 yeah -- O-G-H. Hang on, I'm going to look it up.</p> <p>18 D-A-R-R-O-G-H -- C-H. Okay. D-A-R-R-O-C-H. Okay.</p> <p>19 Sorry. Greg Darroch, D-A-R-R-O-C-H.</p> <p>20 Q. Did you receive a text message?</p> <p>21 A. No. I'm spelling it out.</p> <p>22 Q. Okay.</p> <p>23 A. I'm sending it out.</p> <p>24 Q. When was the first time you met Jay Bloom?</p> <p>25 A. I honestly couldn't tell you. Since maybe in</p>	<p>24</p> <p>1 A. Have I contacted state bar counsel to address</p> <p>2 a conflict of interest? I've contacted state bar</p> <p>3 counsel when I have questions that need to be</p> <p>4 addressed, and that's the purpose of state bar counsel.</p> <p>5 So I utilize state bar counsel for the purpose that</p> <p>6 it's created for. And so if your question is have I</p> <p>7 contacted state bar counsel, I have.</p> <p>8 Q. Have you ever contacted state bar counsel to</p> <p>9 address a conflict of interest?</p> <p>10 A. I contacted state bar counsel as it relates</p> <p>11 to this matter, and I was instructed with information</p> <p>12 about state bar counsel as it relates to this matter.</p> <p>13 Q. You contacted state bar counsel as it relates</p> <p>14 to the matter with TGC/Farkas Funding, LLC?</p> <p>15 A. Correct, and correspondence.</p> <p>16 Q. When?</p> <p>17 A. After you sent your correspondence demanding</p> <p>18 that I present you with everything.</p> <p>19 Q. Was your communication with state bar -- with</p> <p>20 the state bar in writing?</p> <p>21 A. It was done telephonic.</p> <p>22 Q. And what was your question to state bar</p> <p>23 counsel?</p> <p>24 A. My question to state bar counsel was my</p> <p>25 obligations under the rules as to your demands of</p>
<p>23</p> <p>1 the last 10 years, since living here in Las Vegas. I</p> <p>2 just moved here in 2004, but it was after that.</p> <p>3 Q. Had you ever represented any client in which</p> <p>4 Jay Bloom was a principal or constituent other than the</p> <p>5 Nevada Speedway case?</p> <p>6 A. I think that there was a lawsuit between</p> <p>7 Tivoli and First 100, and it was a lease issue. And I</p> <p>8 was trying to find that on here. I'll try to find it</p> <p>9 on here. I think that's the only time. And I withdrew</p> <p>10 as counsel of record in that case. It's public record.</p> <p>11 Q. You withdrew as counsel in the Omni Financial</p> <p>12 case; correct?</p> <p>13 A. Where is that?</p> <p>14 Q. I'm asking you.</p> <p>15 A. I don't know. I don't know why you're asking</p> <p>16 me that. Did I say that?</p> <p>17 Q. Did you withdraw as counsel of record for</p> <p>18 Kal-Mor USA in the Omni Financial cases?</p> <p>19 A. Are you talking about the federal cases?</p> <p>20 Q. Yes.</p> <p>21 A. Potentially, maybe. I can't remember.</p> <p>22 Q. You don't recall -- let me ask a different</p> <p>23 way.</p> <p>24 Have you ever contacted state bar counsel to</p> <p>25 address a conflict of interest?</p>	<p>25</p> <p>1 producing you everything. And that you wanted all</p> <p>2 communications, everything, all documents. You wanted</p> <p>3 everything. And that you expected to receive</p> <p>4 everything.</p> <p>5 Q. And you provided nothing.</p> <p>6 A. Did you ask for anything? You did. And</p> <p>7 based upon instruction by state bar counsel, I did as I</p> <p>8 was informed was the proper way to handle things, and I</p> <p>9 sent you a correspondence to that effect. I made clear</p> <p>10 the information that I received.</p> <p>11 Q. You didn't produce one document in response</p> <p>12 to my request for information; correct?</p> <p>13 A. I did as I was informed by state bar counsel.</p> <p>14 And until the matters relating to the information I</p> <p>15 received from state bar counsel, I will continue to</p> <p>16 conform with them. I have a wife and two children and</p> <p>17 elderly parents that I look after. I am not going to</p> <p>18 violate my obligations as instructed by the state bar</p> <p>19 counsel, as well as is articulated by the rules,</p> <p>20 because you demand them. I pretty much made that very</p> <p>21 clear in my communications with you.</p> <p>22 Q. Are you done?</p> <p>23 A. Excuse me?</p> <p>24 Q. I was waiting --</p> <p>25 A. Don't be harassing and denigrating, please.</p>

<p>26</p> <p>1 Q. I asked if you were done so I could go back</p> <p>2 to my question.</p> <p>3 A. Please go ahead.</p> <p>4 Q. I couldn't tell if you were done.</p> <p>5 My question to you was, you didn't produce</p> <p>6 one document? That's yes or no.</p> <p>7 A. I answered that question. I did not produce</p> <p>8 a document, based upon the information and instruction</p> <p>9 that I was given by state bar counsel. This is the</p> <p>10 third time I'm expressing it. State bar counsel</p> <p>11 expressed to me certain things, and I expressed those</p> <p>12 things to you in writing.</p> <p>13 Q. Did you consult with independent legal</p> <p>14 counsel with respect to --</p> <p>15 A. I'm sitting with an attorney right now.</p> <p>16 Q. Bart Larsen is your current counsel?</p> <p>17 A. Bart Larsen and I have been in consultation</p> <p>18 with each other as it relates to this matter, and I</p> <p>19 have requested his services as it relates to this</p> <p>20 matter.</p> <p>21 Q. When did you first contact Bart Larsen with</p> <p>22 respect to this matter?</p> <p>23 A. I don't know. Probably right after you sent</p> <p>24 your letter.</p> <p>25 Q. Did you contact --</p>	<p>28</p> <p>1 A. No.</p> <p>2 Q. You've never socialized?</p> <p>3 A. Excuse me?</p> <p>4 Q. You've never socialized with Jay Bloom?</p> <p>5 A. I've seen him at various instances at various</p> <p>6 places. I happened to be at a concert one day over at</p> <p>7 one of the hotels and he happened to be there. We</p> <p>8 chatted. So it's more of, you know, you run into</p> <p>9 somebody.</p> <p>10 Q. When did you first meet Joe Gutierrez?</p> <p>11 A. I met Mr. Gutierrez or Joe Gutierrez, he was</p> <p>12 representing Jay Bloom in that case.</p> <p>13 Q. And when did you first work on a case in</p> <p>14 conjunction with the MGA firm?</p> <p>15 A. Much later than that incident or that</p> <p>16 lawsuit, I should say. So Joe was representing an</p> <p>17 entity, Mr. Bloom's entity. And I was representing</p> <p>18 another person. And after the case resolved itself, I</p> <p>19 probably didn't see Joe for a little bit.</p> <p>20 But I think what it was is that Joe went to</p> <p>21 Pepperdine Law School when I went to Pepperdine Law</p> <p>22 School. And so I believe there was that Pepperdine</p> <p>23 connection. And so I don't know if we saw each other</p> <p>24 at a Pepperdine function, law school function, or what,</p> <p>25 but we would randomly see each other.</p>
<p>27</p> <p>1 A. Or your email, whatever it was, your</p> <p>2 communication demanding everything.</p> <p>3 Q. What were the circumstances where you met</p> <p>4 Jay Bloom?</p> <p>5 A. I don't understand your question. What do</p> <p>6 you mean when I met Jay Bloom? Like, when I met him as</p> <p>7 a human being for the first time?</p> <p>8 Q. Yeah. How were you introduced to Jay Bloom?</p> <p>9 A. I had a client that retained my services to</p> <p>10 file a counter-motion for summary judgment against him.</p> <p>11 Q. You were adverse to Jay Bloom when you first</p> <p>12 met him?</p> <p>13 A. If my recollection is correct, yes.</p> <p>14 Q. And when did you first have communications</p> <p>15 with Jay Bloom where you were not adverse?</p> <p>16 A. I think that, if my recollection is correct,</p> <p>17 after that matter resolved, I was at Tivoli with my</p> <p>18 wife having dinner, and I saw him. He saw me. And we</p> <p>19 started chatting. And that was about it.</p> <p>20 Q. When was that?</p> <p>21 A. Years ago. I don't know. Eight years,</p> <p>22 six years, I couldn't tell you. It was such an</p> <p>23 uneventful occurrence. But I just know it was after</p> <p>24 that case, sometime after that case, and that's it.</p> <p>25 Q. And you and Mr. Bloom socialized after that?</p>	<p>29</p> <p>1 Q. And have you socialized with Mr. Gutierrez?</p> <p>2 A. When you say "socialize," I mean, do I go and</p> <p>3 have dinner with Joe and his significant other? No, I</p> <p>4 don't.</p> <p>5 Q. Do you grab a drink? Go to lunch? Have</p> <p>6 coffee?</p> <p>7 A. No.</p> <p>8 Q. Do you text with Mr. Gutierrez?</p> <p>9 A. Do I text with Mr. Gutierrez?</p> <p>10 Q. Yes.</p> <p>11 A. Like, what does that have to do with</p> <p>12 anything? That's just an odd question.</p> <p>13 Q. Have you ever texted with Mr. Gutierrez?</p> <p>14 A. I think when we had an issue on the</p> <p>15 Duncan Dalton case, I might have sent him a text</p> <p>16 message saying, you know, please call me. I mean --</p> <p>17 MR. GUTIERREZ: I'll just object not to</p> <p>18 reveal any attorney/client privilege on cases we've</p> <p>19 worked on. Any communication that me and</p> <p>20 Mr. Nahabedian had on cases where we were co-counsel</p> <p>21 may involve attorney/client privilege, so I object,</p> <p>22 Counsel.</p> <p>23 THE WITNESS: Sorry. Go on.</p> <p>24 BY MS. TURNER:</p> <p>25 Q. Have you ever texted Jay Bloom?</p>

<p>30</p> <p>1 A. Jay and I aren't, like, friends. It's not 2 like we share texting exchanges. 3 Q. Is your answer "no?" 4 A. Yeah. I mean, it's -- I might have sent him 5 a "Merry Christmas" or something. I don't know. I 6 mean, I typically, at Christmas time or New Year's, I 7 send people that I've met or I know, you know, 8 "Merry Christmas" or "Happy New Year." I mean, it's 9 just kind of an oddity here. 10 Q. Since December 18th, 2020, have you had any 11 text messages with Jay Bloom other than 12 "Merry Christmas" and "Happy New Year?" 13 A. Maybe. 14 Q. Do you retain your text messages? 15 A. Whatever -- you know, I'm -- those 16 communications between me and Mr. Bloom would fall 17 under the umbrella of the attorney/client privilege. 18 And, I mean, you can raise the objection, but unless 19 Mr. Bloom authorizes me to disclose any information 20 related to my exchanges with Mr. Bloom -- I'm not here 21 to violate any obligations which state bar counsel has 22 indicated to me that I must not violate. 23 Q. Who is the state bar counsel that you 24 purported to communicate with? 25 A. State bar counsel. I don't have his name.</p>	<p>32</p> <p>1 attorney/client he would be instructed. Mr. Bloom has 2 not waived that privilege, and he would be instructed 3 to answer -- not to reveal any information that might 4 violate that privilege. And if counsel would rather 5 seek a motion to compel, you can do so. 6 BY MS. TURNER: 7 Q. Mr. Nahabedian, this is a yes or no question. 8 Have you had text message communications with 9 Jay Bloom since December 18th beyond "Merry Christmas" 10 and "Happy New Year?" That's yes or no. I'm not 11 asking for the content of the communications. 12 A. Perhaps, yes. 13 Q. Have you had communications with Jay Bloom 14 via text since December 18th, 2020, beyond 15 "Merry Christmas" and "Happy New Year" that relate to 16 TGC/Farkas? 17 A. That I don't know. 18 Q. Do you have your phone with you? 19 A. Do I have my phone with me? 20 Q. Yes. 21 A. I do have my phone with me. 22 Q. All right. Can you look? 23 A. To see if I have had messages between me and 24 Mr. Bloom? 25 Q. Yes.</p>
<p>31</p> <p>1 Q. All right. So you're claiming privilege and 2 refusing to answer my question about whether or not 3 you've had text messages with Jay Bloom other than 4 "Merry Christmas" and "Happy New Year" since 5 December 18th, 2020; is that right? 6 A. No, that's not right. I'm telling you that 7 if there were communications, there were 8 communications. I will not divulge any of the 9 communications, the contents, and so on and so forth. 10 Q. Under what basis? 11 A. Under what basis are you asking me? What 12 right do you have to ask me about communications 13 between me and a person who is a client? And I've 14 asked you in communications to you -- there are email 15 communications to you. And state bar counsel disagrees 16 vehemently with your position that I'm supposed to give 17 you everything and anything that you want. 18 Q. Sir, if you could just answer -- 19 A. Mr. Bloom's counsel is on this, and he can 20 raise the objection as well since he represents them. 21 Q. Sir, my question is -- 22 MR. GUTIERREZ: Just for the record, my 23 objection is that Mr. Nahabedian is counsel of record 24 for Mr. Bloom in an active matter. Any communication 25 that could potentially fall under the umbrella of the</p>	<p>33</p> <p>1 A. I already answered the question that there 2 are exchanges between me and Mr. Bloom, and you're 3 being redundant at this point. 4 Q. Let me be more specific. Can you look at 5 your phone to see if you have any messages between you 6 and Mr. Bloom relating to TGC/Farkas? 7 A. I'm not going to answer that question because 8 I was instructed by state bar counsel that I am not to 9 divulge any information as it relates to any client 10 that I have past or current, past or current, without a 11 specific waiver signed by the client, former or past, 12 and current, signed after him or her or she getting 13 counsel and signing the document such that the waiver 14 is in place. 15 Q. Okay. So I represent TGC/Farkas Funding, 16 LLC. And you've received a waiver in writing saying 17 that there is no attorney/client privilege being 18 claimed with respect to TGC/Farkas Funding. So I want 19 to make sure I understand. 20 Are you saying that you do not have a waiver 21 from Jay Bloom, and, therefore, you can't -- 22 A. No. What I'm saying is I don't have a waiver 23 from TGC/Farkas waiving anything. Where is that 24 waiver? Do you have a document that shows that there's 25 a waiver that was signed by the person who retained my</p>

<p>34</p> <p>1 services? Mr. Farkas? I have no document from 2 Mr. Farkas indicating any waiver that he signed after 3 full and complete consultation with counsel of record. 4 I have no document signed by Mr. Farkas waiving the 5 privilege, nothing. I've requested such. I've 6 requested such that a document be presented to me based 7 upon the instruction that was given to me by state bar 8 counsel. I've received nothing. 9 Q. Mr. Nahabedian, are you saying that you 10 represented the interests of Matthew Farkas 11 individually? 12 A. No, I never said that. Sorry. 13 MR. GUTIERREZ: Objection. Misstates 14 testimony, for the record. 15 THE WITNESS: Go on, Ms. Turner. You can 16 re-ask your question. 17 BY MS. TURNER: 18 Q. You represented or purported to represent the 19 interests of TGC/Farkas Funding, LLC; correct? 20 A. You have documents in your possession that 21 reflect my understanding of the relationship. I sent 22 you a letter. Attached to that letter was a letter 23 from Mr. Farkas. Mr. Farkas' letter said that he was 24 terminating GTG as counsel. And based upon that letter 25 and his representation that I understood, was that he</p>	<p>36</p> <p>1 you want to present, I can look at it to verify that I 2 understand or could understand, I would appreciate 3 presentation of that document. 4 Q. What document -- 5 A. I'm not going to guess. 6 Q. What document did you review before taking on 7 the representation of TGC/Farkas Funding, LLC to 8 determine which laws apply to the determination of who 9 has authority to bind the company? 10 A. Well, I was working off the representations 11 of Mr. Farkas. And I reviewed a document which 12 delineated him being the administrative member and 13 manager. I don't have that document in front of me to 14 then recount specifically the state, but I do have 15 recollection of that provision of him being the 16 administrative member and manager. 17 Q. What documents -- 18 A. As it places right now, I would be guessing 19 as to the state. And I don't want to guess. But I had 20 a document that defined him as the administrative 21 member-manager. That is my answer. 22 Q. What documents did you review? 23 A. I saw a document that was entitled -- I think 24 it was the operating agreement. That's all I can say I 25 saw.</p>
<p>35</p> <p>1 was the administrative member or manager, and that's 2 why I sent my letter to you, along with Mr. Farkas' 3 letter. And so that was my understanding. 4 Q. So that we're on the same page, TGC/Farkas 5 Funding, LLC, what state governs -- what state's laws 6 govern TGC/Farkas Funding, LLC? 7 A. Do you have a document you want to present in 8 front of me so I can review it to give you the exact 9 state? 10 Q. What's your understanding? 11 A. Do you have a document that you want me to 12 review? 13 Q. My question is what is your understanding? 14 A. My understanding is that the representations 15 from your client were that -- excuse me -- from 16 Mr. Farkas is that he was the administrative member and 17 manager of TGC/Farkas Funding, LLC. 18 Q. That's not my question. 19 A. That is my answer. 20 Q. Sometimes it's hard to hear. 21 A. That is my understanding, ma'am. I cannot 22 create anything else other than that. 23 Q. My question is, what is your understanding of 24 the state whose laws govern TGC/Farkas Funding, LLC? 25 A. I don't know. If you have a document that</p>	<p>37</p> <p>1 Q. Who provided you the operating agreement? 2 A. That I don't know. 3 Q. You don't know who provided it to you? 4 A. I don't know if it was -- honestly, I 5 don't -- I don't recall. 6 Q. When did you receive the operating agreement? 7 A. I would assume before I was going to begin my 8 representation. I think I probably -- I will tell you 9 that I'm certain that I reviewed the document before I 10 proceeded to move forward with the representation. 11 Q. And what was the date that you first 12 proceeded with the representation? 13 A. Probably the date that -- or the day before I 14 sent you the letter, I would say that was the beginning 15 of the relationship, the formal beginning of the 16 relationship. 17 Q. When you say, "the formal beginning of the 18 relationship," what does that mean? 19 A. Well, I would say that means that I submitted 20 a retainer agreement. And then I submitted a scope of 21 representation agreement. And I was not going to 22 commence my work until that was executed. 23 Q. So you didn't do anything on behalf of 24 TGC/Farkas or purporting to be on behalf of TGC/Farkas 25 until you submitted a scope of representation</p>

<p>38</p> <p>1 agreement?</p> <p>2 MR. GUTIERREZ: Objection. Misstates</p> <p>3 testimony. Form.</p> <p>4 THE WITNESS: If you're asking -- I was not</p> <p>5 involved -- and I made this very clear -- I was never</p> <p>6 involved in any settlements, settlement discussions,</p> <p>7 interpretation of settlement documents, none of that.</p> <p>8 Zero.</p> <p>9 BY MS. TURNER:</p> <p>10 Q. That's not my question.</p> <p>11 So my question is -- well, you said that you</p> <p>12 started work -- or the formal beginning of the</p> <p>13 relationship was within a day or so of my</p> <p>14 correspondence to you. You did nothing on behalf of</p> <p>15 TGC/Farkas before the 14th of January?</p> <p>16 MR. GUTIERREZ: Object. Misstates testimony.</p> <p>17 THE WITNESS: No, that's not what I said. I</p> <p>18 said it was before I sent my letter to you. So I sent</p> <p>19 you a letter that was a letter with Mr. Farkas' letter,</p> <p>20 and that included a substitution of counsel. So before</p> <p>21 I sent your letter, I had a retainer agreement and a</p> <p>22 scope of representation agreement that was signed. And</p> <p>23 that's when I would -- that's when I sent you that</p> <p>24 letter.</p> <p>25 But in terms of prior to that, me sending</p>	<p>40</p> <p>1 comments, I was very specific that any disclosures of</p> <p>2 any matters would only come about when I received a</p> <p>3 formal document by a party's attorney disclosing full</p> <p>4 consultation with the waiving party of any privilege</p> <p>5 and the entirety of the scope of the waiver. And that</p> <p>6 that document shall also bear signature of the party</p> <p>7 that's waiving. And until such document is received, I</p> <p>8 will not compromise. Based upon representations, I</p> <p>9 will express any matters -- I won't express any matters</p> <p>10 until such document is presented. And I have received</p> <p>11 no such document.</p> <p>12 MS. TURNER: Dylan, can you please send out</p> <p>13 tab 3. And we'll make that Exhibit 2 to the</p> <p>14 deposition. It's the January 14th, 2021 letter from</p> <p>15 Raffi Nahabedian with the attachments.</p> <p>16 (Exhibit 2 was marked.)</p> <p>17 THE WITNESS: While he's doing that, may I go</p> <p>18 to the restroom, please, so we can go off the record?</p> <p>19 MS. TURNER: Yes. I will note, for the</p> <p>20 record, that there is a pending question.</p> <p>21 THE WITNESS: If you have a question, ask me</p> <p>22 and then I'll go to the restroom.</p> <p>23 MR. GUTIERREZ: There's no question pending.</p> <p>24 THE WITNESS: There's no question. He's</p> <p>25 going to send us an exhibit, tab 3. And because he's</p>
<p>39</p> <p>1 those things, given the fact that I had a retainer</p> <p>2 agreement signed, it would be my understanding, and</p> <p>3 continues to be my understanding, that the date that I</p> <p>4 had Mr. Farkas' signature on my retainer agreement,</p> <p>5 that whatever privileges that existed, existed on that</p> <p>6 date as it relates to me, Mr. Farkas, and TGC/Farkas</p> <p>7 Funding, LLC.</p> <p>8 MS. TURNER: Mr. Hogan, are you asserting any</p> <p>9 privilege on behalf of Mr. Farkas? I think he's on</p> <p>10 here.</p> <p>11 MR. HOGAN: So as to Mr. Farkas, we are</p> <p>12 asserting privilege as to any private conversations</p> <p>13 that he had with Mr. Nahabedian. Not as to, you know,</p> <p>14 documents that have been exchanged, retainers,</p> <p>15 substitutions of counsel, any of that.</p> <p>16 BY MS. TURNER:</p> <p>17 Q. All right. Mr. Nahabedian, you indicated</p> <p>18 that you received a letter from Mr. Farkas. When did</p> <p>19 you receive a letter from Mr. Farkas?</p> <p>20 A. Well, what I said was, if you look at the</p> <p>21 packet that I sent to you, my original correspondence</p> <p>22 to you, there's a letter from Mr. Farkas that's</p> <p>23 addressed to you. That's the letter I'm referring to.</p> <p>24 Q. Okay.</p> <p>25 A. And if I may add in relation to Mr. Hogan's</p>	<p>41</p> <p>1 going to send us a tab 3, I want to go to the restroom.</p> <p>2 There's no question pending.</p> <p>3 MS. TURNER: For the record, I'm asserting</p> <p>4 the Coyote Springs exception to privilege.</p> <p>5 THE WITNESS: Ask your question. I'll wait</p> <p>6 to go to the bathroom.</p> <p>7 MR. GUTIERREZ: What's the question that's</p> <p>8 pending? All you said was send around an exhibit.</p> <p>9 What's your question?</p> <p>10 MS. TURNER: Because I was in the middle --</p> <p>11 MR. GUTIERREZ: Coyote Springs involves a</p> <p>12 case where there is a question pending.</p> <p>13 MS. TURNER: Sir, if you look at the record,</p> <p>14 I was marking the letter when the witness said, I'm</p> <p>15 going to go to the restroom. I wasn't done. I was</p> <p>16 identifying the exhibit.</p> <p>17 MR. GUTIERREZ: There was no question</p> <p>18 pending. There is no question pending. You asked an</p> <p>19 exhibit to be marked. This is why we wanted to have</p> <p>20 the exhibits sent before. So we're wasting time. You</p> <p>21 want to ask a question, he can answer and then we can</p> <p>22 have the requested break. We've been going an hour.</p> <p>23 THE WITNESS: Do you have a question?</p> <p>24 MS. TURNER: You can take a break. I'm going</p> <p>25 to assert my -- you interrupted me. So I will assert</p>

<p style="text-align: right;">42</p> <p>1 the Coyote Springs exception to privilege if you want 2 to take a break now. Or I can finish my question. 3 THE WITNESS: Finish your question. There is 4 no question. You haven't asked a question. 5 Mr. Gutierrez is right. 6 MS. TURNER: Because you interrupted me. 7 THE WITNESS: You haven't asked a question. 8 MS. TURNER: You interrupted me, sir. 9 THE WITNESS: Ask your question, let me 10 answer it, and let me go to the restroom. But if 11 you're going to try to suppress or silence me, it's 12 absurd. 13 MS. TURNER: Are you done? 14 THE WITNESS: What's your question? 15 MS. TURNER: Are you done? 16 THE WITNESS: Are you? 17 MS. TURNER: No. You keep interrupting me. 18 THE WITNESS: Ask your question. 19 BY MS. TURNER: 20 Q. When did you first receive the letter from 21 Matthew Farkas? 22 A. I couldn't tell you. 23 Q. Who gave it to you? 24 A. I don't know if it came from -- I don't know 25 if it came from him or if it came from another party.</p>	<p style="text-align: right;">44</p> <p>1 TGC/Farkas Funding, LLC? 2 A. Well, probably through a communication that 3 was expressed by a past or current client. 4 Q. Which past or current client? 5 A. I don't know if I can answer that because I 6 haven't received any written waiver to allow me to 7 provide information as it relates to the confidences 8 that were communicated to me by past or current 9 clients. 10 MR. GUTIERREZ: So the record will be clear, 11 Jay Bloom has no waiver of the attorney/client 12 privilege. 13 BY MS. TURNER: 14 Q. At all times that you have known about 15 TGC/Farkas Funding, LLC, have you had an 16 attorney/client relationship with Jay Bloom? 17 A. I think your question is vague and ambiguous 18 and is misleading. I indicated earlier that I 19 represent Mr. Bloom in a case, but for absolute 20 certainty, that case has nothing to do with the matter 21 that we're here for. 22 Q. If you could just listen to my question. 23 A. Oh, I'm listening. I answered it. 24 Q. My question is, at all times that you have 25 known about TGC/Farkas Funding, LLC, have you had an</p>
<p style="text-align: right;">43</p> <p>1 Q. Who else provided you documents on behalf of 2 TGC/Farkas? 3 A. There may have been an exchange that included 4 Matthew and Mr. Bloom. 5 MS. TURNER: All right. Take your break. 6 THE WITNESS: Thank you so much. 7 (Whereupon, a recess was taken.) 8 BY MS. TURNER: 9 Q. Mr. Nahabedian, is there anybody in the room 10 with you? 11 A. I got to unmute there. Here we go. 12 Q. Is there anybody in the room with you? 13 MR. LARSEN: We're in the same room. 14 MS. TURNER: Is that Bart Larsen? 15 THE WITNESS: Mr. Larsen is here. No one 16 else is here. 17 BY MS. TURNER: 18 Q. And are you at your home office? 19 A. No, I'm not. 20 Q. Where are you? 21 MR. LARSEN: He's in my office. 22 THE WITNESS: I'm in Bart's office, 23 Mr. Larsen's office. 24 BY MS. TURNER: 25 Q. When was the first time you heard of</p>	<p style="text-align: right;">45</p> <p>1 attorney/client relationship with Jay Bloom? 2 A. I have. 3 Q. And with respect to communications that you 4 have had with Jay Bloom regarding TGC/Farkas Funding, 5 LLC, you would agree with me that there would be no 6 attorney/client privilege; correct? 7 A. I would not agree with you at all and nor 8 does the state bar. 9 Q. So you're maintaining an attorney/client 10 privilege over your communications with Jay Bloom 11 regarding TGC/Farkas Funding, LLC; is that correct? 12 A. I am acting exactly as instructed by state 13 bar counsel, such that I'm not in violation of the 14 rules, correct. 15 Q. So when you say that the Speedway matter, 16 where you are current counsel for Jay Bloom, that that 17 is different than the matter at hand with TGC/Farkas 18 Funding, notwithstanding that those are different 19 matters, you maintain that your communications with 20 Jay Bloom not regarding the Speedway but regarding 21 TGC/Farkas Funding are not privileged? I want to make 22 sure I understand your position. 23 A. Well, I never remotely came close to saying 24 what you just said. I think it's deception and very 25 deceptive on your part.</p>

<p>46</p> <p>1 Q. I'm asking you your position.</p> <p>2 A. Mr. Bloom -- communications with me -- you</p> <p>3 can laugh all you want and you can try to belittle me</p> <p>4 all you want, but I don't find it funny to see an</p> <p>5 attorney trying to get another attorney to violate</p> <p>6 their obligations.</p> <p>7 My communications with Mr. Bloom, as I was</p> <p>8 informed by state bar counsel unambiguously, he's a</p> <p>9 client and, therefore, he has an expectation and that</p> <p>10 privilege applies. And I will not waive it. I have no</p> <p>11 right to waive it. The law does not allow me to waive</p> <p>12 it. There's one person who can waive it and that's</p> <p>13 Mr. Bloom.</p> <p>14 Mr. Bloom's attorney, Joe Gutierrez, who is</p> <p>15 on this deposition, he has expressed to you repeatedly</p> <p>16 there is no waiver. Given such, I cannot and will not</p> <p>17 waive it. You can laugh all you want, but I find it</p> <p>18 insulting to see you laugh at me.</p> <p>19 Q. Sir, I'm --</p> <p>20 A. There you go, you're laughing again.</p> <p>21 Q. I'm asking for -- I'm asking you for your</p> <p>22 position.</p> <p>23 A. I answered it. Asked and answered. And you</p> <p>24 keep laughing at me because you don't like my position.</p> <p>25 Q. Sir, I'm asking you your position.</p>	<p>48</p> <p>1 called you a name.</p> <p>2 Q. Please, just listen to my question.</p> <p>3 A. Don't insult me. Don't say I called you</p> <p>4 names. I didn't call you names. What name did I call</p> <p>5 you? You want the record read back? I never called</p> <p>6 you a name once.</p> <p>7 Q. I'm not going to --</p> <p>8 A. Don't degrade my professionalism.</p> <p>9 Q. When I see some, I'll let you know.</p> <p>10 Now, if you can please listen --</p> <p>11 MR. GUTIERREZ: Objection.</p> <p>12 THE WITNESS: It's so harassing, it's</p> <p>13 unbelievable.</p> <p>14 MR. GUTIERREZ: It's harassing. It's</p> <p>15 unbelievable. It's harassing, argumentative.</p> <p>16 Counsel --</p> <p>17 MS. TURNER: Can you listen, please.</p> <p>18 MR. GUTIERREZ: -- can you show some</p> <p>19 professionalism on your part so we can move on with</p> <p>20 this.</p> <p>21 MS. TURNER: I'm trying to ask a question.</p> <p>22 MR. GUTIERREZ: I mean, he's answered it</p> <p>23 several times, so...</p> <p>24 BY MS. TURNER:</p> <p>25 Q. I am only asking you about your</p>
<p>47</p> <p>1 A. I answered it.</p> <p>2 Q. I am not asking for the communications</p> <p>3 themselves. I want to make sure --</p> <p>4 A. I answered it.</p> <p>5 Q. -- I understand -- you didn't. It's a yes or</p> <p>6 no question.</p> <p>7 A. According to you, it is.</p> <p>8 Q. Is it your position that you have an</p> <p>9 obligation to act in Jay Bloom's best interest?</p> <p>10 MR. GUTIERREZ: Objection.</p> <p>11 THE WITNESS: Never said that. In my</p> <p>12 position I have an obligation to preserve confidences</p> <p>13 and to preserve the privilege, and I don't have a right</p> <p>14 to waive it. So now you're using a different word to</p> <p>15 try to make it seem as if I'm saying something that I'm</p> <p>16 not is, again, a mischaracterization on your part. I</p> <p>17 find it harassing.</p> <p>18 BY MS. TURNER:</p> <p>19 Q. Sir, I'm trying to understand your position.</p> <p>20 These are matters of where you're claiming a privilege.</p> <p>21 We need to understand your position. If you could stop</p> <p>22 with the hyperbole, calling me names, accusing me of</p> <p>23 doing things --</p> <p>24 A. I didn't call you a name, ma'am. No. Do</p> <p>25 not -- please, tell me one thing I said to you when I</p>	<p>49</p> <p>1 communications with Jay Bloom regarding TGC/Farkas</p> <p>2 Funding, LLC, and nothing else.</p> <p>3 Are you maintaining an attorney/client</p> <p>4 privilege over those communications?</p> <p>5 A. Yes, I am maintaining an attorney/client</p> <p>6 privilege as it relates to any communication from a</p> <p>7 past or current client. I am maintaining that</p> <p>8 privilege because it is not mine to waive, and I've</p> <p>9 been so instructed by the state bar.</p> <p>10 Q. And you maintain that you will not</p> <p>11 communicate regarding your communications with</p> <p>12 Matthew Farkas regarding TGC/Farkas Funding, LLC;</p> <p>13 correct?</p> <p>14 A. That is correct. I have also communicated</p> <p>15 with Mr. Farkas' counsel. I have made it very clear as</p> <p>16 to the expectations and understanding that I was to</p> <p>17 receive a letter where a complete and understanding --</p> <p>18 understandable waiver was given as to all parameters</p> <p>19 and signed by the person who is waiving it. I have not</p> <p>20 received that.</p> <p>21 And based thereon, I will continue to</p> <p>22 maintain -- I will continue to maintain the confidences</p> <p>23 and privileges expected. I made that very clear to you</p> <p>24 in all my communications as well.</p> <p>25 Q. Until we get a ruling on the attorney/client</p>

<p style="text-align: right;">50</p> <p>1 privilege, I want to make sure it's clear to you I'm 2 not asking you for the content of your communications. 3 If you can listen to my question. 4 Have you had meetings with Jay Bloom, 5 in-person meetings, any in-person meeting, since 6 December 18th, 2020? 7 A. I don't believe so. 8 Q. Have you received any documents from 9 Jay Bloom since December 18th, 2020? 10 A. I have received documents. 11 Q. What documents have you received from 12 Jay Bloom related to -- 13 A. I don't have a right to disclose that 14 information. That falls within the parameters of the 15 privilege that I do not have the right to waive. 16 THE WITNESS: Joe, did you want to say 17 something? 18 MR. GUTIERREZ: I agree, Counsel. I'd object 19 on behalf of attorney/client privilege, and instruct 20 him not to answer. 21 BY MS. TURNER: 22 Q. And so there's no confusion, I'm only asking 23 for the identification of documents, not the contents, 24 the general descriptions of documents provided from 25 Jay Bloom related to TGC/Farkas Funding, LLC.</p>	<p style="text-align: right;">52</p> <p>1 agreement of TGC/Farkas Funding, LLC. Did you receive 2 that document by email? 3 A. I believe so, yes. 4 Q. Email from whom? 5 A. I'm uncertain. It might have been a group 6 email. 7 Q. A group email involving whom? 8 A. You know, until I have clearance to express 9 from the person or party or whoever complete waiver of 10 their rights and their privileges and their 11 confidences, I won't disclose. 12 Q. You won't identify the people who you're 13 communicating with? 14 A. Correct. Correct. 15 Q. Sir, have you ever prepared a privilege log? 16 A. Ma'am, I'm just telling you that is my 17 answer. If you don't like it, I'm sorry. That is my 18 answer. 19 Q. Have you ever prepared a privilege log? 20 MR. GUTIERREZ: Just object. Are you asking 21 in this case or in his entire career? 22 BY MS. TURNER: 23 Q. In your entire career, have you prepared a 24 privilege log? 25 A. I have.</p>
<p style="text-align: right;">51</p> <p>1 Do you have the same answer? 2 A. My answer to you stays the same. It's a 3 communication from a past or current client. My 4 responses will continue to stay the same until and 5 unless I receive an unequivocal waiver from either 6 Mr. Bloom or Mr. Farkas, which are signed and testified 7 to under full consultation and understanding. I will 8 continue to maintain the privilege as so instructed by 9 the bar. 10 Q. You agree with me that TGC/Farkas Funding, 11 LLC, as a purported former client, has a rightful 12 expectation that you will act in its best interest? 13 A. I can't agree with you because I have no idea 14 what you're asking me to agree with, even though your 15 question is expressed the way it is because I have no 16 understanding about what you're thinking about in terms 17 of what your question was asking. 18 So what I am saying to you is whatever my 19 understanding is as it relates to Mr. Farkas and 20 TGC/Farkas Funding, LLC, as it relates to the time 21 period in which I was representing Mr. Farkas and my 22 apparent understanding of his apparent authority to act 23 on behalf of TGC/Farkas Funding, LLC, that I will 24 continue to assert this privilege. 25 Q. You testified that you reviewed the operating</p>	<p style="text-align: right;">53</p> <p>1 Q. In order for a privilege log to comply with 2 the rules, you understand you have to identify the 3 people who are communicating so that there can be a 4 determination of whether or not an actual privilege 5 applies; right? 6 A. Do you understand I'm not a party to this 7 case and that I don't have to present you with a 8 privilege log. You're taking my deposition. And if 9 you have things you want to present me, present them. 10 But as far as disclosing anything I received 11 from any past and current client, until I have the full 12 and absolute waiver signed by the party upon full 13 consultation, I will continue to assert the privilege 14 on behalf of these peoples or parties, as so instructed 15 by the state bar. 16 Q. Did you have any communications with the MGA 17 firm regarding TGC/Farkas, LLC? 18 A. There were communications that your office 19 had sent out that I believe Mr. Maier, Jason Maier, was 20 involved and made comments about. I know that there 21 was some issues with respect to the settlement. And I 22 made certain that I clarified to Mr. Ciciliano that I 23 had absolutely nothing to do with the negotiation or 24 drafting or anything relating to that settlement. 25 And I believe Mr. Maier included his comments</p>

<p>54</p> <p>1 about not being involved in that. And then there was 2 another communication that was sent out about a filing 3 that Mr. Maier had sent over as it related to a filing 4 that was done to enforce settlement. I think that was 5 sent to everybody. 6 Q. Was there any communication with the MGA firm 7 participating other than those where the GTG firm was 8 also party to the communication? 9 A. What do you mean by GTG firm? I don't 10 understand that. 11 Q. My firm. 12 A. So you're saying were there other 13 communications? There may have been. 14 Q. Regarding what? 15 A. Again, whatever those contents of those 16 communications were, it would have pertained to -- 17 again, I'm not going to violate any confidences. Until 18 I have parameter design for which I am able to provide 19 information, I am not going to expose myself to 20 potential liability whatsoever. And so my position in 21 terms of maintaining confidences is going to stay the 22 same, and coupled in with all the prior assertions of 23 that objection by me in relation to preserving the 24 confidences of the past or current clients until a full 25 waiver upon full consultation is presented with</p>	<p>56</p> <p>1 BY MS. TURNER: 2 Q. Okay. So let me take Jay Bloom out of the 3 mix, just communications between you and the MGA firm. 4 Did you have any communications between you 5 and the MGA firm without Jay Bloom as an additional 6 party? 7 A. As it relates solely and exclusively to this 8 matter? 9 Q. As it relates to this matter. 10 A. Independent -- no. 11 Q. So if you had a communication with MGA, it 12 would have either included my firm or it would have 13 included Jay Bloom; is that accurate? 14 A. Correct. 15 Q. Have you represented Matthew Farkas 16 previously? 17 A. No. 18 Q. How were you introduced to Matthew Farkas? 19 A. Through -- I was introduced to him through 20 Mr. Bloom. 21 Q. When? 22 A. Early January. 23 Q. Do you recall specifically when in January? 24 A. Maybe first week of January. I believe it 25 was the first week of January because I was suffering</p>
<p>55</p> <p>1 signature by the person who is waiving the privilege. 2 Q. You're refusing to disclose communications 3 with the MGA firm on the basis of attorney/client 4 privilege; is that correct? 5 A. I don't know who those communications 6 included. As they included a party that is 7 represented, currently or past, I don't want to violate 8 those -- any privilege. And until such waiver is 9 given, I am going to continue to err on the side of 10 caution, as was instructed to me by the state bar, was 11 to make certain that caution and diligence and dutiful 12 to a past or current client is maintained above all. 13 So I am going to err on caution. And until I 14 receive a waiver from the people or persons or parties 15 involved, my position will stay the same. 16 Q. Is it your position that a communication 17 between you and the MGA firm would be protectable -- 18 protected, protectable, because MGA represents 19 Jay Bloom? 20 MR. GUTIERREZ: Objection. Form. 21 THE WITNESS: If there was a communication 22 with that -- with MGA as it relates to this matter, and 23 that communication would include Mr. Bloom, I do not 24 want to violate any confidences in that regard. And so 25 my answer will stay the same.</p>	<p>57</p> <p>1 from a serious back injury related to my sciatic nerve. 2 Q. All right. The first meeting with 3 Matthew Farkas, was it in person? 4 A. No. 5 Q. It was over the phone? 6 A. Either over the phone or via email 7 communications. 8 Q. Now, the discussion between, or among you, 9 Matthew Farkas, and Jay Bloom, please describe your 10 best recollection. 11 A. I will not describe any recollection because 12 I will not divulge any of those conversations or 13 describe those conversations until and unless I receive 14 a waiver from both parties and persons such that a full 15 and unequivocal waiver is given signed by the party 16 waiving. 17 I will not violate my obligations as 18 instructed by the state bar, and I will continue to err 19 on the side of caution as instructed by the state bar. 20 So every one of these objections, if they're expressed 21 differently, combine them all to make sure they all 22 come out to look identical. 23 Q. Did you believe that you were engaging in a 24 joint representation of Jay Bloom's interests and 25 Matthew Farkas' interest in this case?</p>

<p>58</p> <p>1 A. I never believed that there was a -- if I</p> <p>2 understand -- well, first of all, vague and ambiguous</p> <p>3 first. I don't even understand what you mean by that.</p> <p>4 But I was not involved in any settlement negotiations</p> <p>5 or any settlement agreements or anything of that nature</p> <p>6 and sort.</p> <p>7 So -- but in terms of any communications,</p> <p>8 however those communications were expressed, I'm not</p> <p>9 going to divulge that or give you an understanding as</p> <p>10 to them until I have a waiver.</p> <p>11 Q. Did you believe that you jointly represented</p> <p>12 the interests of Jay Bloom and Matthew Farkas in this</p> <p>13 case?</p> <p>14 A. In this case, no.</p> <p>15 Q. Did you believe that you were engaging in a</p> <p>16 joint representation of Jay Bloom and TGC/Farkas</p> <p>17 Funding, LLC?</p> <p>18 A. I did not engage in joint representation.</p> <p>19 Q. Okay. So with respect to communications with</p> <p>20 both Matthew Farkas and Jay Bloom, wouldn't those be</p> <p>21 adverse parties, in your mind?</p> <p>22 MR. GUTIERREZ: Objection. Form. Asked and</p> <p>23 answered. This is delving into attorney/client</p> <p>24 communications that Mr. Nahabedian has repeatedly</p> <p>25 objected to.</p>	<p>60</p> <p>1 with it. And I cannot give you anything more than</p> <p>2 that. I had nothing to do with it.</p> <p>3 I didn't prepare the documents. I didn't</p> <p>4 review the documents. I didn't analyze the documents.</p> <p>5 None of that. I mean, there was something done and</p> <p>6 that was it. So I can't speculate as to anything and I</p> <p>7 won't speculate as to anything.</p> <p>8 BY MS. TURNER:</p> <p>9 Q. Your position is that there was a settlement</p> <p>10 reached before you had your first communication with</p> <p>11 Matthew Farkas?</p> <p>12 A. I believe so.</p> <p>13 Q. Before you sent your first legal</p> <p>14 representation agreement and received that in return?</p> <p>15 A. Possibly.</p> <p>16 Q. Where did you come to have that</p> <p>17 understanding?</p> <p>18 MR. GUTIERREZ: Same objection.</p> <p>19 Attorney/client privilege.</p> <p>20 THE WITNESS: I don't want to waive any</p> <p>21 confidences. All I can tell you is -- all I can tell</p> <p>22 you is that I sent you a letter on January 14th,</p> <p>23 which is marked as Exhibit 2. And that was the -- I</p> <p>24 mean, the contents of this letter are very</p> <p>25 self-explanatory as to the purpose of my involvement.</p>
<p>59</p> <p>1 MR. LARSEN: It's not up to Mr. Nahabedian to</p> <p>2 make determinations whether or not there's a privilege.</p> <p>3 If the clients are maintaining the privilege, he has to</p> <p>4 respect it, and only they can waive it.</p> <p>5 BY MS. TURNER:</p> <p>6 Q. Did you consider Jay Bloom and</p> <p>7 Matthew Farkas' interests adverse to one another when</p> <p>8 you first met or communicated with Jay Bloom and</p> <p>9 Matthew Farkas jointly?</p> <p>10 A. If I understand what you mean by "adverse,"</p> <p>11 all I know is that the two of them settled something so</p> <p>12 I don't know how they would be adverse if they came to</p> <p>13 an understanding and agreement. So -- and that's the</p> <p>14 best answer I can give you.</p> <p>15 Q. It's your testimony that you first talked</p> <p>16 with Matthew Farkas after he -- or communicated with</p> <p>17 Matthew Farkas, I should say, regarding TGC/Farkas</p> <p>18 Funding, LLC, after there was a settlement reached?</p> <p>19 MR. GUTIERREZ: Objection. Attorney/client</p> <p>20 privilege. You're asking about communications with</p> <p>21 Mr. Farkas. Misstating his prior testimony.</p> <p>22 THE WITNESS: I will say that what I</p> <p>23 understood from Mr. Farkas or, I mean, what I</p> <p>24 understood from the whole situation is that there was a</p> <p>25 settlement and a resolution. And I had nothing to do</p>	<p>61</p> <p>1 I mean, it's written right here. This letter is, you</p> <p>2 know, in black and white. It includes that letter from</p> <p>3 Mr. Farkas dated January 6th.</p> <p>4 BY MS. TURNER:</p> <p>5 Q. When did you come in possession of the</p> <p>6 settlement agreement?</p> <p>7 A. You know, that's an interesting question</p> <p>8 because I think I put in my letter a courtesy copy of</p> <p>9 the fully-executed settlement agreement is enclosed. I</p> <p>10 don't know if I even had it when I sent this to you.</p> <p>11 Because I didn't include it. So I was looking at this</p> <p>12 letter and I looked at the attachment. The attachment</p> <p>13 is Mr. Farkas' January 6th letter, and then my</p> <p>14 substitution of counsel.</p> <p>15 And then it says, in that penultimate</p> <p>16 paragraph, "a courtesy copy of the fully-executed</p> <p>17 settlement agreement is enclosed herein" and it wasn't</p> <p>18 enclosed. And I think that Mr. Ciciliano had indicated</p> <p>19 in an email that I put that in there. And so then he</p> <p>20 was asking me for it. And I think that -- I think that</p> <p>21 after Mr. Ciciliano asked for, you know, or followed up</p> <p>22 on that, there was a motion filed by Mr. Maier of MGA.</p> <p>23 And I think I might have said to Mr. Ciciliano, the</p> <p>24 settlement agreement is attached to the document that</p> <p>25 we all received from Jason.</p>

<p>62</p> <p>1 Q. Was the first time that you saw the</p> <p>2 settlement agreement when it was attached to the MGA</p> <p>3 motion?</p> <p>4 A. I want to say that was the first time I saw</p> <p>5 it. I can't remember the date of the filing of the</p> <p>6 motion.</p> <p>7 MS. TURNER: If you could just pop Tab 8 up</p> <p>8 on the screen for Mr. Nahabedian, Dylan.</p> <p>9 THE WITNESS: Is this Exhibit 3?</p> <p>10 MS. TURNER: No, no. This is Tab 8. I'm</p> <p>11 just popping it up to see if it refreshes your</p> <p>12 recollection.</p> <p>13 BY MS. TURNER:</p> <p>14 Q. If you could look at the email.</p> <p>15 A. I can't see it. Is this Exhibit 3?</p> <p>16 Q. No.</p> <p>17 A. If you're going to put something in the</p> <p>18 record, it's going to be an exhibit, please.</p> <p>19 Q. Your counsel can do that. I'm asking you --</p> <p>20 A. So can we print this out and mark it as</p> <p>21 Exhibit 3?</p> <p>22 Q. You can print it out, but I get to decide</p> <p>23 what the exhibits are going to be. Your counsel can</p> <p>24 cross-examine or include it as an exhibit. I'm just</p> <p>25 asking you to look at the date of this email and review</p>	<p>64</p> <p>1 all received the motion from MGA?</p> <p>2 A. I believe so. Because I was not involved in</p> <p>3 any of that. So I believe so; correct.</p> <p>4 Q. And --</p> <p>5 A. Unless Matthew sent it to me some other time</p> <p>6 or somebody sent -- but I believe that is correct.</p> <p>7 Q. When was the first time you reviewed the</p> <p>8 settlement agreement?</p> <p>9 A. Probably when that filing was done. I would</p> <p>10 say that's when I reviewed it, when that filing was</p> <p>11 done. Because when I saw the filing, then I looked at</p> <p>12 the filing, and then it was an attachment, and then I</p> <p>13 read it.</p> <p>14 Q. All right. Going back to Exhibit 2. The</p> <p>15 first paragraph, it says, "Please be advised that the</p> <p>16 law office of Raffi Nahabedian has been retained as</p> <p>17 counsel by TGC/Farkas Funding with respect to the</p> <p>18 above-referenced matter."</p> <p>19 See that?</p> <p>20 A. Correct.</p> <p>21 Q. All right. So when was it you first learned</p> <p>22 about the case where TGC/Farkas was adverse to</p> <p>23 First 100?</p> <p>24 A. There were communications that took place,</p> <p>25 then I would have learned about it then from either a</p>
<p>63</p> <p>1 it and tell me whether or not that refreshes your</p> <p>2 recollection on when you first were provided the</p> <p>3 settlement agreement?</p> <p>4 A. The second paragraph that I'm seeing on my</p> <p>5 screen says, "In terms of the Settlement Agreement that</p> <p>6 you requested, it appears" -- I can't see the whole</p> <p>7 thing because of the size. It goes into the picture</p> <p>8 side. Make it smaller if you can. It's still cut out</p> <p>9 -- "Mr. Maier provided it to the Court that we all</p> <p>10 received this afternoon."</p> <p>11 So perhaps.</p> <p>12 MS. TURNER: All right. If you can take it</p> <p>13 down, Dylan.</p> <p>14 THE WITNESS: Yeah. Because I say in here,</p> <p>15 "I was not involved in any negotiations, the</p> <p>16 preparation, the exchange of the execution. It was</p> <p>17 received after that -- after the fact."</p> <p>18 So...</p> <p>19 BY MS. TURNER:</p> <p>20 Q. My question to you is whether or not that</p> <p>21 email refreshes your recollection on when you received</p> <p>22 --</p> <p>23 A. It appears to.</p> <p>24 Q. So, as far as you recall, you did not receive</p> <p>25 the settlement agreement until January 19th, when we</p>	<p>65</p> <p>1 past or current client.</p> <p>2 Q. Okay. The question is when?</p> <p>3 A. I couldn't tell you. Before January 14th.</p> <p>4 Q. Was it before or after your first</p> <p>5 communication with Matthew Farkas?</p> <p>6 A. Or during. It was before January 14th.</p> <p>7 Q. And you won't respond --</p> <p>8 A. That's my response. That's actually my</p> <p>9 response. You asked me, and I said it was before</p> <p>10 January 14th.</p> <p>11 Q. Did you review the docket for the case</p> <p>12 number?</p> <p>13 A. The docket of this case?</p> <p>14 Q. Yes.</p> <p>15 A. I don't believe so.</p> <p>16 Q. How did you do a conflicts check?</p> <p>17 A. How did I do a conflicts check?</p> <p>18 Q. Yeah. How did you determine the identity --</p> <p>19 A. As a sole practitioner, not knowing</p> <p>20 Matthew Farkas, TGC/Farkas Funding, LLC, and then I</p> <p>21 knew who First 100 is, and my involvement with</p> <p>22 First 100 was years ago and has nothing to do with this</p> <p>23 case whatsoever.</p> <p>24 Q. How did you determine what the case involved?</p> <p>25 A. Okay. So I understand your question. So a</p>

<p style="text-align: right;">66</p> <p>1 review of A-20-822273-C, I looked at the file. I</p> <p>2 looked at, I think maybe, the initial pleading. I</p> <p>3 can't remember. And it had nothing to do with me or my</p> <p>4 prior representations whatsoever.</p> <p>5 Q. Did you review the judgment?</p> <p>6 A. That I did not. I don't think I did.</p> <p>7 Q. Did you review the application to show --</p> <p>8 application for order to show cause why the defendants</p> <p>9 and Jay Bloom should not be held in contempt of court?</p> <p>10 A. I don't believe I did because it was beyond</p> <p>11 the scope for any request for representation.</p> <p>12 Q. What was the request for representation?</p> <p>13 A. That falls within the attorney/client</p> <p>14 privilege. And until I receive a communication from</p> <p>15 the party that holds the privilege, I will not divulge</p> <p>16 that.</p> <p>17 Q. So it's your testimony --</p> <p>18 THE WITNESS: Mr. Hogan, I think Mr. Hogan is</p> <p>19 on this deposition; correct?</p> <p>20 MS. TURNER: Yes.</p> <p>21 THE WITNESS: He represents Mr. Farkas, as</p> <p>22 I've been informed.</p> <p>23 MS. TURNER: Yes.</p> <p>24 THE WITNESS: I don't hear him asserting any</p> <p>25 privilege as it relates to his client. So I'm going to</p>	<p style="text-align: right;">68</p> <p>1 regarding emails. Did you have any telephone</p> <p>2 conferences?</p> <p>3 A. I don't refuse. I want to be very clear.</p> <p>4 I'm merely asserting the privilege on behalf of a past</p> <p>5 or current client or party such that I am not going to</p> <p>6 be in violation of their understanding of the privilege</p> <p>7 and their ability to be the sole person or party to</p> <p>8 waive it. So I'm not refusing. I am merely acting as</p> <p>9 instructed by the state bar.</p> <p>10 Q. How many telephone calls did you have</p> <p>11 involving Matthew Farkas, Joe Gutierrez, and yourself?</p> <p>12 MR. GUTIERREZ: Object to the form.</p> <p>13 THE WITNESS: I don't know if I -- I don't</p> <p>14 know. I don't even -- I don't know. Maybe less</p> <p>15 than -- I don't know. Maybe less than five.</p> <p>16 BY MS. TURNER:</p> <p>17 Q. How many calls -- how many calls did you have</p> <p>18 with Matthew Farkas alone, just the two of you?</p> <p>19 A. I don't know, to be honest with you. There</p> <p>20 were more than 5, more than 10 maybe.</p> <p>21 Q. And how many calls involved Jay Bloom and</p> <p>22 Matthew Farkas?</p> <p>23 MR. GUTIERREZ: Objection. Attorney/client</p> <p>24 privilege. You're asking for the contents of the</p> <p>25 discussion?</p>
<p style="text-align: right;">67</p> <p>1 continue to assert the privilege for Mr. Farkas, and my</p> <p>2 understanding of his ability to serve as the</p> <p>3 administrative member and manager of TGC/Farkas</p> <p>4 Funding, LLC.</p> <p>5 BY MS. TURNER:</p> <p>6 Q. What did you do to determine whether or not</p> <p>7 Matthew Farkas had the actual authority as</p> <p>8 administrative member and manager to act on behalf of</p> <p>9 TGC/Farkas Funding?</p> <p>10 A. Reviewed the specific language that said</p> <p>11 such. And it was not until I received your letter that</p> <p>12 I was made to be aware of something different.</p> <p>13 Q. So it was not until January 15th, when I</p> <p>14 provided a letter, that you knew that there was any</p> <p>15 amendment to the operating agreement; is that your</p> <p>16 testimony?</p> <p>17 A. Is that the first letter where you say</p> <p>18 that -- where you stated that? I don't have the letter</p> <p>19 in front of me so I can't tell you. But whenever your</p> <p>20 letter was that included the information that there was</p> <p>21 an amendment, at that time, at that time, that was my</p> <p>22 first awareness of a circumstance that was different</p> <p>23 than my understanding.</p> <p>24 Q. We talked about email communications where</p> <p>25 you refused to disclose the contents or any information</p>	<p style="text-align: right;">69</p> <p>1 MS. TURNER: No. I am asking how many calls</p> <p>2 involved Jay Bloom and Matthew Farkas.</p> <p>3 THE WITNESS: I don't -- I can't recall. I</p> <p>4 would say less than five.</p> <p>5 BY MS. TURNER:</p> <p>6 Q. And all these calls that I'm asking you</p> <p>7 about, these would all be in January of 2021?</p> <p>8 A. Oh, certainly, because I -- I terminated my</p> <p>9 relationship upon verification of your assertion in</p> <p>10 your letter, which I don't have in front of me, but I</p> <p>11 wish I did. But once I was provided verification of</p> <p>12 your assertion.</p> <p>13 Q. Did you do anything to assure that you had</p> <p>14 the complete copy of the operating agreement, together</p> <p>15 with any amendments, for TGC/Farkas Funding?</p> <p>16 MR. GUTIERREZ: Object to the form.</p> <p>17 THE WITNESS: You mean other than verifying</p> <p>18 it with the -- with the person who was providing the</p> <p>19 apparent authority?</p> <p>20 BY MS. TURNER:</p> <p>21 Q. You said that you have a copy of the</p> <p>22 operating agreement --</p> <p>23 A. My letter -- you know, my correspondence and</p> <p>24 his letter, Mr. Farkas' letter of January 6th, I</p> <p>25 mean -- I mean, pretty clear what his letter says. So</p>

<p style="text-align: right;">70</p> <p>1 I don't know if that answers it or not, but...</p> <p>2 Q. No. Did you do anything --</p> <p>3 A. There's very specific language that</p> <p>4 identified him as administrative member and manager. I</p> <p>5 told you that. And it wasn't until your letter that I</p> <p>6 found out otherwise. And then I was, you know,</p> <p>7 informed of the document that you referenced.</p> <p>8 Q. My question is, prior to my letter to you,</p> <p>9 did you do anything to assure that you had the complete</p> <p>10 copy of the operating agreement, together with any</p> <p>11 amendments for TGC/Farkas Funding, LLC?</p> <p>12 MR. GUTIERREZ: Objection. Asked and</p> <p>13 answered.</p> <p>14 THE WITNESS: Yeah, I told you I was provided</p> <p>15 with an operating agreement. I was not provided</p> <p>16 with -- I mean, implicit in my answer is until you</p> <p>17 informed me of an amendment, I was not informed.</p> <p>18 BY MS. TURNER:</p> <p>19 Q. And who gave you the amendment -- I mean,</p> <p>20 pardon me, the operating agreement?</p> <p>21 Who gave you the operating agreement for</p> <p>22 TGC/Farkas Funding, LLC?</p> <p>23 A. Honestly, I don't recall where I got it from.</p> <p>24 One of the -- one of the -- somebody gave it to me, one</p> <p>25 of the past client, current, you know. I don't know if</p>	<p style="text-align: right;">72</p> <p>1 A. I have. It's my professional computer.</p> <p>2 Q. And do you use a document management system?</p> <p>3 A. No. I use whatever my IT person puts in my</p> <p>4 computer. I'm not very IT savvy.</p> <p>5 Q. When you communicate on a particular file, do</p> <p>6 you maintain a folder for that file on your computer?</p> <p>7 A. Yes.</p> <p>8 Q. Did you form a folder on your computer for</p> <p>9 TGC/Farkas Funding, LLC?</p> <p>10 A. So, for instance, like the letter I sent you</p> <p>11 on January 14, it has a -- it would have a</p> <p>12 characterization such that if I went to pull this back</p> <p>13 up, I would put in that characterization. And then all</p> <p>14 additional communications would be within the ambit of</p> <p>15 that characterization.</p> <p>16 So it wouldn't -- so if I wanted,</p> <p>17 hypothetically in this case, let's just, it would be,</p> <p>18 let's say, Farkas letter number 1, Farkas letter number</p> <p>19 2, that type of thing. Is that your question? So that</p> <p>20 way I can type in "Farkas" and then I go to right to</p> <p>21 whatever communications I have that pertain to this</p> <p>22 matter. Is that your question?</p> <p>23 Q. So if you were to put in search term</p> <p>24 "Farkas," everything on that file would pop up?</p> <p>25 A. Yes. If I drafted a letter, that letter</p>
<p style="text-align: right;">71</p> <p>1 it came from Mr. Farkas or it was a communication</p> <p>2 between them to me.</p> <p>3 Q. Whoever provided it to you, it would have</p> <p>4 been provided by email; is that correct?</p> <p>5 A. Yes, it would have been provided via email.</p> <p>6 Q. And, for the record, what is your email</p> <p>7 address?</p> <p>8 A. It is Raffi@Nahabedianlaw.com is the email I</p> <p>9 use for all my client and professional purposes.</p> <p>10 Q. And there would be no other personal email</p> <p>11 that you would have used to communicate with Jay Bloom</p> <p>12 or Matthew Farkas or MGA since December 18th, 2020?</p> <p>13 A. There would be no other email address that</p> <p>14 would be used.</p> <p>15 Q. Okay. All phones that you have used to</p> <p>16 communicate with Matthew Farkas, Jay Bloom, or anybody</p> <p>17 at MGA since December 18th, 2020?</p> <p>18 A. What's your question?</p> <p>19 Q. Can you provide those -- can you provide your</p> <p>20 phone numbers you've used?</p> <p>21 A. My phone number is 702-379-9995.</p> <p>22 Q. And who's your carrier?</p> <p>23 A. It's Verizon.</p> <p>24 Q. Have you had the same computer during that</p> <p>25 time, since December 18th, 2020?</p>	<p style="text-align: right;">73</p> <p>1 would pop up. If I sent Matt a letter, that letter</p> <p>2 would pop up. Correct. So if I typed in "Farkas,"</p> <p>3 then I would be able to retrieve my letter to Matt.</p> <p>4 Q. And that would include all emails? All</p> <p>5 emails would come up as well?</p> <p>6 A. Well, yeah, but that might overlap with other</p> <p>7 communications with others, as we've made very clear in</p> <p>8 this deposition that there's other communications.</p> <p>9 Q. So on communications that are within the</p> <p>10 Farkas matter, do you have matters where you anticipate</p> <p>11 there would be a privilege asserted for parties other</p> <p>12 than TGC/Farkas Funding and Matthew Farkas?</p> <p>13 A. I don't understand your question.</p> <p>14 Q. You said there was overlap. And I'm trying</p> <p>15 to understand what that is referring to.</p> <p>16 A. Well, so if I have -- I mean, if you do a</p> <p>17 search, we all know how computers work. You can type</p> <p>18 in a word. And that word, wherever it shows up, is</p> <p>19 found; right.</p> <p>20 But, like, for instance, I sent you this</p> <p>21 letter on the 14th. Now, if I had another letter that</p> <p>22 relates to this matter, it would be within that ambit.</p> <p>23 Like I said, it's going to be Farkas letter 1, Farkas</p> <p>24 letter 2. And so that way I can go into Microsoft Word</p> <p>25 and type in -- and say "Farkas," and then whatever I</p>

<p style="text-align: right;">74</p> <p>1 did for Farkas is there.</p> <p>2 Q. On your emails, do you have Outlook?</p> <p>3 A. I do.</p> <p>4 Q. Do you keep folders for each matter, so</p> <p>5 TGC/Farkas Funding, LLC would have a folder?</p> <p>6 A. On this matter, I did not create a folder.</p> <p>7 My relationship here was so ephemeral it's -- as soon</p> <p>8 as I got your letter, the relationship was over.</p> <p>9 Q. You didn't delete any communications, did</p> <p>10 you?</p> <p>11 A. I don't believe so.</p> <p>12 Q. And do you save any -- whether it's your</p> <p>13 emails or your computer files, do you save anything to</p> <p>14 a cloud?</p> <p>15 A. I don't use the cloud. I don't know what a</p> <p>16 cloud is.</p> <p>17 Q. Do you have hard files where you have</p> <p>18 redwells or other files, paper files?</p> <p>19 A. I tend to like paper files so there -- like,</p> <p>20 I print things. I don't like working off my computer.</p> <p>21 I like tangible things. I'm too old to read off a</p> <p>22 computer screen.</p> <p>23 Q. And when you print things, do you keep them</p> <p>24 organized by matter number or matter name?</p> <p>25 A. Typically, a name or I discard them when</p>	<p style="text-align: right;">76</p> <p>1 But I, you know, would have it on my computer.</p> <p>2 Q. The January 6th, 2021, letter that you</p> <p>3 attached to Exhibit 2, your January 14th</p> <p>4 correspondence, who wrote that?</p> <p>5 A. That's Matthew -- the January 6 letter is</p> <p>6 Matthew Farkas with an address of 3345 Birchwood Park</p> <p>7 Circle, Las Vegas, Nevada 89141. Then it has a</p> <p>8 "Sincerely, Matthew Farkas" with a signature on it. If</p> <p>9 I'm not mistaken, the document speaks for itself.</p> <p>10 Matthew Farkas, I didn't draft it for him.</p> <p>11 Q. Okay. You're assuming that Matthew Farkas</p> <p>12 drafted the letter?</p> <p>13 A. I have no reason to not assume that</p> <p>14 Matthew Farkas didn't draft -- I mean, the letter is,</p> <p>15 like I said, the letter speaks for itself.</p> <p>16 Q. Did you ask Mr. Farkas whether or not, or why</p> <p>17 he was not just directing Garman Turner Gordon to</p> <p>18 dismiss the litigation if he had authority to act on</p> <p>19 behalf of TGC/Farkas Funding, LLC?</p> <p>20 MR. GUTIERREZ: Objection.</p> <p>21 THE WITNESS: I'm not going to answer that</p> <p>22 question because, once again, it falls under the</p> <p>23 privilege that I have routinely asserted on behalf of</p> <p>24 Mr. Farkas or TGC/Farkas Funding, LLC.</p> <p>25 MR. GUTIERREZ: Counsel, you've --</p>
<p style="text-align: right;">75</p> <p>1 there's no need to maintain them.</p> <p>2 Q. If you discard a document, do you ensure that</p> <p>3 there is an electronic copy?</p> <p>4 A. Yeah. So if I draft a letter and I print it</p> <p>5 out and I edit it and I have edits on it, if I make the</p> <p>6 corrections on the computer, I throw away the ones, the</p> <p>7 hard letter. So, like this letter here, I'd make edits</p> <p>8 until I get to the final letter. And then when I get</p> <p>9 to the final letter, I throw away all the ones that</p> <p>10 have my hand interlineations. Does that make sense?</p> <p>11 So the final product is the letter that's</p> <p>12 sent. So like, this letter might have two edits,</p> <p>13 right, two versions. I don't save those edits. I</p> <p>14 throw them in the trash. But this is the final letter,</p> <p>15 the final version. Does that make sense?</p> <p>16 Q. Yes. With communications with your client or</p> <p>17 clients, do you print those and save them?</p> <p>18 A. Say it again.</p> <p>19 Q. Do you print your communications and save</p> <p>20 them to a file?</p> <p>21 A. If necessary.</p> <p>22 Q. Did you here for TGC/Farkas Funding, LLC? Do</p> <p>23 you have a hard file?</p> <p>24 A. That I don't know. I might have printed the</p> <p>25 document that you referenced upon my receipt of that.</p>	<p style="text-align: right;">77</p> <p>1 THE WITNESS: I'm going to continue to assert</p> <p>2 the privilege --</p> <p>3 (Multiple cross-talking.)</p> <p>4 THE STENOGRAPHER: I'm sorry, gentlemen --</p> <p>5 gentlemen --</p> <p>6 THE WITNESS: -- until I have a waiver from</p> <p>7 Ms. Farkas under full consultation by counsel, and</p> <p>8 signed by Mr. Farkas, until I have that and a court can</p> <p>9 decide and define the parameters thereof, I am going to</p> <p>10 err on caution and abide by the state bar. I don't</p> <p>11 have to answer.</p> <p>12 MS. TURNER: Mr. Hogan, are you asserting</p> <p>13 privilege with respect to communications with</p> <p>14 Matt Farkas and Raffi Nahabedian involving Jay Bloom</p> <p>15 and/or MGA?</p> <p>16 MR. HOGAN: No, we are not. It's our</p> <p>17 position that those were not privileged communications.</p> <p>18 They involved third parties. It was not a discussion</p> <p>19 between counsel and the client that was intended to be</p> <p>20 kept confidential. If it was intended to be kept</p> <p>21 confidential, then Mr. Nahabedian would not have</p> <p>22 involved both adversary party and adversary party's</p> <p>23 attorney on that call.</p> <p>24 THE WITNESS: First of all, Mr. Hogan, you</p> <p>25 assume facts not in evidence. I didn't "involve";</p>

<p style="text-align: right;">78</p> <p>1 okay. So I really don't appreciate that assertion 2 because it's factually incorrect. 3 And, secondly, Mr. Hogan, I sent you a 4 correspondence specifically addressing what I needed 5 and based upon the instruction of state bar counsel. 6 Now, if you want to do what state bar counsel said and 7 you want to produce a letter, as I requested, please do 8 so. You had advanced notice of such. I never received 9 such. And I am not going to act unless and until such 10 request has been satisfied. 11 So his representation here -- I'm sorry, I 12 will say it again. I have a wife. I have children. I 13 have elderly parents. And I am not going to expose 14 myself to liability when I don't have anything to allow 15 me to do anything other than to assert the privilege. 16 And I will continue to do so. 17 The record is very clear. I am not going to 18 engage in shenanigans like this. He knows what I asked 19 him for. He knows what I requested. I never received 20 it, never. And I will not violate my obligations. And 21 I will continue to assert that which those people and 22 those parties deserve. 23 MR. HOGAN: Sir, is it your position that a 24 conversation between you and your client, whoever that 25 may be, and Mr. Farkas thought it was himself,</p>	<p style="text-align: right;">80</p> <p>1 a, "don't ya"; okay. It's not. That's not the way you 2 ask a question. And I don't. And if you know things 3 that I don't know, great. But I don't know that. I've 4 never represented that. And I hate the 5 mischaracterization of your question and your tenor. 6 It's very unprofessional. Because I didn't know that. 7 BY MS. TURNER: 8 Q. Is your answer, "no?" 9 A. My answer is in the record. If you need it 10 read back, please have it read back to you. My answer 11 was very clear. 12 Q. It doesn't have "no." 13 So is it your testimony that you did not know 14 that Matthew Farkas was presented the January 6, 2021, 15 letter addressed to me, the settlement agreement, and 16 your representation agreement, all at the same time by 17 Jay Bloom? 18 A. What you have just reflected in the record I 19 have no idea of, which is my exact answer that I 20 previously gave. 21 Q. On or about January 9th, 2021, during a 22 telephone conference with you, Joseph Gutierrez, 23 Jay Bloom, and Matthew Farkas, Matthew Farkas said he 24 would check his emails regarding whether or not he 25 resigned his position as manager of TGC/Farkas Funding,</p>
<p style="text-align: right;">79</p> <p>1 individually, you're saying it's TGC/Farkas, but either 2 way, isn't conversation involving your client and 3 adversary third parties -- I don't understand how 4 you're qualifying that as protected in the first place. 5 THE WITNESS: You've made your point. I've 6 made my point very clear. You have the obligation and 7 the opportunity to address the needs of your client. 8 And as far as your assertion, Mr. Farkas' position that 9 you just asserted that it's personal, I think you 10 should read the January 6, 2020, letter from Mr. Farkas 11 to Erika Pike Turner. 12 BY MS. TURNER: 13 Q. You know that that letter, dated January 6, 14 2021, was never sent to me until it was attached to 15 your letter of January 14th, 2021; correct, 16 Mr. Nahabedian? 17 A. I don't know. All I know is I attached it, 18 but I don't know if you had it before or not. 19 Q. You know that that letter of January 6, 2021, 20 was presented to Matthew Farkas in conjunction with 21 your legal representation agreement and the settlement 22 agreement, on the very same day, at the very same time, 23 don't you? 24 MR. GUTIERREZ: Objection. Lacks foundation. 25 THE WITNESS: Ma'am, first of all, it's not</p>	<p style="text-align: right;">81</p> <p>1 LLC; correct? 2 A. I will assert the same objection as I've 3 repeatedly done so. Unless you find this comical, 4 ma'am, I find that your repetitive questions trying to 5 get me to violate a privilege that I will continue to 6 assert, I don't find entertaining. I find it 7 demeaning. I find it unprofessional. I find it 8 harassing. I can't make it more clear. And I will 9 again say, take all of my objections and insert them 10 here. 11 Q. Mr. Nahabedian, we have a transcript. If 12 your concern is that there be something in writing with 13 the waiver of privilege, if there is any privilege to 14 assert. But I'm asking you about a telephone 15 conference with Joseph Gutierrez and Jay Bloom being 16 involved. You heard Mr. Hogan say there is no 17 privilege to be asserted. And we're on a transcript. 18 A. Mr. Hogan's assertions don't apply and do not 19 comport with the state bar instruction. I'm sorry, he 20 is not a member of the state bar. Neither are you. 21 Q. We are. 22 A. And I am not going to expose myself to 23 liability. I'm done; okay. You're harassing. 24 MR. GUTIERREZ: Mr. Hogan doesn't have the 25 ability to object on behalf of Jay Bloom. I do. And</p>

<p style="text-align: right;">82</p> <p>1 he's not waiving anything. You asked him the question 2 about Jay Bloom. Mr. Nahabedian has, for multiple 3 times, expressed his condition on this. And Mr. Bloom 4 has not waived that. Mr. Nahabedian has also sent a 5 letter out, where it appears there's no signed waiver 6 from Ms. Farkas on this. So I believe he's in the 7 right to assert the privilege until a court decides 8 this issue.</p> <p>9 Now, if the position is, counsel, you're 10 continuing to ask questions that are trying to violate 11 this privilege. We've been going almost two hours on 12 this. So I think at this point in time, it's crossed 13 into harassing. You've made your record. If you want 14 to file a motion, you can do so, but you've already -- 15 you're repeatedly trying to get him to violate this 16 privilege when there are no signed waivers on this 17 issue.</p> <p>18 MS. TURNER: So I am not trying to get into 19 any privilege. I am trying --</p> <p>20 THE WITNESS: Every question you've asked has 21 nothing but you trying to get into the privilege. 22 That's why I've asserted it such a multitude of times. 23 I'm sorry that you feel that you haven't, which is why 24 you continue to go down this path, but you have. 25 I don't even understand what your objective</p>	<p style="text-align: right;">84</p> <p>1 verification from his client upon full consultation and 2 understanding. And until then, I'm sorry, I will 3 continue to assert as my obligations as instructed by 4 the state bar. I mean, this is just -- I mean, as 5 Mr. Gutierrez said, this is so harassing. I mean, how 6 much more? How much more?</p> <p>7 Q. When you say that you're requiring full 8 consultation and understanding, are you referencing 9 obtaining informed consent of Matthew Farkas on behalf 10 of TGC/Farkas Funding, LLC?</p> <p>11 A. I'm not Mr. Hogan's lawyer. So let Mr. Hogan 12 figure that out and let Mr. Hogan do what he needs to 13 do as Mr. Farkas' counsel or TGC/Farkas Funding, LLC's 14 counsel. Let Mr. Hogan do what he needs to do and make 15 certain that it comports with the state bar and any and 16 all other requirements as required -- as it relates to 17 maintaining the privilege and the waiver thereof.</p> <p>18 Q. So Mr. Hogan has communicated to you that he 19 believes he's effectively communicated his position. I 20 want to make sure we understand your position so he 21 can -- maybe we can take a break and Mr. Hogan can get 22 you something in writing.</p> <p>23 MR. GUTIERREZ: Objection. Mischaracterizes 24 the testimony. Mr. Hogan clearly, in the beginning of 25 this deposition, said he wasn't waiving the privilege.</p>
<p style="text-align: right;">83</p> <p>1 and purpose is. I've tried to be as helpful as 2 possible. I had nothing to do with the settlement 3 agreement. I had nothing to do with the documents. I 4 had nothing to do with that. And until I found out 5 your representation and verified it, I was through.</p> <p>6 BY MS. TURNER:</p> <p>7 Q. Is your position that you are not going to 8 discuss the detail of a January 9th, 2021, telephone 9 conference involving Jay Bloom and Joe Gutierrez and 10 Matthew Farkas, is it because Mr. Gutierrez is 11 asserting a claim or a privilege on behalf of Jay Bloom 12 or is it because you're rejecting Ken Hogan's 13 communication with you on this transcript that there is 14 no privilege being asserted on behalf of Matthew Farkas 15 where Jay Bloom and/or Joe Gutierrez was present?</p> <p>16 A. So you have two questions in there. There 17 was two questions. And I will continue to assert the 18 privilege I've been continuously asserting.</p> <p>19 And Mr. Hogan received a correspondence from 20 me. He failed to address it. He knows what was 21 requested. And I made it clear to him that this was a 22 request that I was told to have from state bar. 23 Mr. Hogan chose not to address it.</p> <p>24 And Mr. Hogan's representations on the 25 transcript mean nothing to me because I need to have a</p>	<p style="text-align: right;">85</p> <p>1 And then about an hour later, he then said he was. So 2 there's nothing in writing from Mr. Farkas. And 3 Mr. Nahabedian has the right to rely on the fact that 4 it's not in writing. So the record will clearly 5 reflect that Mr. Hogan did not waive it in the 6 beginning and now he is. So I don't know what else you 7 can get him to say that will change that.</p> <p>8 MR. HOGAN: I just want to make clear that's 9 inaccurate. What I initially said was any 10 conversations with Mr. Nahabedian, not with 11 Mr. Nahabedian and the opposing parties. That's a 12 completely different scenario. You're misrepresenting 13 what I said, sir.</p> <p>14 MR. GUTIERREZ: Counsel, there's nothing in 15 writing as to that scope, that waiver. So at this 16 stage, unless your client has given you that ability to 17 waive that in writing and it's presented --</p> <p>18 MR. HOGAN: So you want me to get my client 19 to waive a conversation that is clearly not privileged?</p> <p>20 MR. GUTIERREZ: You're the one making the 21 determination, not me. At the end of the day, 22 Mr. Nahabedian has relied on state bar counsel, not my 23 opinion, not yours, and not defense counsel's.</p> <p>24 MR. HOGAN: Well, I can tell you state bar 25 counsel did not tell Mr. Nahabedian to withhold</p>

<p>86</p> <p>1 information about a conversation involving third 2 parties because it's not privileged. 3 THE WITNESS: Mr. Hogan, were you on the 4 telephone call I had with state bar counsel? 5 Mr. Hogan? I'm just curious to know. Because you 6 weren't, and I know that for a fact. So you're on the 7 transcript, on the record, telling me something that 8 you have no idea of. 9 So now that we have established that you have 10 no idea of that conversation with state bar counsel, 11 which I have repeated during this interaction in this 12 deposition, if you're falsifying that information, then 13 I, even more so, I want the actual -- how about this. 14 We need to have a notary on any communication from 15 Mr. Farkas and all of the parameters of waiver so I can 16 make certain that it's Mr. Farkas that's waiving these 17 things. 18 I made it very clear in my communication with 19 you. You had ample time to get it and you didn't. And 20 now you're making representations on the record that 21 you know are false because you weren't on that call. 22 And I find that very unbecoming and very 23 unprofessional. You have no idea about the 24 communication I had with state bar counsel. 25 MR. HOGAN: Why don't we take a break and</p>	<p>88</p> <p>1 maintaining that there is privilege that applies to 2 communications involving Mr. Nahabedian, 3 Matthew Farkas, and your office? 4 MR. GUTIERREZ: I'm not speaking on behalf of 5 Matthew Farkas at all. I'm saying that Mr. Nahabedian 6 was given an opinion by state bar counsel as to the 7 scope of his communication with Jay Bloom, who I am 8 asserting privilege on behalf of, and Mr. Bloom clearly 9 has not waived that, well, then that's his position. 10 MS. TURNER: So let me ask you -- 11 MR. GUTIERREZ: What I'm saying is that 12 Mr. Nahabedian sent a letter. There's been nothing in 13 writing signed by Mr. Farkas that has waived that. So 14 at this stage, his position is to assert the privilege. 15 MS. TURNER: I'm trying to understand your 16 position with respect to Jay Bloom. On just talking 17 about a conference call with Mr. Nahabedian, you, 18 Jay Bloom, and Matthew Farkas, are you asserting a 19 privilege? 20 MR. GUTIERREZ: I believe that, according to 21 Mr. Nahabedian and the way the state bar counsel has 22 outlined the scope, is because he is active counsel for 23 Mr. Bloom, he's active counsel for Mr. Bloom in a 24 pending litigation before this judge, that to err on 25 the side of caution, yes, absolutely. I don't have the</p>
<p>87</p> <p>1 I'll call state bar counsel and get an answer to this 2 question. 3 THE WITNESS: Then, once you do, then we go 4 to the court, and then we have a determination there. 5 Because if you really want to know the full discussion 6 I had with state bar counsel, it doesn't stop there. I 7 am not going to jeopardize and expose myself to 8 liability because of what Ms. Turner thinks I have to 9 do or representations that you're making. 10 Do you deny the fact that I sent you a 11 correspondence asking you for certain things that were 12 to be signed and attested to? Do you deny that? 13 MR. HOGAN: No. And I believe that focused 14 on confidential information. And this, I'm saying, is 15 not confidential information under any standard of the 16 state bar. 17 THE WITNESS: Perhaps you should revisit my 18 communication with you, and provide me the document 19 where your client, under informed consent, full 20 understanding, waives whatever it is and all the 21 parameters so he makes certain that he understands what 22 he's waiving. And then we can have a clarification and 23 a narrowing of such with this court to ensure that 24 there is no liability exposure. 25 MS. TURNER: Mr. Gutierrez, are you</p>	<p>89</p> <p>1 ability to waive that. That's what I'm saying. 2 THE WITNESS: The only person that has the 3 ability to waive it is Mr. Farkas. So Mr. Hogan can 4 certainly get all the information that you need. And 5 Mr. Hogan can disclose the information for Mr. Farkas 6 because he's the one who holds the privilege as it 7 relates to the communications. 8 MR. GUTIERREZ: Well, Mr. Bloom holds the 9 privilege, as well. 10 THE WITNESS: Yeah, no, I'm not saying in 11 terms of that. I'm saying in terms of the 12 communications as it pertains to myself and Mr. Farkas. 13 MS. TURNER: That's what I'm trying to get to 14 the bottom of. Even if Mr. Hogan addresses Mr. Farkas, 15 I want to understand whether or not there would still 16 be a claim of privilege because Jay Bloom was involved 17 in the communication. 18 THE WITNESS: I have not -- based upon my 19 interaction with state bar, notwithstanding the fact 20 that Mr. Hogan was not on the call, my communication 21 with state bar was that I have to preserve the 22 confidences of past and current clients and shall 23 preserve until a waiver is received by them. 24 BY MS. TURNER: 25 Q. Okay. If Jay Bloom testified about the</p>

<p>90</p> <p>1 telephone call, you would take that as a waiver 2 sufficient for you to discuss the document -- pardon 3 me -- the conversation? 4 A. I don't accept your hypothetical whatsoever 5 so let's just dispense with it. It's so irrelevant. 6 MS. TURNER: All right. If we could go to 7 Tab 11, Dylan. 8 THE WITNESS: Is this an exhibit? 9 MS. TURNER: And this will be Exhibit 3. 10 This will be Exhibit 3. 11 (Exhibit 3 was marked.) 12 MS. TURNER: He's going to pull it up and 13 email it to you so you can print it out. It's the 14 Declaration of Jay Bloom so we're not talking about a 15 hypothetical. 16 Dylan, if we can go to paragraph 19. 17 Let me know when you've had a chance to 18 review paragraphs -- paragraph 19, Mr. Nahabedian. 19 MR. GUTIERREZ: Counsel, really quick, just 20 for the record, Danielle Barraza of my firm is also on 21 the deposition for the Zoom call. I have to step away. 22 So if I step out, she can cover. I'll be right back. 23 THE WITNESS: In the center of my screen it 24 says, "Recording." Does anybody know -- I'm not 25 familiar with Zoom -- is this being recorded?</p>	<p>92</p> <p>1 the paragraph 19 of Exhibit 3? 2 A. I read paragraph 19 of Exhibit 3, and only 3 paragraph 19 of Exhibit 3, but I have not read any 4 other portions of this. 5 Q. Okay. At paragraph 19, it provides, "On or 6 about January 9, 2021, during a telephone conference 7 with TGC/Farkas Funding, LLC, Counsel Raffi Nahabedian, 8 Joseph Gutierrez, and myself," Jay Bloom -- I added the 9 Jay Bloom -- "Matthew Farkas continued to state that he 10 has no recollection of resigning his position as 11 manager, but he would check his emails." 12 Do you see that? 13 A. I do see that. 14 Q. So whether or not Matthew Farkas had 15 authority as manager of TGC/Farkas Funding, LLC was the 16 subject of your communication on or about January 9th, 17 2021; correct? 18 A. Ma'am, I'm going to say it one more time. 19 I'm not going to assert any affirmation to your 20 question to say correct or not correct. I will say 21 that paragraph 19 speaks for itself and is an 22 expression by Mr. Bloom. And I will not provide any 23 further comment or testimony other than the fact that 24 I've read paragraph 19 and that is an expression of 25 Mr. Bloom and not mine.</p>
<p>91</p> <p>1 THE STENOGRAPHER: By me. 2 MS. TURNER: It is by the court reporter. 3 THE WITNESS: As a video recording or just 4 for audio for reproduction purposes? 5 THE STENOGRAPHER: It's being recorded by me 6 for my purposes only. 7 THE WITNESS: For microphone purpose only? 8 THE STENOGRAPHER: My, my purposes. 9 THE WITNESS: Okay. Because, typically, when 10 you have a video recording, you have to have a 11 videographer who attests to the videography of the 12 deposition. And I did not hear any of that whatsoever. 13 So when I see "recording," I'm a bit concerned about 14 the fact that someone is recording this when we didn't 15 have a videographer testify on the record as to his 16 credentials or her credentials. 17 So are you saying that no one will be 18 receiving a video recording, and that this is merely 19 for your sole and exclusive purpose, and it's solely 20 and exclusively for video -- excuse me -- for audio 21 reproduction? 22 THE STENOGRAPHER: Yes. 23 THE WITNESS: Okay. 24 BY MS. TURNER: 25 Q. All right. Have you had a chance to review</p>	<p>93</p> <p>1 Q. On January 10th, 2021, Matthew Farkas told 2 your client, Jay Bloom, he found an email where he 3 signed a September 2020 amendment to the TGC/Farkas 4 Funding, LLC operating agreement; isn't that right? 5 A. Ma'am, I will say it one more time. 6 Paragraph 20 is an expression of Mr. Bloom. It is not 7 an expression of mine. I have no idea about 8 paragraph 20 other than what I'm reading right now. 9 Q. Jay Bloom did not advise you that there was 10 an issue with Matthew Farkas' authority to act on 11 behalf of TGC/Farkas Funding, LLC? 12 A. I made my testimony to you very clear that 13 until I received your correspondence, that is all I was 14 aware of. I did not know anything of the sort until I 15 received your correspondence. 16 Paragraph 20 is not an expression of mine. 17 Paragraph 20 is an expression of Mr. Bloom's. And it 18 is the first time I am reading paragraph 20, as it is 19 the first time I am reading paragraph 19. 20 Q. Did you review Nevada Rule of Professional 21 Conduct 1.13 prior to taking on the representation of 22 TGC/Farkas Funding, LLC? 23 A. Do you have the rule that you want to present 24 me? 25 MR. GUTIERREZ: Objection. Beyond the scope</p>

<p>94</p> <p>1 of the deposition.</p> <p>2 BY MS. TURNER:</p> <p>3 Q. Sir, did you review Nevada Rule of</p> <p>4 Professional Conduct 1.13 prior to taking on the</p> <p>5 representation of TGC/Farkas Funding, LLC?</p> <p>6 A. And do you have the rule that you want to</p> <p>7 present me?</p> <p>8 Q. I'm asking you whether or not you reviewed</p> <p>9 it. If your answer is, I don't know, then answer "I</p> <p>10 don't know."</p> <p>11 A. I'm asking you to present me with the rule so</p> <p>12 I know what you're referring to.</p> <p>13 Q. You don't know the rule as we sit here?</p> <p>14 A. So am I to understand that you can recite all</p> <p>15 the rules of professional conduct as we sit here?</p> <p>16 Q. My question is do you not know the rule as we</p> <p>17 sit here?</p> <p>18 A. Provide me with the rule so I can review it</p> <p>19 to tell you which rules I reviewed. But as I sit here,</p> <p>20 and I'm to understand you believe that we should know</p> <p>21 and identify each and every rule. Do you have the rule</p> <p>22 that you can provide me so I can review it?</p> <p>23 Q. I'll read it to you.</p> <p>24 A. No. No. Do you have it so you can provide</p> <p>25 it to me so I can have it in tangible form so I can</p>	<p>96</p> <p>1 I said that I was provided with a copy of an operating</p> <p>2 agreement where it was signed and it set forth that</p> <p>3 Mr. Farkas of TGC/Farkas Funding, LLC was the</p> <p>4 administrative member and manager. That document,</p> <p>5 coupled with his letter of January 6th, which was</p> <p>6 attached to my letter of January 14th, I was under the</p> <p>7 impression and had no other information to lead me</p> <p>8 otherwise as to his stature.</p> <p>9 It was not until I received your</p> <p>10 correspondence, your reference, and thereafter, I</p> <p>11 validated your reference, and at that point I</p> <p>12 terminated my relationship.</p> <p>13 Q. Why did you terminate the relationship</p> <p>14 instead of attempting to contact the actual party or</p> <p>15 constituent with authority to act on behalf of</p> <p>16 TGC/Farkas Funding, LLC?</p> <p>17 A. That's almost comical, that question, to be</p> <p>18 honest with you. I mean, that's insulting. The person</p> <p>19 who I was interacting with had apparent authority.</p> <p>20 Once I found out that that authority did not exist, I</p> <p>21 terminated the relationship. That is what I was</p> <p>22 instructed to do by state bar counsel.</p> <p>23 Q. How long did you talk with state bar counsel?</p> <p>24 A. You've got to be kidding me; right?</p> <p>25 MR. GUTIERREZ: Objection. Harassing the</p>
<p>95</p> <p>1 verify the contents thereof?</p> <p>2 Q. I'll ask you questions, sir. You don't make</p> <p>3 demands of me. You can refuse to answer.</p> <p>4 A. I'm not making demands. But I'll be clear</p> <p>5 with you, I don't know what you're saying is accurate.</p> <p>6 I don't know if it's the actual, literal language. I</p> <p>7 will tell you that until I have the document in front</p> <p>8 of me to verify the contents of the rule, I'm just</p> <p>9 going to have to say that you're asking me to guess or</p> <p>10 speculate.</p> <p>11 Q. Prior to representing the interests of</p> <p>12 TGC/Farkas Funding, LLC, you agree you had an</p> <p>13 obligation to determine who the constituent was who had</p> <p>14 the authority to bind the company?</p> <p>15 MR. GUTIERREZ: Objection. Asked and</p> <p>16 answered.</p> <p>17 THE WITNESS: You want me to give an</p> <p>18 interpretation of the words that you're using or do you</p> <p>19 want to provide me the rules so I can attest to what</p> <p>20 you're saying?</p> <p>21 BY MS. TURNER:</p> <p>22 Q. I'm asking you whether or not you agree with</p> <p>23 what I'm saying?</p> <p>24 A. Well, your terminology is very interesting.</p> <p>25 You've already asked these questions earlier, to which</p>	<p>97</p> <p>1 witness. Argumentative.</p> <p>2 BY MS. TURNER:</p> <p>3 Q. How long did you talk with state bar counsel</p> <p>4 regarding this matter?</p> <p>5 A. Long enough to understand what I need to do</p> <p>6 and long enough to understand what I need to assert.</p> <p>7 Q. Can you please answer the question?</p> <p>8 A. I did.</p> <p>9 Q. Was it --</p> <p>10 A. What does it matter? If I talked to them for</p> <p>11 15 minutes or 30 minutes, does it make a difference for</p> <p>12 you?</p> <p>13 MR. GUTIERREZ: That's harassing the witness.</p> <p>14 Counsel, your questions and your inquiry are borderline</p> <p>15 harassing. And I think they crossed that level a long</p> <p>16 time ago. We're on a limited scope of deposition and</p> <p>17 discovery to go into this hearing on the 3rd, and</p> <p>18 you're clearly exceeding that. So we'll file a motion</p> <p>19 for protective order on our end if you keep that up.</p> <p>20 THE WITNESS: Less than 30 minutes. How</p> <p>21 about that? Does that answer your question? Less than</p> <p>22 30 minutes.</p> <p>23 BY MS. TURNER:</p> <p>24 Q. More than 15 minutes?</p> <p>25 A. Probably more than 15, less than 30. Maybe</p>

<p style="text-align: right;">98</p> <p>1 45, actually. I don't know. More than 15 -- between 2 15 and 45 minutes. 3 Q. So instead of attempting to contact the 4 highest authority at TGC/Farkas Funding, LLC to provide 5 you authority to act on behalf of the company, you were 6 advised by state bar counsel to terminate the 7 relationship; is that correct? 8 MR. GUTIERREZ: Objection. Misstates facts. 9 Misstates evidence. Misstates his testimony. And 10 harassing the witness. 11 THE WITNESS: What I'm going to say and 12 answer again is that when I learned that the document 13 that you referenced in your letter and it was verified 14 to me that such was accurate, at that point I had an 15 actual conflict and I terminated the relationship. And 16 I felt that there was no purpose or reason to do 17 anything other than terminate the relationship, and 18 that's exactly what I was informed that I should do is 19 terminate the relationship. My relationship had been 20 shown to be not on the understanding of apparent 21 authority and was something otherwise so I terminated 22 the relationship. 23 BY MS. TURNER: 24 Q. Do you agree with me that for the entire 25 period where you were purporting to act as counsel for</p>	<p style="text-align: right;">100</p> <p>1 act in the company's best interest while having an 2 attorney/client -- 3 A. I had an obligation to act as I was requested 4 by Mr. Farkas. And I performed exactly as Mr. Farkas 5 had asked. That's reflected in my January 14, 2021, 6 correspondence to you. 7 Q. Did you communicate that before dismissing a 8 judgment in favor of TGC/Farkas Funding, LLC, you would 9 like a consent or resolution of TGC/Farkas Funding, 10 LLC? 11 MR. GUTIERREZ: Objection. Form. Vague and 12 ambiguous. 13 THE WITNESS: You know, I will tell you that 14 it never got to that point. My relationship ended. 15 BY MS. TURNER: 16 Q. My question is did you request a consent or 17 resolution of TGC/Farkas Funding, LLC? 18 A. Ma'am, my relationship ended. I wasn't going 19 to give any advice, any consultation. I don't know 20 what more I can possibly say. When I found the 21 information contained in your letter and I was able to 22 verify it, I ended my relationship. So if I wasn't 23 going to be representing the enterprise anymore, given 24 the fact that your information was verified, why would 25 I give any consultation? I wouldn't. And I didn't.</p>
<p style="text-align: right;">99</p> <p>1 TGC/Farkas Funding, LLC, you had an obligation to 2 proceed as reasonably necessary in the best interest of 3 TGC/Farkas Funding, LLC? 4 A. I don't agree with you because I have no 5 understanding of what you're saying so I don't agree 6 with you. And given the fact that I have no 7 understanding of the full meaning of your question, I 8 don't agree with you. All I know is is that when I 9 learned of the scenario, I ended my relationship. 10 Q. While TGC/Farkas Funding, LLC was your 11 client, you had an obligation to act in TGC/Farkas 12 Funding, LLC's best interest; correct? 13 A. When I was representing the entity, as 14 requested by Mr. Farkas, I performed those matters for 15 which Mr. Farkas requested of me. Mr. Farkas was 16 identified to be the administrative member-manager. 17 And based upon Mr. Farkas' instructions, I did what I 18 was told, as set forth in my January 14th, 2021, letter 19 to you, which includes a January 6, 2021, letter from 20 Mr. Farkas terminating you and your firm from 21 representing him. 22 Q. Sir, that's not my question. My question 23 is -- 24 A. That's my answer. 25 Q. -- do you believe you have an obligation to</p>	<p style="text-align: right;">101</p> <p>1 Q. Your testimony is you provided no advice to 2 TGC/Farkas Funding, LLC? 3 MR. GUTIERREZ: Objection. Misstates 4 testimony. 5 THE WITNESS: The transcript is clear. The 6 transcript is very clear. I terminated the 7 relationship. And I wasn't going to give any 8 consultation or advice to them once I terminated the 9 relationship. 10 BY MS. TURNER: 11 Q. Prior to terminating the relationship, did 12 you provide advice to TGC/Farkas Funding, LLC? 13 A. Prior to terminating the relationship, the 14 course and scope of my representation was directed by 15 the client, as I understood the client's authority. It 16 was a very ephemeral relationship. And I acted based 17 upon the instruction as contained in my letter to you 18 of January 14, 2021. There's your answer. 19 Q. Did you provide advice to TGC/Farkas Funding, 20 LLC through its constituent Matthew Farkas? 21 MR. GUTIERREZ: I'll just object on potential 22 attorney/client communications. You're asking him for 23 advice that he gave Mr. Farkas. 24 THE WITNESS: I mean, honestly, Ms. Turner, I 25 will say it again. The advice and the scope of</p>

<p style="text-align: right;">102</p> <p>1 representation was dictated by the client and requested 2 by the client, as reflected in my January 14 letter. 3 And when I found out otherwise, I terminated the 4 relationship. I cannot provide you with any further 5 information other than that. Do you want a yes or no? 6 I just gave you the answer. 7 BY MS. TURNER: 8 Q. I'm not even asking for the substance. My 9 question is did you provide advice to TGC/Farkas 10 Funding, LLC through its constituent Matthew Farkas? 11 That's yes or no. 12 A. What I provided was contained in my 13 January 14, 2021, communications to you. 14 Q. All right. If we could go to Exhibit 2 of 15 that January 2 -- that January 14th, 2021 16 correspondence. If we go to the third paragraph, there 17 is a description of Mr. Farkas having growing concern 18 about GTG representation of TGC/Farkas Funding, LLC. 19 Do you see that? 20 A. I do. 21 Q. Is this paragraph based on anything beyond 22 the January 6, 2021, letter that's attached to the 23 communication? 24 A. As I understand, there was a retainer 25 agreement with your firm, and that there were</p>	<p style="text-align: right;">104</p> <p>1 What is the basis of that statement? 2 A. You read it as you wish and you should. Like 3 I said, my answer from the last question to be copied 4 and inserted here. 5 Q. How could aggressive judgment collection 6 tactics against First 100 be against the interests of 7 TGC/Farkas Funding, LLC? 8 A. Once again, you should have and should notice 9 Mr. Farkas' deposition, and then you can ask him all 10 the questions that you wish to ask. I will not respond 11 to questions that continuously and continually seek to 12 invalidate my obligation to any current or past client 13 as it relates to their expectation of confidence and 14 privacy. 15 Q. How did you determine that -- strike that. 16 Did you determine that there was a conflict 17 of interest between Matthew Farkas concerned about a 18 lawsuit being threatened against him by First 100 and 19 TGC/Farkas Funding, LLC and its interest in 20 aggressively enforcing its judgment rights? 21 A. I don't know what you're talking about. Is 22 there something in this document that says that? 23 Q. Can you listen to my question? 24 A. I have no idea what you're talking about. 25 Q. Did you determine that there was a conflict</p>
<p style="text-align: right;">103</p> <p>1 interlineations to that agreement. Other than that, I 2 could not proceed to say anything further without 3 violating the client's right to confidence. 4 Q. Who provided you my firm's retention 5 agreement with TGC/Farkas Funding, LLC? 6 A. A party that would be expecting 7 confidentiality. 8 Q. You're refusing to disclose who gave you 9 the -- 10 A. I don't want to violate any confidentiality. 11 So, you know, you have the obligation -- or you have 12 the right to depose Mr. Farkas. You can ask him or you 13 can ask Mr. Bloom. You can ask parties that hold the 14 privilege that I do not have the right to violate. So 15 you're free to depose other parties who have and hold 16 the right to waive the privilege and determine the 17 information from them. 18 Q. I'm not asking -- 19 A. But until then, ma'am, I said it again -- I'm 20 saying it now and I'll say it again, I'm not going to 21 violate the privilege and disclose communications of 22 persons or parties that were prior or current clients. 23 Q. It indicates in this paragraph that judgment 24 collection tactics against First 100 were never 25 discussed with or approved of beforehand by Mr. Farkas.</p>	<p style="text-align: right;">105</p> <p>1 of interest between Matthew Farkas and TGC/Farkas 2 Funding, LLC? 3 A. Say that one more time. 4 Q. Did you determine that there was a conflict 5 of interest between Matthew Farkas, individually, and 6 TGC/Farkas Funding, LLC? 7 A. Well, Matthew Farkas is the Farkas in 8 TGC/Farkas Funding, LLC, who was represented to be the 9 administrative member-manager. And if there is or if 10 there was an issue to be determined, I think that you 11 should probably address that to Mr. Farkas and his 12 attorney as to what that entails and what that 13 comprises, as well as the members of TGC/Farkas 14 Funding, LLC. 15 Q. It's a yes or no question. 16 A. When I knew that there was an amended 17 operating agreement, I terminated my representation. 18 And, more importantly, I wasn't involved in the 19 settlement negotiation. I wasn't involved in the 20 settlement discussions. I had nothing to do with any 21 of those matters whatsoever. So if there's an issue 22 with respect to Mr. Farkas' conduct, that is beyond the 23 scope of my involvement. 24 Q. Is the answer, no, you did not do an 25 analysis --</p>

<p style="text-align: right;">106</p> <p>1 A. The record is clear. And my answer is in the 2 record. Certainly, you can read it. 3 Q. The question asks for a yes or no. Did you 4 determine there was a conflict of interest between 5 Matthew Farkas, as an individual, and TGC/Farkas 6 Funding, LLC? 7 MS. BARRAZA: Objection. Asked and answered. 8 THE WITNESS: You just keep asking the same 9 question. I keep giving the same response. I recited 10 a scenario that I wasn't even aware of and you project 11 that on me as if I were aware of. And then you take 12 the scenario that I wasn't aware of, project it on me 13 and say, well, didn't you think there was a conflict. 14 I mean, with all due respect, your projections, your 15 impositions, have reached a point where there's, I 16 mean, it's beyond harassment, and you don't care. 17 BY MS. TURNER: 18 Q. Are you done? 19 A. You don't care. Ask Mr. Farkas. Ask 20 Mr. Farkas. His attorney is on this. Let Mr. Hogan, 21 who represents Mr. Farkas, let him produce his client 22 for you to depose. He holds the privilege, and he can 23 provide you with information. 24 But until I get a document from Mr. Farkas 25 signed by him attesting to his waiver, I'm not going to</p>	<p style="text-align: right;">108</p> <p>1 violate the confidence that is expected. So it states 2 what it states. 3 Q. Are you claiming a privilege -- are you 4 claiming a privilege over your communication with 5 Matthew Farkas or Jay Bloom? 6 A. Okay. One of the -- let me just -- one, 7 Mr. Farkas, and, two, Mr. Bloom. And as it relates to 8 this sentence, you need to address that, again, I am 9 not going to violate communications as it pertains to 10 the contents of this letter and the information 11 contained in the letter. The letter speaks for itself. 12 Q. So I want to understand. Your position as 13 counsel, when you sent this January 14th letter, you 14 acknowledged that TGC/Farkas Funding, LLC was 15 attempting to aggressively pursue judgment collection 16 against First 100; correct? 17 A. The letter speaks for itself. 18 Q. At the same time you acknowledge that 19 First 100 had a potential claim against Matthew Farkas 20 for breach of fiduciary duty as Mr. Farkas is still an 21 officer of First 100. As an -- as a Nevada licensed 22 attorney, you did not identify a conflict of interest 23 between Matthew Farkas and TGC/Farkas Funding as a 24 result of your communication set forth in that 25 paragraph of your January 14th letter? You didn't</p>
<p style="text-align: right;">107</p> <p>1 violate the confidences that he entrusted me with as 2 TGC/Farkas Funding, LLC administrative member-manager, 3 or personally. 4 Q. If you could go to the second page of 5 Exhibit 2, the top of the page where it references 6 "Mr. Farkas is still an officer of First 100." 7 Do you see that? 8 A. Where are you right now? 9 Q. Exhibit 2, page 2, at the top of the page, 10 the second line. 11 A. I do. I do see that. 12 Q. It says, "Mr. Farkas is still an officer of 13 First 100." 14 Do you see that? 15 A. "He is now at risk of a potential claim 16 against him by First 100 for breach of a fiduciary 17 duty, as Mr. Farkas is still an officer of First 100." 18 Correct. 19 Q. What is the basis for you saying that 20 Mr. Farkas is still an officer of First 100? 21 A. Well, again, are you asking me to impugn the 22 exchange of communication between myself and 23 Mr. Farkas? The letter states what it states. As to 24 anything else, I will not express. The letter states 25 what it states, but I am not going to impugn and</p>	<p style="text-align: right;">109</p> <p>1 identify any conflict of interest? 2 A. Well, Ms. Turner, I can ask you the same 3 question, couldn't I? Don't you identify a conflict if 4 you represent TGC/Farkas Funding LLC and Matthew Farkas 5 is a part of First 100? I can ask the same thing of 6 you. 7 Q. Sir, I wasn't representing -- 8 A. Oh, you weren't? You're not representing 9 TGC/Farkas? I think you are right now. 10 Q. I wasn't representing that First 100 had a 11 claim for breach of fiduciary duty, as Mr. Farkas is 12 still an officer of First 100 and he's concerned about 13 aggressive judgment collection because of this claim or 14 potential claim. You identified that. Did you 15 identify a conflict of interest? 16 A. What I identified here is set forth in the 17 letter. And is based upon -- and I don't want to 18 violate any communications that I've had with 19 Mr. Farkas. It's stated in the letter and it is what 20 it is. 21 Q. In your January 14th letter, you say, 22 "Enclosed is a substitution of counsel for Garman 23 Turner Gordon to execute immediately so as to ensure 24 smooth transition." 25 It is your position that you were directed by</p>

<p style="text-align: right;">110</p> <p>1 Matthew Farkas to substitute Garman Turner Gordon out 2 as counsel in this case? 3 A. Consistent with his letter to you dated 4 January 6, 2021, signed by him where he terminates you? 5 Q. In the letter purported to be written by 6 Matthew Farkas, denied under oath, you've reviewed 7 Matthew Farkas' declaration; correct? 8 A. No. Where is it? 9 Q. January 6th, 2021, this letter that was 10 purported to be written by him, it says, "Please be 11 advised that as a 50 percent member of TGC/Farkas 12 Funding, LLC, I no longer consent to Garman Turner 13 Gordon taking any further legal actions on behalf of 14 TGC/Farkas Funding, LLC." 15 You see that; right? 16 A. I do. 17 Q. And you came to the conclusion before sending 18 over a substitution of counsel that that was sufficient 19 to fire counsel, a 50 percent? 20 A. As I've disclosed repeatedly, an operating 21 agreement that identified him as the administrative 22 member-manager. Until I got your letter, wherein you 23 reference an amendment. And upon confirmation of such, 24 I terminated my representation. I did it as quickly as 25 possible to prevent any issues.</p>	<p style="text-align: right;">112</p> <p>1 potentially I think what I was expressing in that. 2 Q. You testified that you received the operating 3 agreement and the GTG retention agreement, although 4 you're refusing to identify the source of those 5 documents. You testified you received the January 6th, 6 2021, letter from Matthew Farkas, but you refuse to 7 identify the source of that document. 8 A. Say that one more time. Which one? 9 Q. The January 6, 2021, letter from 10 Matthew Farkas. 11 A. Right. So, yeah, communications that were 12 provided to me, they're communications from a past or 13 current client, and I maintain the privilege. Correct. 14 Q. Was there any other documents that were 15 provided to you that you relied on in determining who 16 had authority over TGC/Farkas Funding? 17 A. Well, again, January 6 letter, wherein 18 Mr. Farkas fires you and your firm, an operating 19 agreement that identified him as the administrative 20 member-manager. And then I found out that there was an 21 amendment and I terminated my relationship immediately. 22 I think -- I don't know what judge this matter is 23 before. I think that Judge Denton maybe, I think Judge 24 Denton would probably say, well, so as soon as you 25 learned what you believed was not true, you terminated</p>
<p style="text-align: right;">111</p> <p>1 Q. It says here, "In an effort to mitigate 2 damages, Mr. Farkas has resolved the TGC/Farkas v. 3 First 100 matter on behalf of TGC/Farkas, and a 4 courtesy copy of the fully-executed settlement 5 agreement is also enclosed herein." 6 We've already established you didn't even 7 have a copy of the fully-executed settlement agreement 8 when you sent this; correct? 9 A. As I indicated to you, I should not have 10 included that sentence because I didn't provide it. 11 Because I don't know at the time I had that, the 12 executed settlement agreement. It was an understanding 13 that I'd received that it was done and executed. 14 Again, I had nothing to do with it, was not involved in 15 it, didn't interpret it, didn't draft it, didn't 16 negotiate any component of it, zero. 17 Q. What damages were being mitigated with a 18 settlement? 19 A. I don't know. 20 Q. You say, "In an effort to mitigate damages." 21 What damages are you referring to? 22 A. As I sit here right now, just the 23 perpetuation of the relationship and the perpetuation 24 of the litigation as in violation of the instruction 25 that was given to GTG. As I sit here right now, that's</p>	<p style="text-align: right;">113</p> <p>1 the relationship? Yes? Well, you did exactly what you 2 should have done. 3 So I've answered this question a number of 4 times. There was apparent authority, a document 5 supported the apparent authority, a letter from the 6 person demonstrating to be the administrative 7 member-manager supported that. Then as soon as I found 8 out that not to be true, when I got your letter, I 9 ended the relationship. 10 MS. TURNER: Dylan, can you send Tab 1 and 11 Tab 2. And those will be the next exhibits in line, 12 Exhibit 4 and 5. If you could email those to counsel 13 so they can be printed out. 14 (Exhibit 4 was marked.) 15 (Exhibit 5 was marked.) 16 THE WITNESS: If we can -- once again, 17 there's no question pending. So if we could please 18 take a break so I can go to the restroom. Correct, 19 there's no question pending; correct? 20 MS. TURNER: There is no question pending. 21 THE WITNESS: Wonderful. I need to go to the 22 restroom. Thank you so much for your consideration. 23 (Whereupon, a recess was taken.) 24 BY MS. TURNER: 25 Q. If we could go to Exhibit 4, which is</p>

<p style="text-align: right;">114</p> <p>1 entitled Attorney Retainer Fee Agreement. Okay. This 2 attorney retainer fee agreement says, "I, 3 Matthew Farkas, managing member of TGC/Farkas, hereby 4 retains Raffi Nahabedian to represent client in 5 relation to business, a business dispute lawsuit 6 currently filed pending in Clark County, Nevada, Case 7 No. A-20-822273-C." 8 When was this fee agreement prepared? 9 A. When was it prepared? 10 Q. Yes, sir. 11 A. On or about, I guess, January 7. That's when 12 I signed it. So it was probably around that time. 13 Q. Did you present the agreement to Matthew in 14 person? 15 A. Communications were via email. 16 Q. And did you communicate the fee agreement to 17 Matthew Farkas by email? 18 A. I don't know how it was sent. It was sent 19 via email, but it might have been to multiple parties. 20 Q. Was it sent to Jay Bloom? 21 A. I sent it to multiple parties, which may have 22 included Mr. Farkas and Mr. Bloom. I'd have to go 23 back. As I recall, it was an email, and I got it back 24 via email. 25 Q. Other than my office, Matthew Farkas,</p>	<p style="text-align: right;">116</p> <p>1 THE WITNESS: My battery was dying so I had 2 to plug it in. So I didn't hear what you had to say. 3 BY MS. TURNER: 4 Q. It's gone now. 5 A. What happened? 6 Q. All right. I think I understand. 7 Did you go over the scope of the 8 representation with Matthew Farkas prior to sending 9 this retainer fee agreement? 10 A. I don't believe so. Which is why I sent a 11 subsequent document dated January 12th to make certain 12 it was understood. So one was just a fee agreement. 13 But the January 12, which is probably your Exhibit 5, 14 was sent to make certain the purpose was very clear and 15 understood. 16 Q. Is it your testimony that this representation 17 agreement was sent to Matthew Farkas and not through 18 Jay Bloom to Matthew Farkas? 19 A. One or the other. More than -- one or the 20 other. I would have to check, but -- but, yeah. 21 Q. Sitting here today, you don't know whether or 22 not you sent the legal representation agreement to 23 Jay Bloom to provide to Matthew Farkas? 24 A. It might have been to Jay and he was going to 25 get it to Matt, but I think it probably went from --</p>
<p style="text-align: right;">115</p> <p>1 Jay Bloom and MGA, was there anybody else you 2 communicated with regarding this case? 3 A. You mean, like, my wife? 4 Q. Regarding this case. 5 A. Like my wife, though, I mean... 6 Q. Yeah, anybody. 7 A. Well, I told my wife. I told my -- I mean, I 8 told Mr. Larsen. 9 Q. Okay. Anybody else? 10 A. State bar counsel. 11 Q. Okay. Anybody else? 12 A. I think that's about it. I may have 13 mentioned something to my kids, but more than likely 14 not. I mean, I have a rather precocious young 15 daughter, and she will, on occasion, say, you know, 16 what are you doing, and maybe I said something. 17 Q. Any email with Matthew Farkas, it would have 18 either been directly just him or in conjunction with 19 Jay Bloom? 20 A. Give me one second. I've got to plug my 21 computer in. 22 MS. TURNER: There's an echo we didn't have 23 before. Did something change? 24 MR. LARSEN: It's my computer. That's what's 25 doing it.</p>	<p style="text-align: right;">117</p> <p>1 you're talking about Exhibit 4, my retainer agreement. 2 Probably went to Jay and then to Matt. 3 Q. Do you see where there's a place for client 4 initials on the bottom of the page except for the last 5 page? 6 A. Yeah. I've always wanted to remove that, by 7 the way, just for your edification. I don't know. 8 Some of my clients see it. Some of them don't. I 9 don't distrust my clients to alter documents. But, 10 yeah, there's no client initial, but I never made that 11 a point of contention with my clients. 12 Q. So it wasn't your requirement that the client 13 execute where the lines were? 14 A. The client initials? Are you saying the 15 client initials? 16 Q. Yeah. 17 A. No, my requirement is that they sign the 18 retainer agreement. My requirement is that even though 19 it has the statement -- as of matter of fact, I'll be 20 completely frank with you, there are probably some 21 retainer agreements that go out and it doesn't even 22 have client initials. 23 Q. On the last page it says, Matthew Farkas. It 24 doesn't say, Matthew Farkas administrative member or 25 manager of TGC/Farkas Funding, LLC or TGC/Farkas</p>

<p style="text-align: right;">118</p> <p>1 Funding, LLC at all.</p> <p>2 A. The client part is defined "managing member</p> <p>3 of TGC/Farkas" at the top. And at the very -- the</p> <p>4 paragraph above it, it says, "I, client, have read and</p> <p>5 do understand the foregoing agreement, have the full</p> <p>6 right and authority to enter into this agreement."</p> <p>7 So I think that encompasses that.</p> <p>8 One of the screens -- is everybody's screen</p> <p>9 not working? Oh, Joe's is working.</p> <p>10 Ms. Turner, you're just, like, frozen.</p> <p>11 MR. GUTIERREZ: Ms. Turner, your screen has</p> <p>12 been frozen. We can hear you fine, but your screen has</p> <p>13 been frozen. I don't know if that's --</p> <p>14 MS. TURNER: Well, I've never -- you're</p> <p>15 probably better off.</p> <p>16 THE WITNESS: Dylan hasn't moved the whole</p> <p>17 entire deposition. Poor guy. Probably needs to go to</p> <p>18 the restroom. He's just sitting in his chair still.</p> <p>19 Or is that just a still picture of you, Dylan? No</p> <p>20 comment.</p> <p>21 BY MS. TURNER:</p> <p>22 Q. How do you know that Matthew Farkas received</p> <p>23 the full attorney retainer fee agreement?</p> <p>24 A. How do I know?</p> <p>25 Q. Yes.</p>	<p style="text-align: right;">120</p> <p>1 knowledge, you should always think that, oh, all the</p> <p>2 nefarious activities are going to take place and ensue.</p> <p>3 That's what you're saying. That's what you're trying</p> <p>4 to get me to acknowledge. And that's what your</p> <p>5 hypothetical, which is incomplete and without</p> <p>6 foundation, is expressing.</p> <p>7 Q. So you understood that Matthew Farkas was at</p> <p>8 risk of a potential claim against him by First 100, and</p> <p>9 you gave the manager or principal of First 100 the</p> <p>10 attorney retainer fee agreement and entrusted him to</p> <p>11 provide it to Matthew Farkas for execution; correct?</p> <p>12 A. Again, it's just a compendium of things you</p> <p>13 just like to lump together because you're looking for</p> <p>14 an answer that is going to be self-serving.</p> <p>15 Mr. Farkas, for the record, is Mr. Bloom's</p> <p>16 brother-in-law. Mr. Bloom, as I understand it, his</p> <p>17 wife is Mr. Farkas' sister. So, you know, I guess you</p> <p>18 would assume that people have and act with integrity</p> <p>19 and perform with integrity.</p> <p>20 And, I guess, had I learned at any point in</p> <p>21 the communication, without divulging confidences, that</p> <p>22 Mr. Farkas never received the retainer agreement or the</p> <p>23 January 12th letter, I would have immediately</p> <p>24 terminated the relationship even before receiving your</p> <p>25 letter of January, I think, 15th. Yes, January 15th,</p>
<p style="text-align: right;">119</p> <p>1 A. Well, I would assume that a client would tell</p> <p>2 you that they didn't. I would assume that any mature</p> <p>3 adult would say, oh, by the way, I didn't receive the</p> <p>4 document. But, again, it's speculation that you would</p> <p>5 think that someone would do something like that. But,</p> <p>6 you know, you get a document, you send a document</p> <p>7 that's four pages, you receive a document back with</p> <p>8 four pages. And then I send my January 12th letter and</p> <p>9 get it back. That's probably a question you should ask</p> <p>10 Matt.</p> <p>11 Q. So, Mr. Nahabedian, at the time you</p> <p>12 understood that First 100 was threatening to sue</p> <p>13 Mr. Farkas, and you trusted that Jay Bloom would</p> <p>14 provide the full and complete copy of the fee agreement</p> <p>15 to Matthew Farkas so that he understood he was</p> <p>16 executing on behalf of TGC/Farkas?</p> <p>17 A. Are you assuming facts not in evidence?</p> <p>18 Because I have no idea what you're referring to right</p> <p>19 now.</p> <p>20 Q. You knew, according to your --</p> <p>21 A. I didn't know anything.</p> <p>22 Q. Well, according to your --</p> <p>23 A. You're saying that because I knew something,</p> <p>24 that I should assume that something else was going to</p> <p>25 happen, and, therefore, because of your assertion of</p>	<p style="text-align: right;">121</p> <p>1 if I recall correctly. Because my letter was on the</p> <p>2 14th. Your letter is the day after. So I would have</p> <p>3 ended my relationship sooner, as the prudent thing to</p> <p>4 do.</p> <p>5 Q. You knew that Jay Bloom was threatening</p> <p>6 Matthew Farkas with potential -- with a potential</p> <p>7 lawsuit. At the same time, you were using Mr. Bloom as</p> <p>8 a conduit for communications with Matthew Farkas;</p> <p>9 correct?</p> <p>10 MR. GUTIERREZ: Objection. Misstates --</p> <p>11 THE WITNESS: Say that one more time, ma'am.</p> <p>12 Because you keep doing this. Go on, Joe. Sorry.</p> <p>13 MR. GUTIERREZ: Lacks foundation. Misstates</p> <p>14 testimony. And form of the question. Vague and</p> <p>15 ambiguous. There's no --</p> <p>16 THE WITNESS: It's the way you phrase things,</p> <p>17 which has absolutely no foundation in fact. But maybe</p> <p>18 if you had Mr. Farkas to provide you with the</p> <p>19 information, he could have provided it to you, but I</p> <p>20 can't provide it to you --</p> <p>21 But, you know, the understanding of a risk of</p> <p>22 a potential claim and -- is different than the</p> <p>23 utilization of your words and the manner in which you</p> <p>24 try to recreate an environment.</p> <p>25 And so, and I've said this, the letter says</p>

<p style="text-align: right;">122</p> <p>1 what it says. It's there. My January 14, 2021, 2 letter, Exhibit 2, along with Mr. Farkas' termination 3 letter, it's there. So it's in black and white. Later 4 on you can read it. Any type of hypothetical you want 5 to create or objection or nefarious understanding is 6 just beyond this deposition. And I'm not going to 7 engage in it. 8 BY MS. TURNER: 9 Q. So you assumed that when Mr. Farkas executed 10 your retainer fee agreement above the line that says 11 "Matthew Farkas" with no reference to TGC/Farkas 12 Funding, LLC, that that was a voluntary and informed 13 decision; is that correct? 14 MR. GUTIERREZ: Objection. Misstates 15 testimony. 16 THE WITNESS: Are you saying to me -- since 17 you're highlighting the "TGC/Farkas Funding, LLC," so 18 are you saying to me were I to find TGC/Farkas up in 19 the first sentence of my retainer agreement defining it 20 as client, and then my reference to client just above 21 his signature does not mean the same thing? 22 Because you continuously do this. You 23 continuously try to make it seem X when it's not. If 24 you read, "I, Matthew Farkas, managing member of 25 TGC/Farkas, client," and then down below, it says,</p>	<p style="text-align: right;">124</p> <p>1 how billing exercises work. This is just becoming so 2 harassing. What's the purpose? I mean, you're trying 3 to get something that doesn't exist. 4 As soon as I found out -- and I'm certain you 5 have my termination letter. If you have these things, 6 if you have my letter of January 12th and my retainer 7 agreement, I'm certain that you have my termination 8 letter. And I'm certain that he's waived the privilege 9 and provided you with these things, and you would see 10 that as soon as I found this stuff out, I ended the 11 relationship. 12 Q. If Matthew Farkas has sworn that this 13 retainer agreement was executed without him 14 understanding that it was executed on behalf of 15 TGC/Farkas Funding, LLC, would that surprise you? 16 A. Do you have a sworn declaration that you can 17 provide me? I mean, again, here you are with your 18 incomplete hypotheticals, referencing documents that 19 don't exist. And I'm supposed to just believe them as 20 true and give you an answer. What would the Judge do 21 if he was sitting here or she was sitting here? He 22 would say or she would say, do you have a document you 23 want to present him to read so he can understand where 24 you're coming up with this incomplete hypothetical 25 without foundation in fact.</p>
<p style="text-align: right;">123</p> <p>1 client, my client, which is a defined termed. So if 2 you want to stick with the truth and the facts, please 3 do. But if you want to do what you're doing, I won't 4 engage in it. It's harassing. It's degrading. It's 5 humiliating. 6 BY MS. TURNER: 7 Q. Do you assume that Matthew Farkas' signature 8 on this retainer fee agreement was voluntary and 9 informed? 10 A. So I will tell you that if I was to 11 understand differently, I would have been informed 12 differently. So it's not that I assumed anything. I 13 accepted the truth of the matter and I was not informed 14 to the contrary. 15 Q. You had no information to indicate that 16 Matthew Farkas' signature was not informed? 17 A. Asked and answered. 18 Q. You're refusing to answer? 19 A. Read my answer and you'll see the answer to 20 the second question which asks the first question just 21 with a little bit different twist to make it seem as if 22 it's a different question when it's one and the same. 23 Q. Sir -- 24 A. This is unbearable. I mean, this isn't even 25 enjoyable. I mean, I know and understand billing and</p>	<p style="text-align: right;">125</p> <p>1 Q. Except for a sworn declaration. 2 A. Which I don't have, ma'am. 3 Q. You've never seen the sworn declaration of 4 Matthew Farkas? 5 A. Why don't you give it to me? 6 Q. Have you ever seen the sworn declaration of 7 Matthew Farkas filed in this case? 8 A. No. Why don't you give it to me? Why don't 9 you provide it to my attorney, if you don't want to 10 give it to me. Because I don't have it. He doesn't 11 have it. 12 Q. How did you receive -- 13 A. You're sitting on it, and you're not 14 providing it, but you reference it as if I'm supposed 15 to have it. And you're referencing it like I'm 16 supposed to know what the contents are of it. 17 Q. How did you receive the attorney retainer fee 18 agreement with Matthew Farkas' signature on the last 19 page? 20 A. Asked and answered. I received it via email. 21 And received it in the form that you presented it. 22 Q. You received it in an email from Jay Bloom? 23 A. From either Jay and/or Matthew. I received 24 it in an email in the format where it was complete. 25 Q. Do you know where Matthew Farkas executed the</p>

<p style="text-align: right;">126</p> <p>1 fee agreement?</p> <p>2 A. I do not. Do you know where all your clients</p> <p>3 execute the fee agreements? Just out of curiosity.</p> <p>4 Q. I review my fee agreements with the client.</p> <p>5 I know that's not relevant, however.</p> <p>6 Now, if we could go to Exhibit 5. This is a</p> <p>7 January 12th, 2021, correspondence where you attempt to</p> <p>8 limit the scope of your representation; correct?</p> <p>9 A. No, it's not where I attempt to limit. It's</p> <p>10 where I actually limit. Right? I mean, I actually</p> <p>11 define it.</p> <p>12 Q. Sir, did you make sure that there was</p> <p>13 independent counsel involved in this agreement set</p> <p>14 forth at -- on January 12th, 2021?</p> <p>15 MR. GUTIERREZ: Objection. Irrelevant.</p> <p>16 THE WITNESS: Did I ask Matthew about it?</p> <p>17 BY MS. TURNER:</p> <p>18 Q. Did you ensure there was independent counsel</p> <p>19 involved in the preparation of an agreement to waive</p> <p>20 future or prospective liability?</p> <p>21 MR. GUTIERREZ: Object to the form of the</p> <p>22 question.</p> <p>23 THE WITNESS: I have no idea what you mean.</p> <p>24 I sent the letter out and I received the letter back</p> <p>25 signed. And once I received the letter back signed and</p>	<p style="text-align: right;">128</p> <p>1 But I sent it and I got it back with both signatures on</p> <p>2 it.</p> <p>3 Q. Did Jay Bloom obtain the signature of</p> <p>4 Matthew Farkas or did you --</p> <p>5 A. Maybe. I don't know. You're asking me to</p> <p>6 speculate or guess. I don't know.</p> <p>7 MR. GUTIERREZ: Calls for speculation.</p> <p>8 Objection.</p> <p>9 BY MS. TURNER:</p> <p>10 Q. Did you send the correspondence to</p> <p>11 Matthew Farkas via email at the same time you sent it</p> <p>12 to Jay Bloom?</p> <p>13 A. I would assume.</p> <p>14 Q. Do you know?</p> <p>15 A. As I sit here right now, no. That's why I</p> <p>16 say I assume.</p> <p>17 Q. How did you receive the signed -- or the</p> <p>18 signatures of Matthew Farkas and Jay Bloom?</p> <p>19 A. I got a receipt via email.</p> <p>20 Q. You received it via email from Jay Bloom</p> <p>21 containing both signatures; correct?</p> <p>22 A. I don't know where -- who it came from, but I</p> <p>23 received a document that had both signatures.</p> <p>24 Q. Did you review the contents of this</p> <p>25 January 12th, 2021, communication with Matthew Farkas</p>
<p style="text-align: right;">127</p> <p>1 then provided you with your letter on January 14th, to</p> <p>2 which you responded on January 15th, to which I then</p> <p>3 verified the facts of your letter on January 15th and</p> <p>4 terminated my relationship.</p> <p>5 BY MS. TURNER:</p> <p>6 Q. Sir, in connection with the January 12th</p> <p>7 letter that includes a prospective limit of liability</p> <p>8 against you from legal malpractice or violation of the</p> <p>9 Nevada rules of professional responsibility, you agree</p> <p>10 that has no validity without independent counsel;</p> <p>11 right?</p> <p>12 A. I don't know that. I don't know that. But</p> <p>13 if you want to provide me with the rules and the case</p> <p>14 law in support of your assertion, then I think we can</p> <p>15 have a discussion. But I sent this to a person who --</p> <p>16 to both parties and to have them both read it and</p> <p>17 substantively understand it and seek counsel to discuss</p> <p>18 it and to then provide it back to me.</p> <p>19 Q. Did you provide it, this January 12th</p> <p>20 correspondence, to Jay Bloom?</p> <p>21 A. I sent it to -- I mean, they both signed it</p> <p>22 so I probably sent it to both of them.</p> <p>23 Q. Did you send it to both of them at the same</p> <p>24 time?</p> <p>25 A. I would assume, but I don't know for certain.</p>	<p style="text-align: right;">129</p> <p>1 via telephone prior to asking him to sign it?</p> <p>2 A. Did I have a telephone conversation with him?</p> <p>3 I'm not going to disclose the substance of the</p> <p>4 communication or any substance of any telephonic</p> <p>5 communication, but it was understood the limitation of</p> <p>6 my responsibilities.</p> <p>7 Q. That's not my question.</p> <p>8 A. And I say that without violating the</p> <p>9 confidence because it's contained in my letter that you</p> <p>10 have a copy of.</p> <p>11 Q. My question is --</p> <p>12 A. My representation was always understood as</p> <p>13 defined in this letter.</p> <p>14 Q. My question is whether or not you reviewed</p> <p>15 the letter and its contents with Matthew Farkas prior</p> <p>16 to receiving his signature back?</p> <p>17 A. I don't know. That's why I gave you the</p> <p>18 answer I gave you. The substance of my representation</p> <p>19 was known, as contained in this letter.</p> <p>20 Q. So in the first paragraph of the letter, it</p> <p>21 says, "The purpose of this letter is to notify you and</p> <p>22 to obtain your informed consent to represent TGC/Farkas</p> <p>23 Funding, LLC."</p> <p>24 Is providing this letter the extent of your</p> <p>25 notification of the contents so that there would be</p>

<p style="text-align: right;">130</p> <p>1 informed consent?</p> <p>2 A. Well, the letter makes it very clear as to</p> <p>3 prior representation of First 100 and Mr. Bloom. And</p> <p>4 it defines these things and explains these things. And</p> <p>5 that was also reflected in expressions as well that</p> <p>6 were consistent with the contents of this letter. So</p> <p>7 since the letter is before you, I will tell you that</p> <p>8 these are similar to expressions that were understood,</p> <p>9 if that answers your question.</p> <p>10 Q. Expressions that were understood by whom?</p> <p>11 A. By the party -- the parties that needed to</p> <p>12 understand them, as this document bears the signature.</p> <p>13 Q. And how were these expressions made?</p> <p>14 A. I just told you that the contents of this</p> <p>15 letter and -- the contents of this letter are</p> <p>16 consistent with expressions that were made orally, but</p> <p>17 I will not go into those discussions. But since you</p> <p>18 have the letter, this letter and its contents are</p> <p>19 reflective of the understanding.</p> <p>20 Q. Were those oral expressions between you and</p> <p>21 Matthew alone or you and Matthew and Jay together?</p> <p>22 A. They were interactions between myself, and</p> <p>23 since you have the document and it bears Mr. Farkas'</p> <p>24 signature, they're interactions that reflects this</p> <p>25 document.</p>	<p style="text-align: right;">132</p> <p>1 argumentative. I'm asking you a question. You and I</p> <p>2 have never spoken before. We've had written</p> <p>3 communications. They say what they say. And this is</p> <p>4 our first oral communication. It's being transcribed.</p> <p>5 There is nothing else.</p> <p>6 I'm asking you a question. Do you believe</p> <p>7 you had an obligation to provide TGC/Farkas Funding,</p> <p>8 LLC prompt notice of matters requiring informed</p> <p>9 consent?</p> <p>10 A. Actually, that's a different question.</p> <p>11 That's a very different question. However, I'm dealing</p> <p>12 with the person who purported to be the administrative</p> <p>13 member-manager, and I'm interacting with the person who</p> <p>14 is purporting to be the administrative member-manager</p> <p>15 as reflected in an operating agreement. And upon</p> <p>16 notification of the fact that there was an amendment to</p> <p>17 the operating agreement, the relationship ended.</p> <p>18 Q. Okay. Move to strike as nonresponsive.</p> <p>19 You're still being obstreperous and arguing with me.</p> <p>20 My question is --</p> <p>21 A. It was fully responsive. It addressed and</p> <p>22 answered your question. I answered you fully. I</p> <p>23 answered you fully; okay.</p> <p>24 Q. Do you believe you had an obligation --</p> <p>25 A. I dealt with the administrative member who</p>
<p style="text-align: right;">131</p> <p>1 Q. All right. Now, you have an obligation to</p> <p>2 provide prompt notice of matters requiring informed</p> <p>3 consent; correct?</p> <p>4 A. Say that again.</p> <p>5 Q. You have an obligation to provide prompt</p> <p>6 notice of matters requiring informed consent?</p> <p>7 A. Okay. So where is this obligation that</p> <p>8 you're referring to?</p> <p>9 Q. Do you disagree that you have an</p> <p>10 obligation --</p> <p>11 A. No, no, no. You asked me a question. I have</p> <p>12 no idea what you're referring to so I am not going to</p> <p>13 buy into what you believe is X. Every communication</p> <p>14 that you had, I read it as if you were this authority</p> <p>15 out there that had the ability to create doctrine that</p> <p>16 we must accept. If you look at my communications back</p> <p>17 to you, I asked for authority over and over and over</p> <p>18 again, and were provided none. But I was berated by</p> <p>19 you to accept your proclamations as valid and true.</p> <p>20 You're doing it here again.</p> <p>21 Do you have something that you can provide me</p> <p>22 that's going to support your assertion? Because if you</p> <p>23 do, please provide it. Until then, I will decline to</p> <p>24 answer your assertion.</p> <p>25 Q. Sir, I find you obstreperous. I find you</p>	<p style="text-align: right;">133</p> <p>1 represented himself to be the administrative</p> <p>2 member-manager. And informed consent coming from the</p> <p>3 administrative member-manager who was instructing, and</p> <p>4 I'm to understand what to do as reflected in this</p> <p>5 document, and was performing in that capacity on those</p> <p>6 instructions predicated on a letter that he sent</p> <p>7 terminating your firm and you as counsel. When I</p> <p>8 learned that that was not, in fact, true, or the</p> <p>9 reality, I terminated the representation. That's the</p> <p>10 answer to your question.</p> <p>11 Q. It wasn't, so we'll ask it again.</p> <p>12 A. Same answer.</p> <p>13 Q. Do you believe you had an obligation to</p> <p>14 provide TGC/Farkas Funding, LLC prompt notice of</p> <p>15 matters requiring informed consent prior to</p> <p>16 termination?</p> <p>17 MR. GUTIERREZ: Objection. Asked and</p> <p>18 answered.</p> <p>19 THE WITNESS: Asked and answered. I was</p> <p>20 dealing with a person who purported to be the apparent</p> <p>21 administrative member-manager. And by the terms of the</p> <p>22 operating agreement, that person had the authority to</p> <p>23 do what he did as reflected in his January 6th letter</p> <p>24 to you terminating you and GTG law firm.</p> <p>25 Asked and answered. I've said it again and</p>

<p style="text-align: right;">134</p> <p>1 I'll say it again. You don't like the answer, but that 2 is the answer. Let the Judge decide. Let the Judge 3 decide. And let the Judge see my answer. I've 4 answered it. That is the answer. 5 When I learned through your communication 6 that there was an amendment, I terminated the 7 relationship. You're creating something here that 8 simply doesn't exist. I'm not the person that -- I'm 9 not your target, but, for some reason, you think this 10 is the direction you need to go. If you have these 11 documents, then perhaps you should go to the person 12 these documents were presented to; okay? 13 BY MS. TURNER: 14 Q. Sir, in order to narrow a scope of 15 representation, you understand you have an obligation 16 to obtain informed consent to that limitation; right? 17 A. When I have a signature from Mr. Farkas on a 18 letter dated January 12th of 2021, which reflects the 19 information that was germane -- if I didn't receive 20 that signature from Mr. Farkas, who at the time was 21 the -- was operating and disclosed as the apparent 22 administrative member-manager, if I didn't obtain that 23 signature, there is nothing that would have gone 24 forward and nothing that would have been had. 25 So in terms of the person purporting to be</p>	<p style="text-align: right;">136</p> <p>1 understanding. We don't have to get into 2 Matthew Farkas'. I'm asking about your understanding. 3 A. Ma'am -- 4 Q. Now, do you understand -- 5 A. Did you not reference a sworn affidavit and 6 then ask me if I have seen it? 7 Q. Yes. 8 A. Yes. Have you failed to provide it? 9 Q. I don't have an obligation to provide it. I 10 asked you if you had seen it? 11 A. Right. But you want to reference it to 12 somehow disparage my testimony to make something appear 13 to be something which it is not. I mean, seriously. 14 How professional and ethical is that? 15 Q. You're arguing again. You're obstreperous. 16 You're argumentative. Let's go on. 17 A. What are you? I'm obstreperous? Listen to 18 you. You reference a sworn affidavit asking if I've 19 seen it, then use the testimony in there against me 20 when I say I haven't see it, make it appear that you're 21 going to be providing it to my counsel, which you 22 refuse to do now, and you want to go on and call me 23 obstreperous. 24 If you were sitting here, okay, one, I'm not 25 obstreperous. Two, your questioning is harassing and</p>
<p style="text-align: right;">135</p> <p>1 the administrative member-manager signing a document 2 which reflected the scope of the representation, I 3 understood that to be Mr. Farkas', as the 4 administrative member and manager, informed consent as 5 to the contents of the document. 6 Q. And you don't have any other information to 7 indicate there was informed consent beyond the 8 signature of Matthew Farkas? 9 A. Other than him never invalidating this 10 document and his signature? I don't understand your 11 question. 12 Q. Is that all that you have -- 13 A. He's never said to me -- I've never heard 14 anything saying, oh, by the way, your January 12th 15 letter, that's completely not me. I don't understand 16 what your question is. I've never had any refutation 17 of this document. It's never been refuted. And if you 18 have a declaration that you have yet and continuously 19 failed to provide, even though we've asked for it, 20 unless Mr. Ciciliano has provided it, but maybe you've 21 instructed him not to provide it, but I would love to 22 see this declaration to see what has been said so I can 23 understand what's been expressed contrary to what my 24 understanding is based upon the information I have. 25 Q. Sir, I'm just asking you about your</p>	<p style="text-align: right;">137</p> <p>1 has been so -- it's so misplaced, it's unbelievable. 2 You're trying to create something that doesn't exist. 3 But it's something that you want to do so please go 4 ahead and do it. 5 I terminated my relationship as soon as I 6 found out what you had represented in your January 15th 7 correspondence. 8 MR. GUTIERREZ: Counsel, how much longer do 9 you plan on going with this deposition? It's already 10 been three and a half hours, and it's almost 5:00 11 o'clock. 12 MS. TURNER: It hasn't been three and a half 13 hours because of the breaks. We have the court 14 reporter timing it. But we're entitled to seven hours. 15 MR. GUTIERREZ: Right. But it's 4:30 on 16 Friday. I have to pick up my daughter. I want to make 17 sure I know how long you're planning on going. 18 MS. TURNER: What time do you have to pick up 19 your daughter? 20 MR. GUTIERREZ: At 5:00 o'clock from her 21 daycare. Do you want me to give you that information, 22 too, Counsel? Or can you just have -- 23 MS. TURNER: No. I'm asking when you need to 24 leave because that's the first time I've heard that. 25 MR. GUTIERREZ: I didn't know I had to tell</p>

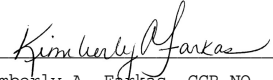
<p style="text-align: right;">138</p> <p>1 you my child's schedule, Counsel.</p> <p>2 THE WITNESS: I don't think anybody thought</p> <p>3 this was going to be three hours.</p> <p>4 MR. GUTIERREZ: I sent you an email earlier</p> <p>5 in the week asking if this was going to be one or</p> <p>6 two --</p> <p>7 MS. TURNER: And I actually said we might</p> <p>8 have to have two --</p> <p>9 MR. GUTIERREZ: Ms. Turner, let me finish.</p> <p>10 You never said once in your email this was going to go</p> <p>11 past 5:00 o'clock, not once in your email.</p> <p>12 MS. TURNER: I beg to differ.</p> <p>13 MR. GUTIERREZ: So why don't you have some</p> <p>14 professional courtesy. If you're going to wrap this up</p> <p>15 before 5:00, let's do it. If you need to continue it,</p> <p>16 we'll continue it.</p> <p>17 MS. TURNER: Mr. Gutierrez, I'm asking you</p> <p>18 what time you need to leave, as a professional</p> <p>19 courtesy --</p> <p>20 MR. GUTIERREZ: I said 5:00 o'clock.</p> <p>21 MS. TURNER: -- so we don't go over it, and</p> <p>22 we can stop so you can go pick up your daughter.</p> <p>23 Nobody is telling you we're not. In my email to you I</p> <p>24 said, I don't know that we'll finish on Friday; we</p> <p>25 might have to do a second day.</p>	<p style="text-align: right;">140</p> <p>1 it -- "merely ceremonial." Because he wasn't asking</p> <p>2 for any, you know -- based on a pre-negotiated,</p> <p>3 pre-executed settlement and release agreement, prior to</p> <p>4 and without any of my involvement or representation.</p> <p>5 I mean, and then I say, "If there's an actual</p> <p>6 conflict, then I will be forced to terminate my</p> <p>7 representation and it will be necessary for TGC/Farkas</p> <p>8 to hire another lawyer."</p> <p>9 Which, once I found out there was an actual</p> <p>10 conflict, I did. I read the rules. Based on the</p> <p>11 rules, I drafted this letter. Based on the instruction</p> <p>12 when I called the state bar, I drafted this letter.</p> <p>13 Q. You thought it was appropriate to provide</p> <p>14 Jay Bloom a description of your assignment from</p> <p>15 Matthew Farkas on behalf of TGC/Farkas Funding, LLC, as</p> <p>16 set forth in your January 12th, 2021, letter?</p> <p>17 A. Do I think it was a violation of including</p> <p>18 Mr. Bloom in this description when I needed Mr. Bloom's</p> <p>19 signature as a waiver, as well, and the fact that</p> <p>20 whatever representation -- these two people, Mr. Bloom</p> <p>21 and Mr. Farkas, signed and negotiated and drafted a</p> <p>22 settlement agreement. And based upon that, Mr. Farkas</p> <p>23 was looking for an attorney to do a substitution of</p> <p>24 counsel and to do the work that he's requesting, which</p> <p>25 is all a part of, if I'm understanding the settlement</p>
<p style="text-align: right;">139</p> <p>1 MR. GUTIERREZ: I agree. Then that's fine.</p> <p>2 At this stage, are you looking at 20 minutes or 30</p> <p>3 minutes, then that's one thing. But if you have</p> <p>4 another two hours, then that's all I want to make sure.</p> <p>5 So we're all on the same page.</p> <p>6 BY MS. TURNER:</p> <p>7 Q. Mr. Nahabedian, there was a conflict of</p> <p>8 interest with your representation of TGC/Farkas</p> <p>9 Funding, LLC and Jay Bloom at the same time; right?</p> <p>10 A. No.</p> <p>11 Q. Why not?</p> <p>12 A. Okay. Now, you understand that my letter, in</p> <p>13 compliance with the rules, states that there is a</p> <p>14 representation of Mr. Bloom in a completely unrelated</p> <p>15 matter that has nothing to do with the matter before us</p> <p>16 right here today. And that my letter says that, based</p> <p>17 upon what you're asking me to do, okay, based upon what</p> <p>18 you're asking me to do, that this other representation</p> <p>19 and what you're asking me to do, there's not a conflict</p> <p>20 and if there is a conflict, then you don't have to</p> <p>21 retain my services.</p> <p>22 And I'm saying to him that, are you willing</p> <p>23 to accept this based upon the narrow and limited scope</p> <p>24 of your requested representation, which is set forth in</p> <p>25 my letter. I mean, I even use the word -- what is</p>	<p style="text-align: right;">141</p> <p>1 agreements correctly, was all part of that as I had</p> <p>2 been informed by the parties.</p> <p>3 So based upon the obvious elements that I</p> <p>4 just expressed, not of personal divulgence of</p> <p>5 information, but just the obviousness of this, it was</p> <p>6 insistent. There's nothing in this letter that I was</p> <p>7 divulging to Mr. Bloom that was a violation. It was</p> <p>8 just like, this is all I'm doing.</p> <p>9 Q. On behalf of TGC/Farkas Funding?</p> <p>10 A. On behalf of the request to dismiss the case.</p> <p>11 You can read it however you want. It's black and</p> <p>12 white. The document speaks for itself.</p> <p>13 Q. Where in the January 12th, 2021, email -- or</p> <p>14 letter do you disclose your current representation of</p> <p>15 Jay Bloom?</p> <p>16 A. Right here. "In this regard, I informed you</p> <p>17 that I represented First 100."</p> <p>18 It's in the second paragraph. "Or its</p> <p>19 derivative entities, as well as represented and</p> <p>20 represent Mr. Jay Bloom."</p> <p>21 Q. How is TGC/Farkas Funding, LLC to determine</p> <p>22 whether or not there's a substantial relationship</p> <p>23 between your representations of Jay Bloom and</p> <p>24 TGC/Farkas Funding, LLC based on that paragraph?</p> <p>25 MR. GUTIERREZ: Objection. Calls for</p>

<p style="text-align: right;">142</p> <p>1 speculation. And form. Vague and ambiguous.</p> <p>2 THE WITNESS: It had to do with the</p> <p>3 understanding of the -- if I'm not mistaken, and I'm</p> <p>4 not going to divulge -- there's -- it's public record.</p> <p>5 There's a lawsuit that pertains to the Las Vegas Motor</p> <p>6 Speedway. That's a matter of public record and it's a</p> <p>7 matter of public record which I believe that the</p> <p>8 parties in this matter were and are aware of. And that</p> <p>9 was the understanding as to the current representation.</p> <p>10 BY MS. TURNER:</p> <p>11 Q. There's nothing in this letter --</p> <p>12 A. If you need me to -- if you need me to</p> <p>13 include the case number, and then that would have cured</p> <p>14 the issue that you're trying to raise right now, that</p> <p>15 is undeniably the understanding that was expressed.</p> <p>16 Q. So is it your testimony that Matthew Farkas</p> <p>17 was provided the case number?</p> <p>18 A. No, I never said that. I said if you needed</p> <p>19 me to include the case number in this document to</p> <p>20 resolve your issue, then, you know, that resolves your</p> <p>21 issue. That way -- the case number, which is a case</p> <p>22 that I'm certain he is aware of, and his attorney can</p> <p>23 attest to that, whether he wants to divulge it or not,</p> <p>24 but that was exactly what was understood and was</p> <p>25 represented in that capacity where it was represented</p>	<p style="text-align: right;">144</p> <p>1 Can you tell me what derivative identities</p> <p>2 you're referring to?</p> <p>3 A. Yeah. Well, 1st 100, LLC, there's, like, one</p> <p>4 where it's the number "1" with an "ST," you know, like</p> <p>5 in the abbreviated sense. So that's what it means;</p> <p>6 right? So it's First, F-I-R-S-T, 100. Then there's</p> <p>7 the number "1" with the "ST;" right, 100, LLC. And</p> <p>8 then there's, I think it's like, spelled out, "Hundred"</p> <p>9 with a "First." There's different writings of the</p> <p>10 First 100, LLC. That's what it was referring to.</p> <p>11 Q. What is your understanding of the</p> <p>12 relationship between First 100, First, spelled out,</p> <p>13 100, number, LLC, and 1st, 1-S-T?</p> <p>14 A. Absolutely no clue.</p> <p>15 MR. GUTIERREZ: Objection.</p> <p>16 Anything that calls for attorney/client</p> <p>17 privilege on behalf of First 100, don't answer.</p> <p>18 THE WITNESS: I have no idea, anyway. I</p> <p>19 mean, literally, I have no clue. To me, I think I</p> <p>20 probably just thought they were all the same. I don't</p> <p>21 know. I have no idea.</p> <p>22 BY MS. TURNER:</p> <p>23 Q. Who's the principal of First 100, no matter</p> <p>24 which way you spell it, that you have had as your</p> <p>25 client constituent when you have represented those</p>
<p style="text-align: right;">143</p> <p>1 to Mr. Jay Bloom, it was understood as that Las Vegas</p> <p>2 Motor Speedway case.</p> <p>3 Q. You understood that at the time of this</p> <p>4 correspondence, there was pending contempt proceedings</p> <p>5 against Jay Bloom in this action?</p> <p>6 A. In this action?</p> <p>7 Q. Yeah.</p> <p>8 A. No, I don't know if I saw that. I don't</p> <p>9 believe so.</p> <p>10 Q. You didn't know that there was pending</p> <p>11 contempt proceedings against Jay Bloom in this action</p> <p>12 at the time of this letter?</p> <p>13 A. Not -- no. No. He's in contempt for what?</p> <p>14 I didn't know Jay was in contempt.</p> <p>15 MR. GUTIERREZ: For the record, Jay is not a</p> <p>16 party to the case, and we're obviously objecting to him</p> <p>17 being named individually.</p> <p>18 BY MS. TURNER:</p> <p>19 Q. My question was you didn't know there was</p> <p>20 pending contempt proceedings against Jay Bloom in this</p> <p>21 action?</p> <p>22 A. And I answered it. I said, no.</p> <p>23 Q. Okay. In that second paragraph of this</p> <p>24 January 12th letter, you referred to First 100, LLC or</p> <p>25 its derivative identities.</p>	<p style="text-align: right;">145</p> <p>1 entities?</p> <p>2 MR. GUTIERREZ: Objection to form.</p> <p>3 THE WITNESS: So -- well, so as I've written</p> <p>4 it here, First 100, LLC, because that's the manner in</p> <p>5 which I have it in my head, Mr. Bloom is one of the</p> <p>6 principals.</p> <p>7 BY MS. TURNER:</p> <p>8 Q. When you represented First 100 or its</p> <p>9 derivative entities, identities that you just testified</p> <p>10 to, was your -- was Jay Bloom your only client contact?</p> <p>11 A. Yeah, I don't know. I believe so. There</p> <p>12 might have been somebody else that I've interacted with</p> <p>13 in the past, but I could not even recall their name.</p> <p>14 And, again, I want to make clear that if you go back to</p> <p>15 your Exhibit 1, notwithstanding there's a lot of cases</p> <p>16 there that say First 100, I want to be very clear that</p> <p>17 First 100 here does not mean the First 100 on</p> <p>18 Exhibit 1.</p> <p>19 The First 100 on Exhibit 1, as expressed, are</p> <p>20 matters that a company by the name Kal-Mor USA, LLC,</p> <p>21 whose managing member is Greg Darroch, I inherited</p> <p>22 those cases and that caption was already there and in</p> <p>23 place. And there were several instances where the</p> <p>24 Judges, because we were settling the case, never cared</p> <p>25 if we changed the caption. The captions just stayed</p>

<p style="text-align: right;">146</p> <p>1 the same because of the resolution of the case upon my 2 involvement with them. So those cases are not, to be 3 understood, those were Kal-Mor USA, LLC cases. Just 4 want to be very clear about that. 5 Q. Have you represented GFY Management, LLC? 6 A. That's one of Greg's companies, Greg Darroch. 7 It has nothing to do with this case. 8 Q. You understand that Mr. Darroch has or had a 9 membership interest in First 100? 10 MR. GUTIERREZ: Objection. Relevance. 11 THE WITNESS: I'm not going to disclose any 12 communications between myself and Mr. Darroch because I 13 continue to assert privilege on behalf of current and 14 past clients. If there's a matter of public record, 15 provide it to me so I can look at it so I can verify 16 what is set forth in the public record. Other than 17 that, I am not going to disclose or divulge any 18 communications I've had with past or current clients. 19 BY MS. TURNER: 20 Q. Did you negotiate any resolution between 21 Mr. Darroch and First 100? 22 A. I have no idea what you're talking about so 23 incomplete hypothetical. Do you have a case? Do you 24 have a lawsuit? Do you have something? 25 Q. My question is did you negotiate any</p>	<p style="text-align: right;">148</p> <p>1 Q. Let me break it down for you. 2 A. I don't know what you're talking about. 3 Q. I'll break it down. 4 A. So if I don't know what you're talking about 5 means no, then it's, no. But I don't know what you're 6 talking about. 7 Q. Sir, I'll break it down for you and I'll talk 8 real slow. 9 A. Thank you so much for patronizing me. I 10 appreciate that. I've only done this for 25 years. 11 Q. I'm trying to help you. You said you didn't 12 understand what I was talking about. So... 13 MR. GUTIERREZ: Well, my objection with your 14 question still stands. So maybe rephrase it. 15 BY MS. TURNER: 16 Q. First 100 is an LLC and it has members. And 17 TGC/Farkas Funding, LLC is asserting rights as a member 18 of First 100, LLC in this case. Have you 19 represented -- 20 A. I thought you were asking me about GFY and 21 Kal-Mor. Are you changing it? 22 Q. Can you listen to me? I'm restating it. 23 MR. GUTIERREZ: You're misstating your prior 24 question. Your prior question was regarding GFY. 25 THE WITNESS: Her prior question was about</p>
<p style="text-align: right;">147</p> <p>1 resolution between Mr. Darroch and First 100, and I'll 2 specify, related to Mr. Darroch's membership interest 3 in First 100? 4 MR. GUTIERREZ: Objection. Relevance. 5 Outside the scope. 6 MS. TURNER: There is no scope. 7 THE WITNESS: Not only that, I have no idea 8 what you're referring to. I don't even know what 9 you're talking about. 10 BY MS. TURNER: 11 Q. Have you ever represented any membership 12 interest adverse to First 100? 13 MR. GUTIERREZ: Objection to form. 14 THE WITNESS: Again, I have no idea what 15 you're talking about. 16 BY MS. TURNER: 17 Q. It's a yes or no question. Do you know what 18 a membership interest -- 19 A. I don't know what you're talking about 20 though. 21 Q. An LLC? 22 A. You're asking me about a membership interest 23 in an entity that -- you're asking me a question that I 24 don't even understand what you're talking about. So 25 how is it that I'm supposed to answer?</p>	<p style="text-align: right;">149</p> <p>1 GFY and between Greg and First 100. Now she's talking 2 about Farkas. Okay. 3 BY MS. TURNER: 4 Q. Do you understand that TGC/Farkas Funding, 5 LLC is a member of First 100? 6 A. Do I understand that they are a member -- 7 well, I don't want to go into the communications that 8 took place. So if that's a matter of public record, 9 the public record speaks for itself. 10 Q. Do you have an understanding of whether or 11 not TGC/Farkas Funding is a member of First 100 and is 12 enforcing its membership rights against First 100? 13 A. Since you're the attorney for TGC/Farkas 14 Funding, LLC, I'll defer to your judgment and what 15 you're trying to make me attest to. 16 Q. Have you ever made a demand or claim against 17 First 100 on behalf of any of its members? 18 A. So -- so I don't know who their members are, 19 one. If you have -- so on behalf of any -- again, I 20 don't want to get into divulging confidences between 21 myself and Mr. Darroch to express to you any demands 22 that Mr. Darroch may have had or may not have had as it 23 relates to First 100. But if you have a document you 24 want to provide me to, you know, document your 25 position, that would be great to see.</p>

<p style="text-align: right;">150</p> <p>1 As it relates to TGC/Farkas Funding, if</p> <p>2 you're asking me if I made any demands on behalf of</p> <p>3 them, that was never an instruction for me to make a</p> <p>4 demand on behalf of them. It wasn't part of my scope.</p> <p>5 My scope is defined in my January 12th letter. And in</p> <p>6 my January 12th letter, I told you what the scope of my</p> <p>7 representation is. What you're asking me is not</p> <p>8 contained in that document, so, therefore, it's not</p> <p>9 part of my scope. So, therefore, I did not do it. And</p> <p>10 I'm saying that not violating confidences because that</p> <p>11 is not contained in my January 12th letter.</p> <p>12 Q. Did Kal-Mor receive an interest in formerly</p> <p>13 First 100 assets?</p> <p>14 MR. GUTIERREZ: Objection. Outside the</p> <p>15 scope. Relevance.</p> <p>16 THE WITNESS: Sorry, Joe. Say it, Joe. I'll</p> <p>17 wait.</p> <p>18 MR. GUTIERREZ: Completely outside the scope</p> <p>19 of this deposition. You're asking about something</p> <p>20 five years ago. And as we're talking a limited scope,</p> <p>21 Counsel, for this deposition and it's evidentiary, the</p> <p>22 scope should be limited to six weeks. Unbelievable.</p> <p>23 BY MS. TURNER:</p> <p>24 Q. Did Kal-Mor receive an interest in First 100</p> <p>25 assets?</p>	<p style="text-align: right;">152</p> <p>1 record. I don't know. I'm not going to divulge any</p> <p>2 communications with my client as it relates to</p> <p>3 something that you're whimsically creating because</p> <p>4 you're trying to be fanciful with your litigation</p> <p>5 skills.</p> <p>6 BY MS. TURNER:</p> <p>7 Q. Are you refusing to answer?</p> <p>8 A. That's it. That's your answer. I don't know</p> <p>9 what you're talking about.</p> <p>10 Q. Are you refusing to answer?</p> <p>11 A. I don't even know what you're asking.</p> <p>12 Q. What consideration was paid in exchange for</p> <p>13 Kal-Mor's rights in the First 100 assets?</p> <p>14 A. One, it's attorney/client privilege. I will</p> <p>15 not violate the attorney/client privilege as it relates</p> <p>16 to Kal-Mor and Greg Darroch. Final answer.</p> <p>17 Q. January 12th, 2021, the second paragraph, you</p> <p>18 indicate that TGC/Farkas Funding, LLC, its manager, as</p> <p>19 defined in the operating agreement, met with and</p> <p>20 negotiated with Mr. Bloom.</p> <p>21 What is your basis for the statement that</p> <p>22 Mr. Farkas negotiated with Mr. Bloom?</p> <p>23 A. Well, that was my understanding. It's right</p> <p>24 there. I mean, the letter speaks for itself. The</p> <p>25 words are very clear and understandable. It was my</p>
<p style="text-align: right;">151</p> <p>1 MR. GUTIERREZ: Same objection. And</p> <p>2 badgering the witness and harassing the witness.</p> <p>3 BY MS. TURNER:</p> <p>4 Q. Are you refusing to answer?</p> <p>5 A. Whatever is contained in the public record is</p> <p>6 what I'll divulge to you. Kal-Mor is a business</p> <p>7 enterprise. And Kal-Mor acquired certain interests</p> <p>8 from certain enterprises. And those interests were</p> <p>9 acquired by Kal-Mor. I represented Kal-Mor. And</p> <p>10 whatever those interests may have been and how they</p> <p>11 existed are potentially reflected in Exhibit 1, where</p> <p>12 I've repeatedly said to you that there's First 100</p> <p>13 name; however, Kal-Mor became the party in interest and</p> <p>14 took the case over. And I litigated the matter on</p> <p>15 behalf of Kal-Mor, even though it said First 100.</p> <p>16 That's a matter of public record.</p> <p>17 Q. What consideration was provided to First 100</p> <p>18 to take over these positions in the litigation?</p> <p>19 MR. GUTIERREZ: Objection. Harassing the</p> <p>20 witness. Outside the scope of the deposition.</p> <p>21 THE WITNESS: I don't know where you're going</p> <p>22 anymore. I mean, we probably should come back because</p> <p>23 you're going to make this as long as you can possibly</p> <p>24 make it. It's obvious. What does Kal-Mor have to do</p> <p>25 with this? And I don't know. It's on the public</p>	<p style="text-align: right;">153</p> <p>1 understanding -- it's per my understanding that you, as</p> <p>2 an operator representative, as defined in the operating</p> <p>3 agreement, met with and negotiated with Mr. Bloom.</p> <p>4 XYZ. I mean, that's what I understood. It's in the</p> <p>5 letter. It speaks for itself. I will attest to the</p> <p>6 fact that that was my understanding.</p> <p>7 Q. Sir, I asked what the factual basis for your</p> <p>8 understanding was. And you answered, my understanding.</p> <p>9 What is the factual basis --</p> <p>10 A. The factual basis of the information that was</p> <p>11 presented to me, as I understood during my very</p> <p>12 short-lived representation and involvement in this</p> <p>13 matter, was that that was the case and that there was a</p> <p>14 settlement agreement that was created by these two</p> <p>15 individuals such that the matter was resolved.</p> <p>16 Q. Who drafted the settlement agreement?</p> <p>17 A. I don't know.</p> <p>18 Q. You never asked?</p> <p>19 A. If I did ask, I probably would again raise</p> <p>20 the privilege and let you ask one of them to divulge</p> <p>21 who drafted the settlement agreement. But I will tell</p> <p>22 you this, I don't know.</p> <p>23 Q. What information was provided to you for you</p> <p>24 to obtain an understanding that Mr. Farkas negotiated</p> <p>25 anything with Mr. Bloom, let alone that settlement</p>

<p style="text-align: right;">154</p> <p>1 agreement?</p> <p>2 MR. GUTIERREZ: Objection. Asked and</p> <p>3 answered.</p> <p>4 THE WITNESS: Again, I mean, it's just so</p> <p>5 harassing. I mean, this deposition has gone on four</p> <p>6 hours too long because you've asked the same question.</p> <p>7 Asked and answered.</p> <p>8 BY MS. TURNER:</p> <p>9 Q. What information? Give me the information.</p> <p>10 That's nowhere in your response. What information --</p> <p>11 A. Information is the -- as conveyed to me -- I</p> <p>12 can't violate the attorney/client privilege. I'm not</p> <p>13 going to violate the attorney/client privilege because</p> <p>14 you're going to be continuously badgering me to try to</p> <p>15 see if I'm going to break down to violate the</p> <p>16 attorney/client privilege.</p> <p>17 Q. So, sir --</p> <p>18 A. The question is asked and answered. The</p> <p>19 information contained in this letter is reflective of</p> <p>20 the information that was given to me; hence, the</p> <p>21 information is contained in the letter. So I don't</p> <p>22 want to violate confidences. You have the ability to</p> <p>23 depose Mr. Farkas. Please do so, and you can get the</p> <p>24 information from him.</p> <p>25 Q. You don't want to violate confidences from</p>	<p style="text-align: right;">156</p> <p>1 o'clock.</p> <p>2 (Multiple cross-talking.)</p> <p>3 MS. TURNER: I have to know which privilege,</p> <p>4 if it's Jay Bloom's or Mr. Farkas'. All right.</p> <p>5 BY MS. TURNER:</p> <p>6 Q. You're not going to tell me whether or not</p> <p>7 the privilege you're seeking to protect is on behalf of</p> <p>8 Mr. Bloom on Ms. Farkas?</p> <p>9 A. One thousand percent wrong again. You can't</p> <p>10 help yourself. You cannot help yourself. I said to</p> <p>11 you the state bar made it clear, past or current</p> <p>12 clients who raise the objection and assert the</p> <p>13 privilege for both, past or current clients.</p> <p>14 Q. You can say both, but I need an answer to</p> <p>15 know where to pursue a motion to compel the disclosure.</p> <p>16 A. I can't wait for the protective order to</p> <p>17 prevent you from harassing me any further.</p> <p>18 Q. Sir, you say, "This settlement and release</p> <p>19 has been manifested in a signed, legally binding, and</p> <p>20 fully-enforceable writing."</p> <p>21 You put that in your January 12th, 2021,</p> <p>22 letter. Do you see that?</p> <p>23 A. Right.</p> <p>24 Q. At the time that --</p> <p>25 A. So maybe at that point -- I'll have to say,</p>
<p style="text-align: right;">155</p> <p>1 whom?</p> <p>2 A. From past -- this is from the state bar, past</p> <p>3 or current clients.</p> <p>4 Q. Here specifically with respect to your</p> <p>5 understanding that there was a negotiation of the</p> <p>6 settlement agreement, was that on behalf of Mr. Bloom</p> <p>7 or Mr. Farkas? I'm not asking for the detail. Just</p> <p>8 who provided you the information? Was it Mr. Bloom or</p> <p>9 Mr. Farkas?</p> <p>10 MR. GUTIERREZ: Counsel, again, you're done.</p> <p>11 This is it. I'm going to file a protective order on</p> <p>12 your continued harassment and your attempts to invoke</p> <p>13 Mr. Nahabedian to violate the attorney/client</p> <p>14 privilege. You're asking him for communications. He's</p> <p>15 repeatedly said he's not going to do that.</p> <p>16 MS. TURNER: Sir, all he has to do is --</p> <p>17 MR. GUTIERREZ: Counsel, I've never seen</p> <p>18 anyone badger somebody as much as you have and tried to</p> <p>19 get them to violate their ethical duties.</p> <p>20 MS. TURNER: All he has to do is claim</p> <p>21 privilege and we move on. Instead of arguing --</p> <p>22 THE WITNESS: I've been doing that the whole</p> <p>23 time. You're never satisfied.</p> <p>24 (Multiple cross-talking.)</p> <p>25 MR. GUTIERREZ: I have to go. It's 5:00</p>	<p style="text-align: right;">157</p> <p>1 maybe at that point I had a copy of the document.</p> <p>2 Maybe someone gave me a copy of the document at that</p> <p>3 point. And so I saw the document that was fully signed</p> <p>4 and that's why I probably said that.</p> <p>5 Q. Are you saying that it was legally binding</p> <p>6 just by virtue of it being signed?</p> <p>7 A. Well, because that's how I -- when I read the</p> <p>8 document or when I saw the document, I mean, it was a</p> <p>9 settlement agreement signed. And it said it was -- I</p> <p>10 mean, okay. So I'm certain you have the document. If</p> <p>11 you read the document, those words were contained in</p> <p>12 the document. And so, therefore, I put it in my letter</p> <p>13 because that's what this is essentially saying -- is</p> <p>14 said in the settlement agreement.</p> <p>15 So if it was wrong, then, as you clearly</p> <p>16 know, there's maxims in law where something isn't true</p> <p>17 you raise it or you can assume it is true and the</p> <p>18 person is accepting the truth of the matter asserted.</p> <p>19 Now, at no point is the contents -- have I</p> <p>20 received any dispute with the contents of my letter.</p> <p>21 And had there been, I would never have done and gone</p> <p>22 forward. If I didn't have the signature from</p> <p>23 Mr. Farkas on this document, I wouldn't have gone</p> <p>24 forward. If he disputed the contents of my</p> <p>25 communication, I wouldn't have gone forward. Okay? I</p>

<p style="text-align: right;">158</p> <p>1 would not have gone forward. Is that clear? So if you 2 want to read the settlement agreement, you can see it 3 there. 4 MR. GUTIERREZ: I'm sorry to interrupt, but 5 it's 5:00 o'clock right now. I have to go. So I 6 highly suggest that let's find a place to break and 7 figure out how we're going to reconvene, I'm sure after 8 some motions are filed. 9 THE WITNESS: Sorry about that, Joe. 10 The court reporter is named Kimberly Farkas. 11 Are you related to Matthew Farkas? 12 MS. TURNER: Of course not. We would never 13 hire anybody -- 14 THE WITNESS: She's not? 15 MS. TURNER: No. 16 THE WITNESS: My gosh, that's such a 17 coincidence. That's pretty crazy though. 18 MS. TURNER: So Mr. Gutierrez can go, let's 19 go off the record and we'll communicate in writing 20 about next steps. I think we've conferred there's got 21 to be a resolution of the privilege issues, and we'll 22 address that. 23 THE WITNESS: Are we off the record? 24 MS. TURNER: No. 25 THE WITNESS: We're still on the record?</p>	<p style="text-align: right;">160</p> <p>1 CERTIFICATE OF REPORTER 2 STATE OF NEVADA) 3) ss: 4 COUNTY OF CLARK) 5 I, Kimberly A. Farkas, a Certified Court Reporter 6 licensed by the State of Nevada, do hereby certify: 7 That I reported the deposition of RAFFI NAHABEDIAN, 8 February 12, 2021, at 1:00 p.m. 9 That prior to being deposed, the witness was 10 duly sworn by me to testify to the truth. That I 11 thereafter transcribed my said stenographic notes into 12 written form, and that the typewritten transcript is a 13 complete, true and accurate transcription of my said 14 stenographic notes; that review of the transcript was 15 not requested. 16 I further certify that I am not a relative, 17 employee or independent contractor of counsel or of any 18 of the parties involved in the proceeding; nor a person 19 financially interested in the proceeding. 20 IN WITNESS WHEREOF, I have set my hand in my 21 office in the County of Clark, State of Nevada, this 22 25th day of February, 2021. 23  24 Kimberly A. Farkas, CCR NO. 741 25</p>
<p style="text-align: right;">159</p> <p>1 MS. TURNER: We don't communicate unless 2 we're on the record. 3 THE WITNESS: Are you going to provide the 4 declaration or are you still not going to provide the 5 declaration -- 6 MS. TURNER: It's a matter of public record. 7 THE WITNESS: -- that you've referenced 8 several times, as if I'm supposed to understand the 9 content of it. 10 MS. TURNER: Sir, it's a matter of public 11 record. 12 THE WITNESS: Okay. Perfect. Apparently, my 13 attorney has it. He just said he has it. Okay. Thank 14 you so much. 15 (Whereupon, the deposition was adjourned at 16 5:01 p.m.) 17 * * * * * 18 19 20 21 22 23 24 25</p>	

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May 2, 2017

Erika Pike Turner, Esq.
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VIA EMAIL AND U.S. MAIL

Charity M. Johnson, Esq.
Maier Gutierrez Ayon
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
cmj@mgalaw.com

Re: 1st One Hundred Holdings, LLC and First 100, LLC

Dear Ms. Johnson:

This firm has been retained to represent the interests of Adam Flatto and Marshall Rose, and by extension, their investment vehicle, TGC/Farkas Funding, LLC (together referred to herein as the "Investors"), with respect to their investment of \$1 million and related 3% interest in First 100, LLC and 1st One Hundred Holdings, LLC (together, the "Company"), and your April 13, 2017 demand for redemption of the Investors' interest in the Company.

As a threshold matter, your demand for redemption is not permitted by the Operating Agreement, any other agreement of the Company members, or otherwise under applicable Nevada law. Your demand is obviously designed to bully the Investors into accepting the Company's unnegotiated, unilaterally set and illusory buy-out terms so as not to suffer subordination of the Investors' interests. Under the Operating Agreement, the Investors are entitled to profit distributions of the Company *para passu* with other class members. Any exercise of subordination in favor of other members who would accept your demand for redemption would be in direct violation of the Investors' membership rights, and therefore actionable under multiple theories involving breach of contract, breach of the implied covenant of good faith and fair dealing, as well as tortious breach of fiduciary duties due to the Investors from the Company's managers.¹

¹ In addition, this demand for redemption that was issued without just cause unreasonably interferes with the Investors' business interests and amounts to an irreparable injury that warrants the issuance of an injunction. Sobol v. Capital Management Consultants, Inc., 102 Nev. 444, 446, 726 P.2d 335 (1986); Guion v. Terry Marketing of Nev., Inc., 90 Nev. 237, 240, 523 P.2d

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It is also notable how your demand for redemption misleads the members regarding the status of the Company and its business. Exemplars of material omissions include, but are not limited to, the following:

- 1) The Company failed to disclose the lack of finality of the default judgment obtained by the Company (the “Ngan Judgment”). A review of the docket reveals that the appeal period had not run by the time of your demand for redemption, and a Notice of Appeal was indeed subsequently and timely filed by the judgment debtor on April 21, 2017. Obviously, an appeal could adversely affect the collectability of the Ngan Judgment, particularly when the Ngan Judgment was obtained on a default basis and the Nevada Supreme Court has repeatedly articulated its preference for resolution on the merits of a case.
- 2) Under application of NRS 86.274, the Company’s charters are presently revoked and the right to do any business forfeited. The managers have been ignoring their most basic obligation to maintain the Company in good standing. Indeed, the Ngan Judgment was obtained, and the Company recently filed a new lawsuit on April 4, 2017, while First 100, LLC is in a “default” status and 1st One Hundred Holdings, LLC is in a “revoked” status with the Nevada Secretary of State.

Your communication also makes short shrift of the projected \$150 million waterfall to be paid prior to any payments going to the Company’s members. Without the provision of any information about the projected expenses/payments, the Company’s members have been effectively denied any ability to make an informed decision regarding your demand for redemption. Despite the production of relevant information, your demand for redemption threatens that if there is any delay in response, the Investors will be disadvantaged with a “first come, first serve” process. This pressure is obviously just another way for the Company to try to bully the members into redemption.

Further, the Investors demand, pursuant to NRS 86.241(2) and (3), as well as the Company’s Operating Agreements, to access documents in the Company’s possession, custody or control supporting your delineated payment categories. To that end, the Company requests access to the following Company information:

- 1) the 1st One Hundred Holdings, LLC company book, including all agreements, consents and resolutions relating to the entity’s governance,
- 2) the First 100, LLC company book, including all agreements, consents and resolutions relating to the entity’s governance,

847, 848 (1974); see also Shoen v. Amerco, 885 F.Supp. 1332, 1352 (1994) (denial or frustration of rights of equity holders amounts to an irreparable injury).

- 3) the amount of accounts payable incurred by the Company, paid by the Company, and remaining due or payable from the Company,
- 4) the tax returns for the Company,
- 5) attorneys' fees and costs incurred by the Company, paid by the Company, and remaining due or payable from the Company, including attorney retainer agreements and invoices,
- 6) the Company's ledger(s) and/or other documents identifying any and all payments made to the Company managers, the Company members and/or any affiliates of the managers or members,
- 7) the Company's schedule of outstanding loans, history of payments and valuations,
- 8) a description of any assets acquired by the Company, as well as a description of any assets remaining with the Company following the "settlement" reached in the case adverse to the Company's lenders,
- 9) valuations of the Company and/or its assets,
- 10) insurance policies for the Company,
- 11) identification of any lawsuits adverse to the Company and/or its managers relating to the Company's business,
- 12) all communications and registrations lodged with the Nevada Secretary of State, or any division thereof, relating to the Company and/or its managers, the Company's business, and/or exemptions from any requirements for the registration of securities,
- 13) all communications and registrations lodged with the New York Secretary of State, or any division thereof, relating to the Company and/or its managers, the Company's business, and/or exemptions from any requirements for the registration of securities, and
- 14) a full accounting of all funds contributed to the Company.

It is our belief that the Company has been grossly mismanaged, demonstrated at the most basic level via the revocation of the Company's corporate charters, and failure to otherwise adhere to proper entity governance. A review of the papers and pleadings filed in the Ngan Judgment case reveals a lack of reasonable diligence on the part of Mr. Bloom and Mr. Margando, as managers of the Company in their individual capacities as well as on behalf of SJC Ventures Holding Company, LLC, with respect to the transactions contemplated with Mr. Ngan and his affiliates. For instance, there is no reference to a requirement for Mr. Ngan to show proof of funds prior to going down a road with Mr. Ngan that left so much hanging in the balance. If you have any information that you believe will quell concerns regarding the mismanagement of the Company and its assets, I suggest you provide it.

GARMAN TURNER GORDON

Page 4

I will look forward to a substantive response regarding the provision of this above-requested information for inspection and copying (at the Investors' expense) within fourteen (14) days of the date of this letter.

Be advised that this firm is authorized to turn over every rock and pursue any and all rights and remedies under law and equity, criminal and civil, against the Company, its managers and/or any other parties who are discovered to have engaged in wrongful conduct to the Investors' detriment. All rights are expressly reserved.

Sincerely,

GARMAN TURNER GORDON

A handwritten signature in black ink, appearing to read 'Erika Pike Turner', with a stylized, flowing script.

Erika Pike Turner, Esq.

cc: Gerald Gordon, Esq. and Client
Company Managers

4813-2224-9543, v. 3

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AMERICAN ARBITRATION ASSOCIATION
COMMERCIAL ARBITRATION TRIBUNAL

In the Matter of the Arbitration between:

Claimant TGC/Farkas Funding, LLC, hereinafter referred to as "Claimant"

-and-

Respondents First 100, LLC, and First One Hundred Holdings, LLC, hereinafter collectively referred to as "Respondents"

AAA Case No: 01-20-0000-0613

Decision and AWARD of Arbitration Panel (1) Compelling Production of Company Records; and (2) Ordering Reimbursement of Claimant's Attorneys' Fees and Costs

The undersigned Arbitrators, having been designated in accordance with the arbitration agreement entered into between the above-named parties¹, and having been duly sworn, and having duly heard the proofs and allegations of the Parties, hereby AWARD as follows:

This matter came before the Panel for a hearing to determine whether Claimant is entitled to production and examination of company records of Respondents. The Parties requested that the Panel not hold an evidentiary hearing but instead render a reasoned decision based on the briefings and documents presented. The Parties presented their briefs; the Panel convened and considered the briefs and evidence; the Panel then requested further evidence regarding the alleged Redemption Agreement. Upon receipt of the additional evidence, the Panel declared the hearing closed and further deliberated. This decision is the product of that deliberation.

¹ During the Preliminary Hearing, the Parties confirmed that party-appointed arbitrators Baker and DiRaimondo were serving as neutral, non-partisan arbitrators for purposes of these proceedings.

Respondents appear to be in the business of purchasing unpaid receivables of HOAs on discounted terms and profiting from those purchases in various ways. Exhibit 1 to Claimant's Appendix to Claimant's Arbitration Brief ("Appendix" or "Appx"). Claimant is an entity owned by Matthew Farkas and Adam Flatto. Exhibit 1 to Claimant's Response to Order Regarding Additional Evidence Request. Matthew Farkas was an officer/employee of Respondents. Exhibits 1 and 5 to Claimant's Appx. Claimant invested \$1 million into the business of Respondents in exchange for a one percent (1%) membership interest. That was parlayed into a three percent (3%) total interest in First 100, LLC, after Respondents granted a two percent (2%) ownership interest to Mr. Farkas for his "services rendered in the VP of Finance position..." Exhibits 4 and 5 to Claimant's Appx. It is not clear exactly when Claimant became a member of Respondents, due to a lack of dates on many of the exhibits, but it appears from Exhibit 1 to Claimant's Appendix that Respondents were marketing membership interests in 2013. Claimant's interest is acknowledged by Exhibit 5 to Claimant's Appendix, an undated letter from Respondent 1st One Hundred, LLC. Exhibit 4 appears to conclusively establish that Claimant held 3% of Respondent First 100, LLC's membership interests.

Likely in 2017, possibly on or about April 13, 2017, Respondents sent a memo to members describing litigation against a funding source, financial issues facing the companies, and recommending that members execute a redemption agreement due to the financial condition of Respondents. The memo included a draft of the "Membership Interest Redemption Agreement" (the "Redemption Agreement"), which was to be entered into by and between Claimant and Respondent 1st One Hundred Holdings, LLC. Exhibit 6 to Appx. The Redemption Agreement states, among other things, that Respondent 1st One Hundred Holdings, LLC "desires to redeem all of [Claimant's] membership interests in [Respondent 1st One Hundred Holdings, LLC], as well as any interest claimed in any and all subsidiaries...." *Id.* The memo also apparently accompanied the IRS Schedule K-1 to Claimant TCG/Farkas Funding, LLC, as a member of "First 100 Holdings, LLC", dated April 13, 2017. Exhibit 6 to Appx. This Schedule K-1 appears to be conclusive evidence that Respondents considered Claimant to be a Member of "First 100 Holdings, LLC".

By letter dated May 2, 2017, to the law firm representing Respondents, Claimant's counsel set forth objections to the proposed Redemption Agreement, concerns about the financial condition of Respondents, and requests for production of the company records of Respondents. Exhibit 9 to Appx. This appears to be the initial request for company records that is the subject of the arbitration demand filed by Claimant.

Exhibit 11 to Claimant's Appendix is the first response from counsel for the Respondents to the request to inspect the company records of the Respondents. It is dated June 6, 2017. Significantly, Respondents' counsel concedes in this letter that Claimant "holds a membership interest in 1st One Hundred Holdings, LLC." Nevertheless, it is the first in a long and bad faith effort by Respondents to avoid their statutory and contractual duties to a member to produce requested records.

On September 13, 2019, counsel for Claimant made another request for company records to counsel for Respondents. Exhibit 13 to Appx.. On September 24, 2017, counsel for Respondents refused to honor the request to inspect based on a claim that counsel for Claimant might not represent Claimant, and based on the argument that the request was overbroad. Exhibit 14 to Appx. Nothing in this letter contends that the execution of the Redemption Agreement by Mr. Farkas for Claimant constituted a legitimate basis to refuse to make the records available for inspection. Thereafter, Claimant initiated this arbitration proceeding.

In the arbitration proceeding, Respondents make three arguments why they are not required to produce the records requested by Claimant. First, they argue that Claimant may not be a Member, and as such is only entitled to a refund of the investment money paid to the Respondents and no records. Second, they argue that the signing of a Redemption Agreement by Mathew Farkas releases the Respondents from any responsibility to make company records available to Claimant. Third, they argue that the request is overbroad and must be pared down. None of these arguments has merit, as discussed below.

The contention that Claimant is not a member of Respondents is belied by the records of the Respondents, as discussed above. The fact that Respondents believe that the Claimant signed a Redemption Agreement as a member of Respondents is an additional admission on the part of the Respondents that the Claimant is a Member of the Respondents with standing to inspect records of the Company.

It was not clear from the initial briefs and exhibits whether Mathew Farkas signed a Redemption Agreement for Claimant. However, the additional evidence clarified that he actually did sign such an Agreement. However, the evidence also shows two additional points that render the Redemption Agreement irrelevant for the purpose of this proceeding. First, the evidence shows that Mr. Farkas did not have authority to bind Claimant to the Redemption Agreement, as he did not seek and obtain the consent of Mr. Flatto. Exhibit 1 to Supplemental Declaration of Flatto attached to Claimant's Response to Order Regarding Additional Evidence Request; Supplemental Declarations of Flatto and Farkas attached to Claimant's Response to Order Regarding Additional Evidence Request. And, Claimant notified Respondents via email on April 18, 2017, that Mr. Farkas did not have the authority to bind Claimant under the Redemption Agreement "unless and until approved by Adam Flatto." Exhibit 12 to Claimant's Appx. at Ex. 3.

Secondly, the Respondents have yet to perform under the terms of the Redemption Agreement. Specifically, Section 2(a) requires payment by the Company to Redeemer. Exhibit A to Supplemental Declaration of Jay Bloom in support of Respondents' Arbitration Brief. Respondents concede that payment has not been made and that Respondents only "intend[]" to "fully perform" at a later point in time, when sufficient funds are available. Supplemental Declaration of Jay Bloom in support of Respondents' Arbitration Brief ¶ 16. The Redemption

Agreement, therefore, does not constitute a basis for Respondents to refuse to make company records available to Claimant as a Member of Respondents.

Finally, Respondents contend the records inspection request is overbroad. NRS 86.241(2) applies to the fact of this case:

2.* * Each member of a limited-liability company is entitled to obtain from the company, from time to time upon reasonable demand, for any purpose reasonably related to the interest of the member as a member of the company:

(a)* The records required to be maintained pursuant to subsection 1;

(b)* True and, in light of the member's stated purpose, complete records regarding the activities and the status of the business and financial condition of the company;

(c)* Promptly after becoming available, a copy of the company's federal, state and local income tax returns for each year;

(d)* True and complete records regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each member and which each member has agreed to contribute in the future, and the date on which each became a member; and

(e)* Other records regarding the affairs of the company as is just and reasonable under the circumstances and in light of the member's stated purpose for demanding such records.

The right to obtain records under this subsection includes, if reasonable, the right to make copies or abstracts by photographic, xerographic, electronic or other means.

The language of subsection (e) applies here and justifies Claimant requesting the records requested, even if not specifically listed in the previous sections. These include litigation information and insurance policies. Given the circumstances of the request – pending litigation by Respondents, representations by Respondents suggesting the viability of the companies is in jeopardy, and the proposal that members sign a Redemption Agreement that substantially compromises their rights as members – all justify the categories of information requested by Claimant. The fact that Respondents have spent more than three years resisting the requested inspection further supports the justification to examine all these categories of documents.

Therefore, the Panel awards in favor of Claimant and against Respondents in all respects on the primary claim, and orders Respondents to forthwith, but no later than ten (10) calendar days from the date of this AWARD, make all the requested documents and information available from both companies to Claimant for inspection and copying.

Claimant has requested an award of attorneys' fees and costs. Section 13.9 of the Operating Agreement at Exhibit 3 to the Appendix sets forth the following pertinent language: "The arbitrators shall make findings of fact and law in writing in support of his (sic) decision, and shall award reimbursement of attorney fees and other costs of arbitration to the prevailing party as the arbitrator deems appropriate."


In this case, the Panel deems it appropriate to award all of the attorneys' fees requested by Claimant against Respondents, in the amount of \$17,011.50. The Panel also deems it appropriate to award to Claimant and against Respondent all of the arbitration filing fee(s) paid by the Claimant, and all of the fees for the arbitration Panel paid by Claimant. The total sum of \$23,975.00 shall be paid by Respondents to Claimant within ten (10) calendar days of the date of this AWARD.

The administrative fees of the American Arbitration Association totaling \$4,400.00 and the compensation of the arbitrators totaling \$19,575.00 shall be borne Respondent. Therefore, Respondent shall reimburse Claimant the sum of \$23,975.00, representing that portion of said fees and expenses in excess of the apportioned costs previously incurred by Claimant.

This Award is in full settlement of all claims submitted to this arbitration. All claims not expressly granted herein are hereby denied.

This Award may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute together one and the same instrument.

Date:
Arbitrator and Panel Chair


Philip J. Dabney, Esq.,

9-15-20

Date: 9-15-2020
Arbitrator

Nikki L. Baker
Nikki L. Baker, Esq.,

Date: 9-15-2020
Arbitrator

Anthony J. DiRaimondo
Anthony J. DiRaimondo, Esq.,

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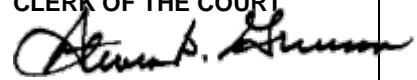
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OPPC

JOSEPH A. GUTIERREZ, ESQ.

Nevada Bar No. 9046

DANIELLE J. BARRAZA, ESQ.

Nevada Bar No. 13822

MAIER GUTIERREZ & ASSOCIATES

8816 Spanish Ridge Avenue

Las Vegas, Nevada 89148

Telephone: (702) 629-7900

Facsimile: (702) 629-7925

E-mail: jag@mgalaw.com

djb@mgalaw.com

*Attorneys for Defendants First 100, LLC
and 1st One Hundred Holdings, LLC*

DISTRICT COURT

CLARK COUNTY, NEVADA

TGC FARKAS FUNDING, LLC,

Plaintiff,

vs.

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

Defendants.

Case No: A-20-822273-C

Dept.: 13

**DEFENDANTS' LIMITED OPPOSITION
TO MOTION TO CONFIRM
ARBITRATION AWARD AND
COUNTERMOTION TO MODIFY
AWARD PER NRS 38.242**

Defendants First 100, LLC and 1st One Hundred Holdings, LLC (collectively "First 100"), by and through their attorneys of record, the law firm MAIER GUTIERREZ & ASSOCIATES, hereby submit this limited opposition to the motion filed by plaintiff TGC FARKAS FUNDING, LLC ("Plaintiff" or "TGC") to confirm the arbitration award, along with this counter motion to modify the award pursuant to NRS 38.242.

This limited opposition and counter motion is based on the following Memorandum of Points and Authorities, the papers and pleadings on file, and such argument as the Court deems appropriate at the hearing on this matter.

///

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PLTF_012

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff demanded access to First 100's proprietary business records, arguing that its status as
4 a purported member of First 100 substantiated the right to examine Plaintiff's company records.

5 The matter proceeded to the American Arbitration Association, where the Arbitration Panel
6 determined that Plaintiff is required to "make all the requested documents and information available
7 from both companies to Claimant [Plaintiff] for inspection and copying." *See* Mot. at Ex. 1.

8 Plaintiff does not dispute the merits of the Arbitration Award. However, Plaintiff seeks a
9 modification of the award to clarify that pursuant to the plain language of First 100's Operating
10 Agreement and NRS 86.243(3)(b), the demanding member (Plaintiff) must first pay to First 100 the
11 reasonable cost of obtaining and furnishing such records. The company information Plaintiff has
12 requested is not readily available, and First 100 will only be able to comply with the Award by
13 retaining a third party to access and organize the company records. Because First 100 has no funds
14 to pay for such a service, First 100 is respectfully requesting that the Court modify the Arbitration
15 Award to indicate that Plaintiff will be responsible for paying the reasonable costs associated with
16 First 100 obtaining and furnishing the company records.

17 **II. LEGAL ANALYSIS**

18 Pursuant to NRS 38.242, "[u]pon motion made within 90 days after the movant receives notice
19 of the arbitration award . . . the Court **shall** modify or correct the award if: . . . (c) The award is
20 imperfect in a matter of form not affecting the merits of the decision on the claims submitted." NRS
21 38.242 (emphasis added). Notice of the Arbitration Award was provided on September 15, 2020.
22 This motion to modify the Award is therefore timely.

23 Here, Defendants submit a limited opposition to the Arbitration Award, as the Award is
24 incomplete and "imperfect" in light of First 100's practical inability to comply with the Award without
25 the Plaintiff first paying to First 100 the reasonable costs of obtaining and furnishing the company
26 records.

27 Pursuant to NRS 86.243(3), the "district court may . . . order the company to furnish the
28 demanding member or manager the records . . . on the condition that the demanding member or

RA0303

1 manager first pay to the company the reasonable cost of obtaining and furnishing such records and on
2 such other conditions as the district court deems appropriate.”

3 Here, First 100 has no funds and no reasonable means of accessing and furnishing the company
4 records to Plaintiff without retaining a third party to accomplish that. *See Exhibit A*, Declaration of
5 Jay Bloom. As such, if the Court is inclined to confirm the Arbitration Award, it should also modify
6 the Award to clarify that Plaintiff must first pay to First 100 the reasonable costs associated with First
7 100 obtaining and furnishing all of the company records to be produced to Plaintiff.

8 Indeed, the parties have already agreed to such an arrangement pursuant to the First 100
9 Operating Agreement (*See* Mot. at Ex. 2, p. 21) which states that such company documents shall be
10 provided “at the Member’s expense.”

11 This modification request does not go to the merits, as First 100 has no dispute with being
12 compelled to produce the company records, but merely goes to procedurally how that production will
13 work, as First 100 has no reasonable means of complying with the Award unless and until the Plaintiff
14 abides by its obligations agreed to in the Operating Agreement and actually pays for First 100 to obtain
15 and furnish the company records.

16 **III. CONCLUSION**

17 Based on the foregoing, First 100 opposes the motion to confirm the Arbitration Award in a
18 limited capacity, and asks that the Court modify the Award to clarify that Plaintiff are *first* required
19 to pay to First 100 the reasonable costs associated with obtaining and furnishing the company records,
20 and then First 100 shall provide the company records.

21 DATED this 15th day of October, 2020.

22 Respectfully submitted,

23 **MAIER GUTIERREZ & ASSOCIATES**

24 /s/ Danielle J. Barraza

25 JOSEPH A. GUTIERREZ, ESQ.

Nevada Bar No. 9046

26 DANIELLE J. BARRAZA, ESQ.

Nevada Bar No. 13822

8816 Spanish Ridge Avenue

27 Las Vegas, Nevada 89148

Attorneys for First 100, LLC and 1st One

28 *Hundred Holdings, LLC*

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EXHIBIT “A”

RA0306

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1 **DECLARATION OF JAY BLOOM**

2 I, JAY BLOOM ("Declarant"), declare as follows:

3 1. This declaration is made in support of First 100, LLC and 1st One Hundred Holdings,
4 LLC's limited opposition to the motion to confirm arbitration and the countermotion to modify the
5 arbitration award per NRS 38.242.

6 2. I am over the age of eighteen (18) and I have personal knowledge of all matters set
7 forth herein. If called to do so, I would competently and truthfully testify to all matters set forth
8 herein, except for those matters stated to be based upon information and belief.

9 3. I make this declaration in my capacity as the principal, founding director, and chairman
10 of the Board of Directors of First 100, LLC and 1st One Hundred Holdings, LLC (collectively referred
11 to as "First 100").

12 4. First 100 understands that the Arbitration Panel has ordered First 100 to "make all the
13 requested documents and information available from both companies to Claimant [Plaintiff] for
14 inspection and copying." However, First 100 has no funds to effectuate this goal. Nor does First 100
15 have employees available to search through the records. The only way for First 100 to obtain the
16 requested documents and information will be to retain a third-party to obtain and furnish the records
17 that First 100 has been compelled to produce.

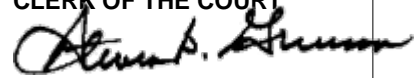
18 5. First 100 therefore respectfully requests that the Court order the Plaintiffs to first pay
19 the reasonable costs associated with obtaining and furnishing the company records, and then such
20 records will be provided.

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

23 DATED this 15th day of October, 2020

24
25 
26 JAY BLOOM

27
28 **RA0307**



ORDR

GARMAN TURNER GORDON LLP
ERIKA PIKE TURNER
Nevada Bar No. 6454
Email: eturner@gtg.legal
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Tel: (725) 777-3000
Fax: (725) 777-3112
Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC,

Plaintiff,

CASE NO. A-20-822273-C
DEPT. 13

vs.

FIRST 100, LLC, a Nevada Limited Liability
Company; FIRST ONE HUNDRED
HOLDINGS, LLC, a Nevada limited liability
company aka 1st ONE HUNDRED HOLDINGS
LLC, a Nevada Limited Liability Company,

Defendants.

**ORDER GRANTING PLAINTIFF'S
MOTION TO CONFIRM ARBITRATION
AWARD AND DENYING DEFENDANTS'
COUNTERMOTION TO MODIFY
AWARD; AND JUDGMENT**

**Date of Hearing: November 2, 2020
Time of Hearing: 9:00 a.m.**

On October 1, 2020, Plaintiff TGC/FARKAS FUNDING, LLC ("Plaintiff") filed the *Motion to Confirm Arbitration Award* (the "Motion"). Defendants First 100, LLC and First One Hundred Holdings, LLC ("Defendants") filed their *Limited Opposition to Confirm Arbitration Award* (the "Opposition") and *Countermotion to Modify Award Per NRS 38.242* (the "Countermotion") on October 15, 2020, and Plaintiff filed its *Reply to Defendants' Limited Opposition to Confirm Arbitration Award and Countermotion to Modify Award Per NRS 38.242* (the "Reply") on October 26, 2020. This Court held a hearing on November 2, 2020.

The Court, having considered the Motion, the Opposition and Countermotion, and the Reply, as well as the oral argument of counsel, finds and concludes as follows:

On January 7, 2020, Plaintiff initiated an arbitration with the American Arbitration Association against Defendants relating to whether Plaintiff was entitled to the production and examination of Defendants' records. The requested records were set forth in Exhibit 13 to

1 Claimant's Appendix to Claimant's Arbitration Brief.

2 On September 15, 2020, the Arbitration Panel issued its Decision and Award of Arbitration
3 Panel (the "Final Award") (1) ordering that Defendants "forthwith, but no later than ten (10)
4 calendar days from the date of [the Final Award], make all the requested documents and
5 information available from both companies to [Plaintiff] for inspection and copying," and (2)
6 awarding attorneys' fees and arbitration panel fees to Plaintiff in the total sum of \$23,975.00,
7 which sum was also to be paid within ten (10) calendar days from the date of the Final Award.

8 Plaintiff served Defendants with this action and Motion on October 7 and October 8, 2020.

9 Defendants are both Nevada limited-liability companies and subject to the Court's
10 jurisdiction.

11 NRS 38.239 authorizes an applicant to move for confirmation of a final arbitration
12 decision. The plain language of the statute requires this Court to confirm the Final Award unless
13 it is modified, corrected, or vacated. Furthermore, Defendants do not oppose the confirmation of
14 the Final Award.

15 Instead, Defendants' Countermotion requests that the Court modify the Final Award to
16 require Plaintiff to pay, in advance, fees and costs associated with Defendants' production of the
17 requested company records. Defendants contend that the requested modification is permitted
18 under NS 38.242(1)(c).

19 NRS 38.242 allows an award to be modified or corrected, but only if:

- 20 (a) There was an evident mathematical miscalculation or an evident mistake in
21 the description of a person, thing or property referred to in the award;
22 (b) The arbitrator has made an award on a claim not submitted to the arbitrator
23 and the award may be corrected without affecting the merits of the decision upon
the claims submitted; or
(c) The award is imperfect in a matter of form not affecting the merits of the
decision on the claims submitted.

24 NRS 38.242(1). The Court finds that none of these situations apply here.

25 The Court finds that the modification requested in the Countermotion is not a mere
26 correction of an "imperfection in a matter of form," but instead seeks to alter the merits of the Final
27 Award to award Defendants relief that was absent from the Final Award.

1 Based upon the foregoing, and good cause appearing therefore,

2 **IT IS HEREBY ORDERED** that Plaintiff's Motion to Confirm Arbitration Award is
3 **GRANTED.**

4 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Plaintiff
5 TGC/FARKAS FUNDING, LLC, shall have **JUDGMENT** jointly and severally against
6 Defendants FIRST 100, LLC, and FIRST ONE HUNDRED HOLDINGS, LLC, aka 1st ONE
7 HUNDRED HOLDINGS, LLC, in the amount of TWENTY-THREE THOUSAND, NINE
8 HUNDRED AND SEVENTY-FIVE DOLLARS (\$23,975.00), plus statutory interest, to be
9 adjusted as set forth in NRS 17.130, which as of the date of the entry of Judgment was \$3.45 per
10 day, from October 8, 2020, until this Judgment is satisfied.

11 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendants shall
12 make all the requested documents and information available from both companies to Plaintiff for
13 inspection and copying, as set forth in the Final Award and Exhibit 13 to Claimant's Appendix to
14 Claimant's Arbitration Brief.

15 **IT IS FURTHER ORDERED** that Defendants' Countermotion to Modify Award Per
16 NRS 38.242 is **DENIED.**

17 IT IS SO ORDERED this 17 day of November, 2020.

18 
19 _____
20 DISTRICT JUDGE

Order Granting Plaintiff's Motion to Confirm Arbitration Award and Denying Defendants' Counter-motion to Modify Award; and Judgment

A-20-822273-C

Respectfully submitted:

Approved as to form and content:

GARMAN TURNER GORDON LLP

MAIER GUTIERREZ & ASSOCIATES

/s/ Dylan T. Ciciliano

/s/ Danielle J. Barraza

ERIKA PIKE TURNER

JOSEPH A. GUTIERREZ

Nevada Bar No. 6454

Nevada Bar No. 9046

DYLAN T. CICILIANO

DANIELLE J. BARRAZA

Nevada Bar No. 12348

Nevada Bar No. 13822

7251 Amigo Street, Suite 210

8816 Spanish Ridge Avenue

Tel: (725) 777-3000

Las Vegas, Nevada 89148

Fax: (725) 777-3112

Attorneys for Defendants

Attorneys for Plaintiff

From: Danielle Barraza <djb@mgalaw.com>
Sent: Thursday, November 12, 2020 11:40 AM
To: Dylan Ciciliano
Cc: Erika Turner; Joseph Gutierrez; Max Erwin
Subject: RE: Order Re: Motion to Confirm

Yes, you can affix my e-signature on this version.

Thanks,

Danielle J. Barraza | Associate
MAIER GUTIERREZ & ASSOCIATES
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Tel: 702.629.7900 | Fax: 702.629.7925
djb@mgalaw.com | www.mgalaw.com

From: Dylan Ciciliano <dciciliano@Gtg.legal>
Sent: Thursday, November 12, 2020 11:27 AM
To: Danielle Barraza <djb@mgalaw.com>
Cc: Erika Turner <eturner@Gtg.legal>; Joseph Gutierrez <jag@mgalaw.com>; Max Erwin <MErwin@Gtg.legal>
Subject: RE: Order Re: Motion to Confirm

Danielle,

I accepted your redline changes. Can I affix your signature?

Dylan T. Ciciliano, Esq.

Attorney

Phone: [725 777 3000](tel:7257773000) | Fax: [725 777 3112](tel:7257773112)

GARMAN | TURNER | GORDON
7251 AMIGO STREET, SUITE 210
LAS VEGAS, NV 89119

Visit us online at www.gtg.legal

From: Danielle Barraza <djb@mgalaw.com>
Sent: Thursday, November 12, 2020 11:12 AM
To: Dylan Ciciliano <dciciliano@Gtg.legal>
Cc: Erika Turner <eturner@Gtg.legal>; Joseph Gutierrez <jag@mgalaw.com>; Max Erwin <MErwin@Gtg.legal>
Subject: RE: Order Re: Motion to Confirm

Dylan, I'm not seeing that the Court actually made the majority of the findings set forth in the drafted order. In any event, we have kept most of the findings in-tact and made only a few redlines in an effort to come to an agreement on this. See attached.

Thank you,

Danielle J. Barraza | Associate
MAIER GUTIERREZ & ASSOCIATES
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Tel: 702.629.7900 | Fax: 702.629.7925
djb@mgalaw.com | www.mgalaw.com

From: Dylan Ciciliano <dciciliano@Gtg.legal>
Sent: Thursday, November 12, 2020 10:15 AM
To: Danielle Barraza <djb@mgalaw.com>
Cc: Erika Turner <eturner@Gtg.legal>; Joseph Gutierrez <jag@mgalaw.com>; Max Erwin <MErwin@Gtg.legal>
Subject: FW: Order Re: Motion to Confirm

Danielle,

I wanted to follow up on the attached. We intend on submitting the order to the Court by noon tomorrow.

Thank you,

Dylan

Dylan T. Ciciliano, Esq.

Attorney

Phone: [725 777 3000](tel:7257773000) | Fax: [725 777 3112](tel:7257773112)

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7251 AMIGO STREET, SUITE 210
LAS VEGAS, NV 89119

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From: Dylan Ciciliano
Sent: Monday, November 9, 2020 9:24 PM
To: Danielle Barraza <djb@mgalaw.com>
Cc: Erika Turner <eturner@Gtg.legal>; jag@mgalaw.com; Max Erwin <MErwin@Gtg.legal>
Subject: Order Re: Motion to Confirm

Danielle,

Attached is the draft order on Plaintiff TGC/FARKAS FUNDING, LLC's *Motion to Confirm Arbitration Award*. Please let me know if I may affix your signature.

Thank you,

Dylan

Dylan T. Ciciliano, Esq.

Attorney

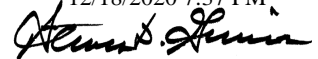
Phone: [725 777 3000](tel:7257773000) | Fax: [725 777 3112](tel:7257773112)

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CLERK OF THE COURT

ORDG

GARMAN TURNER GORDON LLP
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Nevada Bar No. 6454
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DYLAN T. CICILIANO
Nevada Bar. No. 12348
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Las Vegas, Nevada 89119
Tel: (725) 777-3000
Fax: (725) 777-3112
Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC,
Plaintiff,

CASE NO. A-20-822273-C
DEPT. 13

vs.

ORDER GRANTING PLAINTIFF'S *EX PARTE* APPLICATION FOR ORDER TO SHOW CAUSE WHY DEFENDANTS AND JAY BLOOM SHOULD NOT BE HELD IN CONTEMPT OF COURT

FIRST 100, LLC, a Nevada Limited Liability Company; FIRST ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company aka 1st ONE HUNDRED HOLDINGS LLC, a Nevada Limited Liability Company,
Defendants.

The Court, having considered Plaintiff and Judgment Creditor TGC/FARKAS FUNDING, LLC's (the "Judgment Creditor") Ex Parte Application for Order to Show Cause Why Defendants and Jay Bloom Should Not Be Held in Contempt of Court (the "Application"), is GRANTED.

IT IS THEREFORE HEREBY ORDERED that on the 21st January of 2021, at the hour of 9 o'clock a.m./~~p.m.~~, Defendants and Jay Bloom shall appear and show cause, if any, why they should not be held in contempt of the Order Granting Plaintiff's Motion to Confirm Arbitration Award and Denying Defendant's Countermotion to Modify Award; and Judgment.

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///

1 IT IS FURTHER HEREBY ORDERED that Plaintiff shall serve Defendants and Jay
2 Bloom, a copy of the Application, and this Order to Show Cause, immediately upon its entry and
3 no later than January 6, 2021.

4
5 IT IS SO ORDERED this _____ day of _____,
6 Dated this 18th day of December, 2020

7 

8 DISTRICT COURT JUDGE

9 2E9 6A8 5ECD 39CC
10 Mark R. Denton
District Court Judge

11 Prepared and submitted by:

12 GARMAN TURNER GORDON LLP

13 /s/ Erika Pike Turner
14 ERIKA PIKE TURNER
15 Nevada Bar No. 6454
16 DYLAN T. CICILIANO
17 Nevada Bar. No. 12348
7251 Amigo Street, Suite 210
Tel: (725) 777-3000
Fax: (725) 777-3112
Attorneys for Plaintiff

1 **CSERV**

2
3 DISTRICT COURT
CLARK COUNTY, NEVADA

4
5
6 TGC/Farkas Funding, LLC,
Plaintiff(s)

CASE NO: A-20-822273-C

7 vs.

DEPT. NO. Department 13

8
9 First 100, LLC, Defendant(s)

10
11 **AUTOMATED CERTIFICATE OF SERVICE**

12 This automated certificate of service was generated by the Eighth Judicial District
13 Court. The foregoing Order to Show Cause was served via the court's electronic eFile system
to all recipients registered for e-Service on the above entitled case as listed below:

14 Service Date: 12/18/2020

15 Dylan Ciciliano

dciciliano@gtg.legal

16 Erika Turner

eturner@gtg.legal

17 MGA Docketing

docket@mgalaw.com

18 Tonya Binns

tbinns@gtg.legal

19 Max Erwin

merwin@gtg.legal

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Las Vegas, Nevada 89119
Tel: (725) 777-3000
Fax: (725) 777-3112
Attorney for Claimant

AMERICAN ARBITRATION ASSOCIATION

TGC/ FARKAS FUNDING, LLC;

AAA CASE NO. 01-20-0000-0613

Claimant,

**APPENDIX OF EXHIBITS TO
CLAIMANT'S ARBITRATION BRIEF**

vs.

FIRST 100, LLC, a Nevada Limited Liability
Company; FIRST ONE HUNDRED
HOLDINGS, LLC, a Nevada limited liability
company,

Respondents.

Exhibit	Description	Bates Numbers
1	September 2013 1 st One Hundred LLC Investor Presentation	TGC000001 - 000022
2	\$1,000,000 Offering for the Purchase of Interest in First 100, LLC	TGC000023 - 000041
3	December 12, 2012 First Amended Operating Agreement of First 100, LLC	TGC000042 - 000070
4	List of Members	TGC000071 - 000072
5	Communication from 1 st One Hundred LLC, explaining that the Board Approved Matthew Farkas and Declarant Each Having a 1.5% Membership Interest with First 100, LLC	TGC000073 - 000074
6	April 15, 2017 Package which was Sent to Maier Gutierrez & Associates	TGC000075 - 000098
7	Schedule K-1 Form from First 100, LLC Identifying the 3% Membership Interest in First 100, LLC	TGC000099 - 000102
8	April 21, 2017 Engagement Letter	TGC000103 - 000117
9	May 2, 2017 Correspondence from Ms. Turner to Charity Johnson from the law firm of Maier Gutierrez & Ayon	TGC000118 - 000122

RA0318

Exhibit	Description	Bates Numbers
10	June 5, 2017 Follow up Correspondence from Ms. Turner to Mr. Maier, Mr. Gutierrez and Mr. Ayon of Maier Gutierrez & Ayon	TGC000123 - 000128
11	June 6, 2017 Correspondence from Mr. Gutierrez to Ms. Turner	TGC000129 - 000167
12	July 13, 2017 Correspondence from Ms. Turner to Mr. Gutierrez	TGC000168 - 000185
13	September 13, 2017 Follow up Correspondence from Ms. Turner to Mr. Gutierrez	TGC000186 - 000188
14	September 24, 2019 Correspondence from Danielle Barazza of Maier Gutierrez & Ayon	TGC000189 - 000191
15	March 19, 2020 Correspondence from Mr. Gutierrez to Ms. Turner	TGC000192 - 000194

DATED this 10th day of July 2020.

GARMAN TURNER GORDON LLP

By: /s/ Erika Pike Turner
 ERIKA PIKE TURNER
 Nevada Bar No. 6454
 Email: eturner@gtg.legal
 7251 Amigo Street, Suite 210
 Las Vegas, Nevada 89119
 Tel: (725) 777-3000
 Fax: (725) 777-3112
Attorney for Claimant

September 13, 2019

Erika Pike Turner, Esq.
Email: ETurner@GTG.legal
Direct Line: (725)244-4573

VIA EMAIL AND U.S. MAIL

Joseph A. Gutierrez, Esq.

jag@mgalaw.com

MAIER GUTIERREZ AYON

8816 Spanish Ridge Ave

Las Vegas, NV 89148

Dear Mr. Gutierrez:

Please recall this firm represents the interests of Adam Flatto, Marshall Rose and by, extension, their investment vehicle, TGC/Farkas Funding, LLC (together, the “Investors”), with respect to their \$1 million investment and related 3% interest in First 100, LLC and 1st One Hundred Holdings, LLC (together, the “Company”). In the last communication we had on this matter, the Company represented that they were in the process of collecting a \$1 billion+ judgment and taking other action for the purpose of winding up the Company and returning the Investors their capital. There has been no update to the Investors, despite the significant passage of time.

The Investors therefore hereby make a demand in their capacity as Investors under NRS 86.241(2) and (3) as well as the Company’s Operating Agreements, for the purpose of monitoring such investment for production of the books and records:

- 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

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GARMAN TURNER GORDON LLP
Page 2

- 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.

Please confirm that the documents will be available for inspection and copying (at the Investors' cost) at your office on September 26, 2019 at 3:00 pm. If that date/time is unavailable, please provide a reasonable alternative.

Sincerely,

GARMAN TURNER GORDON

/s/ ERIKA PIKE TURNER

ERIKA PIKE TURNER, ESQ.

cc: Michael Busch

RA0321
PLTF_031

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, arbitral, 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; SUPERSEDEDURE. 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:

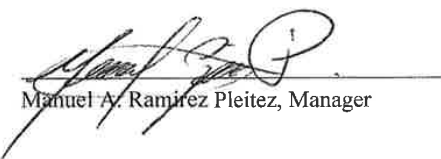
MEMBER: SJC VENTURES HOLDING COMPANY LLC, a Delaware limited liability company

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 Halejan individual

By: ~~K S. Hale~~
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

**Schedule A:
List of Members**

Paid in Capital			Series A	PIC	Series B	PIC	Series C	PIC
\$	185.00	Paladin Ventures, LLC	7.500%	\$ 185.00				
\$	185.00	Mamber Ventures, LLC	7.500%	\$ 185.00				
\$	185.00	CBWE, LLC	6.000%	\$ 185.00				
\$	185.00	SJC, LLC	45.625%	\$ 185.00				
\$	65.00	Mark Hostetler	6.500%	\$ 65.00				
\$	30.00	Bart Rendel, COO	3.000%	\$ 30.00				
\$	20.00	Dustin Lewis, CFO	2.000%	\$ 20.00				
\$	20.00	Rob Curley, CTO	2.000%	\$ 20.00				
\$	20.00	Wendell Brown	2.000%	\$ 20.00				
\$	17.50	Dennis Wiley	1.750%	\$ 17.50				
\$	15.00	Scott Olifant, Esq	1.625%	\$ 16.25				
\$	6.88	Marilyn Wiley	0.688%	\$ 6.88				
\$	5.00	Jeffrey Albregts	0.500%	\$ 5.00				
\$	1.88	Glenn Plantone	0.188%	\$ 1.88				
\$	1.25	Hannah Harvey	0.125%	\$ 1.25				
\$	1.25	Jethro Gordon	0.125%	\$ 1.25				
\$	0.63	Erin Quatrala	0.063%	\$ 0.63				
\$	500,000.00	Basis Investments, LLC	5.000%	\$ 50.00	50.00%	\$ 499,950.00		
\$	100,000.00	Marilyn Wiley	1.000%	\$ 10.00	10.00%	\$ 99,990.00		
\$	100,000.00	Kent Adamson	1.000%	\$ 10.00	10.00%	\$ 99,990.00		
\$	50,000.00	Alan & Theresa Lahrs	0.500%	\$ 5.00	5.00%	\$ 49,995.00		
\$	50,000.00	Alan & Theresa Lahrs	0.500%	\$ 5.00	5.00%	\$ 49,995.00		
\$	50,000.00	Jean Kempner	0.500%	\$ 5.00	5.00%	\$ 49,995.00		
\$	50,000.00	Jeffrey Albregts	0.500%	\$ 5.00	5.00%	\$ 49,995.00		
\$	50,000.00	Amy and Armond Farr	0.500%	\$ 5.00	5.00%	\$ 49,995.00		
\$	25,000.00	Scott Olifant, Esq	0.250%	\$ 2.50	2.50%	\$ 24,997.50		
\$	25,000.00	Glenn Plantone	0.250%	\$ 2.50	2.50%	\$ 24,997.50		
\$	1.88	Scott Olifant, Esq	0.188%	\$ 1.88				
\$	3.75	Glenn Plantone	0.375%	\$ 3.75				
\$	1.25	JWL Management	0.125%	\$ 1.25				
\$	2.50	Greg and Laurie Darroch	0.250%	\$ 2.50				
\$	100,000.00	Greg and Laurie Darroch	0.500%	\$ 5.00			2.00%	\$ 99,995.00
\$	50,000.00	Laurie Darroch	0.250%	\$ 2.50			1.00%	\$ 49,997.50
\$	50,000.00	Catheryn Cope	0.250%	\$ 2.50			1.00%	\$ 49,997.50
\$	50,000.00	JWL Management	0.250%	\$ 2.50			1.00%	\$ 49,997.50
\$	50,000.00	Glenn Plantone	0.250%	\$ 2.50			1.00%	\$ 49,997.50
\$	75,000.00	Scott Olifant	0.375%	\$ 3.75			1.00%	\$ 74,996.25
\$	1,375,953.76	Total	100.000%	\$ 1,073.76	100.00%	\$ 999,900.00	7.00%	\$ 374,981.25

OPERATING AGREEMENT *of* **1ST ONE HUNDRED HOLDINGS, LLC**

This operating agreement of 1ST ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company, Adopted December 4, 2013 and having an effective date of December 4, 2013, 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 "Code" means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

1.9 "Company" means 1st One Hundred HOLDINGS, LLC, a Nevada limited liability company

1.10 "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.

1.11 "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.

1.12 "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.

1.13 "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.

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

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

1.16 "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.

1.17 "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.

1.18 "NRS" means Nevada Revised Statutes.

1.19 "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.

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

1.21 "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.

1.22 "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.

1.23 "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 **1ST ONE HUNDRED HOLDINGS, 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 ONE CLASS OF MEMBERSHIP INTEREST. The Company shall have one class of Membership Interests: Class A Voting Membership Interests.

3.2 MEMBERSHIP INTERESTS. The Member names and Class A Membership Interests of the Class A 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.

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 ten percent (10%) 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 the vote of a simple majority 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 simple majority vote of 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 written approval of a simple majority of the 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. 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 a simple majority 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. To the Class A Members in accordance with their respective Class A Membership Interests.

5.3 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.

5.4 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's 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 a simple majority of 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 a simple majority of 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 a simple majority of 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 only be filled by the affirmative vote of a simple 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 a simple majority 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, arbitral, 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 for 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 simple 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 a simple majority of 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. A Manager or its

employees or officers shall automatically be afforded indemnification should the Manager no longer be serving in such capacity for the Company.

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 may 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 simple 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. 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 simple 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; SUPERSEDEDURE. 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: SJC 1, LLC, a Nevada limited liability company

By: 

Jay Bloom, Manager

MEMBER: SJC 2, LLC, a Nevada limited liability company

By: 


Jay Bloom, Manager

MEMBER: CBWE, LLC, a Nevada limited liability company

By: 

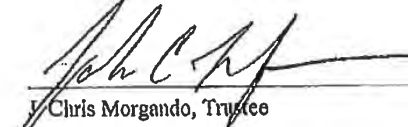
Carlos Cardenas, Manager

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: 
Chris Morgando, Trustee

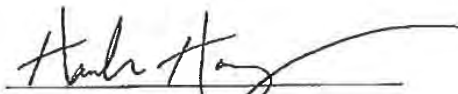
MEMBER: BART RENDEL, an individual

By: 
Bart Rendel, individually


MEMBER: SCOTT OLIFANT, an individual

By: _____
Scott Olifant, Esq., individually

MEMBER: HANNAH HARVEY, an individual

By: 
Hannah Harvey, individually

MEMBER: JETHRO WAYNE GORDON, an individual

By: 
Jethro Wayne Gordon, individually

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MEMBER: WENDELL BROWN, an individual

By: Wendell Brown, individually

MEMBER: GLENN PLANTONE, an individual

By: Glenn Plantone, individually

MEMBER: ERIN QUATRALE, an individual

By: Erin Quatralo, individually

MEMBER: MARILYN WILEY, an individual

By: Marilyn Wiley, individually

MEMBER: DENNIS WILEY, an individual

By: Dennis Wiley, individually

MEMBER: ALAN AND THERESA LAHRS, jointly and individually

By: Alan Lahrs Theresa Lahrs

MEMBER: IZZY ZALCBERG, an individual

By: Izzy Zalberg, 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

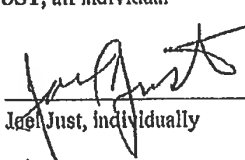
MEMBER: GREG AND LAURIE DARROCH, jointly and individually

By: _____
Greg Darroch Laurie Darroch

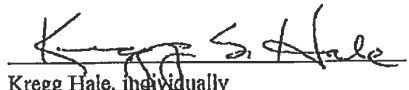
MEMBER: CATHERYN COPE, an individual

By: _____
Catheryn Cope, individually


MEMBER: JOEL JUST, an individual

By: 
Joel Just, individually

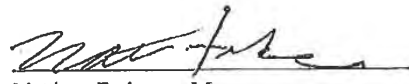
MEMBER: KREGG HALE, an individual

By: 
Kregg Hale, individually

MEMBER: CHRIS WOOD, an individual

By: 
Chris Wood, individually

MEMBER: TGC/FARKAS FUNDING, LLC, a Limited Liability Company

By: 
Matthew Parkas, as Manager

MEMBER: GREENDOT INVESTMENTS, a Limited Liability Company

By: _____
Brian Greenspun, as Manager

MEMBER: PAT AND SANDY O'LAUGHLIN, individually

By: _____
Pat O'Laughlin, individually Sandy O'Laughlin, individually

MEMBER: JWL MANAGEMENT, INC., a corporation

By: _____
Johnathan Lee, President

MEMBER: VAN HOLLAND, an individual

By: _____
Van Holland, individually

MEMBER: DR. NATCHEZ MAURICE, an individual

By: _____
Dr. Natchez Maurice, individually

SCHEDULE A:
LIST OF MEMBERS

<u>Total Investment</u>		<u>Total Cap Contr</u>	<u>Class A Membership Interest</u>	<u>PIC</u>
\$ 30.00	Bart Rendel	3 yr Vesting	3.000%	\$ 30.00
\$ 30.00	Joel Just	3 yr Vesting	3.000%	\$ 30.00
\$ 30.00	Kregg Hale	3 yr Vesting	3.000%	\$ 30.00
\$ 20.00	Chris Wood	3 yr Vesting	2.000%	\$ 20.00
\$ 20.00	Wendell Brown	3 yr Vesting	2.000%	\$ 20.00
\$ 15.00	TGC/Farkas Funding, LLC	3 yr Vesting	1.500%	\$ 15.00
\$ 10.00	Scott Olifant, Esq	3 yr Vesting	1.000%	\$ 10.00
\$ 1.25	Hannah Harvey	3 yr Vesting	0.125%	\$ 1.25
\$ 1.25	Jethro Gordon	3 yr Vesting	0.125%	\$ 1.25
\$ 100.73	SJC, LLC	\$ 100.73	23.709%	\$ 100.73
\$ 50.82	SJC 2, LLC	\$ 50.82	12.208%	\$ 50.82
\$ 33.46	SJC 1, LLC	\$ 33.46	6.708%	\$ 33.46
\$ 185.00	Paladin Ventures, LLC	\$ 185.00	7.500%	\$ 185.00
\$ 185.00	CBWE, LLC	\$ 185.00	6.000%	\$ 185.00
\$ 185.00	Mamber Ventures, LLC	\$ 185.00	7.500%	\$ 185.00
\$ 500,000.00	Basis Investments, LLC	\$ 500,000.00	5.000%	\$ 50.00
\$ 20.00	Greendot Investments, LLC	\$ 20.00	2.000%	\$ 20.00
\$ 100,007.50	Marylin Wiley	\$ 100,007.50	1.750%	\$ 17.50
\$ 15.00	Dennis Wiley	\$ 15.00	1.500%	\$ 15.00
\$ 1,000,005.00	TGC/Farkas Funding, LLC	\$ 1,000,005.00	1.500%	\$ 1,000,005.00
\$ 125,001.88	Scott Olifant	\$ 125,000.00	1.188%	\$ 10.63
\$ 75,005.63	Glenn Plantone	\$ 75,001.88	1.063%	\$ 10.63
\$ 100,000.00	Alan & Theresa Lahrs	\$ 100,000.00	1.000%	\$ 10.00
\$ 100,000.00	Kent Adamson	\$ 100,000.00	1.000%	\$ 10.00
\$ 10.00	Pat and Sandy O'Laughlin	\$ 10.00	1.000%	\$ 10.00
\$ 100,002.50	Greg and Laurie Darroch	\$ 100,002.50	0.750%	\$ 7.50
\$ 50,000.00	Amy and Armond Farr	\$ 50,000.00	0.500%	\$ 5.00
\$ 5.00	Brin Quatrala	\$ 5.00	0.500%	\$ 5.00
\$ 50,000.00	Jean Kempner	\$ 50,000.00	0.500%	\$ 5.00
\$ 50,001.25	JWL Management	\$ 50,001.25	0.375%	\$ 3.75
\$ 50,000.00	Catheryn Cope	\$ 50,000.00	0.250%	\$ 2.50
\$ 50,000.00	Laurie Darroch	\$ 50,000.00	0.250%	\$ 2.50
\$ 2.50	Van Holland	\$ 2.50	0.250%	\$ 2.50
\$ 25,000.00	Dr. Natchez Maurice	\$ 25,000.00	0.125%	\$ 1.25
\$ 25,000.00	Izzy Zalberg	\$ 25,000.00	0.125%	\$ 1.25
\$ 2,400,973.76	Total	\$ 2,400,810.63	100.000%	\$ 1,001,092.51

RA0380

PLTF_090

TGC000164

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

RA0381

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OPP059

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', with a long horizontal line extending to the right.

Raffi A. Nahabedian, Esq.

cc: Client (via email)

RA0382

PLTF_097

OPP060

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

RA0383

PLTF_098

OPP061

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

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

6 **DISTRICT COURT**
CLARK COUNTY, NEVADA

7 TGC/FARKAS FUNDINGG, LLC,
8
9 Plaintiff,

Case No.: A-13-677354-C

Dept. No.: XVI

10 vs.

SUBSTITUTION OF COUNSEL

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

15 Defendants.

16
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.
Law Office of Raffi A. Nahabedian
23 7408 Doe Avenue
24 Las Vegas, NV 89117

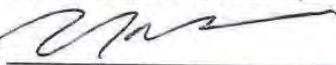
25 Dated this 4th day of January, 2021.

LAW OFFICE OF RAFFI A. NAHABEDIAN

26 By: 

Raffi A. Nahabedian, Esq.
Attorneys Plaintiff

RAFFI A. NAHABEDIAN
7408 Doe 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.
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RAFFI A. NAHABEDIAN

7408 Doc 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

1
2 **SETTLEMENT AGREEMENT**

3 This Settlement Agreement is entered into as of this 6th day of January 2021, by and between 1st
4 One Hundred Holdings, LLC (hereinafter "1st 100"), First 100, LLC (hereinafter "F100") and the TCG
5 Farkas Funding, LLC (hereinafter "TCG"), by and through its Member and Manager, Matthew Farkas
(collectively referred to as "the Parties");

6 An arbitration award reduced to judgment in favor of the TCG exists (the "Judgment");

7 1st 100 and F100 have been awarded a judgment in the amount of \$2,211,039,718.46 against
8 judgment debtors Raymond Ngan, Relativity Capital Group, LTD, Relativity Capital, LLC and Relativity
9 Enterprises, Inc. (the "Award")

10 The Parties wish to resolve the dispute without further litigation;

11 TCG wishes to obtain assurances of the recovery of its investment and secure a method of
12 obtaining payment;

13 1st 100 and F100 wish to pay the amount owed as a single lump sum payment upon recovery from
14 the Award;

15 NOW, THEREFORE, 1st 100 and the TCG hereby represent, warrant and agree as follows:

16 1. 1st 100 agrees the TCG is currently owed \$1,000,000.00 plus 6% per annum since the date
17 of investment, and this amount is secured by the Judgment;

18 2. 1st 100 will pay the amount owed to the TCG as follows:

19 a. Concurrent with its collection of proceeds from the sale of its Award, 1st
20 100 and/or F100 will cause to pay \$1,000,000 plus 6% interest accrued from the
21 date of investment to TCG/Farkas;

22 3. Interest will continue to accrue on the balance until such time of payment;

23 5. Upon execution of the Agreement, TCG will file a dismissal with prejudice of the current
24 actions related to this matter, including the arbitration award and all relation motions and actions pending
25 in the District Court;

26 6. The Parties agree that each shall bear its own costs and attorney's fees;

27 7. The Parties agree to waive the right to receive written findings of fact, conclusions of law
28 and with regard to this Agreement;

8. The Parties each warrant that no promise or inducement has been offered except as herein set forth, that this Agreement is executed without reliance upon any statement or representation except as contained herein, that the terms and conditions of this Agreement are fair and reasonable, and that all of the Parties are of legal age, and/or are legally competent to execute this Agreement, and have done so after a full opportunity to consult with competent, independent counsel;

9. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same agreement. Copies of signatures, including fax copies and pdfs, shall be deemed originals;

10. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without regard to the conflicts of laws and principles thereof;

11. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, their successors and assigns;

12. No provision of this Agreement shall be waived or modified except in writing signed by all Parties hereto;

13. This Agreement represents the entire understanding of the Parties and there are no other agreements or representations other than those contained herein;


14. The parties hereto represent and warrant that the person executing this Agreement on behalf of each party has full power and authority to enter into this Agreement;

SIGNATURE PAGE TO FOLLOW


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DATED: January 6, 2021.

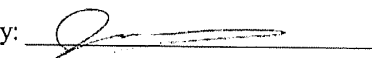
MATTHEW FARKAS
50% Member and Manager
TCG Farkas Funding, LLC

By: 
Matthew Farkas
3345 Birchwood Park Place
Las Vegas, NV 89141

1st One Hundred Holdings, LLC

By: 
Its: Manager
Print
Name: Jay Bloom

First 100, LLC

By: 
Its: Manager
Print
Name: Jay Bloom

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1 Matthew Farkas and I believed to be in his capacity as Manager of TGC/Farkas Funding, LLC, as we
2 both desired that there be no more litigation.

3 11. Matthew Farkas represented to me up to and through January 11, 2021, that he had
4 never resigned his position as Manager of TGC/Farkas Funding, LLC. I reasonably relied upon this
5 representation, and I recalled seeing the declaration from Adam Flatto from August 2020 in the
6 underlying arbitration matter, where Mr. Flatto had confirmed that Mr. Farkas was the Manager of
7 TGC/Farkas Funding, LLC which added to my reasonable belief that Mr. Farkas had authority to sign
8 a settlement agreement on behalf of TGC/Farkas Funding, LLC. This is why I agreed to settle the
9 case with Mr. Farkas instead of reaching out to negotiate with Adam Flatto of TGC 100 Investor,
10 LLC, the other member of TGC/Farkas Funding, as I wanted to deal with the member that actually
11 had authority to bind TGC/Farkas Funding, LLC.

12 12. Matthew Farkas told me that he signed the August 2020 Declaration on behalf of
13 TGC/Farkas Funding, LLC in the Arbitration, as well as the Garman Turner Gordon (“GTG”) retainer,
14 under duress because Adam Flatto told him that he “had one hour to sign the papers or be sued.”

15 13. On or about the end of August 2020, Matthew Farkas told me that he signed the August
16 2020 Flatto papers consisting solely of a Declaration for Flatto’s use in Arbitration, using the language
17 that he did so “under duress.”

18 14. Matthew Farkas told me that he never met with the GTG firm prior to their
19 engagement, never discussed engaging counsel, nor had any conversations relating to engaging this
20 firm for the purposes of representation of TGC/Farkas Funding, LLC.

21 15. Matthew Farkas told me as recently as January 11, 2021, that he had no recollection or
22 knowledge of resigning his position as Manager of TGC/Farkas Funding, LLC.

23 16. In fact, Matthew Farkas told me that his conversations with his fellow member in
24 TGC/Farkas Funding, LLC related solely to his intentions not to engage counsel and that he wanted
25 no part of any litigation, against First 100 or otherwise.

26 17. Matthew Farkas told me that in his capacity as sole Managing Member and 50% owner
27 of TGC/Farkas Funding, LLC, he had terminated GTG from further representation of TGC/Farkas
28 Funding, LLC.

RA0391

1 18. Matthew Farkas retained the Law Firm of Raffi Nahabedian to substitute in as Counsel
2 for TGC/Farkas Funding, LLC.

3 19. On or about January 9, 2021, during a telephone conference with TGC/Farkas Funding,
4 LLC counsel, Raffi Nahabedian, Esq., Joseph Gutierrez, Esq., and myself, Matthew Farkas continued
5 to state that he has no recollection of resigning his position as Manager, but he would check his emails.

6 20. It was not until on or about January 10, 2021, that Matthew Farkas, for the first time,
7 say that he found an email where he signed a September 2020 Amendment to the TGC/Farkas
8 Funding, LLC Operating Agreement.

9 21. On or about January 11, 2021, Matthew Farkas told me that he signed such document
10 under duress, that he has not read the September 2020 Amendment to the TGC/Farkas Funding, LLC
11 Operating Agreement, and did not realize that he had resigned his position until he found the email
12 and read the Amendment for the first time on or about January 11, 2021.

13 22. At all relevant times, I understood Matthew Farkas to have the authority to sign the
14 Settlement Agreement based on:

- 15 a. Matthew Farkas' being the signer, as Manager, of the TGC/Farkas Funding,
16 LLC Subscription Agreement,
- 17 b. Matthew Farkas' being the signer, as Manager, of the TGC/Farkas Funding,
18 LLC Redemption Agreement,
- 19 c. Matthew Farkas signing the Settlement Agreement in this case in the same
20 capacity.

21 23. At no time prior to Matthew Farkas' execution of the Settlement Agreement did he
22 ever represent that he was no longer the Manager of TGC/Farkas Funding, LLC.

23 24. At no time prior to Matthew Farkas' execution of the Settlement Agreement did the
24 entity TGC/Farkas Funding, LLC ever represent or otherwise notify First 100 that Matthew Farkas
25 was no longer the Manager of TGC/Farkas Funding, LLC, and that First 100 should be communicating
26 with any other person or entity.

27 25. It is now clear to me that Matthew Farkas didn't even know what he was signing when
28 he signed the August 2020 Declaration for TCG/Farkas or the September Amendment to the

RA0392

1 TGC/Farkas Funding, LLC Operating Agreement, as he told me that he didn't read what Adam Flatto
2 threatened him to sign, and therefore didn't know himself that he may not have been the Manager of
3 TGC/Farkas Funding, LLC at the time he entered into the Settlement Agreement.

4 26. Given the history of how Matthew Farkas has been bullied by his partner through GTG
5 with signing documents, without counsel, that he didn't read or understand under threat of litigation
6 by Adam Flatto, I believe that once again, when an attorney from GTG appeared at his house on a
7 recent Saturday morning, with a prepared Declaration for his signature, for which I do not believe
8 Matthew Farkas participated in the preparation, and for which Matthew Farkas did not have counsel
9 present individually to review said Declaration, that Matthew Farkas was once again threatened into
10 signing a document without reading or understanding.

11 27. After having reviewed the transcript of the telephone call between Matthew Farkas and
12 a GTG attorney, I spoke directly with Matthew Farkas and asked why he had lied during the call.

13 28. Matthew Farkas told to me that the GTG attorney got him very angry by lying to him
14 because he incorrectly believed that what he signed inadvertently extinguished a \$1,000,000
15 investment, which is categorically false.

16 29. Matthew Farkas further told me that the statements he made during the call about me
17 were in anger and frustration after the GTG had lied to him, and that such statements were reactionary
18 and not really true.

19 30. On page 25, Lines 20 and 21, Dylan Ciciliano, Esq., told to Farkas that
20 "Well, I mean, it's bad. If they win on the motion and force settlement, they extinguish
21 a million-dollar investment."

22 31. However, in the Settlement Agreement, it clearly states:

23 *NOW, THEREFORE, 1st 100 and the TGC hereby represent, warrant and agree as*
24 *follows:*

25 *1. 1st 100 agrees the TGC is currently owed \$1,000,000.00 plus 6% per annum since the*
26 *date of investment, and this amount is secured by the Judgment;*

27 *2. 1st 100 will pay the amount owed to the TGC as follows:*

28 *a. Concurrent with its collection of proceeds from the sale of its Award, 1st 100 and/or*
F100 will cause to pay \$1,000,000 plus 6% interest accrued from the date of investment
to TGC/Farkas;

3. Interest will continue to accrue on the balance until such time of payment;

5. Upon execution of the Agreement, TGC will file a dismissal with prejudice of the current

RA0393

1 *actions related to this matter, including the arbitration award and all relation motions and*
2 *actions pending in the District Court;*

3 32. Dylan Ciciliano's statement is patently false on its face, and served its intended purpose
4 of inciting Matthew Farkas into making false statements about me.

5 33. Matthew Farkas admitted to me that the statements made during the call were made
6 out of anger and were not true.


7 34. It is my belief that the Declaration signed by Matthew Farkas is yet another document
8 signed without being read, under duress, and such statements contravene Matthew Farkas' statements
9 made directly to me and everyone else.

10 35. At no time has First 100 ever been notified by Matthew Farkas, Adam Flatto, or
11 TGC/Farkas Funding, LLC, as to any change in Management.

12 36. Given Matthew Farkas was the signer, in his capacity of Manager, for both the initial
13 Subscription Agreement, the Redemption Agreement and the Settlement Agreement, and no person
14 or entity has ever indicated or notified First 100 that there was a change in Management, both
15 Matthew Farkas and I believed that Matthew Farkas continued to have the authority to sign the
16 settlement agreement which he negotiated on behalf of TGC/Farkas Funding, LLC.

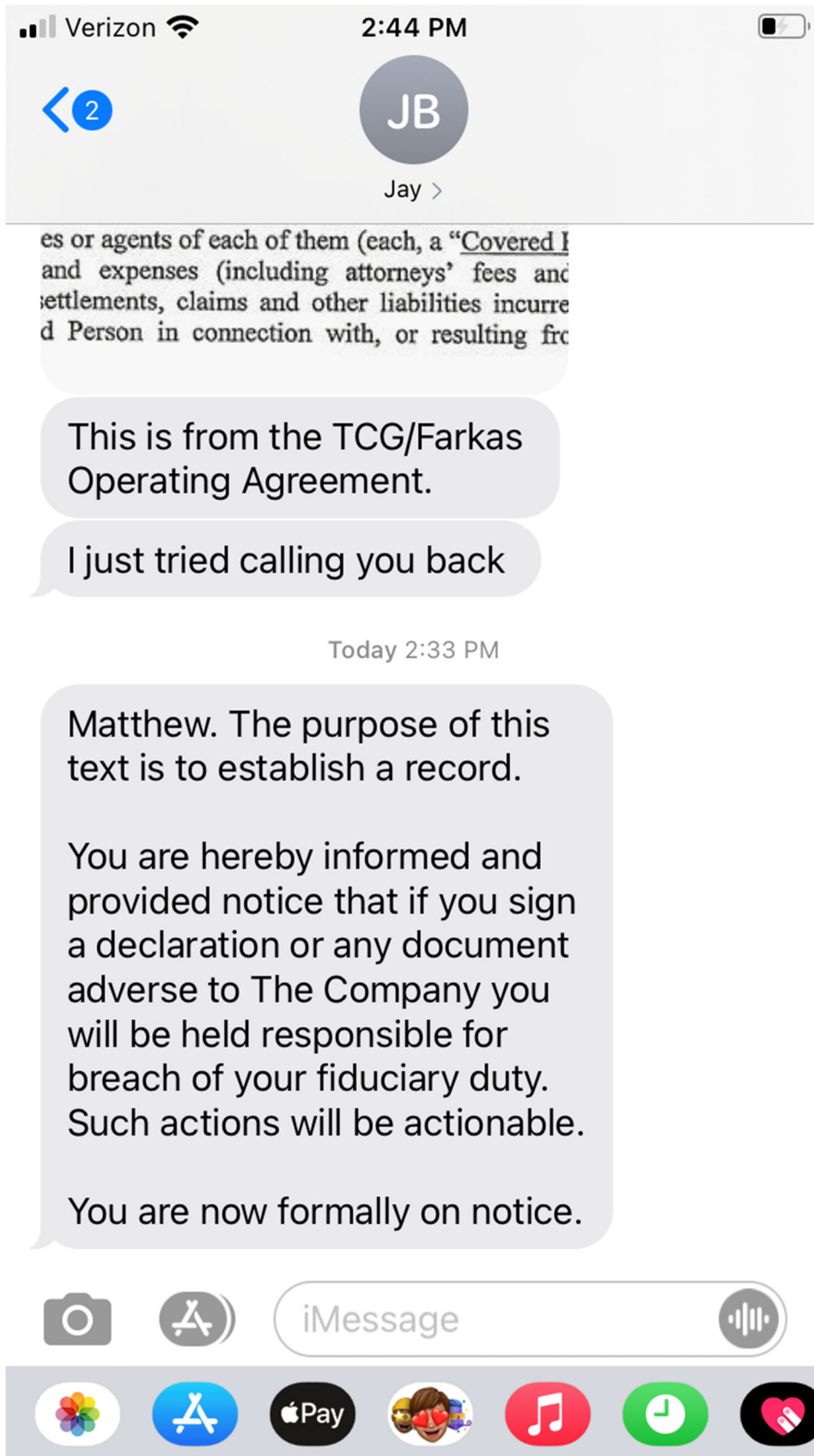
17 I declare under penalty of perjury of the laws of the United States of America and the State of
18 Nevada that the foregoing is true and correct.

19 DATED this 27th day of January, 2021

20
21 
22 JAY BLOOM

Dylan Ciciliano

Subject: FW: Text from Jay Bloom



RA0396

Dylan Ciciliano

From: Matthew Farkas <farkm1@aol.com>
Sent: Sunday, January 24, 2021 1:04 PM
To: Dylan Ciciliano; Erika Turner
Subject: Fwd: Matthew Farkas Affidavit
Attachments: 1 24 2021 Affidavit of M. Farkas.pdf

Begin forwarded message:

From: Jay Bloom <jbloom@lvem.com>
Date: January 24, 2021 at 11:23:35 AM PST
To: store4590@gmail.com
Cc: Matthew Farkas <farkm1@aol.com>
Subject: **Matthew Farkas Affidavit**

Good morning,

Matthew, please read the attached. If you want any changes, please let me know.

If it reads well and accurate, please go to the UPS store where they will print the attached, notarize your signature and scan and return it to me by email in order that we can amicably close out this matter once and for all.

I have a meeting with the attorneys at 8am tomorrow, and the return of this document will influence the direction that we need to go in that meeting, so I am hopeful that you return this document today and I can bring it with me to tomorrow morning's meeting.

Again, read it, and make sure everything there is truthful.

I believe it is.

Jay Bloom

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.

1 **AFFT**

2 **CLARK COUNTY, NEVADA**

3
4 **AFFIDAVIT OF MATTHEW FARKAS**

5 STATE OF NEVADA)
6) ss:
7 COUNTY OF CLARK)

8
9 MATTHEW FARKAS, being duly sworn, deposes and says that:

10
11 1. I am over the age of eighteen (18) and I have personal knowledge of all the facts set
12 forth herein. Except otherwise indicated, all facts set forth in this affidavit are based upon my own
13 personal knowledge, my review of the relevant documents, and my opinion of the matters that are the
14 issues of this lawsuit. If called to do so, I would competently and truthfully testify to all matters set
15 forth herein, except for those matters stated to be based upon information and belief.

16 2. This affidavit is made with respect to Case Number A-20-822273-C.

17 3. I have reviewed the transcript of my telephone call of January 20, 2021 and want to
18 clarify for the record, certain misstatements which I made out of anger in that telephone call.

19 4. In the January 6, 2021 Settlement Agreement that I signed, paragraphs 1, 2 and 3
20 clearly provide that First 100 continues to owe \$1,000,000, plus 6% per annum accruing, to TCG/
21 Farkas, and further, that such amount was due and payable upon receipt of funds by First 100 from
22 collection upon its Judgment.

23 5. On January 20, 2021, in a telephone conversation with Dylan Ciciliano of the firm
24 Garman, Turner, Gordon, I was being provided legal advice as I understood it in a personal capacity.

25 6. On page 25, lines 19-25, Mr. Ciciliano reiterated on the call his legal advice provide
26 to me that "Well, I mean, it's bad. If they win on the Motion and force the Settlement, they extinguish
27 a million-dollar investment."

28 7. Also, on Page 7, lines 7 of the same transcript, Mr. Ciciliano misrepresented to me that

1 there is an arbitration award and fee award against Jay Bloom and First 100, when in fact the award
2 was against solely First 100 and does not involve Jay Bloom individually.

3 8. This legal advice as provided to me by Garman Turner Gordon, contravenes the plain
4 language of the Settlement Agreement and was clearly false.

5 9. And this knowingly false legal advice, as provided by Mr. Ciciliano, as reiterated on
6 this phone call, is to what I was reacting in my misstatements made in the telephone call, which I seek
7 to correct today with this Affidavit.

8 10. For the benefit of the record, any representation that I may have made in which
9 documents that I signed were signed under duress is inaccurate.

10 11. The documents, including the Settlement Agreement were sent electronically to be
11 printed at a Fedex location near my home, where I was alone when I read them and elected to sign
12 them.

13 12. I did represent to TCG/Farkas' new counsel, Raffi Nahabedian, as well as Joe Gutierrez
14 and Jason Maier of Maier, Gutierrez, that Adam Flatto told me if I did not sign the TCG/Farkas
15 documents within 1 hour of their delivery, in August 2020, for his benefit in the Arbitration, that he
16 would sue me, and that I signed the TCG/Farkas documents under duress.

17 13. I was not under duress when I signed the Settlement Agreement, the Termination
18 Letter, the retainer Agreement, my Declaration or the Substitution of Attorney on January 6, 2020, to
19 end the conflict between TCG/Farkas and First 100.

20 14. I did have discussions with Jay Bloom as to the terms of a settlement Agreement in
21 that I wanted to assure that payment would be made upon availability of funds. While in the heat of
22 the moment, during the call, I stated that I didn't negotiate the Agreement with Jay because I got
23 everything I asked for without the need to negotiate.

24 15. On Page 9, Lines 18-19, I stated that I didn't remember signing the documents.

25 16. On Page 14, Line 21, I recalled that I in fact actually had signed all of the documents.

26 17. On Page 11, Lines 5-6 and Lines 16-18, I mistakenly represented that Jay knew about
27 the September Amendment to the Operating Agreement. In fact, he did not.

28 18. I never told Jay Bloom about the September Amendment to the Operating Agreement

1 for TCG/Farkas because I didn't understand what I was signing for Adam, nor did I remember signing
2 it nor understand its implications.

3 19. In fact, Jay Bloom asked me if I had signed any documents other than the August
4 Affidavit for Arbitration and I said that "No, I had not".

5 20. In a January 2021 conversation with Jay Bloom, Joe Gutierrez and Raffi Nahabedian,
6 I reiterated that I didn't remember signing a September 2020 Amendment to the TCG/Farkas
7 Operating Agreement, but that I would check my historical e-mails to see if I could find anything.

8 21. Subsequently, I found what I had signed, and on or about the week of January 11, 2021
9 I found the emails with the signed Amendment, and forwarded it to Mr. Nahabedian.

10 22. It was at this time that Jay Bloom and the attorneys first learned of the Amendment to
11 the TCG/Farkas Operating Agreement.

12 23. When I answered that Jay knew about it prior, I was referring to the August 2020
13 Affidavit which I signed under duress in support of TCG/Farkas for the Arbitration supplement.

14 24. I had no idea what I was signing in September of 2020, nor of its implications, and
15 didn't understand it until January 11, 2021, and therefore Jay Bloom could not have had knowledge
16 of the Amendment to the TCG/Farkas Amendment to the Operating Agreement as of January 6, 2021.

17 25. As such, at the time I signed the Settlement Agreement, I was definitively a 50%
18 Member of TCG/Farkas and further believed that I was the Administrative Member and the CEO, and
19 therefore First 100 had good reason to believe my authority to enter the Settlement Agreement as well.

20 26. It is my desire that TCG/Farkas get its \$1,000,000 plus 6% interest, that this is the bst
21 outcome for TCG/Farkas, that contested litigation cannot yield a better result, and this settlement
22 Agreement accomplishes that objective.

23 27. Further, when I signed the Retainer for Garman, Turner, Gordon, I specifically
24 interlineated, by hand, language which precluded litigation from their scope of engagement.

25 28. I never agreed to expand the scope to include the instant actions now being pursued.

26 29. And I don't want to be used by TCG/Farkas to be part of having initiated litigation
27 against my brother-in-law which impacts my sister, my mother and her husband.

28 30. Therefore, I fully support the Enforcement of the Settlement Agreement which

1 provides for the recovery of \$1,000,000 plus 6% interest to TCG/Farkas upon First 100's receipt of
2 funds (the best possible outcome for TCG/Farkas) and the end to the litigation.

3

4 FURTHER YOUR AFFIANT SAYETH NAUGHT.

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MATTHEW FARKAS

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10 SUBSCRIBED and SWORN to before me this
11 ____ day of January, 2021.

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NOTARY PUBLIC

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