

Page 86

1 product, no.

2 EXAMINATION

3 BY MS. FLOYD:

4 Q So it was the insured part of Insured Liquidity's  
5 partners?

6 A The insured part was the purchasing of cash value  
7 life insurance on the fund company, the company they were  
8 funding's owner.

9 Q The key man life insurance policy?

10 A Yes. That's a better way to put it. Yes.

11 Q Okay.

12 A I am trying to have that flow out of my mouth a  
13 little bit better, but it's not flowing out very well. Yes.  
14 And that's what they were using to help mitigate that risk on  
15 that part.

16 EXAMINATION

17 BY MS. GUNN:

18 Q And how -- how would that mitigate the risk?

19 A You have a -- an asset in the life insurance because  
20 it is a cash value life insurance. And it's paid up over a  
21 short period of time. It's usually paid up over or at least  
22 partly paid up over the course or the term of the contract they  
23 were going to have with the company they were funding. So if  
24 OE Capital Partners was funding ABC company, they would set  
25 them up on a three or a five year schedule to recapture

Page 87

1 revenues. And so they would try to fund that life insurance  
2 over that time frame. And if the company they were funding,  
3 ABC company in my example here, met all the requirements in  
4 that three year period of time or that five year period of  
5 time, OE Capital would say, okay, the life insurance policy is  
6 now yours because they would count that as part of their  
7 funding. They would -- they would fund it, but they would also  
8 add this extra piece onto it. If they extended their period of  
9 time, they would say they would that carried out saying, hey,  
10 you can pay it back in this five year period of time or we can  
11 lower the payment that you're making but do it over a longer  
12 period of time. That's an option to you. If they took that,  
13 then they would not give them back that life insurance, and OE  
14 Capital Management would retain that for themselves creating an  
15 asset on the books.

16 EXAMINATION

17 BY MR. MCCOLE:

18 Q But the revenue stream from the company into which  
19 money is invested would be -- would be the source of the funds  
20 necessary to do the five or seven pay on the -- on the whole  
21 life policy, correct?

22 A Correct.

23 Q And so it -- it would have to cover not only the cost  
24 of the whole life policy, but also enough money to pay off a 12  
25 percent annual return to the ultimate investor, correct?

Page 88

1 A I am not sure if I am following that part. Can you  
2 say it one more time.

3 Q So if -- if OE Capital invested in a company --

4 A Uh-huh.

5 Q -- and received a share of that company's revenues --

6 A Correct.

7 Q -- in exchange for that investment, that share of the  
8 company's revenues would pay for the whole life policy,  
9 correct?

10 A Uh-huh. Okay. No.

11 Q Okay. Where would the funds supposedly come from to  
12 pay the whole life policy on the --

13 A The money that OE Capital Management was funding to  
14 the company, they would deduct a portion of that to pay for the  
15 life insurance. The remaining part was going to funding the  
16 company.

17 Q Okay.

18 A So when the company was paying it back, it was purely  
19 for the -- for OE Capital's benefit that they would then pay  
20 the 12 percent out of.

21 Q Okay. So the source -- the source of the -- of the  
22 funds to purchase the whole life policy was deducted from the  
23 investors' principal, correct?

24 A I don't know. It was deducted from the money that  
25 they were funding to the funding company.

Page 89

1 Q Right. And that money came from investors, right?

2 A The investors' principal, correct.

3 Q Okay. So -- so OE Capital would take the investors'  
4 principal investment.

5 A Uh-huh.

6 Q They would deduct a portion of that to cover a whole  
7 life policy.

8 A Correct.

9 Q And would send a portion to the company into which  
10 they were going to invest.

11 A Correct.

12 Q In exchange for that, they would receive a revenue  
13 stream for that company?

14 A Correct. Which would -- which would be enough to  
15 meet the needs of the client 12, the percent and still  
16 recapture the money they put into the whole life policy.  
17 That -- that part was added into it.

18 Q And the --

19 A I expected a return on that as well.

20 Q Right. And the idea was though to be able to pay off  
21 the whole life policy within five to seven years, correct?

22 A Yes. Or over the term of that contract. Usually  
23 it's a five or seven year. There are three years out there,  
24 but you don't see that. That's a very large number to hit. So

25 I believe, again, based on my conversations with them they were

Page 90

1 typically looking at five years, sometimes a seven year  
 2 depending upon that.  
 3 Q And that financial arrangement that you just  
 4 described that we just discussed --  
 5 A Uh-huh.  
 6 Q -- your understanding of that --  
 7 A Uh-huh.  
 8 Q -- came from Patrick Howard, correct?  
 9 A Yes.  
 10 Q And it came from Urshel?  
 11 A Yes.  
 12 Q And it came from Mark Hughes?  
 13 A Correct.  
 14 Q Okay.  
 15 EXAMINATION  
 16 BY MS. STUMBAUGH:  
 17 Q Where was OE Capital going to obtain these whole life  
 18 policies from?  
 19 A They were going to purchase them from an insurance  
 20 carrier. And that's where they were using Ameritas to do that,  
 21 you know, with -- through Coordinated Financial. They were  
 22 going to be able to write those policies. Gets those issued  
 23 through Ameritas. And then, of course, receive commissions on  
 24 that as well.  
 25 Q Well, I know you mentioned one where the policy came

Page 91

1 back declined. Were you aware of any that did get written?  
 2 A No. Again, that was, you know, not in -- in my --  
 3 Q By word of mouth.  
 4 A Yeah. That was just, you know, me being at that spot  
 5 at that time and hearing that part and thinking that's kind of  
 6 ironic that the health supplement person got declined for  
 7 medical reasons.  
 8 MS. FLOYD: Let's go ahead and take a break at  
 9 11:13.  
 10 (A break ensued from 11:13 a.m. to 11:28 a.m.)  
 11 MS. FLOYD: Okay. We're back on the record at  
 12 11:28.  
 13 EXAMINATION  
 14 BY MS. FLOYD:  
 15 Q Over the break did we have any substantive  
 16 conversations regarding this investigation?  
 17 A Just with my attorney.  
 18 Q Okay. Thank you. Going back to Exhibit 59, there  
 19 was quite a bit of talk about life insurance policies. Is that  
 20 correct?  
 21 A Yes.  
 22 Q And so you referred to is the five and seven.  
 23 A Correct.  
 24 Q So --  
 25 A I should probably explain. I don't know how --

Page 92

1 Q Please.  
 2 A -- well-versed you are in insurance --  
 3 Q We're not.  
 4 A -- since I talk in insurance, but I realize you guys  
 5 are a different division. Those are standard whole life  
 6 policy, paid-up policies five and seven. You can do it in  
 7 different years. You can do it in a three year, a four year, a  
 8 six year. Standard terminology is usually say a five pay or  
 9 seven pay. Anyone that says whole life insurance would  
 10 understand what that means, but you can do it in longer time  
 11 frames. You can do it in shorter time frames.  
 12 Q You said Mr. Howard was looking at a five to seven  
 13 year life insurance policy for the key individuals of the  
 14 portfolio company, correct?  
 15 A Correct.  
 16 Q Okay. So what would be the face value of a life  
 17 insurance policy for a five year, for example, for a  
 18 40-year-old that's healthy say, for example?  
 19 A The face value?  
 20 Q Yes.  
 21 A The face value is the death benefit amounts. You can  
 22 set that at any amount. So I am not sure if I understand the  
 23 question. It could be anywhere from the minimum that they  
 24 would issue would be 50,000 to typically an insurance company  
 25 will go as high as 15 times their annual salary.

Page 93

1 Q Okay.  
 2 A So it could be set at anything.  
 3 Q So what would be the premiums of let's say what --  
 4 MS. GUNN: A three or five million dollar  
 5 policy.  
 6 A There's a lot of variables there, the age, the  
 7 health, the company, how much cash value you're trying to build  
 8 up. I really wouldn't even be able to answer that question.  
 9 EXAMINATION  
 10 BY MR. MCCOLE:  
 11 Q Well, it says here on -- on the first page of Exhibit  
 12 59, your brother refers to two billion dollars in whole life  
 13 assets to protect the investment.  
 14 A Uh-huh.  
 15 Q And that's about two-thirds of the way down. Do you  
 16 see that?  
 17 A Uh-huh.  
 18 Q So how much would it cost to buy two billion dollars  
 19 worth of whole life assets?  
 20 A Again, I don't know if I have the information to  
 21 answer that question. I am not trying to avoid it. Are you  
 22 buying those assets on a secondary market? Are you buying just  
 23 that much in life insurance? I mean I -- I really -- There's  
 24 not enough information to answer that.  
 25 Q Okay. Well, let's say that OE Capital was going to

Page 94

1 buy two billion dollars worth of life insurance --  
 2 A Okay.  
 3 Q -- to cover the officers of the companies into which  
 4 it was going to invest money.  
 5 A Okay.  
 6 Q Okay.  
 7 A I am trying to do math in in my head that high. I  
 8 would say on average you're probably looking at for a healthy  
 9 individual, middle-aged individual to maybe \$75 a month per  
 10 hundred thousand.  
 11 Q Okay. \$75 a month per hundred thousand.  
 12 A And that's a guess, but it's a somewhat educated  
 13 guess.  
 14 Q Now, would you say that that guess, would that be a  
 15 conservative estimate you're giving or --  
 16 A It's purely a guess. I mean we had -- you have  
 17 illustration systems that do all that for you.  
 18 Q Okay.  
 19 A I would say that is an educated guess at this point  
 20 in time.  
 21 Q But it's an educated guess based upon your experience  
 22 in the insurance industry, correct?  
 23 A Correct.  
 24 Q Okay.  
 25 A But it's going to vary based upon if they smoke or

Page 95

1 don't smoke, if they have health insurance, what kind of rating  
 2 they might if they're in really good health, it could be lower  
 3 because the risk involved from the insurance company is lower,  
 4 the age, the gender. You know, women are less expensive than  
 5 men. So there's a lot of variables there, but I would say  
 6 about \$75 for 100,000 for somebody who's 40-ish and in decent  
 7 health.  
 8 Q Okay. And so would that mean \$75 per month per  
 9 hundred thousand dollars?  
 10 A Uh-huh.  
 11 Q So if you just did the math on a -- on a five pay --  
 12 A Uh-huh.  
 13 Q -- and multiplied I guess five by 12 months, 60  
 14 months times \$75 a month per hundred thousand, you could arrive  
 15 at what?  
 16 A Number.  
 17 Q Of the cost of the whole life policy, I suppose, you  
 18 could?  
 19 A Yes.  
 20 Q Okay.  
 21 A Doing it backwards like that, yes.  
 22 Q Okay.  
 23 EXAMINATION  
 24 BY MS. GUNN:  
 25 Q So are you saying that the 75 guesstimate or estimate

Page 96

1 that you're giving us, is that based on a five pay number?  
 2 A That's just -- No. That's just based on \$100,000  
 3 target. It's based on target or what it would be over the  
 4 course of a lifetime up until typically about age 65 is what  
 5 you use.  
 6 Q Okay.  
 7 A So that's what I'm saying. There's so many  
 8 variables.  
 9 Q Before you turn 65?  
 10 A Correct.  
 11 Q Okay. So if instead of paying the \$75 a month per  
 12 hundred thousand over the course of that 25-ish years --  
 13 A Uh-huh.  
 14 Q -- you wanted to accelerate the payments to three to  
 15 five years.  
 16 A Correct. You would --  
 17 Q Take those premiums.  
 18 A Uh-huh.  
 19 Q I would assume it would cost a little less current or  
 20 would it be more to do the three to five pay?  
 21 A Your premiums would be higher to do it. The shorter  
 22 the time frame, the higher the premium.  
 23 Q Right. But if you counted -- Okay. So do you get  
 24 any discount for paying upfront if you pay --  
 25 A You do. And some companies will pay dividends and

Page 97

1 some companies will not. So that's what I am saying there's a  
 2 lot of variables out there. And I am not trying to avoid the  
 3 question. I am just saying there's so many variables out there  
 4 and the companies you use and things like that. I am not as  
 5 well-versed in the whole life components. I'm much more  
 6 well-versed in variable life and indexed life. Whole life is a  
 7 different component because you use different companies for  
 8 that. And you don't find a lot of whole life companies out  
 9 there anymore.  
 10 EXAMINATION  
 11 BY MR. MCCOLE:  
 12 Q When you looked at this Exhibit 59 and you saw this  
 13 two billion dollars in whole life assets, did you sort of in  
 14 your mind do kind of a ballpark --  
 15 A No.  
 16 Q -- on what you thought maybe the -- the premium or  
 17 total premium amount would be to buy two billion dollars worth  
 18 of whole life assets?  
 19 A No.  
 20 Q No?  
 21 A No.  
 22 EXAMINATION  
 23 BY MS. STUMBAUGH:  
 24 Q Well, using the figures that you gave us here, the  
 25 \$75 a month per hundred thousand, I just did a quick

Page 98

1 calculation. To come up with two billion in whole life  
2 insurance, it would be a million and a half dollars a month.

3 A Okay. Yes.

4 Q I mean that's -- that's a lot.

5 A That is a lot.

6 EXAMINATION

7 BY MS. FLOYD:

8 Q On one person?

9 A You would never be able to get two billion on any one  
10 person.

11 Q Right.

12 EXAMINATION

13 BY MR. MCCOLE:

14 Q Yeah. That would cover -- presumably it would cover  
15 all of the insureds.

16 MS. STUMBAUGH: Just in general.

17 A Uh-huh.

18 Q -- within the companies they are going to invest.

19 A Correct. And -- and I might be able to help shed  
20 some light on this two billion number that you're focusing on  
21 because I don't want to go down like a rabbit hole on something  
22 like that. This conversation all started with how they were  
23 going to be able to mitigate -- They, I'm sorry, OE Capital  
24 Partners was going to be able to mitigate risk. And that was  
25 by buying life insurance company on -- or life insurance on the

Page 100

1 A That's what I was told.

2 Q From Mark Hughes?

3 A Correct.

4 Q Mark Hughes said something along the lines of  
5 according to Mark Reno Reno a two billion dollar whole life --

6 A Alan. Alan Reno.

7 Q Oh. Alan. Excuse me.

8 A Yes.

9 Q According to Alan Reno whole life asset -- whole life  
10 policy is going to be used as assets. And he assigned this two  
11 billion dollar number?

12 A Correct. I -- I believe that was about the number  
13 there. It was in that range, correct. And that was the --  
14 that was during that time frame early on.

15 Q So in order for that two billion dollar number to  
16 wind up in your brother's e-mail, you must have conveyed that  
17 two billion dollar number to him?

18 A Correct.

19 Q Okay.

20 A Yeah. I was giving him some information to look at  
21 and run numbers because he's good at numbers and also just to  
22 keep his mind off of some things that were going on  
23 personally.

24 EXAMINATION

25 BY MS. FLOYD:

Page 99

1 owners or the key individuals and employees of the companies  
2 that they're funding. Initially discussing with this here and  
3 where that number even came from was at the initial meet and  
4 greet meeting that the Hughes Agency set up with OE Capital  
5 Partners. And that number there came from, and I believe it  
6 came from Alan Reno by way of Mark Hughes. So I know that is  
7 hearsay and all that stuff, but I believe that's where that  
8 number came from. And that Alan Reno had done this in the past  
9 had created an asset of life insurance that they were able to  
10 utilize as a, you know, an asset case in case they needed  
11 revenue. That's where that number came from. That was my  
12 discussion with my brother at that time. So he was trying to  
13 look at that saying, well, to be able to do, you know, running  
14 the numbers and filling in gaps just, you know, without all the  
15 information, he needs to try to fill in the gaps and kind of  
16 put together a plan on that. He was using that on that aspect.  
17 He was trying to say, okay, if this is the case, then this is  
18 what they're going to be able to do and replicate, this is what  
19 that would be like. And my only conversation with Alan Reno  
20 was that night at the meet and greet. That's the only time I  
21 remember actually seeing him. And the only word I said to him  
22 was hi, I am Charles. He said, hi, I am Alan Reno. And that  
23 was that.

24 Q But how do you know that the two billion in whole  
25 life, that number, came from him?

Page 101

1 (SEC Exhibit 60 was was marked  
2 for identification.)

3 Q I am going to hand you what has been marked as  
4 Exhibit 60. Take a moment and look at that.

5 A Okay. So we're getting into our due diligence with  
6 them it looks like.

7 Q Correct.

8 A I am familiar with this.

9 Q Okay.

10 A Uh-huh.

11 Q So Exhibit -- Exhibit 60 is Bates numbered OE SEC  
12 018809 --

13 A Uh-huh.

14 Q -- through the last page doesn't seem to be Bates  
15 numbered. So the Bates number on the page before that is OE  
16 SEC 018820. It's an e-mail chain --

17 A Uh-huh.

18 Q E-mail chain between yourself and Mr. Howard and Mr.  
19 Clements, is that correct, dated May 18 2015?

20 A Yes.

21 Q Okay. And subject line is questions.

22 A Yes.

23 Q So it appears you had sent Mr. Howard several  
24 questions you had on the company. Is that correct?

25 A Yes.



Page 102

1 Q And Mr. Howard responded back answering these  
2 questions, correct?  
3 A Yes.  
4 Q Okay. I would like to go through a few of those  
5 questions if you may. On Bates number 18810 --  
6 A Uh-huh.  
7 Q -- middle of the page you had asked -- You had, and I  
8 quote, you are an RIA, but the state and FINRA do not show the  
9 designation for you, period, end quote. You, are you referring  
10 to Mr. Howard?  
11 A Yes.  
12 Q And how do you know he was an RIA or at least he held  
13 himself out --  
14 A I do not.  
15 Q -- as an RIA?  
16 A Why did I think that?  
17 Q Yes.  
18 A I thought that because in our discussion a couple  
19 days previously at the meet and greet that -- or in that time  
20 frame when we were speaking with Dovile, she had mentioned that  
21 he was an RIA.  
22 Q So Dovile --  
23 A Had mentioned that.  
24 Q -- mentioned that he was an RIA?  
25 A Correct.

Page 103

1 Q Okay.  
2 A That did not come from Patrick Howard though.  
3 Q Okay. And -- but you looked, and he is not an RIA.  
4 Is that correct?  
5 A Correct.  
6 Q Okay. And he claims he was working in a -- working  
7 with RIA in a box, is that correct, from his answers? And I --  
8 and I quote, to be clear, dot dot dot, I have not taken the 65,  
9 period.  
10 A Okay.  
11 Q I am currently working with RIA in a box, comma,  
12 however, comma, our attorneys are suggesting that it may be  
13 best not to go through this because we meet currently -- meet  
14 the exemption period. Our offerings are all Reg D offerings,  
15 period. I am the officer of the funds, period, end quotes. Is  
16 that correct?  
17 A Yes.  
18 Q Okay.  
19 A I believe on my e-mails it was color-coded, though so  
20 it was easier to see which was mine and his, so --  
21 Q Correct.  
22 A -- if it's slow, I'm sorry.  
23 Q Did he mention -- Have you seen any documents that  
24 have RIA behind his name?  
25 A No.

Page 104

1 Q You have not?  
2 A No.  
3 Q You have not seen any marketing materials that have  
4 RIA behind his name?  
5 A No, not -- not -- not that -- that stands out to me,  
6 no.  
7 Q Okay. Thank you. On number three it has your  
8 question or your comment is I quote, Mark had a call with Joe  
9 Cain on Wednesday, period. He returned the call today with One  
10 America legal counsel on the line, period, end quote. Mark,  
11 were you referring to Mr. Hughes?  
12 A Yes.  
13 Q And who is Joe Cain?  
14 A I am not -- I am not sure who Joe Cain is. It was  
15 the individual that Mark with spoke with, but I'm not -- I  
16 don't have any working knowledge of who he is.  
17 Q Okay. On page 18812, number five, you ask for a copy  
18 of the Dallas lease.  
19 A Correct.  
20 Q Why?  
21 A Jackson and I were talking, and he wanted to see  
22 that. And I said that's not a bad idea. Let's throw that in  
23 there.  
24 Q Okay.  
25 A To see whose name was on it if they were paying it.

Page 105

1 Q Okay. See if they have an office?  
2 A I don't remember if that was the exact reason why,  
3 but it could have been why Jackson wanted to see that.  
4 Q Okay. And number six you ask, and I quote, who is  
5 Cole Martel and his involvement with you and Alan and why is he  
6 gone, period, end quote. Who is Cole -- Cole Martel?  
7 A He was someone that I believe Urshel Metcalf had  
8 mentioned. And that's how they had known Alan Reno. So I was  
9 trying to get some more information on who he was myself. I --  
10 I didn't know. I just was trying to put the pieces together of  
11 how they had developed OE Capital Partners and Insured  
12 Liquidity and how all of them were, you know, how they came to  
13 be, kind of like you were asking me how I knew Jackson and  
14 other people and how I met OE Capital Partners. I was trying  
15 to put the pieces together there as well.  
16 Q Okay.  
17 A But I have no idea who he is.  
18 Q Okay. And number eight you were asking for  
19 referrals.  
20 A Uh-huh.  
21 Q And I quote, track record of success, period, end  
22 quote. Did you receive any?  
23 A On the referrals?  
24 Q Correct.  
25 A Just from people that he had done business with in

Page 106

1 the past, yes.  
 2 Q So previous clients?  
 3 A Correct. Previous clients and business -- people  
 4 he's done business with in the business world.  
 5 Q Okay. So it's clear you did some due diligence on OE  
 6 Capital, correct?  
 7 A Yes.  
 8 Q Okay. And so after you did your due diligence what  
 9 did you do and C4 Benefits do next?  
 10 A We discussed it, we being Jackson and myself, we  
 11 discussed it quite a bit. You know, we wanted to see are you  
 12 who you say you are. We were cautiously optimistic, but we did  
 13 want to see more and more as we continued the relationship with  
 14 them.  
 15 Q So did you contact Mr. Howard and say, sure, we would  
 16 like to selling your product or marketing your product?  
 17 A We were already passed that stage, I believe.  
 18 Q Okay.  
 19 A You know, that we -- you know, we had already talked  
 20 to them after the meet and greet meeting that we had in April  
 21 and all. You know, but we -- we told them that we wanted to  
 22 continue discussions with them to make us feel comfortable.  
 23 That was really, I think, the words we actually used was, you  
 24 know, we need to feel more comfortable than we do right now.  
 25 This is a good start because I believe initially he wasn't even

Page 107

1 going to provide the lease or anything like that because I  
 2 think it was -- it might even be in this e-mail, but there's an  
 3 e-mail out there, I believe, or a phone call. It was a  
 4 discussion he didn't want to share the information with us, the  
 5 financial information, which I understand because if he asked  
 6 me, hey, let me see your bank records, I would be like I don't  
 7 think so, unless of course he works with you guys up here, and  
 8 then I have to. But, you know, eventually, you know, we said  
 9 we need to feel more comfortable. And that's when he sent over  
 10 things such as, you know, a copy of the lease, the registration  
 11 of the company with the Texas Secretary of State. We started  
 12 getting documents like that. So we started bringing forth some  
 13 documents. We started meeting with them more frequently to get  
 14 a feel for them. We came up to their office here. And I  
 15 believe it was on -- it was in Dallas. And I think it was on  
 16 Cedar --  
 17 Q Springs?  
 18 A Cedar Springs. Okay. Yeah. It was right across  
 19 from the Rolex building. I remember that. And it was a nice  
 20 office. And, you know they were busy, and they were on the  
 21 phone, and they were interviewing a lady to come on staff and  
 22 things like that. So we wanted to see the legitimacy of it.  
 23 And they were slowly supplying documents. And we started  
 24 believing it. And some of the things they did made us feel  
 25 more comfortable with that.

Page 108

1 Q What kind of documents were they supplying?  
 2 A Again, a copy of the lease. You've got them right  
 3 here. These are some of the initial documents on this.  
 4 Q Attached to Exhibit 60?  
 5 A Correct. Correct. Yes. I thought there was  
 6 another, but maybe I am wrong. I thought there was another  
 7 document they supplied that was similar to this --  
 8 Q Okay.  
 9 A -- as well, but same stuff. We would ask, and they  
 10 would eventually supply some information to us.  
 11 Q Okay. And so what exactly did -- was OE asking C4  
 12 Benefits to do for them?  
 13 A Be their marketing leg.  
 14 Q Okay. And so what kind of instructions did OE  
 15 Capital provide to you to market their funds?  
 16 A That -- Let me ask -- Can you ask that again?  
 17 Q Sure. What -- what exactly was OE asking to be done  
 18 as far as marketing?  
 19 A To use their materials, not our own materials.  
 20 Q To use -- to use OE's materials?  
 21 A Correct.  
 22 Q Okay. To never use your own materials?  
 23 A Correct.  
 24 Q Okay.  
 25 A Which made sense. You know, if we sell the next

Page 109

1 annuity as an example or something, we would use their  
 2 materials, not our materials.  
 3 Q Sure.  
 4 A You know, it's their company name. So to use that,  
 5 the business would have to flow through them. They were the  
 6 ones who would sign off on the business, the applications, the  
 7 suitability, all of that stuff.  
 8 Q So did OE Capital provide you with PPMs and  
 9 subscription agreements and the investor suitability  
 10 questionnaires?  
 11 A The investor suitability questionnaire, yes. And  
 12 would fill that and send that off. And I know sometimes they  
 13 would do on-line applications, sometimes paper applications.  
 14 Q Okay. So were you marketing to individuals? Is that  
 15 who you were marketing to?  
 16 A Yes.  
 17 Q Okay. And so how did you go about doing that?  
 18 A Me personally?  
 19 Q Or C4 Benefits.  
 20 A I know for me personally I worked with a couple  
 21 clients that I had known for a long time, my father, of course,  
 22 and a couple insurance clients that I had.  
 23 Q You said your father. Your father invested in OE  
 24 Capital, correct?  
 25 A Correct.

Page 110

1 Q Okay. And how much did he invest?  
 2 A \$270,000.  
 3 Q Was that in one sum?  
 4 A Two.  
 5 Q Two sums?  
 6 A One is qualified, one is non-qualified.  
 7 Q Okay. Okay. Was it -- Which fund did he invest in?  
 8 A The initial raise that they had. The initial PPM. I  
 9 believe it was the CFGLL --  
 10 Q ILP?  
 11 A Yeah. ILP, Insured Liquidity, I think it was two --  
 12 Q Two?  
 13 A -- was the number on it, I believe.  
 14 Q Okay. And at this time did you invest?  
 15 A No.  
 16 Q And you said you had a few other insurance agent  
 17 clients or a few insurance clients.  
 18 A Clients that I had known for a few years, yes, that  
 19 had met me at my office. They heard some of the discussions  
 20 that we had in the office at Ameritas office there. And I  
 21 talked to them about it previously. And so they were clients  
 22 as well.  
 23 Q Okay. So what documents did you provide to these  
 24 insurance clients?  
 25 A I provided the sales materials that were provided to

Page 111

1 me by OE Capital Partners. And we did the suitability. I  
 2 believe we did the -- not the PPM, but the other one. I can't  
 3 think of the name of it now.  
 4 Q The subscription agreement?  
 5 A Subscription agreement.  
 6 Q And how about a partnership agreement?  
 7 A I think we -- I think that was done at the home  
 8 office, but it could have been done by myself as well. This  
 9 was, you know, a year and a half ago.  
 10 Q And home office, are you referring to Howard -- to OE  
 11 Capital?  
 12 A I'm sorry. OE Capital Partners home office there.  
 13 And I know that the client would fill out the information, and  
 14 then they would send it back. It went through a couple of  
 15 different metamorphosis as far as how the paperwork was going  
 16 to flow as they were trying to go more to an on-line  
 17 application.  
 18 Q So initially in the beginning when you started  
 19 marketing the product, the documents would flow through you so  
 20 that you would provide the documents to the client. They would  
 21 give it back to you. And then you would provide it to OE  
 22 Capital?  
 23 A Correct.  
 24 Q So the client wasn't actually giving the documents to  
 25 OE --

Page 112

1 A Correct.  
 2 Q -- directly?  
 3 A Okay.  
 4 (SEC Exhibit 58 was was marked  
 5 for identification.)  
 6 Q Okay. I am going to hand you what has been marked as  
 7 Exhibit 58.  
 8 A Okay.  
 9 Q Take a moment and look at that. There should be two.  
 10 There should be another.  
 11 A Oh, I'm sorry.  
 12 Q Give that to your attorney. Sorry.  
 13 A It does look very familiar. Yes.  
 14 Q So Exhibit 58 -- so you recognize Exhibit 58,  
 15 correct?  
 16 A I do. Yes.  
 17 Q It's Bates numbered C4 Benefits Group 001033 through  
 18 1049. What is Exhibit 58?  
 19 A Sales and marketing materials.  
 20 Q Okay. Were these sales and marketing materials  
 21 provided to you by OE Capital?  
 22 A Some of them were.  
 23 Q Okay. Which ones were?  
 24 A The ones that have OE or Optimal Economics on them.  
 25 Q Okay. So the ones that were not --

Page 113

1 A Uh-huh.  
 2 Q -- would be 1037 --  
 3 A Correct.  
 4 Q -- current interest rates. It has C4 Benefits Group  
 5 logo and the name on top.  
 6 A Correct.  
 7 Q 1038?  
 8 A Uh-huh.  
 9 Q 1039?  
 10 A Uh-huh.  
 11 Q How about 1042? Because it doesn't have OE or C4  
 12 Benefits?  
 13 A No. That is OE's. It's just the second page of a  
 14 document that they have.  
 15 Q Okay. Thank you.  
 16 A Yeah. Because it does have -- yes.  
 17 Q So it looks like those three documents are only C4  
 18 Benefits. Is that correct?  
 19 A Correct.  
 20 Q So you call these marketing materials, correct?  
 21 A Correct.  
 22 Q For the documents that were not OE's, did you get  
 23 them approved by OE Capital?  
 24 A Yes.  
 25 Q And how did you do that?

Page 114

1 A Showed that to them.  
 2 Q Showed who?  
 3 A To Patrick Howard. I'm sorry I keep doing that.  
 4 Patrick Howard and Dovile Soblinskas.  
 5 Q Okay. And they said, looks good, go ahead and add it  
 6 to the packet?  
 7 A Correct.  
 8 Q Were they aware you were handing a packet to  
 9 potential investors?  
 10 A Yes, they were. They provided the packets and the  
 11 folders that held these packets, the information in them.  
 12 Q Okay. So the C4 documents, you would send to OE,  
 13 they would approve it, and then they would just add it to the  
 14 packet folders that you would provide to investors?  
 15 A Correct.  
 16 Q Potential investors.  
 17 A They being us on that question?  
 18 Q OE Capital.  
 19 A OE would provide us all these materials that we  
 20 would, you know, separately and we would put them into the  
 21 packet there.  
 22 Q And we, C4 Benefits, would actually physically put  
 23 them in the folder?  
 24 A Yes. Exactly.  
 25 Q Okay. Gotcha. And so potential investors would

Page 115

1 receive this packet, correct?  
 2 A Correct.  
 3 Q Okay. Would they receive this packet initially?  
 4 A Yes.  
 5 Q Okay. And when you meet with investors, and I am  
 6 talking specifically regarding your insurance clients –  
 7 A Uh-huh.  
 8 Q – did you meet with them face-to-face?  
 9 A Yes.  
 10 Q So you didn't mail them anything?  
 11 A No.  
 12 Q Correct? All right. So when you handed them a  
 13 packet, did you walk through each document with the investor?  
 14 A As far as the materials that they would go through  
 15 and all that stuff.  
 16 Q So you would walk through each document within the  
 17 marketing packet? If – if – if I am an investor, for  
 18 example, and you sat me down, you hand me this packet, would  
 19 you walk me through –  
 20 A Okay. Are we talking about – okay – this. I  
 21 wasn't sure if you were talking about the – the PPMs and  
 22 subscription agreement and all that stuff.  
 23 Q Yes.  
 24 A On this stuff, yes, we would.  
 25 Q Okay.

Page 116

1 A We would read through that with them.  
 2 Q Read through it. Okay.  
 3 A Correct.  
 4 Q And so what would you tell the investor from the  
 5 packet? Like what would be big highlights you would point  
 6 out?  
 7 A The big highlights on here that I would point out  
 8 would be 001036.  
 9 Q Uh-huh.  
 10 A I would show them the difference between compounding  
 11 interest versus taking the distribution on a quarterly basis –  
 12 Q Okay.  
 13 A – and how the waterfall provision worked.  
 14 Q Okay.  
 15 A These – the next three pieces, 37, 38 and 39, these  
 16 are pieces we have used just to show people what's going on in  
 17 current marketplaces already. The only thing that we added  
 18 different here were the approval of OE Capital Partners was  
 19 adding in the Insured Liquidity down here.  
 20 Q Okay.  
 21 A But I mean these are pretty self explanatory, and it  
 22 just shows you can put your money, you know, at the bank and  
 23 earn whatever that interest rate is. You can pay off your  
 24 mortgage earlier, but this is how much you saved, things like  
 25 that. You know, the guarantee versus the insurer, we would

Page 117

1 walk them through this part here as well explaining the  
 2 difference on that.  
 3 MS. GUNN: Where is that?  
 4 THE WITNESS: That is 1040.  
 5 Q So what would be the big difference you would point  
 6 out on 1040?  
 7 A The – the big difference on this one would be the  
 8 difference between what a guarantee versus insuring by buying  
 9 insurance means. And we would explain this. This is not a  
 10 guaranteed product. That means there is risk involved. The  
 11 way they do mitigate that risk is by buying life insurance  
 12 on – I would always say the individuals who are receiving the  
 13 funds in that company that are important to protect. And they  
 14 would build those up as a cash value asset. A lot of my  
 15 clients would understand that because they have cash value life  
 16 insurance already. They understand how that works. So they  
 17 would see that, and that that is how they would help mitigate.  
 18 In case of future needs or future liquidity events, they have  
 19 that available as an asset if they need to call upon that or,  
 20 of course, if anything happens to that, the owner or key person  
 21 at that company that's receiving the funding, if they died,  
 22 they receive that back. An example I would always use is the  
 23 SBA. If you get an SBA loan, a business loan there, they're  
 24 going to make you have life insurance for the amount of that  
 25 loan. They do a very similar thing here. They said they're

Page 118

1 going to get insurance on these people for the amounts of the  
2 loan that they have outstanding.  
3 Q All right. So what else would you tell the investors  
4 what's in the packet?  
5 A Difference between qualified and non-qualified funds.  
6 Again, that's pretty self explanatory on that part right there.  
7 How taxes work on qualified versus non-qualified, this is  
8 standard information. What we would draw the attention to with  
9 OE is even if you don't take your distribution, you reinvest  
10 it. If it's non-qualified money, it is taxable. You will make  
11 sure you consult your tax professional and make sure you handle  
12 that all properly. We are not tax professionals. Yes?

## EXAMINATION

BY MS. GUNN:

15 Q Can we go back to page 1040?  
16 A Uh-huh.  
17 Q And the paragraph about insures your yield.  
18 A Uh-huh.  
19 Q What did you understand that -- that phrase to  
20 mean?  
21 A Where is that phrase?  
22 Q It's in the large print Optimal Economics insures  
23 your yield, and how is that different?  
24 A Okay. How are they going to mitigate the risk that  
25 you have as far as earning your money back. How are they going

Page 120

1 part of that revenue capture. So what they're doing is they're  
2 trying to mitigate the risk in case anything -- my company  
3 doesn't do it well, if it takes longer to get that money back  
4 and all of that to have that cash value.  
5 Q And how does that insurance mitigate their risk?  
6 A If I have five or six companies that I am funding,  
7 and let's say one of the companies isn't doing as well, I am  
8 still recapturing the revenue. It may not be as much, but I am  
9 still recapturing that revenue. It may not be -- The volume  
10 may not be as high, but I have got cash value life insurance on  
11 four or five or six different people. You're building up a  
12 cash account underneath life insurance. If I die, you have got  
13 the death benefit. But if you live, you still have this cash  
14 value inside that account. And that is a -- that's an asset  
15 that you have that you can use the cash value and pull money  
16 out through loan features. You can take a withdrawal from that  
17 cash value. Or you can sell that life insurance and the cash  
18 value to a third party, what they call business owned life  
19 insurance, BOLI.  
20 Q How -- I guess what I am having difficulty  
21 understanding is you're taking portions of something in your  
22 example, a fifth of the money that's being --  
23 A Correct.  
24 Q -- charged against the portfolio company.  
25 A Correct.

Page 119

1 to provide liquidity event for your 12 percent annual return.  
2 Q Okay. But this says insures your yield. What does  
3 that mean?  
4 A How are they going to make sure that you are going to  
5 get your money back.  
6 Q Okay. And I guess I am having -- I apologize. I am  
7 having trouble following how it is that the purchase of the key  
8 man insurance insures that these people will get their money  
9 back?  
10 A I understand that. I agree with you 100 percent. I  
11 have had multiple discussions with Patrick and Dovile on this.  
12 I thought it seemed very confusing until you actually fully  
13 understand it, but I don't think it reads as well as it should.  
14 The way it works -- The easiest way to put it is if I am the  
15 company, I am ABC company, and you are Optimal Economics  
16 Capital Partners. You are going to buy cash value life  
17 insurance on me that's going to be paid from the money that I  
18 am going to be owing you back.  
19 Q Uh-huh.  
20 A So if you wrote me a check for \$100,000, maybe 20  
21 percent of that is going to go -- I am just guessing on the  
22 number here, just, you know, playing on that part, 20 percent  
23 might go towards the life insurance cost. The other 80 percent  
24 is actually going to help fund my growth, but I am still  
25 responsible for that 400 percent that -- that you gave me as

Page 121

1 Q And you're -- and you're using that to buy insurance.  
2 How is that going to protect my risk on the entire amount?  
3 A On that one. I don't think it would on one company,  
4 but when you do that on multiple companies, you have got  
5 multiple cash value assets that if you aggregate together, it  
6 does.  
7 Q But on any one of them it's a small portion such as a  
8 fifth that's being used to purchase that insurance?  
9 A Correct. In my example, yes. I am not saying it's a  
10 fifth. It could be higher. It could be lower, but just in my  
11 example, yes.  
12 Q But again, I don't understand how that amount  
13 mitigates the risk on the larger amount?  
14 A It doesn't remove the risk. It doesn't eliminate it  
15 altogether. But you -- if I have a cash value of let's say  
16 20,000 and the loan amount is a hundred thousand, so I have  
17 been able to mitigate that by \$20,000 there.  
18 Q Okay.  
19 A And you are still receiving revenue capture from the  
20 other company.  
21 EXAMINATION  
22 BY MR. MCCOLE:  
23 Q But you recognize that this says insures your yield,  
24 correct?  
25 A Insures your yield.

Page 122

1 Q And you -- you acknowledge that it doesn't say  
 2 mitigates your risk of losses?  
 3 A Correct.  
 4 Q You disseminated Exhibit -- copies of Exhibit 58 to  
 5 your clients, right?  
 6 A Yes.  
 7 Q And to how many clients? How many received it?  
 8 A Of my personal clients?  
 9 Q Yes.  
 10 A Five to six.  
 11 Q And then how many -- how many clients of your firm  
 12 received it?  
 13 A I would probably say most, if not all.  
 14 Q About how many would that be?  
 15 A 25 maybe in that range, maybe 30.  
 16 Q And in what time frame did they receive these  
 17 copies?  
 18 A From the first sale that we had in 2015 until we  
 19 ceased sales second quarter 2016.  
 20 Q Exhibit 58 was in use for that whole period?  
 21 A Not all the pieces in 58. There were updates and  
 22 changes throughout the -- the time frame.  
 23 Q Okay.  
 24 MS. GUNN: Can I clarify something?  
 25 EXAMINATION

Page 123

1 BY MS. GUNN:  
 2 Q You said 25 to 30 clients of your firm. When you're  
 3 using the word clients there, are you referring to your  
 4 insurance clients?  
 5 A I am talking total investors that we brought to  
 6 Optimal Economics. And I am going to say that's a guess, but  
 7 it's probably somewhat close.  
 8 Q So you think over the entire period your firm only  
 9 brought 25 to 30 clients to OE?  
 10 A Again, that's a guess. I know we provided that  
 11 material to you who our clients are and all of that. You would  
 12 have that information available. I'm -- I'm truly just  
 13 guessing there, but I think it's going to be close to that.  
 14 Q Okay.  
 15 A If I say a client, a husband and wife I would count  
 16 as one entity, not two separate people.  
 17 EXAMINATION  
 18 BY MR. MCCOLE:  
 19 Q Okay. But I mean of -- of the persons who actually  
 20 purchased --  
 21 A Uh-huh.  
 22 Q -- after receiving --  
 23 A Yes.  
 24 Q -- Exhibit 58 --  
 25 A Uh-huh.

Page 124

1 Q -- there were -- there are approximately 25 to 30 of  
 2 those.  
 3 A Correct.  
 4 Q Is that what you're saying?  
 5 A Yes.  
 6 Q But in addition to them, did you present the document  
 7 to others who did not invest?  
 8 A Well, we presented this information to agents that we  
 9 were doing our recruiting pieces with.  
 10 Q Okay. And how many agents?  
 11 A Plus or minus, over the course plus or minus maybe  
 12 50. We recruited and got feedback from more than that, but  
 13 that actually sat in on the sales pitch webinar that we -- we  
 14 had, I would say probably about 50.  
 15 Q Okay. Now --  
 16 A And they had to go through our webinar piece before  
 17 we would send out the pieces.  
 18 Q Did those agents, in turn, disseminate Exhibit 58 to  
 19 their client base?  
 20 A Not that I am aware of, no. We did not receive any  
 21 applications and things like that from the agents that we were  
 22 looking to recruit there.  
 23 Q By applications what do you mean?  
 24 A We didn't take in any applications from these agents,  
 25 sales applications where the clients signed off and gave us the

Page 125

1 documents and we input the data into our -- our data base.  
 2 Q But were there any agents who were -- who sort of  
 3 agreed to present the program to -- to their clients?  
 4 A I believe there probably was, but we didn't have any  
 5 that came through us. If they did, they may have gone directly  
 6 OE Capital Partners. I just don't have that information in  
 7 front of me.  
 8 Q So of the 50 or so agents you attempted to recruit,  
 9 none of them agreed to sign on with this program and actually  
 10 present the OE Capital opportunity to their clients?  
 11 A Through C4 Benefits Group we don't have any of those  
 12 independent contractors on our staff. And we paid no  
 13 commissions or revenues to any of those agents there.  
 14 Q Okay.  
 15 A I think we provided the clients and who the writing  
 16 agents were in the documents that we supplied. And that would  
 17 be it.  
 18 Q Now going back to Exhibit Number 60. Exhibit Number  
 19 60 is the e-mail you will recall wherein you are asking  
 20 questions of Mr. Howard --  
 21 A Uh-huh.  
 22 Q -- to perform due diligence, right?  
 23 A Yes.  
 24 Q And you explained to Mr. Howard that on page 18810 of  
 25 Exhibit 60 that he was -- you could find no proof essentially

Page 126

1 that he was, in fact, an RIA?

2 A Correct.

3 Q And he gave you an explanation, right?

4 A Correct.

5 Q He explained essentially I am not an RIA, right?

6 A Yes.

7 Q Okay. Now, if you look at Exhibit Number 58, page  
8 1044, it explains on that page the team members of OE Capital.  
9 And it lists Patrick Howard. And it says Patrick Howard, CEO  
10 Optimal Economics RIA. Do you see that?

11 A I do see that.

12 Q So what made you comfortable in disseminating this  
13 document that listed Mr. Howard as an RIA when, in fact, in May  
14 of 2015 he had confirmed to you that he was not an RIA?

15 A I did not see that RIA after his name on that part  
16 there. That's not the piece that I would point to with  
17 clients.

18 Q Now, were you otherwise satisfied with the responses  
19 you received from Mr. Howard in answer to your due diligence  
20 questions put to him in Exhibit 60?

21 A With those questions specifically we were becoming  
22 more comfortable. We did continue to question, yes.

23 Q So, for example, I mean you indicate he confirms that  
24 he doesn't have an RIA?

25 A Correct.

Page 128

1 A No. We did not because he was pretty adamant that he  
2 was not going to share that information with us.

3 Q Was that — Did you consider that a red flag?

4 A I considered it a yellow flag.

5 Q Okay. And then how did you resolve that — that  
6 cautionary flag, if you will?

7 A That I wanted to see that he was paying bills, that  
8 there was no outstanding debt issues with him on that side. I  
9 mean again, I understood it was a start-up, but I wanted to  
10 make sure they were funded enough to continue that start-up  
11 part of this.

12 Q And how did you satisfy yourself that that was the  
13 case?

14 A We saw the lease. It was current and up-to-date, no  
15 outstanding debts on that side. We would, you know, we saw  
16 that our initial investor — and this isn't just an overnight  
17 thing. This is a continual process as you will see as you go  
18 through all the information there that we — when we were  
19 uncomfortable, we would question things. And then we would  
20 continue to question those until we got an answer or, you know,  
21 we started pulling back more. But we would ask questions, but  
22 we would see things come to fruition. Example we would ask  
23 them what's your appetite, how much money are you looking to  
24 bring in. And he said we cannot take in anymore than that.

25 Q Any more than what?

Page 127

1 Q He confirms that he had had this misappropriation  
2 complaint against him.

3 A I did follow-up on the misappropriation complaint.

4 Q And what did you find there?

5 A I would check FINRA broker check to make sure what he  
6 told me and the letter that he sent, the attachment that I  
7 believe you guys will have on there that I saw it on when I was  
8 going through, that everything was what he said it was. And if  
9 you go to broker check and check him right now, you will see  
10 that he doesn't have four disclosure items there anymore.  
11 There is fewer disclosure items. What he said with  
12 misappropriation was taken care of. And, you know, you can  
13 read that on there. So basically what he told me was true when  
14 we went back and verified and checked, especially on the FINRA  
15 brokerage check it checked out.

16 Q But you also got comfortable on item seven on page  
17 18812 with his explanation that because OE Capital was not a  
18 public company, he was not going to disclose any bank account  
19 information to you.

20 A Uh-huh.

21 Q Right?

22 A I didn't like that answer, but I understood that  
23 answer.

24 Q Did you ever follow-up to get bank account  
25 information from him?

Page 129

1 A A dollar amount. I don't remember what that was. I  
2 think it could have been 15 million. It could have been 45  
3 million. It was one of those two numbers. But he said I can't  
4 take in anymore than that. And that actually made me feel a  
5 little bit more comfortable because to me, and I discussed this  
6 with Jackson is, you know, if — if they were, you know, really  
7 going at it and trying to, you know, take investors money and  
8 things, that they wouldn't have a limit. We discussed things  
9 such as, you know, getting financial documents and audited  
10 financials from them and things like that. And you will see  
11 that. We keep going after and after and after it.

12 Q Did you ever receive audited financials?

13 A We received financials, I believe it was March of  
14 this year for the 2015. And when we received those, they  
15 weren't — I wouldn't say they were audited financials. They  
16 were just financials based upon the numbers provided. That  
17 started throwing up some more red flags. Those I would call  
18 red flags, not yellow flags, but between then, you know,  
19 we would — we would question them. We were saying, hey, we  
20 need this information, hey, we need this information  
21 repeatedly. And that's when we got that. We started having  
22 some reservations and then, of course, we had State of Florida  
23 come in about that same time frame. And that's when we said we  
24 just need to stop this right now.

25 Q When did you first ask them for audited financial

Page 130

1 statements?

2 A In 2015, towards the end of 2015.

3 Q But prior to that had you asked them for financial  
4 statements even if they were unaudited?

5 A We did. They said they were going to provide audited  
6 financials for us.

7 Q And when did they make that statement?

8 A 2015.

9 Q Near the end of 2015?

10 A I would say more towards the latter part of the  
11 middle.

12 Q So like maybe in the summer of 2015?

13 A Summer towards maybe even later in the summer.

14 Q Okay.

15 A Early fall.

16 Q Okay. And who made that statement to you that they  
17 would get audited financial statements for OE Capital?

18 A That would come from Patrick Howard as well as Dovile  
19 Soblinskas. And Jackson and I repeatedly asked them for that  
20 information on there.

21 Q And did it make you comfortable that their promises  
22 that they would get you audited financial statements, did that  
23 make you comfortable to continue offering their product?

24 A The fact that they were going to get those to us,  
25 that they were going to get those to us at the end of the year

Page 131

1 when they got that information together, it did make us feel  
2 more comfortable. The fact that you are going to get audited  
3 financials and that they would tout that made us feel like,  
4 okay, you know, that's -- that's good business practice.

5 Q Did they explain who their auditor was?

6 A They -- they -- No. They didn't say who it was. It  
7 was on a sales piece, I believe. the last piece we had was  
8 Deloitte Deloitte -- Deloitte and Deloitte, I believe it was.

9 MS. FLOYD: DiLucci and DiLucci.

10 A Delucchi. Okay. I keep on wanting to say Deloitte.  
11 DiLucci and DiLucci. Yes. It was on that information there.  
12 I wish I could remember every piece of thing on that side, but  
13 sometimes I need to, you know, to look at those. But they  
14 would give -- they would tell us initially it was going to be a  
15 one person shop, but they said they wanted to go to a larger  
16 shop. And I can't remember who that one person was, but it was  
17 on some of their previous pieces when they were talking about  
18 partners that they had.

19 EXAMINATION

20 BY MS. FLOYD:

21 Q Let me see if I get this right. You had red flags  
22 because they did not provide you with audited financials. And  
23 you were concerned because you guys had been subpoenaed by  
24 Florida, but didn't you invest a few months later in May of  
25 2016?

Page 132

1 A I did.

2 Q Why?

3 A I invested that for two reasons. The first reason  
4 was with the whole Florida thing. Our initial reaction on that  
5 was it was going to -- and, you know, talking with Patrick  
6 Howard and all that when we got the subpoena, we talked to  
7 Patrick. Hey, what's going on and all that stuff. Hey, my  
8 attorneys are on it, K&L Gates. We have got you. This is all  
9 going to be okay. It's just a minor issue. No worry there.  
10 And then the other reason I also invested there is they had  
11 mentioned the company. I cannot think of it. I keep wanting  
12 to say Under Armour, but you mentioned it before.

13 Q Unequal Technologies.

14 A Unequal. Yes. Unequal Technologies. They had this  
15 opportunity on that side there. And I -- I just thought, well,  
16 okay, you know what, this is -- I still believe what they're  
17 doing. I am going to do this. I -- I thought it made sense  
18 when I talked to them about that part, especially with the  
19 numbers they showed me on that. I was still under the  
20 assumption that the Florida thing was not going to be as big a  
21 deal as it was, and that, you know, their -- their -- their  
22 business practices were sound. I was nervous, but I wasn't  
23 that nervous.

24 EXAMINATION

25 BY MR. MCCOLE:

Page 133

1 Q You still hadn't gotten audited financial  
2 statements?

3 A No. We had their financial statements, the one. It  
4 was not audited though. It was just, you know, their CPA,  
5 DiLucci and DiLucci, providing that information, but we were  
6 still expecting some audited. They just needed that first they  
7 said.

8 Q You still really -- you still really believed in this  
9 company at that point?

10 A I did until we -- Jackson and I started really going  
11 into it more and more, and he started getting more and more  
12 information to Florida. And, you know, we started getting more  
13 things popping on it and then became very uncomfortable with  
14 it. But, you know, by then it was already, you know, too late.  
15 And in hindsight going back I really wish we would have done  
16 things a lot different, not only in the beginning but at the  
17 end. I mean I could really use that money to pay this guy  
18 right now.

19 EXAMINATION

20 BY MS. STUMBAUGH:

21 Q When did you become aware that you were not going to  
22 receive audited financial statements for 2015?

23 A I would say when we started realizing the severity of  
24 the Florida audit. And we reached out to Patrick, and it  
25 seemed like they were cutting us loose. That is when I



Page 134

1 realized that we probably weren't going to be getting  
2 information from them.

3 EXAMINATION

4 BY MS. FLOYD:

5 Q What do you mean they were cutting you loose?

6 A They would have conversations with us, but they were  
7 not going to supply information to us about anything. We would  
8 ask them for -- One example that comes to mind is I needed a  
9 document that they had. I believe it was an on-line document,  
10 but it may not have been for a client. I needed it to supply  
11 to you all some information. And they said we can't give that  
12 to you. So I realized, you know, that's just one example, but  
13 you felt the relationship wasn't as strong, especially when you  
14 start severing ties thinking we're not going to be selling your  
15 product anymore. We're cutting ties, you know. We're done.  
16 Until the dust settles and everything is proven to be on the up  
17 and up, we can't do this anymore.

18 Q Whose decision was it to stop marketing and selling  
19 the product?

20 A Initially?

21 Q Yes.

22 A That would definitely have been my decision, and  
23 Jackson agreed. And then Ed Kagan here definitely agreed. So  
24 it made sense on that side.

25 Q And did you relay this information to Mr. Howard?

Page 135

1 A We let him know that we could not do anything until  
2 the dust settled.

3 Q And when did you let him know?

4 A I don't remember. I mean at this point in time my  
5 stress level was through the roof. I -- I know we were having  
6 discussions. And part of the reason I felt comfortable doing  
7 that investment and part of the reason I -- I could breathe a  
8 little bit easier is Patrick Howard was relaying to me that we  
9 had until May 31st to get to where we needed to be to continue  
10 to do business. We had to start doing our business through an  
11 RIA through, you know, that part of it there. And that was per  
12 his attorneys at K&L Gates. And that's why I reopened Trajan  
13 Income because I had let it, you know, we closed it, but we let  
14 it go buy buy really 12-31-2015. So we had to re-file and  
15 re-open that so that we could continue to do business with them  
16 because that's what their attorney said. And we had until the  
17 May 31st to get compliant because if I remember correctly, and  
18 his direct quote was because the loophole is closing we have  
19 got until then to make sure we're good to go. Relaying that  
20 information to Mr. Kagan here, he said that makes no sense.  
21 That doesn't make any sense at all. The loophole is not  
22 closing.

23 MR. KAGAN: You're starting to get into  
24 conversation.

25 A Oh, I'm sorry. I'm sorry. I'm sorry.

Page 136

1 Q Do not tell us the conversation you had with your  
2 attorney.

3 A We were led to believe that we were going to be  
4 complaint if we did that. I found out probably not. And so  
5 we -- that's when we decided it was time to really put the  
6 brakes on because it just did not make sense then.

7 Q Okay.

8 MR. KAGAN: Can I talk to --

9 MS. FLOYD: Yeah. Let's go off the record at  
10 12:21.

11 (A short break ensued.)

12 MS. FLOYD: Back on the record at 12:21.

13 Q During the break did we have any substantive  
14 conversations regarding this investigation?

15 A I did with my attorney.

16 Q Okay. And do you have anything to add to your  
17 previous testimony?

18 A Yes. And another red flag that came up which is why  
19 we decided to stop doing business as well is the training  
20 webinar that we drove those potential recruited agents to that  
21 was put on by OE Capital Partners, specifically Dovile  
22 Soblinskas, the webinar link where she verbally and on the  
23 screen itself said you do not need to be licensed, we have the  
24 exemptions and all of that, they removed that link completely.  
25 They removed a lot of the stuff that they had on-line.

Page 137

1 Q When did they remove that?

2 A During this time frame, right around the May, June  
3 time frame, in that time frame. I mean, again, it's -- I know  
4 it's removed. We made comments about it. The exact date, I  
5 don't know, but it's in that same time frame.

6 EXAMINATION

7 BY MR. MCCOLE:

8 Q You made comments about it to whom?

9 A Well, to -- to Jackson Clements because we were  
10 trying to provide that information to him to provide to the  
11 State of Florida, Stormie Jones as well. The one thing that we  
12 did prior to them removing that was we saved that recording  
13 with not only the Power Point but her saying that verbally. So  
14 you can hear her speaking that information out there. And  
15 she's got a very distinctive voice. So, you know, we -- we --  
16 we were able to capture that before. That link doesn't exist  
17 now. So when they started removing things such as that, you  
18 know, there's a darker flag than red, that's what went up  
19 there.

20 EXAMINATION

21 BY MS. FLOYD:

22 Q Okay. And we will -- we'll touch more into the  
23 training slides after lunch, but thank you for clarifying that.

24 MS. FLOYD: Do you guys have anything else  
25 before we go to lunch? Okay. Let's go to lunch at 12:23.

Page 138

1 (A break ensued from 12:23 p.m. to 1:15 p.m.)  
 2 MS. FLOYD: We're back on at 1:15.  
 3 Q During the break did we have any substantive  
 4 conversations regarding the investigation?  
 5 A Just with my attorney.  
 6 Q Okay. Thank you.  
 7 MR. KAGAN: Just so you know, they already  
 8 closed the schools in Hillsborough and Pinellas County.  
 9 They have got early closings on all offices. I am just  
 10 expecting the storm to hit tomorrow or come in late tonight.  
 11 So --  
 12 MS. FLOYD: How are you affected by that?  
 13 MR. KAGAN: I just got to make sure I make that  
 14 flight if it goes out tonight.  
 15 MS. FLOYD: Okay. What time -- what time is  
 16 your flight?  
 17 MR. KAGAN: It's the last flight out. It's  
 18 seven.  
 19 MS. FLOYD: Okay. We will make sure.  
 20 MR. KAGAN: It's the last flight out. So --  
 21 THE WITNESS: I got a big -- I got a big truck.  
 22 We can all just finish in there. I'm sorry. I have to laugh  
 23 every now and then.  
 24 MS. FLOYD: You're in -- I am assuming you're at  
 25 DFW, correct?

Page 139

1 MR. KAGAN: Yes. Yes. No, no, no. We're at  
 2 Dallas.  
 3 MS. FLOYD: Love.  
 4 MR. KAGAN: Well, that's DFW -- That's Love  
 5 Field.  
 6 THE WITNESS: Love Field. There's DFW, and then  
 7 there's Love.  
 8 MR. KAGAN: Okay. This is Love.  
 9 MS. FLOYD: So you're in Dallas.  
 10 MR. KAGAN: We're in Dallas.  
 11 MS. FLOYD: Okay. So you have a commute back to  
 12 the airport. Gotcha. Okay. All right. There's a little  
 13 commute to DFW, but not as much as to Dallas Love Field. Okay.  
 14 4:15 we will get you out of here.  
 15 MR. KAGAN: Thank you.  
 16 MS. FLOYD: At 4:15 traffic in Dallas, I drive  
 17 it all the time, shouldn't be too bad.  
 18 MR. KAGAN: Good.  
 19 Q Okay. So before we broke for lunch, we talked about  
 20 investors that you had brought to OE Capital, correct?  
 21 A Yes.  
 22 (SEC Exhibit 61 was marked  
 23 for identification.)  
 24 Q Okay. I am going to be marking as Exhibit 61.  
 25 Please take a moment and look through that.

Page 140

1 A Yes.  
 2 Q Do you recognize Exhibit 61?  
 3 A I do.  
 4 Q You have seen Exhibit 61 before?  
 5 A Yes. We provided that in our information to you.  
 6 That's what I was referencing when he was asking about the  
 7 clients we had.  
 8 Q Okay. So what exactly is 61?  
 9 A It is a listing of the clients that we -- the  
 10 investors, I'm sorry, that we brought to OE Capital Partner  
 11 during the course of our working with them.  
 12 Q Okay. And I believe this is list is up to end of  
 13 March 2016. So it may not be the most recent, but it gives us  
 14 a good idea of which investors you brought in.  
 15 A It -- it does. A few of the updates that would have  
 16 between then and now is just funding and potentially account  
 17 numbers and commissions coming through.  
 18 Q Okay.  
 19 A That would be the vast majority of what might be  
 20 missing.  
 21 Q Okay. So is Exhibit 21 all the investors that were  
 22 brought in C4 Benefits?  
 23 A Up to the date listed on here, yes, to the best of my  
 24 knowledge most likely.  
 25 Q Okay.

Page 141

1 A There might be --  
 2 MS. GUNN: 61, isn't it?  
 3 MS. FLOYD: Correct.  
 4 A Yeah. There might be a straggler here or there.  
 5 Q Okay. So as far as on the right-hand column it says  
 6 rep. And I am assuming that means the sales rep or individual  
 7 who brought the investors in, correct?  
 8 A Correct.  
 9 Q Okay. And is IV, roman numeral four, that's you?  
 10 A Correct.  
 11 Q Okay. Who's TJ?  
 12 A TJ is an insurance agent who works out of the  
 13 Ameritas office.  
 14 Q Okay. How about AH?  
 15 A Angela Hammess.  
 16 Q And who does she work for?  
 17 A She -- She is an independent agent. She worked with  
 18 us. She does health insurance predominantly. That is -- Terry  
 19 Stephenson is her uncle.  
 20 Q Terry Stephenson.  
 21 A I think that's the client that's associated with her.  
 22 Q Okay.  
 23 A Yeah. I'm sorry. Yes.  
 24 Q Okay. All right. Thank you. Who's Nate?  
 25 A He is an agent of mine that I had worked with

Page 142

- 1 previously.
- 2 Q Okay. What about Ron?
- 3 A Ron Scherer is an agent that we looked at recruiting
- 4 and things like that. And OE hired him directly.
- 5 Q Okay.
- 6 A These revenues here for Reynolds, Everman, Gerald and
- 7 Ann both, never flowed through us. We never ceased commissions
- 8 and things like that. That was taken directly from OE Capital
- 9 Management.
- 10 Q Okay. But for TJ, AH and Nate, the commissions did
- 11 flow through you?
- 12 A They flowed through us, correct.
- 13 Q Okay. Who's Jacks?
- 14 A That's Jackson Clements.
- 15 Q Okay. And who's D Will?
- 16 A Darren Williams.
- 17 Q Is he an agent?
- 18 A Yes. He works out of our Tampa office.
- 19 Q What about Van?
- 20 A Van Stephens is also an agent who works out of our
- 21 Tampa office.
- 22 Q Were these agents preexisting before OE Capital?
- 23 A They were.
- 24 Q Okay. How about -- All right.
- 25 A Same thing with Horne, preexisting before OE

Page 143

- 1 Capital.
- 2 Q Okay. Preexisting. Okay.
- 3 A Correct.
- 4 Q So is it my understanding that when you did training
- 5 when you were trying to recruit for OE webinar, none of those
- 6 agents actually ended up selling or marketing OE product --
- 7 product, correct?
- 8 A To the best of my knowledge I can't say if they did
- 9 or didn't directly with OE.
- 10 Q But not directly through you?
- 11 A None of them did it directly through us. The only
- 12 one I know that had any bearing at all on that is Ron Scherer.
- 13 but he was hired. He was interviewed, flown out and hired
- 14 directly by OE Capital Management.
- 15 Q Okay.
- 16 A By then I -- you know, by the time this was all
- 17 hitting at this point in time, I just said I can't supervise.
- 18 I can't work with people outside. I am too focused on Florida
- 19 and Texas. I'm not comfortable with that. And so, you know, I
- 20 told them, you know, if you want to have Ron, you can have him,
- 21 but I am not working directly with agents that we were
- 22 recruiting at that point in time.
- 23 Q Okay. And -- and -- and Christine Horne, she was a
- 24 preexisting agent for C4 Benefits, correct?
- 25 A Yes.

Page 144

- 1 Q Is she continuing to sell currently for OE Capital?
- 2 A No.
- 3 Q Do you recall when her last sale was or potential
- 4 sale?
- 5 A It was before we put the final stop on it based on
- 6 the May 31st number that we were led to believe. Anything that
- 7 had already been submitted and wait to be funded, we allowed.
- 8 Anything beyond that, we said no we're not taking anymore.
- 9 We're not doing any sales with OE.
- 10 Q So anything before May 31st?
- 11 A It's before May 31st. Nothing after May 31st.
- 12 Q Okay.
- 13 EXAMINATION
- 14 BY MR. MCCOLE:
- 15 Q Can you explain the headings on Exhibit 61?
- 16 A Name, that would be the investor name. The date,
- 17 that would be the date paperwork was done.
- 18 Q Where it says sub-date?
- 19 A Sub-date.
- 20 Q The top of the first page of Exhibit 61?
- 21 A Submission date.
- 22 Q Okay. What does that mean?
- 23 A The date the paperwork was filled out and sent to
- 24 Optimal Economics Capital Partners, OE Capital Partners.
- 25 Q And what paperwork was that?

Page 145

- 1 A That would be the suitability form.
- 2 Q Okay. Any other paperwork?
- 3 A Some might be PPM and subscriptions agreements. Some
- 4 it might just be the suitability. And then they would send the
- 5 link where the client could fill out the PPM and the
- 6 subscription agreement.
- 7 Q Okay. And then who would -- who would transmit those
- 8 papers to OE Capital?
- 9 A On-line. It's done on line. If not, it would be by
- 10 the writing agent to Dovile Soblinskas.
- 11 Q Okay. So the individual rep in the column overall to
- 12 the far right would submit that to Soblinskas?
- 13 A In Tampa it was done by Jackson. He would take the
- 14 reps apps and then send that over.
- 15 Q And then what about in Austin?
- 16 A In Austin that would be done by myself. I did not do
- 17 Ron's stuff though. Ron went directly --
- 18 (Court reporter clarification)
- 19 MS. FLOYD: Ron's stuff.
- 20 A Oh. Ron's -- Yeah. Ron Scherer, S-c-h-e-r-e-r I
- 21 believe his name is. His --
- 22 Q You did not do Ron's stuff, correct?
- 23 A Yes. Correct. That went directly -- I believe, this
- 24 is the best of my knowledge on that one, direct to Dovile
- 25 Soblinskas. I believe that's the way it went.

Page 146

1 Q Okay.  
 2 A I did not handle his application paperwork for OE  
 3 Capital Partners.  
 4 Q Okay. And then what about type it says there?  
 5 What's that column about?  
 6 A Qualified or non-qualified. So is it an IRA account  
 7 or a non-qualified account. Or if it's a non-qualified, could  
 8 it be a Roth IRA.  
 9 Q And then what about account number?  
 10 A That's the account number that was assigned by OE  
 11 Capital Partners.  
 12 Q And where -- where did you receive that account  
 13 number information from -- from? I guess how did you receive  
 14 it?  
 15 A Dovile Soblinskas provided us that.  
 16 Q And then tell me about how that process worked after  
 17 you -- after you submitted paperwork --  
 18 A Yeah.  
 19 Q -- you would receive an account number?  
 20 A Correct.  
 21 Q Okay. And then how did -- how did that work? It  
 22 came from Soblinskas?  
 23 A Yeah. Dovile.  
 24 Q Dovile.  
 25 A Yeah. Came from Dovile. We would input that in this

Page 147

1 Excel spreadsheet, our CRM for that. And we would -- that's  
 2 how we would just track it going forward.  
 3 EXAMINATION  
 4 BY MS. FLOYD:  
 5 Q Would you provide a copy of this to OE Capital of  
 6 Exhibit 61?  
 7 A Yeah. We did. And then they also had that on-line  
 8 as well. They had this on-line, and we could just pull the  
 9 information off of that directly.  
 10 Q On their website?  
 11 A Not on their website. On a -- like, I guess, a  
 12 version of Dropbox, if you will. It wasn't Dropbox. I think  
 13 it was called One Drive I believe is what it was called, but  
 14 it's like a Dropbox. But it's a -- they have an MSN account,  
 15 business account.  
 16 EXAMINATION  
 17 BY MR. MCCOLE:  
 18 Q Okay. If you will just continue with pay date and so  
 19 forth.  
 20 A That's the date that OE Capital Partners paid us the  
 21 compensation, the commission. The initial dollar amount, that  
 22 is how much money we saw come over and transferred into the  
 23 account or it was reported to us on that. Current is how much  
 24 money they had in the account at that point in time.  
 25 Outstanding is is there any money out there that has not

Page 148

1 transferred over. It could come two IRAs. One IRA might come  
 2 over. One IRA might still be outstanding. Maybe that money  
 3 has not transferred over yet. And then the return we would put  
 4 on there is as an example with my father's here, he is  
 5 receiving distribution, his three percent every quarter. So  
 6 we would track that on that part there. And that's one of the  
 7 things that did make me feel better about what was going on is  
 8 the people who were actually taking distributions, some of my  
 9 clients, you know, they were actually receiving those  
 10 distributions on a quarterly basis.

## EXAMINATION

BY MS. FLOYD:

13 Q Do you know how OE Capital was paying these returns  
 14 to investors, with what money?  
 15 A I am not sure where that money came from. All I know  
 16 is it was going through a custodial account. So it would show  
 17 up. Initially the custodial account was Equity Trust. There  
 18 were customers complaining about dealing with them. So they  
 19 changed the custodial account to Midland IRA.

## EXAMINATION

BY MR. MCCOLE:

22 Q And who actually prepared Exhibit 61, the table is  
 23 that in Exhibit 61?  
 24 A We did, C4 Benefits Group.  
 25 Q Who at C4?

Page 149

1 A I put the template together, and it was filled out  
 2 mostly by Jackson Clements as he was tracking the money coming  
 3 over.  
 4 Q Did you review it for accuracy?  
 5 A Yes, we did. As far as the dollar amounts that came  
 6 over, the account numbers and things like that, yes.  
 7 Q And so in the pay date column --  
 8 A Uh-huh.  
 9 Q -- that just indicates the date that the commission  
 10 was received by --  
 11 A C4 Benefits.  
 12 Q C4, correct?  
 13 A Correct.  
 14 Q But the actual dollar amount of that commission is  
 15 not reflected on this table in Exhibit 61. Is that correct?  
 16 A Correct.  
 17 Q Okay. Why is that not reflected?  
 18 A Because for us it was just simple math. It took the  
 19 initial dollar amount, or I'm sorry, the -- yeah, the initial  
 20 dollar amount, that's the amount that came over that's already  
 21 been funded and multiply that times five percent.  
 22 Q Okay. And then that would be the commission you  
 23 received?  
 24 A Correct.  
 25 Q And was -- was that five percent commission received

Page 150

1 with respect to each of the payments that are under initial –  
 2 the initial money column on Exhibit 61?  
 3 A No. It would be off of the current I think is what  
 4 would be coming off of, whatever actually was in there.  
 5 Because sometimes as you can see with example, let's go with  
 6 Richard Meckler. You will see the total amount we were  
 7 expecting was 225,000. So that's under the initial dollar  
 8 column. If you look at the current dollar column, it shows  
 9 181. That's how much had been transferred over. That's what  
 10 we received the five percent on. There was still \$44,000  
 11 outstanding which is in the outstanding dollar column.  
 12 Q Okay. But once that 44 would come in, you would get  
 13 five percent of the 44?  
 14 A Correct. The one number on here that we did not  
 15 receive compensation on is the Weldon Reynolds that shows 2555  
 16 in the current column. OE Capital Partners hired Ron directly.  
 17 All that flowed and stayed with OE Capital Partners.  
 18 Q So then altogether C4 –  
 19 A Uh-huh.  
 20 Q -- raised on -- let's see -- third to last page a  
 21 little over five million dollars looks like?  
 22 A I would say plus or minus. We would have to subtract  
 23 that out 2555 –  
 24 Q Right.  
 25 A -- for Weldon Reynolds. And you would probably have

Page 151

1 to add in the 100,000 and the 100,000 for Joe Balden and Sharon  
 2 Grieson, but I would say we were plus or minus real close to  
 3 that number.  
 4 Q Okay. And so -- and you received five percent on  
 5 that -- that total number?  
 6 A Correct.  
 7 Q Okay. This -- this money that's shown in the  
 8 columns, initial money and current money --  
 9 A Uh-huh.  
 10 Q -- that is money that did not -- That money did not  
 11 flow into a C4 account, correct?  
 12 A Correct.  
 13 Q Okay. Where did it -- where did it go?  
 14 A To a custodial account or to a bank account,  
 15 depending upon if it was qualified or non-qualified.  
 16 Q Okay. And so the bank account if it went to a bank  
 17 account, would that be an OE Capital bank account?  
 18 A Yes.  
 19 Q And if it went to a custodian, what custodian would  
 20 it go to?  
 21 A Initially Equity Trust. In 2016 Midland IRA.  
 22 Q And then from there where would it go?  
 23 A I think it would be used by OE Capital Partners.  
 24 Q So the trust would forward it on to OE capital and  
 25 would use it, correct?

Page 152

1 A I believe so.  
 2 Q Okay. That was at least your understanding of how it  
 3 worked?  
 4 A Correct. And all the documents and record keeping  
 5 was done by the custodian. We only used the custodian for  
 6 qualified accounts.  
 7 EXAMINATION  
 8 BY MS. FLOYD:  
 9 Q So the rep column, TJ and AH and Nate, were they paid  
 10 the five percent commissions directly from OE Capital?  
 11 A No. The commissions would flow through C4 Benefits  
 12 Group. And then we would 1099 the agents.  
 13 Q Okay. Thank you.  
 14 EXAMINATION  
 15 BY MR. MCCOLE:  
 16 Q And they got four percent or --  
 17 A It depended on the agent. I would say for those  
 18 three that you just mentioned, I would have to look at the  
 19 numbers, but I think it was four percent. In-house agents,  
 20 agents that we had which would almost all be Jackson's Tampa  
 21 because we have an office there, they have desks and things so  
 22 we have mover overhead expenses, they would receive roughly  
 23 about half of the commission. So they would receive about two  
 24 and a half or three percent.  
 25 EXAMINATION

Page 153

1 BY MS. FLOYD:  
 2 (SEC Exhibit 62 was was marked  
 3 for identification.)  
 4 Q I am going to hand you what has been marked as  
 5 Exhibit 62. Take a moment and look through it.  
 6 A Okay.  
 7 Q Exhibit 62 is an e-mail from Christine Horne to  
 8 Elizabeth Chapman dated July 27, 2016 at 5:48 p.m.  
 9 A Uh-huh.  
 10 Q Christine Horne works for the Master's Group,  
 11 correct?  
 12 A Correct.  
 13 Q Okay. You are not on this e-mail.  
 14 A No.  
 15 Q But are you aware that Ms. Horne has still been  
 16 soliciting OE's products as of end of July?  
 17 A I have -- No. No.  
 18 Q Okay.  
 19 A She sent me an e-mail for approval that was  
 20 referencing something that felt like OE, and I told her no.  
 21 And I said no more. I don't know what you're doing on this  
 22 side.  
 23 Q When was the e-mail sent to you?  
 24 A Last week.  
 25 Q Oh. Last week.

Page 154

1 A Yes. And I -- No. And yeah, July 27th isn't that  
2 far away. So this -- I'm definitely, A, surprised, and B,  
3 what's on here, yeah, baffles me greatly.

4 Q What baffles you?

5 A Well, first off, the date. The second thing is the  
6 first bullet point. I am sure that probably caught you all  
7 offguard as well. The second bullet point, 506(b) plan. Those  
8 are the first ones that jumps right off the screen at me.

9 Q What conversations did you have with Ms. Horne  
10 regarding OE Capital's product?

11 A I told her we could not do it after the May 31st  
12 deadline. That's when we pulled everything out and told her  
13 that even to work with companies like this, you have to be  
14 licensed and registered as a -- registered an IAR through an  
15 RIA. She wanted to be able to offer wealth management  
16 opportunities to her clients. So I know she was studying for  
17 the RIA through the IAR. Because we weren't allowed to go into  
18 detail about the investigation and things like that, we didn't  
19 tell her anything about OE's, you know, potential, you know,  
20 investigative party by the SEC. We just said we can't do this  
21 going forward. There's no more sales to go through on this.  
22 You can study for your IAR. We can look at other avenues  
23 there, but you can't solicit or offer any product. And that  
24 was stated to her by myself numerous times. Also by Jackson  
25 Clements numerous times.

Page 156

1 That way they would have better billing, if you will, on  
2 that.

## EXAMINATION

BY MR. MCCOLE:

4 Q How much did you receive from him for that?

5 A I believe the number was \$6,100 a month. And that's  
6 what I believe. But I mean it was the amount for the radio  
7 spots. It might have been 5,940 or \$6100, but roughly plus or  
8 minus \$6,000 on a monthly basis.

9 Q What percentage of the -- of the radio spot costs did  
10 that constitute?

11 A That covered 100 percent of the costs for the radio  
12 spot that we had.

13 Q So OE Capital was paying the full costs for the radio  
14 advertising?

15 A Correct. And we saw that -- We, C4 Benefits Group,  
16 I'm sorry, saw that as we were paying for these radio spots  
17 already, maybe we can expand our radio exposure. We brought on  
18 the Ron Diaz Show. We did -- We retained -- I think we  
19 acquired one, maybe two clients out of the time period we were  
20 there. So we ended up cutting that one off completely and just  
21 using I think it was WDAE, The Bone, as the radio spot. We had  
22 much better success there.

## EXAMINATION

BY MS. FLOYD:

Page 155

1 Q Okay. Thank you. What are ways that C4 Benefits  
2 would find its investors?

3 A Existing relationships. And then I also know we had  
4 the radio spots that we had preexisting already that we  
5 utilized for some marketing for OE Capital Partners.

6 Q What do you mean preexisting?

7 A We were using some radio advertising already for our  
8 life and annuity business. So we also tagged in with OE  
9 Capital Partners on that.

10 Q And can you -- can you kind of give me more detail?

11 A Flesh that out a bit?

12 Q Yes.

13 A Absolutely. Talked to Patrick Howard about that  
14 when, you know, early on. We -- Jackson said we have radio  
15 spots right now. We're doing really well with our radio spots.  
16 And, you know, this is something we can use on the radio.  
17 Patrick said we could, but it can't be from the fund company.  
18 It can be from us, us being C4 Benefits Group. So we did that.  
19 We ran spots by him so he could run it through his attorneys  
20 and make sure the spots would be compliant. The verbiage we  
21 got back is you can't use words like guaranteed and things like  
22 that. We understood that there, but all the advertisement that  
23 we do on the radio was handled by Jackson Clements and approved  
24 by Patrick Howard. We actually received money from Patrick  
25 Howard to -- marketing dollars to pay for the radio spots.

Page 157

1 Q How long did these radio spots go on for?

2 A Well, it's -- it's every week. They go on during his  
3 show, but they weren't always OE Capital Partner ones. we  
4 could also talk about other things trying to keep it fresh. We  
5 talked about things like life insurance. We talked about  
6 things such as annuities and things like that. But, you know,  
7 we did, you know, I would say at least a week, if not two weeks  
8 a month we would talk about OE for a period of time.

9 Q So you said they advertised -- you guys advertised OE  
10 for about a week or two. Is that what you are saying?

11 A Per month.

12 Q Per month.

13 A It would -- it would go -- we would have -- Out of a  
14 typical month we would have three weeks where we would have  
15 reads, as they call it. They would talk about, you know, C4  
16 Benefits Groups and then different things that we were offering  
17 and how we could help. And then they would have what they call  
18 dark week where you don't have any live reads or anything like  
19 that, but they would run like a little snippet piece. Usually  
20 it's just C4 Benefits Group, don't forget about my guys over  
21 there or something like that. But I would say about half of  
22 the radio spots during an extended period of time did focus on  
23 the OE Capital Partners product without mentioning the product  
24 specifically per our instructions from OE Capital Partners.

25 Q Okay. So how many months did these ads run that were

Page 158

- 1 geared specifically towards OE Capital?
- 2 A I would say nine to 11 months.
- 3 Q Okay. Okay. And --
- 4 A And only in our Tampa market.
- 5 Q When you ran the OE Capital spots, were they designed
- 6 only for OE Capital's products?
- 7 A When we ran their spots?
- 8 Q Uh-huh.
- 9 A I mean we would talk about a lot of different things
- 10 in there. But the primary focus was probably going to be OE
- 11 Capital Partners if they mentioned certain words.
- 12 Q So they mentioned 12 percent minimum return. Was
- 13 that referring only to the OE Capital products?
- 14 A Yes.
- 15 Q Okay. Did you ever tell Mr. Howard that C4 Benefits
- 16 had other products that also offered a 12 percent minimum
- 17 return?
- 18 A I'm sorry. Did I tell Patrick Howard that there were
- 19 other products that offered a 12 percent minimum return?
- 20 Q Correct.
- 21 A No.
- 22 Q Okay. Did Howard at all make it clear that the ads
- 23 needed to apply to more than just the OE product?
- 24 A No.
- 25 Q Did Mr. Howard ever talk about the type of offerings

Page 159

- 1 he was offering with these funds? Did he mention anything
- 2 about one of his funds being a 506(c) which means they were
- 3 allowed to advertise?
- 4 A If he did, he may have done that early on. Doesn't
- 5 strike me one way or the other. Doesn't stick out to me. I
- 6 don't know.
- 7 Q Did Mr. Howard ever tell you, hey, we're switching a
- 8 fund from a 506(c) to a 506(b). Therefore, we cannot advertise
- 9 the product?
- 10 A No.
- 11 Q Okay.
- 12 A No.
- 13 Q Thank you.
- 14 A He didn't -- I should say he did not say that to me.
- 15 I don't know if he said that to anybody else, but to be
- 16 specific, I never heard that before.
- 17 Q Okay. Thank you. Besides the radio ads and
- 18 obviously your previous clients, did you guys do any sort of
- 19 investor meet and greets?
- 20 A We did.
- 21 Q How many?
- 22 A I know we did two.
- 23 Q Okay.
- 24 A We had one in Austin, one in Tampa.
- 25 Q When was the one in Austin?

Page 160

- 1 A I knew you were going to ask me that next.
- 2 Q Just ballpark. Was it early on in 2015 or mid
- 3 2015?
- 4 A It was early on in 2016. Yeah.
- 5 Q So the one in Austin, was OE Capital present?
- 6 A Yes. They -- Yes.
- 7 Q Okay. And so how many potential investors showed up
- 8 for the event?
- 9 A Total?
- 10 Q Ballpark.
- 11 A 10.
- 12 Q Who paid for the event?
- 13 A OE Capital Partners.
- 14 Q Okay.
- 15 A C4 Benefits Group did not bring those 10 investors.
- 16 Most of the investors who showed up were brought by OE Capital
- 17 Partners themselves.
- 18 Q Okay.
- 19 A I don't know how they got them there. I brought two
- 20 existing clients and myself and Jackson and then a friend.
- 21 Q Okay. So what about the one in Tampa, when was that
- 22 event?
- 23 A I am not sure. I believe it was -- I believe it was
- 24 after mine within a month, I believe.
- 25 Q So early, still early 2016?

Page 161

- 1 A Still early.
- 2 Q Was OE Capital present?
- 3 A Yes.
- 4 Q Who from OE Capital was present?
- 5 A I believe the same people who were in the one in
- 6 Austin, Patrick Howard and Dovile Soblinskas I know were there.
- 7 Other than that, I am not sure. I would be guessing.
- 8 Q Who paid for the event in Tampa?
- 9 A OE Capital Partners.
- 10 Q And how many potential investors showed up for it?
- 11 A I know more than in Austin. I don't know the exact
- 12 number.
- 13 Q And how many were from -- from -- from C4 Benefits
- 14 existing or --
- 15 A I would say the vast majority.
- 16 Q Okay. So besides the radio ads and meet and greets
- 17 in preexisting clients, were there any other ways that you
- 18 found investors?
- 19 A No.
- 20 Q Okay. Do you recall when your last investor --
- 21 A Funded.
- 22 Q -- funded?
- 23 A May, I believe, this year.
- 24 Q Okay.
- 25 A Or it may have been just been right thereafter. We

Page 162

1 didn't submit any new paperwork after that through C4 Benefits  
2 Group, but I don't know if the transfers were completed on that  
3 time frame or not, but we didn't go forward with any new  
4 business after that.

5 Q Okay. So which funds did C4 Benefits raise capital  
6 for?

7 A The one I am familiar with was the very first one.

8 Q OE Ventures?

9 A I don't know.

10 Q Now --

11 A Most of my clients that I dealt with directly were  
12 for that first fund. The other funds --

13 Q CFG-2?

14 A Correct.

15 Q Okay.

16 A The ones that Jackson did out of Tampa, I don't know.  
17 I didn't see that paperwork.

18 Q Did Mr. Howard ever explain to you that investors  
19 would be investing in one big fund under OE Capital?

20 A No.

21 Q No?

22 A No. The way I understood it --

23 Q Okay.

24 A -- was each fund would have a maximum of, I believe,  
25 10 million dollars before they would have to open up a new

Page 164

1 Q One pot?

2 A No. I know he had different funds. He was talking  
3 about a different fund at one point in time that could do 35.  
4 It was going to take him 35 million. And it was more -- it  
5 was -- it was for a different purpose altogether, but we never  
6 ventured forward. That was very late in the game. And that  
7 was not something for us.

8 EXAMINATION

9 BY MS. FLOYD:

10 Q We as in C4 Benefits?

11 A Yeah. I'm sorry. Yes. C4 Benefits Group.

12 Q I just didn't know if you meant C4 and OE decided  
13 against it.

14 A No.

15 Q Did you ever bring any investors who cashed out, did  
16 some cash out refi's?

17 A Oh. Like from a mortgage loan?

18 Q Correct. Yes.

19 A No. No, we did not. We dived into that. We looked  
20 into that. It wasn't something that we were very comfortable  
21 with.

22 Q And we as in C4 Benefits?

23 A I'm sorry. Yes. C4 Benefits Group. We looked into  
24 that. We talked about that as a potential opportunity, but  
25 again, just with -- I did some due diligence with mortgage

Page 163

1 fund.

2 Q Okay.

3 A That's the way I understood that.

4 Q So did Mr. Howard -- did he tell you that you're  
5 investing in a fund, that essentially it's a group of funds  
6 under one big fund under OE Capital?

7 A No.

8 Q He never ever --

9 A Not -- not --

10 Q -- discussed this with you?

11 A Not that I understand.

12 Q Okay.

13 A But I understand that OE Capital looked over these  
14 different funds, yes, but I don't think we ever had the exact  
15 discussion. At least it doesn't ring true to me that OE  
16 Capital is managing all the funds together as one. Because it  
17 seems like there's different buying dates and closing dates and  
18 things like that. So that wouldn't -- If I am understanding  
19 the question correctly.

20 Q Correct. All right. Thank you.

21 EXAMINATION

22 BY MS. GUNN:

23 Q Did Mr. Howard ever tell you that OE Capital would  
24 co-mingle the money from the different funds into one group?

25 A No.

Page 165

1 professionals and things. And we decided to go a different  
2 direction than that.

3 Q Did Mr. Howard ever tell you not to bring cash in  
4 from -- from refi's?

5 A No.

6 Q Okay.

7 MS. FLOYD: Can we take a break at 1:47.

8 (A break ensued from 1:47 p.m. to 2:11 p.m.)

9 MS. FLOYD: Let's go back on the record at 2:11.

10 MS. FLOYD: Off the record counsel had raised a  
11 few points that you wanted to share with us. Please go ahead  
12 and share.

13 MR. KAGAN: My client has received a copy of an  
14 invitation that was e-mailed to him for a reception that OE had  
15 held supposedly back on August 2nd. And while we were off the  
16 record I said that I would provide this to the staff. The  
17 second thing was my client told me about his most recent  
18 conversation with Mr. Howard. And I am going to let you ask  
19 him the questions about that.

20 Q When did you have your most recent conversation with  
21 Mr. Howard?

22 A Approximately two weeks ago. I'm sorry. I am just  
23 sending this off to you. I am done with that part.

24 Q Thank you. And did he contact you or did you contact  
25 him?



Page 166

1 A I contacted him.

2 Q Why?

3 A Because I knew this was forthcoming. And I wanted --  
4 truthfully I wanted to say some very bad things to him. I was  
5 a little stressed. So I just wanted to -- The last time I saw  
6 him, I -- and I am very peaceful guy. I almost came to blows.  
7 I was very upset. I never get in trouble. I drive like --  
8 Well, I drive below the speed limit. I just -- I have got a  
9 clean record. And this has stressed me out extensively. And I  
10 am not saying that I should not have been a lot smarter.  
11 Obviously looking back, absolutely I should have. But I was  
12 upset, and I called him two weeks ago because I wanted to get a  
13 feel for I know he had spoken to you all twice.

14 Q How do you -- how did you know that?

15 A He told me.

16 Q Okay.

17 A He told me -- The first time he told me was when I  
18 came to visit that same night I almost got into blows.

19 Q What night was this?

20 A I -- I don't know. I can find out and let you know.  
21 But I -- I talked to Jackson that evening afterwards. And I  
22 know he shared that information with our attorney as well, you  
23 know, that, you know, it was a very contentious evening for me.  
24 But I spoke to him two weeks ago for a couple of reasons. The  
25 first one, and I want to make sure we got clear on this part

Page 167

1 here, he said it was an e-mail, but it wasn't really an e-mail.  
2 It was an advertisement on Linked In that came to me. So it  
3 wasn't like an e-mail, but I am e-mailing it to you, but it was  
4 actually on Linked In itself. And it was for an investor event  
5 August 8th, 2016 at the Westin in Austin from six to eight.  
6 You -- you will have that information available to you. So I  
7 know he had spoken to you twice per him. And I saw that  
8 investor event. My mind, again, goes right back to, well,  
9 okay, you know, he has spoken to the SEC twice. They're doing  
10 an investor event. Obviously they're not that worried.  
11 That's -- that's how my mind works. I'm taking that next step  
12 because I would -- I mean I shut things down when I get really  
13 worried. Things are going on. Business as usual with them.  
14 So I am sitting there going, okay, interesting, but I know I  
15 have got this coming up. So I give him a call. And, you know,  
16 I said, you know, I know you, you know, had two things with the  
17 SEC, two meetings there. You know, what are you guys doing  
18 right now. You know, I am an investor too. You know, so I  
19 want to find out about that. And again, these are some of the  
20 reasons why I felt comfortable giving them money is because it  
21 seems like every time I get worried, something comes up and  
22 says, oh, it's okay, like investors and everything with you,  
23 everything keeps going on that way. So I called. And he said  
24 that he got good news. He received -- and I thought he said a  
25 written communication, but I'm fairly certain it was a

Page 168

1 communication. He said that his attorneys received a  
2 communication from the SEC saying that they are trending in the  
3 right direction compliance wise. They're tightening up the  
4 screws. They're getting better compliance wise. And they're  
5 not going into a receivership. They don't have a -- I don't  
6 think he used the word monitor, but basically that's what it  
7 is, someone who's going to monitor their financials and keep  
8 track of them. It was really good news. He feels really good  
9 about it. They're going forward as normal. So what triggered  
10 the call was seeing that on Linked In. It came through 23 days  
11 ago yesterday. So I guess it's 24 days ago today. You will see  
12 it on the picture there. And the fact that I know he had met  
13 with you and I was meeting with you and I was stressed. So  
14 that made me feel a little bit better until Friday afternoon  
15 which seems to be always the time that Ed decides to call me  
16 before my weekends. So he just laughed at that and said that's  
17 the stupidest thing I have ever heard.

18 Q Again --

19 A I keep doing that. I'm so sorry.

20 Q I appreciate you don't disclose the conversations.

21 A No. I'm sorry. Yeah. So anyway, I shared that with  
22 him. And he said I want to see that document. And so, of  
23 course, that's what led us to this part right here.

24 Q Okay. I appreciate it. Thank you. Do you plan on  
25 getting that document from Mr. Howard?

Page 169

1 A He's not going to give it to me.

2 Q Okay.

3 A I -- I can ask for that. My guess is if you provided  
4 that document to him, you probably don't need it from me.

5 Q Well, if he provides you anything, will you please  
6 provide it to us?

7 A Oh, absolutely. Absolutely. My other concern and  
8 why I wanted to show you that on the investor thing too, and I  
9 wrestled with this, and I've talked to my attorney on this, is  
10 again, if -- this is as ugly as it's looking to me right now.  
11 You know, I would like to think that the investor is going to  
12 be taken care of. Anyway, that's all I have to say.

13 Q Okay. We have about two hours. So I have quite a  
14 bit of stuff. So if we can just move move forward and get him  
15 home before he's stuck in Texas, because the last place you  
16 want to be is stuck in Texas.

17 MS. STUMBAUGH: There are worse places.

18 MS. FLOYD: That's correct.

19 Q All right. So as far as -- One quick question going  
20 back to the radio ads, did Mr. Howard ever tell you that he  
21 could no longer approve the radio spots that you -- that C4  
22 Benefits was going to be broadcasting?

23 A That he could not approve them?

24 Q Correct.

25 A No. He did have a communication that they could no

Page 170

1 longer pay for the radio ads because it looked like they were  
2 marketing the radio ads directly. So they could no longer do  
3 that.

4 Q When did he have that communication with you?

5 A Second quarter of this year sometime.

6 Q Is this when the radio --

7 A 2016.

8 Q Did the radio ads stop at that time or did they  
9 continue?

10 A They continued. But we have since -- not since that  
11 time exactly, but since before all that stuff we have changed  
12 our radio ads to talk more about our primary business  
13 insurance. We're no longer speaking of OE product at all radio  
14 ad or otherwise.

15 Q So as of March of 2016?

16 A I don't think it was March. It may be April, May,  
17 whenever we put the -- the boots on it. Again, I am not in  
18 charge of the radio spots because I am not in that market.  
19 That came from Jackson. But I know that they stopped paying  
20 for the radio ads. And then shortly thereafter we stopped  
21 running the OE ads because of all the issues we were having  
22 with regulatory bodies.

23 Q Okay.

24 A I can find out the exact date that the radio ads  
25 stopped completely, but it's going to be in that time frame.

Page 172

1 A It is, but there's a -- there's a -- about a three  
2 page, plus or minus three page piece that's titled OERA, and  
3 they explain how that works. Well, this is a one page version.  
4 There was a longer page version of it as well. It is 1049.  
5 What is OERA. What they explained to us, the part that I  
6 understood, and I went to lunch and I saw it in real time, at  
7 least it looked like it was happening in real time. I can't  
8 right now verify anything. But I was at lunch with Patrick,  
9 Tracy who did the Linked In ad, Christina Cason and Dovile  
10 Soblinskas when they were in Austin the day after the investor  
11 event they held in Austin that we attended. And any time any  
12 expenditure went out, any bill went out, anything that happened  
13 in the bank account because OE would tie into the bank account  
14 of the companies they funded. Any time any money came in or  
15 out, they were notified. So that's what they were talking  
16 about the real time aspect. So they could monitor the accounts  
17 immediately. And the reason that I remember this at all is  
18 because they were making a comment because there was an  
19 expenditure going out for \$500 that just hit the account. And  
20 it was for -- it was called Hunks, H-u-n-k-s. And so I know  
21 that everyone was -- She said guess who that's for. And they  
22 all knew who that would be and everything, but it turned out to  
23 be Hunks Hauling Junk because the person was moving. So again,  
24 it kind of, you know, it was a little laughing point, but  
25 that's why it stuck in my memory that way, but it was that real

Page 171

1 Q Okay. I appreciate that. Thank you. If you can go  
2 back to Exhibit 58. Earlier today I was having you walk me  
3 through as if I was an investor of what you would tell me  
4 regarding each document. And if we can kind of go back through  
5 that.

6 A Sure.

7 Q And -- and I think we left off at 1040, the guarantee  
8 versus insured.

9 A Uh-huh.

10 Q On the second paragraph under Optimal Economics  
11 insures your yield and how is that different, middle of that  
12 paragraph, and I quote, having a real-time layout of the  
13 liquidity needed and the risk we are assuming, we can then use  
14 market insurance mechanisms to ensure principal and preferred  
15 yield before any personal investment dollars are used for debt  
16 leveraging against company assets, period. Our insured 12  
17 percent yield then comes from strategy and is unrelated to the  
18 actual behavior or outcome of the portfolio, period, end quote.

19 A Uh-huh.

20 Q What does that mean?

21 A That relates back to their OERA methodology. There  
22 should be a piece that is titled OERA. It should be a couple  
23 pages long.

24 MS. STUMBAUGH: I think it's defined at the  
25 bottom of that page.

Page 173

1 live time reporting. And he even said, you know, there's a  
2 perfect example. You know, we see money coming in. We get the  
3 first dollars off of it. We see the money going out. We can  
4 track everything. So you are not jeopardizing all the money at  
5 one time. They would fund a company based upon certain  
6 benchmarks. If, as an example, ABC company needed a million  
7 dollars, they would not give a million dollars upfront. They  
8 would say we will give you \$100,000. Once you hit this run  
9 rate or amount of revenue, then we will start funding you the  
10 next amount. But during that first initial period of time they  
11 were capturing that money. So the only amount of money that's  
12 ever at risk is the amount that they funded that company at one  
13 time. The insurance, of course, is covering at least in theory  
14 the amount that's out with the company at any one time. So it  
15 wouldn't be for -- They wouldn't need it for the full million.  
16 They would need it for however much they were funding them  
17 before they started recapturing business.

18 Q Okay.

19 A I completely agree. I think the wording on this is  
20 awful. It's very confusing. And I did mention that to Patrick  
21 Howard numerous times saying this just -- this doesn't make  
22 sense to people. They don't understand this. And I'm trying  
23 to explain how you explained it to me about the, you know,  
24 insuring the lives of people. And even when we brought this to  
25 agents that we were recruiting back in February, March, they

Page 174

1 didn't understand this, which is again where I had a lot more  
2 discussions with Patrick saying this just doesn't make sense to  
3 people. We need to clean this up.

4 Q Did -- did OE Capital actually clean up the language  
5 of this document on 1040?

6 A We are so late in the game at this point in time. I  
7 don't know what they started cleaning up or not. We started  
8 winding down business shortly thereafter with them. And this  
9 is about the same time that we had the subpoena from the State  
10 of Florida.

11 Q Okay.

12 A We also had the beginning of the year of 2016 maybe  
13 the first, second week of January, Jackson walked into his  
14 office and had three regulatory bodies there waiting for him,  
15 Department of Insurance, FINRA and the Securities for the State  
16 of Florida. And they went through all of his books and things  
17 like that. The only one who gave him any feedback at all was  
18 Department of Insurance. And they just said we think you need  
19 to register your office as an agency office, not just an office  
20 doing insurance business. And then we didn't hear back from  
21 anyone else thereafter. And he had a good conversation, I  
22 know, with the lady who did whatever you want to call that. I  
23 don't know if it's an audit or whatever, the initial, you know,  
24 reach out to Jackson about, you know, what was going on there  
25 and everything. And she seemed very, you know, guys seem fine.

Page 175

1 Okay. That was the impression he got. And he shared that with  
2 me. So again, after that we're sitting there going, okay, we  
3 feel pretty good about this because, you know, we didn't, you  
4 know, we didn't hear from anybody until, you know, two and a  
5 half months later when we had that subpoena.

6 Q Okay. Thank you.

7 A Uh-huh.

8 Q And if we can go back to Exhibit 58, what on page  
9 1042 would you bring to my attention as an investor?

10 A The one I would bring, because a lot of these seem to  
11 be duplicitous, what I would talk about here is, you know, you  
12 have to be aware of the tax implications. Qualified money, you  
13 don't pay taxes on until you pull that money out. Or age 70  
14 and a half because you're 70 and a half out there. If it's  
15 non-qualified money, then you have to be aware of the tax  
16 situations. You always want to get together with your tax  
17 professional because we don't give tax advice, but if you  
18 reinvest it or you take a distribution, it doesn't matter.  
19 You're going to receive a 1099 on that money.

20 Q Okay. And under the chart --

21 A Uh-huh.

22 Q -- they have on top of 1042, it has OECF benefits,  
23 average of 20 percent. Is that accurate, do you know?

24 A I do not know.

25 Q Okay. Moving on to the next page, 1043.

Page 176

1 A Uh-huh.

2 Q What on page 1043 would you point out to me as an  
3 investor?

4 A The performance data, top right under fund  
5 description.

6 Q So the performance data is a minimum performance with  
7 first year's 12 percent, average performance 18 percent?

8 A Correct. And that average there just like on the  
9 other piece you were asking about the average 20 percent, that  
10 is a combination of the 12 percent plus the expected waterfall  
11 on an annual basis.

12 Q Okay.

13 A OE explained that they paid the investor three ways.  
14 The 12 percent paid out at three percent a quarter. So if you  
15 left it in there, it would start compounding out on a quarterly  
16 basis. The waterfall, which was paid out on an annual basis  
17 and then the exit strategy which was paid at the end of the  
18 plan with the funding company. Typically a three year exit  
19 strategy is what they looked at.

20 Q Okay.

21 EXAMINATION

22 BY MR. MCCOLE:

23 Q Did any investor actually receive this average  
24 performance listed here?

25 A The 18 percent?

Page 177

1 Q Yeah.

2 A I think we might be, you know, just a little bit  
3 after that first year with our first initial investors. So far  
4 the only thing I have seen any investor that we have dealt  
5 with -- we -- I'm sorry -- C4 Benefits Group has dealt with has  
6 been the 12 percent. I did ask Dovila about -- Dovila about  
7 that. And she said in the first year they did not have an  
8 expected waterfall.

9 Q They are not expecting to have a waterfall?

10 A Correct. Because it's the first year of operation.

11 Q Is there anything else on page 1043 that you would  
12 point out?

13 A No.

14 EXAMINATION

15 BY MS. GUNN:

16 Q Before we leave the performance data --

17 A Uh-huh.

18 Q -- this is showing average performance year 118, year  
19 219, year 320.

20 A Uh-huh.

21 Q Had they been in existence for three years at that  
22 point?

23 A No.

24 Q Do you have any understanding how they came up with  
25 those average numbers then?

Page 178

1 A The way that they explained that for me was it was an  
2 expected average performance over a three year period of time.  
3 It's not a look back. It's what they expect as an average  
4 performance.

## EXAMINATION

BY MR. MCCOLE:

Q Did you explain that to investors?

8 A We -- The only thing we really talked to investors  
9 about, and this was -- I know Jackson and I discussed this at  
10 length is we talked to them about the 12 percent paid three  
11 percent on a quarterly basis. If they received anymore than  
12 that, that's extra. That's -- that's a Christmas present.

13 Q Did you explain that it was an expected average  
14 performance?

15 A The 18, 19, 20 percent?

16 Q Yes.

17 A No. We didn't -- we didn't -- we didn't really tell  
18 that part of it at all is what I am saying. We said that  
19 could -- that could happen. We never said that what was going  
20 to happen or what did happen. We just said we expect to see  
21 the 12 percent, three percent a quarter. Again, anything above  
22 and beyond that is extra.

23 Q You did direct them to this chart under performance  
24 data though, correct?

25 A We would talk about the performance data, but really

Page 180

1 range because that's also when Kensa Bangert was there.  
2 Because we had asked them for, you know, companies they were  
3 investing in, you know, how that was looking projections on  
4 that. And they were going through a -- I believe it was  
5 Ganolife, but I could be mistaken. It's one of the companies  
6 there. She and Christina had gone on and audited and ran  
7 financials and were showing this projection in the home office.  
8 Jackson Clements was there too. And they were talking about  
9 those numbers. So, you know, we were expecting them to fund  
10 that company and go forward with that. I know within a short  
11 period of time thereafter, the exact amount of time I cannot  
12 remember, but it was a short period of time thereafter, we had  
13 asked and they said they were not going to fund that company.  
14 Christina went in further and dug further and found that there  
15 was some IRS liability. They didn't feel comfortable with  
16 that, so they decided to pursue other options. And that made  
17 Jackson and I feel good that they're just not throwing money at  
18 any company. They're going in and doing their due diligence  
19 especially after they spent this much time, energy and effort  
20 looking at this one company. I am fairly certain it was  
21 Ganolife. I believe it was -- It was the one that was a green  
22 coffee extract. And that's why I think it's Ganolife.

23 Q Okay. On page 1044, is there anything you would  
24 bring to my attention as an investor?

25 A No. Because I didn't really remember using this form

Page 179

1 out of the highlighted area, the 12 percent, the 112, the 125  
2 four, and the 140, 493.

## EXAMINATION

BY MS. FLOYD:

Q On the left-hand side of 1043, the pie chart --

6 A Uh-huh.

7 Q -- it says portfolio companies, real estate and  
8 Insured Liquidity assets.

9 A Uh-huh.

10 Q Does OE Capital own real estate?

11 A Allegedly, yes. I don't know anymore than that.

12 Q Who told you they owned real estate?

13 A Patrick Howard.

14 Q What did he say about the real estate?

15 A They have real estate holdings that they're putting  
16 money into. They have their own assets. And then, of course,  
17 the portfolio assets, the revenue sharing that they receive.

18 Q When did Mr. Howard tell you this?

19 A That I could not give you an idea. It was in one of  
20 the meetings that we had when we were up in Dallas meeting with  
21 them.

22 Q In 2015?

23 A Yes.

24 Q Would you say early to mid 2015?

25 A I would say it would probably have to be in that

Page 181

1 right here.

2 Q Okay.

3 A I mean this is basically the same information as you  
4 can see that was on --

5 Q 1042?

6 A Yes. Exactly. The same pieces. They also -- At any  
7 point in time some of these pieces were updated and changed,  
8 and then we would replace the old with the new.

9 Q Okay. What about 1045?

10 A This is one of the newer pieces that they brought  
11 out. It wasn't initially available with the clients that I  
12 worked with. It was -- it was early on. This is a piece they  
13 created later on. And it's just the who and why piece. So I  
14 didn't really present this to clients. But if you're asking me  
15 what it was, I would just explain that. Who is OE Capital,  
16 here you go, and talk a little bit about Patrick, what do they  
17 do, just hit probably a bullet point or two, but I didn't  
18 present this piece.

19 Q Okay. What about 1046 and 1047? I believe they are  
20 tied together.

21 A I did not present this piece either. And in looking  
22 at it, the rationale is most likely because it's the fourth  
23 quarter of 2015. I wasn't presenting to clients at this point  
24 in time. There's no clients --

25 Q (Speaking over each other.)

Page 182

1 A Correct. Most of my clients came early on. I hand  
2 picked a couple of clients. And I always beta test things that  
3 way to see how it flows and works.

4 Q Okay. What about 1048?

5 A With respect to 1046 though, I am -- I am familiar  
6 with where is it because in a Dallas meeting I did meet Jim  
7 Nally a couple times, two or three times. And he  
8 is the CEO of Where Is It.

9 Q Okay. And what about 1048?

10 A This looks like a -- this looks very similar to the  
11 piece that they used at our meet and greet in April of 2015. I  
12 mean it's -- it's almost identical to that piece that was in  
13 the folded up that we scanned over. I -- I did not use this  
14 piece with the clients. They may have put this in after the  
15 fact or something, but it looks -- I have seen it before, but  
16 not in this format. I saw it with the meet and greet part. It  
17 doesn't mean they didn't send it out and everything. I'm just  
18 saying I did not use this piece for the client.

19 Q Okay.

20 A But if I did, I would talk about the -- you know,  
21 realistically I would talk about the stuff under OE Capital  
22 Partners, that part right there.

23 Q What about 1049?

24 A Okay. There was another version of this piece. I  
25 believe it was longer. In my mind at least I remember it being

Page 183

1 a little bit longer than this. And I would just talk about,  
2 you know, that they have, you know, of course, every company  
3 has their own proprietary system of -- of, you know, tracking  
4 money and, you know, looking at performance engaging, if it's a  
5 company they are going to invest in or not. They have their  
6 methodologies, their analytics that they look for and when  
7 they're going to be investing into a company to fund. They  
8 gave us an analytical piece early on when we were doing some of  
9 our due diligence on how they fund a company or not and to see  
10 whether or not that's a company that would meet the numbers.  
11 And even if it was close, they would say no. It would give a  
12 red light instead of a green light. It had to be at those  
13 numbers or above. It couldn't be close. It had to be there.

#### 14 EXAMINATION

15 BY MS. GUNN:

16 Q Several times in going through this you mentioned the  
17 exit strategy. Can you tell us what the exit strategy was?

18 A Yes, I can. With the exit strategy, the way it was  
19 explained to me and I understood it was OE Capital Partners  
20 pays the investor three ways. Every quarter they get three  
21 percent during that three year lock-up or when they have that  
22 money tied up. At the end of every year they're going to get a  
23 waterfall provision. And that's looking at anything above and  
24 beyond a certain number. The client -- or I'm sorry -- the  
25 investor is going to split a percentage of those revenues with

Page 184

1 OE Capital Partners. It's almost a form of profit sharing  
2 after that first year. And then the exit strategy is the third  
3 way they pay because at the end of the three year time frame OE  
4 looks at the total amount of money generated over that time  
5 frame. And they call it one -- one-half acts as the minimum.  
6 So they expect at least one-half return on their -- the total  
7 investment during that period of time after they pay out the  
8 three percent quarterly, 12 percent a year and the waterfall.  
9 Whatever profitability they had still left over, they would pay  
10 that as an exit strategy to the client as well, not the full  
11 amount, but a percentage of that.

12 Q So where would the money for the investor to get  
13 their principal back --

14 A Uh-huh.

15 Q -- where would that money come from?

16 A The revenue capture from the -- the company they're  
17 funding.

18 Q Okay.

#### 19 EXAMINATION

20 BY MR. MCCOLE:

21 Q And when you say exit strategy, who is exiting  
22 what?

23 A The -- This is again the way I understand that is the  
24 fund company was exiting the agreed upon plan with OE Capital  
25 Partners. The amount of money that they borrowed has been paid

Page 185

1 back. The minimum amount of revenue that OE Capital Partners  
2 expected to generate from that company during that time period  
3 had been met, and the time period itself had been met. So they  
4 could pay it back early. But they're still tied to that time  
5 frame of let's say here three years.

6 Q So -- so the exit strategy refers to the revenue  
7 company exiting the relationship with OE Capital?

8 A Correct.

9 Q And it doesn't refer to the investor exiting from OE  
10 Capital?

11 A No. The investor exiting from OE Capital is what we  
12 called a liquidity event. That is when the client is able to  
13 go liquid. Take their principal back, take any interests that  
14 has been retained by OE Capital Partners and pay down at that  
15 time.

16 Q Did you give copies of Exhibit 58 or their updated  
17 versions --

18 A Uh-huh.

19 Q -- to investors to keep?

20 A I myself personally?

21 Q Or anybody within your organization.

22 A I would imagine so. That's a guess. I would expect  
23 that would have been the case, but I can't say that for certain  
24 with the agents at C4 Benefits Group.

25 Q Okay. What about you personally?

Page 186

1 A I don't think all of these pieces here were available  
2 when I first started doing it. I think there was a smaller  
3 version of these pieces there.

4 Q And you're now referring to Exhibit 58?

5 A I'm sorry. Yes. I am referring to Exhibit 58. All  
6 of these pieces were not available when I was working with my  
7 clients.

8 EXAMINATION

9 BY MS. FLOYD:

10 Q Did you provide the investors -- potential investors  
11 the smaller version of Exhibit 58?

12 A Yeah. What I was provided by OE Capital Partners, I  
13 just can't say with 100 percent certainty that it was all of  
14 this because some of this does look newer. The pieces I  
15 would -- that look like it would have been something I  
16 would have used at that point in time would have been 1035 -- a  
17 version of 1035 at least because they always revise that, a  
18 perfection of 1036. We didn't create 1037, 38 and 39 until  
19 later and 1040. Those are definitely through the pieces I know  
20 I have used or 1041, one of the versions there of guaranteed  
21 versus insured.

22 MR. KAGAN: I notice from the Bates stamp that  
23 this was turned over to the State of Florida. This was  
24 received from Jackson Clements by me. This was not a document  
25 that he had.

Page 188

1 where they are now, what assets they have. We would look at  
2 what kind of growth opportunities do they have where they  
3 currently are. It could be anywhere. We would, as it relates  
4 to OECP, if we saw an opportunity to help improve parts of  
5 their situation, we would then present OECP. We -- And we have  
6 taught this from day one for 20 years here is there's no one  
7 blanket solution for everybody. So it's nice if you can mix  
8 pieces together and have some growth opportunities but also  
9 have some that are not so much growth but more, you know,  
10 income based. Example, a fixed annuity out there where you  
11 have got some -- some guarantees and all of that. So we would  
12 look there. See if there is an opportunity. Usually what  
13 we would look at is old IRAs, old 401k's that they're not  
14 really doing anything with. They're sitting on the sideline,  
15 what have you there. Here's an opportunity, but we also have a  
16 liquid event in three years. So if we have to, we can  
17 reposition this money in three years. You are not tying it up  
18 for 10 years with a -- in the next annuity. Is that something  
19 you would like to learn a little bit more about. Yes, and we  
20 approach it. No. Well, then we go a different direction.

21 Q So if you -- if you determined the mix of assets and  
22 investments that the person has, that an OE capital investment  
23 might be something that would be suitable -- suitable for this  
24 person --

25 A Correct.

Page 187

1 EXAMINATION

2 BY MR. MCCOLE:

3 Q Do you agree with that statement your attorney just  
4 made?

5 A I always agree with my attorney. I mean he -- he  
6 would know that better than me.

7 MR. KAGAN: I am looking at it. Just the way  
8 it's Bates stamped, this was turned over to Florida. It  
9 doesn't have the SEC on the bottom of it. And we only turned  
10 over documents to Florida that I had obtained from Jackson  
11 Clements in Florida. If you didn't get this document from him,  
12 and I don't believe I got this from him. I do not believe so.  
13 This came from Florida.

14 MS. FLOYD: Okay.

15 A Is that the OERA one? Yes. The one I saw in that,  
16 and I think it was probably an older one, it was longer than  
17 three-quarters of a page. That's the one I thought was, you  
18 know, two plus pages on that.

19 Q Could you just walk us through the actual sales  
20 presentation process with -- with an investor, a given  
21 investor?

22 A We would talk about as it relates to OECP, I am  
23 assuming, correct?

24 Q Yes.

25 A Okay. We would go through and look at their assets,

Page 189

1 Q -- what's the process then of you actually selling  
2 them the OE Capital product?

3 A If they say yes, I would like to learn more about  
4 that, kind of the buy in part, if you will, we would then go  
5 through the sales materials. And then if they are like yes,  
6 this looks good, we would explain to them that we have got to  
7 do a suitability form and get that approved before we can do  
8 the next step. We would have them fill that suitability form  
9 out. Send that over to OE Capital Partners. 99 times out of  
10 100 that was Dovile. And they would send that back the next  
11 day with either, you know, the forms pre filled or I believe it  
12 went to an on-line link. And I wasn't doing that directly, but  
13 I think that's the way they were doing it. They were seeing an  
14 on-line link where the rest of the paperwork was done including  
15 the custodial paper. I know with Midland IRA when they were  
16 doing the custodial work, because as you will see on all of our  
17 accounts, most of them are IRA accounts. They would have to  
18 fill out the custodial paperwork. And that was always on-line  
19 with Midland IRA. So it was a couple step process.

20 Q And then after the suitability information came back,  
21 how did the presentation continue from there, if at all?

22 A We would meet with the clients and say, you know,  
23 here's the suitability thing. This is what we can look at  
24 doing. Here's the minimum that we can put into the account.  
25 You know, then we would fill out the paperwork with them or

Page 190

1 we would have an e-mail link sent to them for the custodial  
2 account.

3 Q And would you recommend that they actually make an  
4 investment in OE Capital?

5 A We would -- I wouldn't say, you know -- We would give  
6 it to them, and we let them make that decision. Just like with  
7 an index annuity or life insurance, we position it saying is  
8 this something that you think would be a valuable part of your  
9 portfolio. Yes. That would be great. Let's go ahead.  
10 Because we're -- we believe, you know, people hate to be sold.  
11 And that's where you get a lot of resistance. So if you give  
12 it to them and you let them make that decision, this is yes or  
13 no, yes or no, yes or no.

14 Q But was -- but apart from insurance type products,  
15 this was the only non-insurance product that you would offer  
16 them, correct?

17 A Correct. Correct.

18 Q What about actually finalizing the sales transaction  
19 like closing the deal essentially?

20 A That was done by the home office at OE Capital  
21 Partners. They would sign off on all the documents and close  
22 the deals and start the transfer process, but all the  
23 signatures to close the deal was signed by OE Capital Partners.  
24 It's just a matter of getting the paperwork that was filled out  
25 by the client from the client to OE Capital Partners.

Page 191

1 Q And -- but was it your responsibility or -- or, you  
2 know, the sales team within your office to get the investor to  
3 the point where the investor was ready to, you know, submit the  
4 final paperwork for closing?

5 A Yes. Just the same -- We treated it the same as an  
6 annuity and things like that. We would have the application,  
7 the suitability form in this situation. We would send that  
8 off. And then later on it was a link to fill out the  
9 paperwork, especially on the Midland IRA custodial side, but  
10 we would walk them up to that part, yes, if I am answering your  
11 question correctly.

12 Q So who was involved in -- in negotiating that  
13 transaction between OE Capital and the investor?

14 A The sales agent.

15 Q And sometimes that would be you, correct?

16 A Correct. If I am understanding your question  
17 correctly, you are saying how did the client hear about  
18 OECP and how did you, you know, did you present OECP as an  
19 option for the client.

20 Q Yes.

21 A Yes. It was the -- it was the sales agent. And in  
22 my situation is yes. I talked to the clients about OECP.  
23 Presented the sales material and asked them if that's something  
24 they would -- they would like to have as part of their  
25 portfolio.

Page 192

## EXAMINATION

1 BY MS. GUNN:

2 Q Did Mr. -- did Mr. Howard ever provide you with any  
3 information about how much revenue OE Capital had received from  
4 the portfolio companies that it was funding?

5 A No. Nothing in writing until we saw the financials,  
6 the unaudited financials in 2016. I believe it was in March of  
7 2016, in that time frame at least.

8 Q All right. And prior to that had he given you any  
9 information orally about how much revenue they had received?

10 A Yes, he had.

11 Q What had he told you?

12 A He had told me that Where Is It -- I believe that was  
13 the first company they actually funded. Sales were larger than  
14 they had expected, and that they should be able to hit their  
15 exit number a lot sooner than they had anticipated.

16 Q When did he tell you that?

17 A Towards the end of 2015.

18 Q Okay. Anything else he told you orally about the  
19 revenue?

20 A No.

21 Q Okay. And then --

22 MS. GUNN: Let's take a break.

23 MS. FLOYD: Go off the record at 2:48.

24 (A break ensued from 2:48 p.m. to 2:59 p.m.)  
25

Page 193

1 MS. FLOYD: Back on the record at 2:59.

## EXAMINATION

2 BY MS. FLOYD:

3 Q Over the break we talked about having an e-mail sent  
4 to the staff so we can use as a record. Is that correct?

5 A Yes.

6 Q Okay.

7 I am going to hand you what has been marked --  
8 previously marked as Exhibit 25.

9 A Uh-huh.

10 Q Take a moment and look through that.

11 A Okay.

12 Q Do you recognize Exhibit 25?

13 A I do.

14 Q What is it?

15 A It is the annual report for 2015.

16 Q Okay. When did you receive Exhibit 25?

17 A In March, I believe.

18 Q In March of 2016?

19 A Yeah. Yes. 2016 for the year 2015.

20 Q Okay. In the back of the report is a financial  
21 report.

22 A Okay.

23 Q From DiLucci and DiLucci.

24 A Yes.  
25

Page 194

1 Q Are these the financial reports you were previously  
2 testifying to earlier on in your testimony? I'm sorry. I  
3 don't have copies. You need to share it with your attorney.

4 A They -- they appear to be, yes.

5 Q Okay.

6 A And I can't speak to all the exact numbers, but it  
7 looks very familiar.

8 Q Okay. And when you -- when you saw the financials,  
9 what was your reaction?

10 A Jackson Clements looked at these first before I did.  
11 It was just the way that happened there. The first thing that  
12 he and I discussed was that this is not a -- their terms,  
13 they -- I'm sorry.

14 They being OE Capital Partners' terms  
15 forensic accounting. This was more OE Capital Partners turning  
16 over numbers and a CPA putting together, you know, this sheet  
17 based upon the numbers that OE Capital Partners turned over.

18 Q Okay.

19 A We also discussed, you know, how much money we had  
20 raised for them. It looked like they had another group out  
21 there probably raising money is our guess, or that could have  
22 been the initial raise that Patrick Howard had mentioned when  
23 we first talked to them about the financials and things like  
24 that. We were doing some of our due diligence because there's  
25 more money here than what we had raised. It did not look as if

Page 196

1 There's going to be a process there, but we did pester them.

2 And this is what we got. They said this was really kind of  
3 just to placate it. They were getting the rest of the  
4 information together to do that. This is what we got. It  
5 didn't make us feel as good obviously. It looked like they had  
6 a -- I understand it's a start-up, but it's still, you know, a  
7 good burn rate for lack of a better word. And, you know,  
8 around this period of time as well as when we started, you  
9 know, getting subpoenas from the State of Florida and, you  
10 know, our focus, you know, with this as well, you know, kind of  
11 shifted gears a little bit there too trying to supply all the  
12 information that the State of Florida was requesting.

13 Q Did you have any discussions with Patrick Howard or  
14 anyone else at OE Capital about any reservations or concerns or  
15 disappointment you had with the -- either the report that you  
16 received or the information in the report?

17 A I did not specifically do that. I know that Jackson  
18 was going to be doing that. Jackson's area of expertise is  
19 more along these lines. No offense to accountants, but I don't  
20 always understand how, you know, your ledgers work on things.  
21 It just doesn't seem like it makes sense to me as much how  
22 things are put one way or the other. I am much more of a cash  
23 flow person than I am anything else. I look at it that way,  
24 but I know Jackson was planning on having discussions with them  
25 directly.

Page 195

1 much revenue had been recaptured at this point in time as  
2 well.

3 Q So on Exhibit 25 under revenue, and I believe it says  
4 consulting -- consulting fees, they received \$8,125. Is that  
5 correct?

6 A Right.

7 Q That's not a lot of revenue, is it?

8 A No, it is not.

9 Q Okay. For the end of 2015. So they had been in  
10 operations for almost a year, correct?

11 A Correct. To the best of our knowledge, yes.

12 EXAMINATION

13 BY MS. GUNN:

14 Q Did you have any discussions with anyone about  
15 that?

16 A We did. Jackson and I had discussions in regards to  
17 this. We wanted a lot more information on this as well. It --  
18 it was not what we were expecting. I know -- I shouldn't say I  
19 know. I believe this was also sent to a client who was  
20 requesting audited financials because that's what OE Capital  
21 Partners had promised us. We have many e-mails asking OE  
22 Capital Partners, specifically Dovile, when are we getting the  
23 audited financials. We have got clients that you told us we  
24 were going to get audited financials. We're still waiting for  
25 those. We understand you can't get them January 1 for 2015.

Page 197

1 Q Do you know if he actually had that discussion? Did  
2 he ever sort of report back to you?

3 A Again, no. He did not report back to me on that  
4 because we were getting hit with the State of Florida on that  
5 part. And then we -- we -- we kind of asked them again for  
6 when are we getting the audited financials and, you know, we  
7 always get pushed off on that, it seems like, looking back now.  
8 And we can see why. But I mean their initial response on these  
9 numbers right here in this was we wanted to get you something.  
10 We hurried it up to get this part right here. We're still  
11 working on the audited part of it, but these are the numbers  
12 they turned over. And I know they put a, for lack of a better  
13 word a little fluff piece in the beginning, but I don't know if  
14 that really, you know, was what we were hoping for  
15 realistically.

16 Q If you go a few further pages into the annual report,  
17 you will see a -- a valuation that takes into account signed  
18 contracts. Did you have any discussions with anyone at OE  
19 Capital about that?

20 A About signed contracts?

21 Q Well --

22 MS. FLOYD: If you continue going on Exhibit 25.  
23 Right there.

24 THE WITNESS: Right here?

25 MS. FLOYD: Yes.



Page 198

1 THE WITNESS: Okay.

2 Q About the numbers that are in there, about the  
3 information?

4 A No. The only thing I know is they had a signed  
5 contract with Where Is It, and that the State of Florida  
6 contacted Jim Nally to confirm that as well.

7 Q Okay.

8 EXAMINATION

9 BY MR. MCCOLE:

10 Q What's the number given for revenues on Exhibit 25?

11 A I believe it was 8,125 in consulting fees under the  
12 revenue part.

13 Q And what's the date on it?

14 A From inception March 2nd, 2015 to December 31st,  
15 2015.

16 EXAMINATION

17 BY MS. STUMBAUGH:

18 Q If you look further down on that same -- on that same  
19 page under expenses, there's a line that says reimbursement of  
20 consulting expenses. Do you see that?

21 A 71988 reimbursement of consulting fees --

22 Q Is \$8,125.

23 A Okay. Oh, I'm sorry. That's with the rent car.

24 Sorry. Yes.

25 Q So that would indicate that there was no revenue?

Page 200

1 A Uh-huh.

2 Q -- you will see a number for the -- for the Tampa  
3 returns.

4 A Uh-huh.

5 Q Now, these returns -- this is the money that  
6 investors are actually getting, right?

7 A Correct. In distributions.

8 Q Distributions.

9 A Or -- or in earnings that they did not take as  
10 distributions.

11 Q Right. So -- so, for example, your father on the  
12 first page, he actually physically got \$25,830, correct?

13 A I believe so, yes.

14 Q Now, his return alone far exceeds the revenues of the  
15 company for 2015, right?

16 A Correct.

17 Q And if you were to add up the 38,500 from page one of  
18 Exhibit 61 under the return column --

19 A Yes.

20 Q -- and then the 92,000 on the return column on the --  
21 under Tampa which is the third page in, I think.

22 MS. FLOYD: I think -- I think I used the  
23 total.

24 MR. MCCOLE: 92 is the total between Tampa and  
25 Austin?

Page 199

1 A Okay.

2 Q Would you agree?

3 A Yes, ma'am.

4 Q Okay.

5 EXAMINATION

6 BY MR. MCCOLE:

7 Q Well, how did that jive with -- with your internal  
8 document which we looked at earlier which is Exhibit Number  
9 61?

10 A Uh-huh.

11 Q If you take a look at the return column on Exhibit  
12 61 --

13 A Right.

14 Q Get that in front of you.

15 A Yes.

16 Q Do you have Exhibit 61 in front of you?

17 A I do.

18 Q All right. If you look at the return column there on  
19 the first page of Exhibit 61 --

20 A Uh-huh.

21 Q -- it has the total 38,528.69. Do you see that?

22 A I do.

23 Q And that's under the Austin returns, right?

24 A Yes, it is.

25 Q And then if you flip a couple of pages passed that --

Page 201

1 MS. FLOYD: And Dallas.

2 MR. MCCOLE: And Dallas. Okay. I see.

3 Q All right. So that \$92,000 as I understand your  
4 Exhibit 61 --

5 A Uh-huh.

6 Q -- table, that's money that investors have actually  
7 received into their accounts from OE Capital?

8 A Right. They took it as a distribution or stayed and  
9 retained inside their accounts.

10 Q Now, where did OE Capital get that money to provide  
11 those returns --

12 A Uh-huh.

13 Q -- if OE Capital had no revenue from any of the  
14 companies it purportedly funded?

15 A That is a great question.

16 Q Do you have any answer for it?

17 A I do not.

18 Q Have you raised that issue with Mr. Howard?

19 A I have not. We were going to -- Jackson was going to  
20 handle those portions right there and talk to him. And he's  
21 the one who went through this in a lot more detail than I did,  
22 but I -- I could not answer that question for you.

23 Q Does it -- does Exhibit 25 list the -- any sources  
24 of -- of money for OE Capital other than money received from  
25 investors?

Page 202

1 A Consulting fees.  
 2 Q Okay. And those were refunded, right?  
 3 A Reimbursement of consulting fees. Okay. I do not  
 4 see -- No. I do not see anything showing any extra income  
 5 coming in.  
 6 Q I mean it seems to me that if the only source -- if  
 7 the only source of income they have is income from investors --  
 8 A Uh-huh.  
 9 Q -- and that they are -- they -- they have been able  
 10 to pay these \$92,000 in returns --  
 11 A Uh-huh.  
 12 Q -- to some investors?  
 13 A Well, they have got that listed as a different number  
 14 there. They show 63,012.  
 15 Q That's as of December 31st, 2015?  
 16 A Correct.  
 17 Q Okay. So as of December 31st, 2015 they paid \$63,000  
 18 out, right?  
 19 A Uh-huh.  
 20 Q To investors in distributions or returns, right?  
 21 A Uh-huh.  
 22 Q Okay. They have got no revenues coming in?  
 23 A Uh-huh.  
 24 Q Seems like the only source of -- of funding they have  
 25 got comes from investors.

Page 203

1 A Uh-huh.  
 2 Q Right? It seems as though they are -- they are  
 3 simply returning to investors or paying some investors with  
 4 the -- with the money that other investors put in? Would that  
 5 be your conclusion also?  
 6 A It would minus the fact I had a prior conversation  
 7 with Patrick Howard before we got involved in this aspect  
 8 altogether, back when we were doing some of our due  
 9 diligence.  
 10 Q Okay. What was -- what was the outcome of that  
 11 conversation?  
 12 A That conversation was that they had -- when they  
 13 didn't want to show us the bank -- when we were asking the  
 14 information about showing us your bank account and things like  
 15 that, the question was, well, how are you going to pay that  
 16 three percent a quarter to investors if you're just starting up  
 17 and you're putting money into a company, you may not be able to  
 18 recapture enough for that three percent. That was a question  
 19 we did have. And he said -- He, I'm sorry, Patrick Howard had  
 20 said that he had enough start-up capital that he would be able  
 21 to pay that three percent a quarter 12 percent a year to the  
 22 initial investors for the full three year period of time.  
 23 Q Okay. What was the source of that start-up capital  
 24 as far as Mr. Howard told you?  
 25 A He told me he raised money before he started this

Page 204

1 venture.  
 2 Q Okay. And how did he raise that money?  
 3 A To my understanding it was a friends and family  
 4 investing in him in this venture.  
 5 Q How much did he raise?  
 6 A I do not know.  
 7 Q Did you ask him?  
 8 A I did.  
 9 Q And he wouldn't tell you?  
 10 A I did not have that information, no. He said he had  
 11 enough. The answer he gave me was he had enough to pay the  
 12 yield of three percent a quarter 12 percent a year to the  
 13 initial investors we have for the three year period.  
 14 Q Okay. So then -- so then the -- the seeming  
 15 contradiction between their lack of revenue and the fact that  
 16 they paid -- actually paid returns --  
 17 A Uh-huh.  
 18 Q -- didn't strike you as odd because of what Mr.  
 19 Howard had earlier told you about an earlier capital raise,  
 20 correct?  
 21 A It did not make me as comfortable, but it did not  
 22 strike me as too odd except for the fact I thought the revenues  
 23 seemed pretty low based upon the conversation that Where Is It  
 24 sales were higher than they had expected.  
 25 Q What, if anything, did Mr. Howard tell you with

Page 205

1 regard to the promises made to those initial investors, the  
 2 ones who raised the capital that he said he had sort of in  
 3 reserve to pay the 12 percent to the -- to the others?  
 4 A He did not tell me what he told me them.  
 5 Q I mean, well, did -- did you get an understanding  
 6 that they expected a certain return and so on as well?  
 7 A I don't know if they expected a certain return or  
 8 not. Again, he told me he raised initial start-up money for  
 9 this company from, you know, friends and family. I didn't ask  
 10 him, you know, well, how much were they expecting to get paid  
 11 back on something like that. I did not ask.  
 12 EXAMINATION  
 13 BY MS. FLOYD:  
 14 Q In the marketing materials investors are told that  
 15 their risk is mitigated by key man insurance. Is that correct?  
 16 A Correct.  
 17 Q Would it be important for you as an investor to know  
 18 that if OE did not have any purchased insurance policies on  
 19 these key man individuals?  
 20 A Would that have -- I'm sorry. Say that again.  
 21 Q If -- if OE Capital never purchased key man insurance  
 22 for these individuals, would that be important for you to  
 23 know?  
 24 A Yes, it would.  
 25 Q Thank you.

Page 206

## EXAMINATION

BY MS. STUMBAUGH:

Q You testified earlier that you received about a five percent commission from OE for the funds that you raised --

A Correct.

Q -- through C4 Benefits. What other -- We also talked about advertising expenses. What other types of funds did you receive from OE Capital?

A We received a bonus from OE Capital as well.

Q And can you tell me about the bonus?

A Yes. It was if we hit a certain benchmark by a certain time frame, they would give us a bonus on that.

Q Okay. So what was the benchmark and what was the time frame generally?

A I want to say it was -- I believe it was five million dollars. And they would pay us an additional two and a half percent on that.

Q On the original five million?

A On the difference from where we -- when they made that promise to them. I believe it came in -- I think our total on that was \$100,000. I believe that was correct.

Q And when did you receive that?

A We received that in two payments, the initial payment and then a follow-up payment after that. And the exact date I do not know, but it would be on my bank records. They actually

Page 208

Q Did you seek any legal advice on that question?

A I did not.

## EXAMINATION

BY MS. FLOYD:

Q You had previously testified that Dovila had during broker training training to the various agents told you guys that you did not need a securities license, correct?

A Yes.

Q And that you have a copy of the audio file of this actual training, correct?

A Yes, ma'am.

Q If you haven't, could we get a copy? If you have, let me know what Bates number that is. I didn't see any audio files.

MR. KAGAN: There wasn't an audio file. We turned over a Power Point which had the slide presentation.

MS. FLOYD: Correct. Correct.

MR. KAGAN: But apparently she spoke during that, and I just -- we just got that last night.

MS. FLOYD: Okay.

A Yeah. They have removed that from all of their One Drives and things like that, but Stormie had kept a copy just so she could have that so she could listen to it and things like that. So I am glad she came forth.

Q If we can get a copy of that, that would be great.

Page 207

paid it to the RIA that we reestablished.

Q That would be Trajan Income?

A Yes. Correct.

Q Would that have been paid in 2016?

A Yes.

## EXAMINATION

BY MS. GUNN:

Q Why was that paid to the advisor?

A That was paid to the advisor because we reopened the RIA pursuant to Patrick Howard's request per his attorneys that we had to do business going forward as an RI -- as IARs through the RIA. And that was to be starting after May 31st of 2016. That's the way we had to set it up. That's why we re-set up the RIA. We would have kept the RIA going had we known that before. We would have done the business through the existing RIA, Trajan Income, LLC last year had we known that was the way, you know, they were going to go with that. We had all in place. We let it lapse because we didn't think we needed them or were told we didn't need that.

Q Who told you you didn't need it?

A Patrick Howard. We did not need that because we did not need to be securities licensed. It did not need to flow through the RIA.

## EXAMINATION

BY MR. MCCOLE:

Page 209

Thank you.

MS. FLOYD: I'm sorry I cut you off before.

Q We talked earlier on in your testimony a lot about Mark Hughes and CFG, correct?

A Yes.

Q What is your current relationship with CFG?

A Contentious at best.

Q Okay. Could you explain why?

A Yes. I provided information to his superiors that I thought he had provided information that was 100 percent accurate on many different. It was not just this, but other things there as well, even in the recruiting of myself and Jackson over to the insurance side of Ameritas. He had, I won't say willfully, but he had provided us information on the compensation structure that was not the way it actually turned out to be. And it always seemed like there was always an issue on that. So we proceeded that initially upfront, but then we worked by that. We worked through that. That was provided to Toni Savo. She was his, I guess, supervisor at the home office. We worked through that issue. There must have been an issue with Mark Hughes and her because she was moved -- he was moved away from her supervision. He has a new person. I believe it's Scott Wheeler who I sent an e-mail to. Scott Wheeler instead of looking into the information saying, hey, here's the information I had that, you know, what they -- they

Page 210

1 weren't forthright on of things. Sent it to Mark, and Mark  
 2 terminated us through Ameritas, which was okay. It just means  
 3 we can't sell Ameritas products. We can sell other insurance  
 4 based products. It's -- We're not married to any one company  
 5 on that side. So that's why I would say it's contentious.  
 6 Q When -- when were you separated for -- or terminated  
 7 from the --  
 8 A Coordinated Financial Group --  
 9 Q Correct.  
 10 A -- and Ameritas. June. I would say June. I think  
 11 it's June of this year.  
 12 Q Okay.  
 13 A It was early this summer. June-ish time frame.  
 14 Q Thank you.  
 15 EXAMINATION  
 16 BY MS. GUNN:  
 17 Q At some point earlier in the process I think you had  
 18 indicated that -- that CFG was involved with OE Capital.  
 19 A Yes.  
 20 Q And the first offering that you were involved with  
 21 was titled CFG Insured Liquidity 2, I think you said.  
 22 A Yes, ma'am.  
 23 Q Okay. At some point did you become aware that there  
 24 was some parting of the ways between OE Capital and CFG?  
 25 A I did.

Page 212

1 from the beginning. They provided him all the documents that  
 2 was required for the broker-dealer because they wanted to be  
 3 put on that broker-dealer platform. And that, you know, they  
 4 graciously tried to part ways with him, you know, no hard  
 5 feelings, but that they had provided all the materials that was  
 6 required. And I know they had met numerous times for extended  
 7 periods of time during that early stage, the beginning of 2015  
 8 prior to that meet and greet in April. So that would be in the  
 9 February, March time frame.  
 10 Q Did Mr. Howard indicate that there would be any  
 11 impact on CFG to the fund from the parting of the ways with CFG  
 12 and Mr. Howard's company?  
 13 A He did not indicate that, no.  
 14 Q Okay.  
 15 MS. FLOYD: Off the record at 3:24.  
 16 (A break ensued from 3:24 p.m. to 3:43 p.m.)  
 17 MS. FLOYD: We're back on the record at 3:43.  
 18 During the break counsel had informed me that the marketing  
 19 packet is also -- that C4 Benefits has produced the -- the  
 20 marketing packet to us, a different version of it, but to us.  
 21 And it's under documents produced by OE Capital. Is that  
 22 correct? Under the folder.  
 23 MR. KAGAN: Yes. Documents received from OE,  
 24 that's how it's described on the log.  
 25 MS. FLOYD: Thank you. Thank you.

Page 211

1 Q When did you become aware of that?  
 2 A After the -- sometime after the meet and greet.  
 3 Q In 2015, in April 2015?  
 4 A Yes, ma'am.  
 5 Q Okay. Go ahead.  
 6 A That goes right back to what I was saying before is  
 7 it's an -- it's an insurance office and also a securities  
 8 branch office. I know that Ameritas BD said we can't put this  
 9 in our portfolio offering. It's a brand-new company. And when  
 10 we do our research on Alan Reno, he's, you know, a ghost. He  
 11 has no residence and things like that. So we can't approve  
 12 this. So Mark because he's also the securities supervisor in  
 13 that branch office could not do this.  
 14 Q Okay.  
 15 A And he told me as such.  
 16 Q Okay. So your understanding from Mr. Hughes was that  
 17 because Ameritas would not approve it for the securities  
 18 platform, he and his office could not be involved, correct?  
 19 A Correct.  
 20 Q Did you ever discuss it with Mr. Howard?  
 21 A I'm sorry. Discuss what?  
 22 Q The parting of the ways with CFG.  
 23 A Yes, I did.  
 24 Q And what did Mr. Howard tell you?  
 25 A He said that Mark Hughes knew they were a start-up

Page 213

1 EXAMINATION  
 2 BY MS. FLOYD:  
 3 (SEC Exhibit 63 was was marked  
 4 for identification.)  
 5 Q I am going to hand you what has been marked as  
 6 Exhibit 63. Take a moment and look at it.  
 7 A I had no substantive conversation with anyone about  
 8 what we're talking about there either.  
 9 Q Yes. Sorry.  
 10 A That's okay.  
 11 Q Exhibit 63, do you recognize it?  
 12 A I do.  
 13 Q What is it?  
 14 A It is an advertisement on Linked In that I came  
 15 across and provided to the SEC.  
 16 Q And what -- what exactly is 63? Could you describe  
 17 it?  
 18 A Yes.  
 19 It's an invitation for investor event produced  
 20 by OE Capital Partners for August 8th, 2016 at the Westin  
 21 Austin downtown. It's almost identical to the one that OE  
 22 Capital Partners produced for the event that they had us be a  
 23 part of in February.  
 24 Q So it appears they're still selling products. Is  
 25 that correct?

Page 214

1 A Absolutely.

2 EXAMINATION

3 BY MR. MCCOLE:

4 Q How did you come across that document?

5 A It was in my Linked In feed.

6 Q Is it -- is it dated or on what date did you come  
7 across it?

8 A Prior to August 8th.

9 I don't know the exact date. I meant

10 to provide this to my attorney to ask them about that.

11 But I took a picture of it, and I had neglected to send that.

12 I was focusing on some other documents and things. I was doing  
13 it hopefully to say, hey, apparently they met with the SEC and  
14 things aren't so bad after all.

15 Q Did you discuss that invitation with anybody from OE  
16 Capital?

17 A No, I did not.

18 EXAMINATION

19 BY MS. FLOYD:

20 Q I am going to hand you two documents. They work  
21 together. It's Exhibit 37 that's been previously marked as  
22 Exhibit 37 and Exhibit 38 that's previously marked. This --  
23 Exhibit 38 is the letter which is attached to Exhibit 37.

24 A Uh-huh.

25 Q I will give you a copy.

Page 216

1 letter?

2 A When he sent this letter, he was talking, Darryl  
3 Cleveland, looks like he was referencing the Dodd-Frank Act and  
4 the exemptions used for the Advisors Act. And he was listing  
5 out certain things that would have to be followed or protocols,  
6 I guess, to allow for the exemption for us marketing this  
7 material.

8 Q Is he saying that these are the exemptions -- Is it  
9 your understanding that Mr. Cleveland is saying these  
10 exemptions are the ones that apply to Mr. Howard and OE  
11 Capital?

12 A I think he is saying this is how the Frank Dodd  
13 exemptions work.

14 Q Okay.

15 A And I think his -- his -- I'm sorry -- Darryl  
16 Cleveland's understanding of this is that OE Capital Management  
17 would be a security that you would need to be securities  
18 licensed to sell. That would be my big take away on this  
19 e-mail, or at least that there's enough here that, you know,  
20 you may want to look into it further is probably a better way  
21 to put that.

22 Q Okay. And the agents that you had talked to, they  
23 were asking for an attorney letter. Is that correct?

24 A Some of them were, correct.

25 Q Why?

Page 215

1 A Uh-huh. Yes, ma'am.

2 Q Do you recognize Exhibit 37 and 38?

3 A Yes, I do.

4 Q Okay. 37 appears to be an e-mail from yourself to  
5 Mr. Howard cc Mr. Clements. Subject line is attorney letter.  
6 It's dated February 4th, 2016 at 5:19 p.m. Is that correct?

7 A Yes.

8 Q What prompted you to send this e-mail to Mr.  
9 Howard?

10 A We had been asking Mr. Howard since we did the agent  
11 recruiting webinar for verification from their attorneys which  
12 he said he had about the exemption that you don't need to be  
13 securities licensed to represent OE Capital Partners and their  
14 product. He was going to get that from his attorneys at K&L  
15 Gates in New York City when he went up there the next time.  
16 He -- We were pressuring him. So he said I will -- I have got  
17 a friend who's an attorney. I will get something real quick on  
18 that. That turned out to be Exhibit 38, which is the  
19 memorandum from Darryl Cleveland at the law office of Darryl  
20 Cleveland. And reading through this it definitely started  
21 making us a little bit more concerned about potential  
22 registration issue. We did proceed to talk with Patrick about  
23 this. And I am sure that's probably part of this e-mail chain.  
24 So --

25 Q Exhibit 38, what is your understanding of this

Page 217

1 A Because they said we would feel comfortable -- much  
2 more comfortable if we had proof that you don't need to be  
3 licensed to sell this above and beyond what the bill said on  
4 the webinar.

5 EXAMINATION

6 BY MS. GUNN:

7 Q Were there particular items in the letter that -- the  
8 memo that gave you concern or that caused you to have the  
9 concern?

10 A Yes. I think I referenced them in my e-mail. The  
11 definition of a finder and being compensated for the sale I  
12 know that was a big one. To me that -- that seems to be  
13 exactly what was happening with us. You know, you brought up  
14 product. The product is sold based upon how much was funded or  
15 invested. You're getting paid a percentage of that.

16 Q As I understand your prior testimony, and correct me  
17 if I am wrong here, before your receipt of this memo Mr. Howard  
18 had been telling you that you did not need to be registered,  
19 correct?

20 A You did not need to be securities licensed.

21 Q Securities licensed. Thank you.

22 A Yes.

23 Q And did he say how he had reached that conclusion?

24 A Yes.

25 Q And what did he tell you in that regard?

Page 218

1 A He told us that it fell through different exemptions  
2 and also that based upon his conversations with his attorneys,  
3 that it may not even be classified as a security.

4 Q And that was Mr. Hughes?

5 A No. I'm sorry. That was -- that was Patrick Howard.  
6 I'm sorry. Were you saying Mr. Hughes or Patrick Howard?

7 Q Based on his conversations with his attorneys it  
8 might not even be a securities?

9 A Correct. That's Patrick -- I'm referencing Patrick  
10 Howard from OE Capital.

11 Q Right. Told you that.

12 A Correct.

13 Q Did he identify who the attorneys were that he was  
14 relying on in that?

15 A No, but when we spoke of attorneys during this time  
16 frame, it was his attorneys in New York City, K&L Gates.

17 Q Okay.

18 A The only other attorney I am familiar with that is  
19 not K&L Gates is Darryl Cleveland. And you can look through  
20 the e-mail chain. He got this to us because we wanted  
21 something ASAP for the agents. And he could not get ahold of  
22 his contact at K&L Gates. So he had his friend write this  
23 up.

24 Q Okay.

25 EXAMINATION

Page 219

1 BY MR. MCCOLE:

2 Q And the Cleveland letter, I believe it's Exhibit 38,  
3 it does not indicate whether these -- whether the OE Capital  
4 product is a security, does it?

5 A I would have to read through it again to refresh my  
6 memory, but I don't believe so.

7 Q And it doesn't say -- it doesn't say that it is and  
8 it doesn't say that it isn't.

9 A Okay.

10 Q Right?

11 A I believe so. I think he is speaking solely to the  
12 Frank Dodd exemption

13 Q On page two of Exhibit 38, Mr. Cleveland lists what  
14 he believes are various factors that lead to a classification  
15 as a broker.

16 A Uh-huh.

17 Q And about the middle of the page there it's A through  
18 G. Do you see those?

19 A I do.

20 Q So on A, I believe you indicated you were -- you were  
21 negotiating transactions as between OE Capital and the  
22 investors, right?

23 A Yeah, but I don't believe what I was doing would fall  
24 under A because to me I read finance terms.

25 Q Okay.

Page 220

1 A When I read that, I would think finance terms would  
2 be with the funding company, the company that you were funding,  
3 and re-payment of that.

4 Q Okay. B -- B says offering slash providing finance  
5 recommendations slash advice. Were you doing that in these OE  
6 Capital transactions?

7 A With clientele -- I'm sorry. With potential  
8 investors?

9 Q Yes.

10 A Yes. We were definitely offering OE Capital  
11 product.

12 Q And then C, were you -- were you receiving success  
13 based or contingent compensation?

14 A We were receiving compensation based upon the volume  
15 of the monies moved over. So I would say C seems like based  
16 upon this right here, yes.

17 Q And then D, were you assisting with the drafting or  
18 distribution of sales slash financial material?

19 A Distribution of sales materials.

20 Q Okay. So you were --

21 A Uh-huh.

22 Q -- you were engaging in the activities under D. What  
23 about E, soliciting investors?

24 A Yes.

25 Q What about F, handling transaction funds?

Page 221

1 A No.

2 Q Okay. And what about G, previous slash frequent  
3 involvement in sales of securities?

4 A Potentially. Possibly.

5 Q In other words, if these were determined to be, in  
6 fact, securities, then do you believe the answer to G would be  
7 yes?

8 A I would believe so, yes. If they are securities that  
9 have to be registered with the SEC and need to be licensed,  
10 then yes, absolutely.

11 Q And he indicates, quote, any of these could result in  
12 a person as being classified a broker.

13 A Uh-huh.

14 Q End quote. Do you see that?

15 A I do.

16 Q So given that your activities satisfied most of  
17 these, were you concerned that what you had been doing actually  
18 required registration?

19 A I was.

20 Q And then how did you resolve that concern?

21 A Well, I -- I replied back to Mr. Howard after I read  
22 this via e-mail. I don't know if that e-mail is listed right  
23 here. I don't have that on person, but I know I do discuss  
24 that with him.

25 A I would have to go through all that to really give

Page 222

1 you a full answer on that. But what I was led to believe from  
2 his e-mail and from our conversation there and him calling his  
3 attorneys, K&L Gates, and everything is they're going to  
4 produce it. He doesn't. And they don't agree with this. He's  
5 not a securities attorney. He is just giving his opinion on  
6 something.

7 Q You're talking about Mr. Cleveland?

8 A I'm sorry. Yes. Yes. Darryl Cleveland wasn't. And  
9 that he would get us something following upon that, but at the  
10 same time we need to make sure we're properly selling this  
11 going forward. And this, I believe, is where we started  
12 talking about May 31st and having to have the RIA set up. I  
13 think that came from this part right here.

14 Q And what's the date on that Exhibit 37?

15 A 37 is February 4th.

16 Q Okay. So you were aware of these -- You are aware of  
17 at least the possibility that OE Capital product was a  
18 security, right?

19 A Yes.

20 Q Did you receive a legal opinion from anybody that the  
21 product was not a security?

22 A No. We did not.

23 Q Okay. But you continued to sell it anyway,  
24 correct?

25 A For a short period of time thereafter, yes, we did.

Page 223

1 Q But your willingness to sell it was based upon the  
2 assurances from Mr. Howard that -- that he had received  
3 assurances from his attorneys that it was somehow okay to sell  
4 it? Is that what I -- Am I understanding your -- your  
5 testimony correct?

6 A You are understanding that correct. And I really  
7 wish I had the follow-up e-mails to this, which I think would  
8 help shine light on that. I am sure you probably have that,  
9 and you can go through that as well. I did raise those  
10 concerns. He addressed it that this person was a friend of his  
11 doing him a favor. Just like I said before, that K&L Gates,  
12 you know, said we're fine now, but -- and I know I have shared  
13 this with other individuals. And we had discussed this that  
14 the loophole is holding -- or the loophole is closing. We have  
15 to set it up by May 31st, which is why that whole deadline with  
16 May 31st became important as an RIA. This is also when we  
17 decided it's time to re-start our, you know, start the  
18 discussions about opening up the RIA to make sure we're  
19 registered properly by May 31st.

20 Q I am just curious. Even if you have an RIA, how does  
21 that solve the -- Mr. Cleveland's analysis here that you have  
22 to be registered as a broker to do this?

23 A Well, I know you can sell PPMs through an RIA.  
24 Because Mr. Cleveland says you have to be a broker here, I  
25 don't know if I am going to say I give that gospel truth, in

Page 224

1 that when I was reestablishing my RIA and talking to the  
2 compliance person at the RIA firm, you can sell PPMs through an  
3 RIA as long as it's listed on your ADVT-2. I am not sure.  
4 That's from a compliance person at the RIA firm.

5 EXAMINATION

6 BY MS. FLOYD:

7 Q Who's the compliance person?

8 A Donny. I can't remember his last name. It's at RIA  
9 registrar. And he's Donny, and I can't think of his last -- I  
10 could look it up real quick if you want me to.

11 Q Sure.

12 A Okay. Wynia, W-y-n-i-a.

13 EXAMINATION

14 BY MR. MCCOLE:

15 Q And who is he with?

16 A RIA Registrar.

17 Q Did you speak advise from him regarding that issue?

18 A Yes, I did. Not at this exact point in time, no.  
19 He -- Well, he may be. He may not be. I don't know, but he is  
20 compliance at RIA Registrar.

21 Q Okay. What is the relationship between your company,

22 C4 Benefits --

23 A And RIA Registrar.

24 Q -- and RIA Registrar?

25 A They are the ones who filed all the paperwork,

Page 225

1 process, and we paid \$275 a month to be on their compliance  
2 program.

3 EXAMINATION

4 BY MS. FLOYD:

5 Q We talked a little bit about Urshel Metcalf earlier  
6 on in your testimony. Does he still work for OE Capital?

7 A I don't know.

8 Q Did you work with Mr. Metcalf at all during your time  
9 with OE Capital?

10 A The initial stages, yes.

11 Q And did you work with him after the initial stages?

12 A No, I did not.

13 Q Do you have an understanding of why he left the  
14 company?

15 A I don't know that he left the company.

16 Q Okay. Thank you.

17 MS. FLOYD: Yeah. We're going to go off the  
18 record.

19 (A break ensued from 4:01 p.m. to 4:03 p.m.)

20 MS. FLOYD: Okay. We're back on the record at  
21 4:03.

22 Q Before we conclude, Trajan Wealth, what is Trajan  
23 Wealth?

24 A That's an entity not owned by myself.

25 Q Okay. So it has no connection to you whatsoever?

Page 226

1 A No.

2 Q All right. Okay. We currently do not have any  
3 further questions for you at this time. We may, however, call  
4 you again to testify in this investigation. Should this be  
5 necessary, we will contact your counsel. Do you wish to add  
6 anything to your statements you have made today?

7 MR. KAGAN: No.

8 A No.

9 Q Is there anything else that you think we should  
10 know?

11 A Well, no. I think I provided other bits and pieces  
12 there. That's all.

13 MS. FLOYD: Okay. Counsel, do you wish to ask  
14 any clarifying questions?

15 MR. KAGAN: I have no questions of the  
16 witness.

17 MS. FLOYD: Okay. Testimony is adjourned. We  
18 are off the record.

19 (Whereupon, at 4:04 p.m., the examination was  
20 concluded.)

21 \* \* \* \* \*

22

23

24

25

Page 227

1 PROOFREADER'S CERTIFICATE

2

3 In the Matter of: OPTIMAL ECONOMICS CAPITAL  
4 PARTNERS, LLC

5 Witness: Charles Heinzelman

6 File Number: FW-04343-A

7 Date: August 31, 2016

8 Location: Fort Worth, TX

9

10

11 This is to certify that I, Nicholas Wagner,  
12 (the undersigned), do hereby swear and affirm  
13 that the attached proceedings before the U.S.  
14 Securities and Exchange Commission were held  
15 according to the record and that this is the  
16 original, complete, true and accurate transcript  
17 that has been compared to the reporting or recording  
18 accomplished at the hearing.

19

20

21

22

23 \_\_\_\_\_  
(Proofreader's Name) (Date)

24

25



<b>A</b>	189:24 190:2	206:16	<b>agencies</b> 11:15	<b>AH</b> 141:14
<b>a.m</b> 1:17 4:3	197:17 203:14	<b>address</b> 7:10	11:15	142:10 152:9
7:18,18 26:4,5	<b>accountants</b>	14:14 15:5,6	<b>agency</b> 11:4	<b>ahead</b> 7:13,22
26:5 81:21	196:19	18:25 20:4	30:21 51:17	15:18 37:5
91:10,10	<b>accounting</b>	<b>addressed</b>	54:5 56:22,22	91:8 114:5
<b>abbreviate</b> 35:9	194:15	223:10	60:25 77:4	165:11 190:9
35:10	<b>accounts</b> 33:11	<b>addresses</b> 15:10	99:4 174:19	211:5
<b>ABC</b> 86:24 87:3	35:4,7 51:25	<b>adequate</b> 17:17	<b>agent</b> 55:6 65:12	<b>ahold</b> 218:21
119:15 173:6	152:6 172:16	19:22	69:6 72:6	<b>air</b> 21:24
<b>able</b> 13:8 18:2	189:17,17	<b>adjourned</b>	110:16 141:12	<b>airport</b> 139:12
57:14 62:9	201:7,9	226:17	141:17,25	<b>Alan</b> 99:6,8,19
63:20 77:4	<b>accredited</b> 75:16	<b>admin</b> 26:15	142:3,17,20	99:22 100:6,6
82:8,10,16	<b>accuracy</b> 149:4	<b>administrative</b>	143:24 145:10	100:7,9 105:5
89:20 90:22	<b>accurate</b> 53:18	9:13 10:13	152:17 191:14	105:8 211:10
93:8 98:9,19	65:24 175:23	26:21,25 43:12	191:21 215:10	<b>aligned</b> 38:19
98:23,24 99:9	209:11 227:16	43:24	<b>agents</b> 42:17	<b>Allegedly</b>
99:13,18	<b>accurately</b> 22:7	<b>adopt</b> 27:21,24	49:13 52:4,5,6	179:11
121:17 137:16	22:10	<b>ads</b> 53:5 157:25	53:9 55:5	<b>allow</b> 64:17
154:15 185:12	<b>acknowledge</b>	158:22 159:17	57:14 58:16	216:6
192:15 202:9	122:1	161:16 169:20	60:12,16,24	<b>allowed</b> 144:7
203:17,20	<b>acquire</b> 13:22	170:1,2,8,12	61:1,4,9 62:10	154:17 159:3
<b>above-entitled</b>	84:1	170:20,21,24	63:1 69:11	<b>altogether</b>
1:16	<b>acquired</b> 156:20	<b>advent</b> 28:12	83:20 85:16,24	121:15 150:18
<b>absolutely</b> 13:24	<b>act</b> 8:9,15,17 9:6	<b>advertise</b> 159:3	124:8,10,18,21	164:5 203:8
18:7 28:9 49:9	9:11 10:7	159:8	124:24 125:2,8	<b>amend</b> 44:19
155:13 166:11	44:11 216:3,4	<b>advertised</b> 157:9	125:13,16	<b>Amer</b> 51:10
169:7,7 214:1	<b>action</b> 9:13	157:9	136:20 142:22	<b>America</b> 104:10
221:10	10:12	<b>advertisement</b>	143:6,21	<b>Ameritas</b> 37:21
<b>abused</b> 39:19,19	<b>active</b> 36:21,24	3:18 155:22	152:12,19,20	38:1 51:1,10
<b>accelerate</b> 96:14	49:7	167:2 213:14	173:25 185:24	51:11,12 52:8
<b>access</b> 8:1,4	<b>activities</b> 220:22	<b>advertising</b>	208:6 216:22	56:23 57:16
17:25 20:10,13	221:16	155:7 156:15	218:21	63:14 71:7,23
26:16	<b>acts</b> 184:5	206:7	<b>aggregate</b> 81:10	72:24 90:20,23
<b>accomplished</b>	<b>actual</b> 7:14	<b>advice</b> 9:22	81:14 121:5	110:20 141:13
227:18	65:16 71:3	175:17 208:1	<b>ago</b> 25:9 41:25	209:13 210:2,3
<b>account</b> 28:14	149:14 171:18	220:5	111:9 165:22	210:10 211:8
28:14,24,25	187:19 208:10	<b>advise</b> 9:7,17	166:12,24	211:17
29:10 33:17	<b>ad</b> 170:14 172:9	224:17	168:11,11	<b>amount</b> 9:9 19:7
34:3 120:12,14	<b>adamant</b> 128:1	<b>advisor</b> 38:25	<b>agree</b> 119:10	67:22 92:22
127:18,24	<b>add</b> 26:13 27:19	207:8,9	173:19 187:3,5	97:17 117:24
140:16 146:6,7	87:8 114:5,13	<b>advisors</b> 75:6	199:2 222:4	121:2,12,13,16
146:9,10,12,19	136:16 151:1	216:4	<b>agreed</b> 125:3,9	129:1 147:21
147:14,15,23	200:17 226:5	<b>ADVT-2</b> 224:3	134:23,23	149:14,19,20
147:24 148:16	<b>added</b> 89:17	<b>affairs</b> 9:1	184:24	149:20 150:6
148:17,19	116:17	<b>affirm</b> 227:12	<b>agreement</b>	156:7 173:9,10
149:6 151:11	<b>adding</b> 116:19	<b>afternoon</b>	111:4,5,6	173:11,12,14
151:14,14,16	<b>addition</b> 124:6	168:14	115:22 145:6	180:11 184:4
151:17,17	<b>additional</b> 18:19	<b>age</b> 93:6 95:4	<b>agreements</b>	184:11,25
172:13,13,19	23:25 26:12	96:4 175:13	109:9 145:3	185:1

<b>amounts</b> 92:21 118:1 149:5	144:8 178:11 179:11	<b>approximately</b> 41:25 42:12,24	99:9,10 100:9 117:14,19	25:11 26:9 36:13,15,16
<b>analysis</b> 73:19 74:6,24 81:16	<b>anyway</b> 168:21 169:12 222:23	43:2,20 48:21 49:17 51:6	120:14 <b>assets</b> 32:15	39:5,6,14,15 91:17 112:12
223:21	AP 30:7 40:11	52:15 124:1 165:22	77:9,13 93:13 93:19,22 97:13	135:16 136:2 136:15 138:5
<b>analytical</b> 183:8	40:12,15	<b>apps</b> 145:14	97:18 100:10	166:22 169:9
<b>analytics</b> 183:6	<b>apart</b> 190:14	<b>April</b> 44:23,24	121:5 171:16	187:3,5 194:3
<b>and/or</b> 50:20	<b>apologize</b> 27:7 38:15 119:6	58:14,18,19,19	179:8,16,17	214:10 215:5
<b>Anderson</b> 39:7	<b>apparel</b> 24:9	60:11 83:4,9	187:25 188:1	215:17 216:23
<b>Angela</b> 141:15	<b>apparently</b> 208:18 214:13	106:20 170:16	188:21	218:18 222:5
<b>Ann</b> 142:7	<b>appear</b> 194:4	182:11 211:3 212:8	<b>assigned</b> 100:10 146:10	<b>Attorney's</b> 11:3
<b>annual</b> 48:4 63:21 75:14	<b>APPEARAN...</b> 2:1	<b>arbitrarily</b> 9:17	<b>assist</b> 53:10 63:15	<b>attorney-client</b> 11:22 12:12
87:25 92:25	<b>appearing</b> 6:24	<b>area</b> 62:7,7,22 179:1 196:18	<b>assistance</b> 52:21 53:4	<b>attorneys</b> 103:12 132:8
119:1 176:11	<b>appears</b> 6:25 101:23 213:24	<b>areas</b> 45:6	<b>assistant</b> 26:21 27:1 43:12,24	135:12 155:19 168:1 207:10
176:16 193:16	215:4	<b>Arizona</b> 36:21 40:2	<b>assisting</b> 220:17	215:11,14 218:2,7,13,15
197:16	<b>appetite</b> 128:23	<b>Armour</b> 24:13 132:12	<b>associated</b> 141:21	218:16 222:3 223:3
<b>annuities</b> 157:6	<b>application</b> 111:17 146:2	<b>arrangement</b> 90:3	<b>assume</b> 8:25 11:10,18 13:19	<b>attract</b> 85:16
<b>annuity</b> 38:23 41:6 51:22	191:6	<b>arrest</b> 72:11	96:19	<b>attrition</b> 42:11
109:1 155:8	<b>applications</b> 109:6,13,13	<b>arrive</b> 95:14	<b>assumed</b> 15:1	<b>audio</b> 208:9,13 208:15
188:10,18	124:21,23,24	<b>ASAP</b> 218:21	<b>assuming</b> 37:15 138:24 141:6	<b>audit</b> 133:24 174:23
190:7 191:6	124:25	<b>asked</b> 48:3 63:6 102:7 107:5	171:13 187:23	<b>audited</b> 129:9 129:12,15,25
<b>answer</b> 10:19 35:23 44:19	<b>applied</b> 56:19	130:3,19 180:2 180:13 191:23	<b>assumption</b> 132:20	130:5,17,22 131:2,22 133:1
66:7 71:1 93:8	<b>apply</b> 158:23 216:10	197:5	<b>assurances</b> 223:2,3	133:4,6,22 180:6 195:20
93:21,24	<b>appreciate</b> 168:20,24	<b>asking</b> 23:19,25 24:20 29:20	<b>AT&amp;T</b> 29:21,23	195:23,24 197:6,11
126:19 127:22	171:1	36:2 45:14	<b>attached</b> 37:6 108:4 214:23	<b>auditing</b> 83:24
127:23 128:20	<b>apprised</b> 9:11 11:1	70:10 105:13	227:13	<b>auditor</b> 131:5
201:16,22	<b>approach</b> 188:20	105:18 108:11	<b>attachment</b> 127:6	<b>August</b> 1:14 4:2 6:11 33:1
204:11 221:6	<b>appropriate</b> 10:19	108:17 125:19	<b>attachments</b> 17:16 19:19	165:15 167:5 213:20 214:8
222:1	<b>approval</b> 116:18 153:19	140:6 176:9	<b>attained</b> 64:3,5	227:7
<b>answering</b> 21:16 102:1 191:10	<b>approve</b> 114:13 169:21,23	181:14 195:21	<b>attempted</b> 125:8	<b>Austin</b> 37:24 38:3,6 62:18
<b>answers</b> 27:15 49:5 72:21	211:11,17	203:13 215:10 216:23	<b>attend</b> 69:21	145:15,16 159:24,25
103:7	<b>approved</b> 63:6 75:15 113:23	<b>asks</b> 30:1 59:20 77:7	<b>attended</b> 172:11	160:5 161:6,11 167:5 172:10
<b>anticipate</b> 12:19	155:23 189:7	99:16 172:16 203:7	<b>attention</b> 13:15 118:8 175:9	
<b>anticipated</b> 192:16	<b>Approximate</b> 43:3	<b>assertion</b> 56:18	180:24	
<b>anybody</b> 25:17 39:16 159:15		<b>asset</b> 77:20,23 86:19 87:15	<b>attorney</b> 5:15	
175:4 185:21				
214:15 222:20				
<b>anymore</b> 51:24 66:20 97:9				
127:10 128:24				
128:25 129:4				
134:15,17				

172:11 199:23 200:25 213:21 <b>authorization</b> 16:21 <b>authorized</b> 11:21 <b>available</b> 5:3,13 9:10 12:16 117:19 123:12 167:6 181:11 186:1,6 <b>avenues</b> 154:22 <b>average</b> 48:9,10 94:8 175:23 176:7,8,9,23 177:18,25 178:2,3,13 <b>avoid</b> 93:21 97:2 <b>aware</b> 22:21,23 25:18 91:1 114:8 124:20 133:21 153:15 175:12,15 210:23 211:1 222:16,16 <b>awful</b> 19:20 173:20	136:12 138:2 139:11 155:21 165:9,15 166:11 167:8 169:20 171:2,4 171:21 173:25 174:20 175:8 178:3 184:13 185:1,4,13 189:10,20 193:1,21 197:2 197:3,7 203:8 205:11 211:6 212:17 221:21 225:20 <b>backed</b> 64:1 77:12,14 <b>background</b> 3:12 6:16 27:14 37:6 54:24 57:7 68:18 71:14 72:7,10,13,17 83:24 <b>backwards</b> 38:9 95:21 <b>bad</b> 79:14 104:22 139:17 166:4 214:14 <b>baffles</b> 154:3,4 <b>Balden</b> 151:1 <b>ballpark</b> 49:3 97:14 160:2,10 <b>Bangert</b> 180:1 <b>bank</b> 16:22 107:6 116:22 127:18,24 151:14,16,16 151:17 172:13 172:13 203:13 203:14 206:25 <b>banking</b> 35:4 <b>bar</b> 36:22 39:22 40:3 62:7,9 <b>Barbara</b> 2:5 4:17 <b>barbecue</b> 62:8 <b>barely</b> 27:9 <b>bartender</b> 62:9	<b>base</b> 82:20 124:19 125:1 <b>based</b> 30:22 37:24 38:1 45:9 47:18 48:15,21 56:1 56:4 65:7 66:17 68:1,19 69:10 81:13 89:25 94:21,25 96:1,2,3 129:16 144:5 173:5 188:10 194:17 204:23 210:4 217:14 218:2,7 220:13 220:14,15 223:1 <b>basically</b> 64:10 127:13 168:6 181:3 <b>basis</b> 49:18 56:17 63:21 74:22 75:14 116:11 148:10 156:9 176:11 176:16,16 178:11 <b>Bates</b> 73:9 101:11,14,15 102:5 112:17 186:22 187:8 208:13 <b>bathroom</b> 59:5 <b>BD</b> 211:8 <b>bearing</b> 143:12 <b>becoming</b> 126:21 <b>beginning</b> 30:22 31:22 43:18 44:23 50:3 51:6,9 60:5 69:20 71:7 79:22 111:18 133:16 174:12 197:13 212:1,7 <b>behalf</b> 2:3,15 7:24 8:1 61:5 <b>behavior</b> 171:18	<b>behest</b> 60:23 <b>belief</b> 78:24 <b>believe</b> 16:6 19:1 26:22 36:10 37:2 39:4 47:9 51:7 53:16 54:14,17 54:18 55:2 56:16,23 57:2 57:19,21 58:3 58:13,19 59:7 59:10,25 60:1 63:7 64:22 65:1 69:19,20 70:23 72:13,25 76:3,13 79:3 79:17,22,23 89:25 99:5,7 100:12 103:19 105:7 106:17 106:25 107:3 107:15 110:9 110:13 111:2 125:4 127:7 129:13 131:7,8 132:16 134:9 136:3 140:12 144:6 145:21 145:23,25 147:13 152:1 156:6,7 160:23 160:23,24 161:5,23 162:24 180:4 180:21 181:19 182:25 187:12 187:12 189:11 190:10 192:7 192:13 193:18 195:3,19 198:11 200:13 206:15,20,21 209:23 219:2,6 219:11,20,23 221:6,8 222:1 222:11 <b>believed</b> 133:8 <b>believes</b> 219:14 <b>believing</b> 107:24	<b>benchmark</b> 206:11,13 <b>benchmarks</b> 64:17 173:6 <b>beneficial</b> 30:2 <b>benefit</b> 88:19 92:21 120:13 <b>benefits</b> 6:3 8:13 9:1,14,19,20 9:25 10:5,11 11:5 15:24 26:24 29:11,15 30:6 31:24,25 32:2,7,22,23 35:6 41:9,11 41:12,15,21 42:18 43:9 44:9 45:2 46:7 46:14,21 54:19 69:13 73:9 106:9 108:12 109:19 112:17 113:4,12,18 114:22 125:11 140:22 143:24 148:24 149:11 152:11 155:1 155:18 156:16 157:16,20 158:15 160:15 161:13 162:1,5 164:10,11,22 164:23 169:22 175:22 177:5 185:24 206:6 212:19 224:22 <b>best</b> 22:10 23:16 27:9,17 28:7 57:6 59:9 84:21 103:13 140:23 143:8 145:24 195:11 209:7 <b>beta</b> 182:2 <b>better</b> 30:22 86:10,13 148:7 156:1,23 168:4 168:14 187:6 196:7 197:12
--	--	---	---	---

216:20	<b>bonuses</b> 46:11	127:5,9 208:6	167:13 170:12	157:20 158:15
<b>beyond</b> 144:8	48:1	219:15 221:12	173:17 174:8	160:15 161:13
178:22 183:24	<b>books</b> 87:15	223:22,24	174:20 207:11	162:1,5 164:10
217:3	174:16	<b>broker-dealer</b>	207:15	164:11,12,22
<b>big</b> 31:19 53:13	<b>boots</b> 170:17	51:24 56:23	<b>busy</b> 107:20	164:23 169:21
116:5,7 117:5	<b>borrowed</b>	57:16 71:8	<b>butcher</b> 25:1	177:5 185:24
117:7 132:20	184:25	84:25 212:2,3	<b>buy</b> 56:3,4 76:25	206:6 212:19
138:21,21	<b>bottom</b> 38:18	<b>brokerage</b>	77:19 81:11	224:22
162:19 163:6	171:25 187:9	127:15	93:18 94:1	<b>Cain</b> 104:9,13
216:18 217:12	<b>bow</b> 61:23	<b>brother</b> 73:24	97:17 119:16	104:14
<b>biggest</b> 68:16	<b>box</b> 20:25 103:7	74:12,16 77:16	121:1 135:14	<b>calculation</b> 98:1
<b>bill</b> 172:12 217:3	103:11	77:17 82:18	135:14 189:4	<b>call</b> 16:17 24:24
<b>billing</b> 156:1	<b>boy</b> 29:1	83:13,14 84:2	<b>buying</b> 64:5	30:16 32:3
<b>billion</b> 77:9,14	<b>boys</b> 81:13	93:12 99:12	82:15 93:22,22	56:11 62:14
78:3 93:12,18	<b>brains</b> 72:19	<b>brother's</b> 100:16	98:25 117:8,11	65:17 71:6,19
94:1 97:13,17	<b>brakes</b> 136:6	<b>brothers</b> 81:14	163:17	71:20,22,23
98:1,9,20	<b>branch</b> 38:3	<b>brought</b> 31:20	<b>C</b>	81:13 104:8,9
99:24 100:5,11	50:9 51:1,12	39:9,13 51:2	<b>C</b> 3:1 4:1 220:12	107:3 113:20
100:15,17	51:17 83:5,17	123:5,9 139:20	220:15	117:19 120:18
<b>bills</b> 128:7	84:10 85:9	140:10,14,22	<b>C-a-s-o-n</b> 62:6	129:17 157:15
<b>binding</b> 8:6	211:8,13	141:7 156:18	<b>C-h-a-r-l-e-s</b>	157:17 167:15
<b>bit</b> 7:25 14:17	<b>brand</b> 28:17	160:16,19	4:14	168:10,15
28:4 32:23	<b>brand-new</b>	173:24 181:10	<b>C-l-a-i-r-e</b> 62:5	174:22 184:5
51:2 53:21	82:15 211:9	217:13	<b>C4</b> 6:3 8:13 9:1	226:3
54:4 57:7 71:4	<b>break</b> 7:18	<b>build</b> 93:7	9:14,19,20,24	<b>called</b> 4:9 16:19
71:13 86:13	21:22 26:5,7	117:14	10:4,11 11:5	20:24,24 32:2
91:19 106:11	91:8,10,15	<b>building</b> 107:19	15:23 16:5	44:13 56:12
129:5 135:8	136:11,13	120:11	26:24 29:11,15	57:23 81:7
155:11 168:14	138:1,3 165:7	<b>built</b> 55:5	30:6 31:24,25	85:22 147:13
169:14 177:2	165:8 192:23	<b>bullet</b> 154:6,7	32:2,7,22,23	147:13 166:12
181:16 183:1	192:25 193:4	181:17	35:6 41:9,11	167:23 172:20
188:19 196:11	212:16,18	<b>bunch</b> 75:7	41:12,15,21	185:12
215:21 225:5	225:19	<b>burn</b> 196:7	42:8,18 43:9	<b>calling</b> 34:24
<b>bits</b> 59:4 226:11	<b>breaks</b> 21:23	<b>business</b> 9:1	43:12 44:9	222:2
<b>blanket</b> 12:9	<b>breakup</b> 62:3	28:24 29:10,14	45:2 46:7,13	<b>calls</b> 23:22
188:7	<b>breathe</b> 135:7	29:15 30:15,23	46:21 54:18	<b>capital</b> 1:5 4:21
<b>blinds</b> 59:3	<b>bring</b> 13:14 51:5	44:9 50:1,21	69:13 73:9	14:10 23:25
<b>block</b> 51:23	52:22 64:18	51:4 53:7	106:9 108:11	24:1 33:14,23
<b>blood</b> 79:22	128:24 160:15	54:11,25 57:11	109:19 112:17	34:1,22,25
<b>blows</b> 166:6,18	164:15 165:3	57:13 64:10	113:4,11,17	35:1 36:8
<b>board</b> 51:2,5	175:9,10	77:24 81:11	114:12,22	38:10,18 45:13
<b>bodies</b> 170:22	180:24	84:25 85:3	125:11 140:22	45:24 46:1
174:14	<b>bringing</b> 107:12	105:25 106:3,4	143:24 148:24	49:21,22 50:21
<b>BOLI</b> 77:24	<b>broadcasting</b>	106:4 109:5,6	148:25 149:11	53:12,12,15
120:19	169:22	117:23 120:18	149:12 150:18	54:9,15,15,15
<b>Bone</b> 156:22	<b>brochure</b> 63:7	131:4 132:22	151:11 152:11	57:24 58:10,16
<b>bonus</b> 47:11,12	<b>broke</b> 139:19	135:10,10,15	155:1,18	61:19 62:2
47:13,15 206:9	<b>broker</b> 34:19	136:19 147:15	156:16 157:15	63:2,3,16
206:10,12	37:3,4,7,10,13	155:8 162:4		65:25 66:3,12

66:19 67:3,9	190:20,23,25	Cason 62:6	CFG2 36:6	Christine
67:12,16,18	191:13 192:4	172:9	CFGLL 110:9	143:23 153:7
68:11,13,21	194:14,15,17	category 56:7,9	chain 73:9,10	153:10
69:16 70:5,19	195:20,22	Catherine 2:4	101:16,18	Christmas
70:22 74:11,25	196:14 197:19	4:16	215:23 218:20	178:12
75:1,1,4,20	201:7,10,13,24	caught 154:6	chains 17:22	church 22:19
76:24 77:18	203:20,23	caused 217:8	change 27:19	25:10
78:25 79:7	204:19 205:2	cautionary	32:18	circumstances
80:2 83:4,17	205:21 206:8,9	128:6	changed 30:10	79:20
83:21 84:3,11	210:18,24	cautiously	32:7 39:1	City 215:15
85:6 86:24	212:21 213:20	106:12	148:19 170:11	218:16
87:5,14 88:3	213:22 214:16	cc 215:5	181:7	civil 4:25 9:13
88:13 89:3	215:13 216:11	ceased 122:19	changes 122:22	10:12
90:17 93:25	216:16 218:10	142:7	Chapman 153:8	claim 12:5
98:23 99:4	219:3,21 220:6	Cedar 107:16,18	characterize	claiming 71:23
105:11,14	220:10 222:17	cell 29:21	55:25 56:5	claims 103:6
106:6 108:15	225:6,9 227:3	CEO 68:21	charge 72:15	Claire 62:5
109:8,24 111:1	Capital's 53:19	126:9 182:8	170:18	clarification
111:11,12,22	57:22 67:1	certain 4:22	charged 120:24	59:8 145:18
112:21 113:23	71:24 88:19	18:15 23:5	charges 10:19	clarify 122:24
114:18 116:18	154:10 158:6	36:11 53:24	Charles 1:8 3:4	clarifying
119:16 125:6	caption 73:19	58:15 64:16,17	4:8,14 28:14	137:23 226:14
125:10 126:8	capture 67:2	64:25 67:25	99:22 227:5	classification
127:17 130:17	82:17 120:1	78:7 158:11	CharlesHeinz...	219:14
136:21 139:20	121:19 137:16	167:25 173:5	29:12,13	classified 218:3
140:10 142:8	184:16	180:20 183:24	CharlesHeinz...	221:12
142:22 143:1	capturing	185:23 205:6,7	28:11	clean 72:14
143:14 144:1	173:11	206:11,12	Charlie 73:13	166:9 174:3,4
144:24,24	car 81:11 198:23	216:5	73:25 74:4	cleaning 174:7
145:8 146:3,11	care 127:12	certainly 12:11	chart 175:20	clear 103:8
147:5,20	169:12	certainty 186:13	178:23 179:5	106:5 158:22
148:13 150:16	Carol 2:6 4:17	CERTIFICA...	check 37:3,4,10	166:25
150:17 151:17	carried 87:9	227:1	72:13 119:20	Clements 17:9
151:23,24	carrier 29:21	certification	127:5,5,9,9,15	17:13 22:21
152:10 155:5,9	68:19 90:20	62:1 69:18,22	checked 127:14	25:10 41:20,21
156:14 157:3	case 57:20 99:10	70:1,2	127:15	42:1,18 43:8
157:23,24	99:10,17	certified 62:1	checking 35:7,7	44:4 46:18,21
158:1,5,11,13	117:18 120:2	69:24 70:5,8,9	checks 72:7,10	47:11 48:4
160:5,13,16	128:13 185:23	70:23 71:2	CHeinzelman...	54:19 60:22
161:2,4,9	cash 64:15 77:13	certify 227:11	73:13	61:2,6 70:21
162:5,19 163:6	77:19 86:6,20	CFG 50:13,19	CHeinzelman...	101:19 137:9
163:13,16,23	93:7 117:14,15	50:21,24 51:12	29:13,17	142:14 149:2
174:4 179:10	119:16 120:4	52:9 59:13,16	CHeinzelman4	154:25 155:23
181:15 182:21	120:10,12,13	59:17 62:17	28:22	180:8 186:24
183:19 184:1	120:15,17,17	209:4,6 210:18	Cherry 1:11	187:11 194:10
184:24 185:1,7	121:5,15	210:21,24	2:10	215:5
185:10,11,14	164:16 165:3	211:22 212:11	children 39:19	Clements' 17:2
186:12 188:22	196:22	212:11	Christina 62:6	Cleveland
189:2,9 190:4	cashed 164:15	CFG-2 162:13	172:9 180:6,14	215:19,20

216:3,9 218:19 219:2,13 222:7 222:8 223:24 <b>Cleveland's</b> 216:16 223:21 <b>client</b> 7:24 25:4 34:1 63:25 66:9,23 69:6 75:13 89:15 111:13,20,24 123:15 124:19 134:10 141:21 145:5 165:13 165:17 182:18 183:24 184:10 185:12 190:25 190:25 191:17 191:19 195:19 <b>clientele</b> 44:11 220:7 <b>clients</b> 18:2 33:18 45:6 51:22,25 63:21 70:12 106:2,3 109:21,22 110:17,17,18 110:21,24 115:6 117:15 122:5,7,8,11 123:2,3,4,9,11 124:25 125:3 125:10,15 126:17 140:7,9 148:9 154:16 156:20 159:18 160:20 161:17 162:11 181:11 181:14,23,24 182:1,2,14 186:7 189:22 191:22 195:23 <b>close</b> 36:24 123:7,13 151:2 183:11,13 190:21,23 <b>closed</b> 31:11 135:13 138:8 <b>closing</b> 135:18 135:22 163:17	190:19 191:4 223:14 <b>closings</b> 138:9 <b>co-mingle</b> 163:24 <b>coffee</b> 180:22 <b>Cole</b> 105:5,6,6 <b>color-coded</b> 103:19 <b>column</b> 141:5 145:11 146:5 149:7 150:2,8 150:8,11,16 152:9 199:11 199:18 200:18 200:20 <b>columns</b> 151:8 <b>com</b> 29:2 <b>combination</b> 176:10 <b>come</b> 20:4 53:11 58:10 61:1 88:11 98:1 103:2 107:21 128:22 129:23 130:18 138:10 147:22 148:1,1 150:12 184:15 214:4,6 <b>comes</b> 22:5 67:3 67:9,16 78:9 134:8 167:21 171:17 202:25 <b>comfortable</b> 32:17 106:22 106:24 107:9 107:25 126:12 126:22 127:16 129:5 130:21 130:23 131:2 135:6 143:19 164:20 167:20 180:15 204:21 217:1,2 <b>coming</b> 140:17 149:2 150:4 167:15 173:2 202:5,22 <b>comma</b> 77:10,11	77:13 103:11 103:12 <b>comment</b> 104:8 172:18 <b>comments</b> 137:4 137:8 <b>commission</b> 1:1 1:10 2:3,9 4:19 4:20,20 8:17 8:19 10:4,15 12:4 13:16 48:14,15,25 53:8 63:10 65:7,8 147:21 149:9,14,22,25 152:23 206:4 227:14 <b>Commission's</b> 5:8 <b>commissions</b> 90:23 125:13 140:17 142:7 142:10 152:10 152:11 <b>committee</b> 10:9 <b>communicate</b> 11:13 <b>communication</b> 167:25 168:1,2 169:25 170:4 <b>commute</b> 139:11 139:13 <b>companies</b> 9:4 64:6,21,25 75:3,7,25 76:9 76:11,25 79:18 82:15,16,16,17 83:23,24 84:13 85:8 94:3 96:25 97:1,4,7 97:8 98:18 99:1 120:6,7 121:4 154:13 172:14 179:7 180:2,5 192:5 201:14 <b>company</b> 24:2,4 24:9 30:3,24 31:19 44:18	47:1 56:3 58:4 62:2 64:8,12 64:15,17 65:21 66:3,18 67:5,6 67:8,9 71:3,9 72:2 74:15 75:9 76:15 79:19,24,25 80:2,14 81:7 82:21,23 83:22 85:5,12,13 86:7,7,23,24 87:2,3,18 88:3 88:14,16,18,25 89:9,13 92:14 92:24 93:7 95:3 98:25 101:24 107:11 109:4 117:13 117:21 119:15 119:15 120:2 120:24 121:3 121:20 127:18 132:11 133:9 155:17 171:16 173:5,6,12,14 176:18 180:10 180:13,18,20 183:2,5,7,9,10 184:16,24 185:2,7 192:14 200:15 203:17 205:9 210:4 211:9 212:12 220:2,2 224:21 225:14,15 <b>company's</b> 67:13,15 88:5 88:8 <b>compared</b> 227:17 <b>compensated</b> 46:7 217:11 <b>compensation</b> 147:21 150:15 209:15 220:13 220:14 <b>complaining</b> 148:18	<b>complaint</b> 127:2 127:3 136:4 <b>complete</b> 8:6 13:5,8 227:16 <b>completed</b> 162:2 <b>completely</b> 26:14 136:24 156:21 170:25 173:19 <b>compliance</b> 68:17,17 69:10 168:3,4 224:2 224:4,7,20 225:1 <b>compliant</b> 135:17 155:20 <b>component</b> 97:7 <b>components</b> 97:5 <b>compounding</b> 116:10 176:15 <b>concern</b> 13:3 53:22 82:12 169:7 217:8,9 221:20 <b>concerned</b> 81:24 82:2,4,5 131:23 215:21 221:17 <b>concerns</b> 196:14 223:10 <b>conclude</b> 225:22 <b>concluded</b> 226:20 <b>conclusion</b> 10:16 203:5 217:23 <b>concussions</b> 24:9 <b>conducted</b> 20:7 20:8 <b>conducting</b> 11:9 <b>confer</b> 19:23 <b>conference</b> 58:11,23 <b>confidential</b> 9:3 <b>confirm</b> 198:6 <b>confirmed</b> 79:15 126:14
---	---	--	---	--

<b>confirms</b> 126:23 127:1	130:23 135:9 135:15 147:18	90:21 210:8	91:23 92:14,15 94:22,23 96:10	211:18,19 212:22 213:25
<b>confusing</b> 119:12 173:20	170:9 189:21 197:22	<b>copies</b> 8:4 20:17 20:19 122:4,17 185:16 194:3	96:16 98:19 100:3,12,13,18 101:7,19,24	215:6 216:23 216:24 217:16 217:19 218:9
<b>Congress</b> 8:23	<b>continued</b> 106:13 170:10	<b>copy</b> 5:2,8,9 6:23 8:1,3 12:16 13:11,20	102:2,25 103:4 103:5,7,16,21 104:19 105:24	218:12 222:24 223:5,6
<b>connection</b> 5:18 8:4 31:16 225:25	222:23	14:25 15:2,14 16:5 104:17 107:10 108:2	106:3,6 108:5 108:5,21,23 109:24,25	<b>correctly</b> 14:16 79:21 135:17 163:19 191:11 191:17
<b>conservative</b> 94:15	<b>continuing</b> 144:1	147:5 165:13 208:9,12,22,25 214:25	111:23 112:1 112:15 113:3,6 113:18,19,20	<b>cost</b> 87:23 93:18 95:17 96:19 119:23
<b>consider</b> 8:6 9:2 13:16 128:3	<b>contract</b> 46:13 46:18,19,20,22 46:25 48:12,23	<b>Corp</b> 37:22 38:11 47:21	113:21 114:7 114:15 115:1,2 115:12 116:3	<b>costs</b> 156:10,12 156:14
<b>considered</b> 10:3 13:4 128:4	82:21 86:22 89:22 198:5	<b>corporation</b> 30:6 38:19	120:23,25 121:9,24 122:3 124:3 126:2,4	<b>counsel</b> 5:22,24 6:6 104:10 165:10 212:18 226:5,13
<b>consisted</b> 65:15	<b>contractor</b> 43:15	<b>correct</b> 8:7 13:21 14:2 15:4,7 20:15	126:25 138:25 139:20 141:3,7 141:8,10	<b>count</b> 21:9 87:6 123:15
<b>consistently</b> 49:7 60:8	<b>contractors</b> 42:8 125:12	20:16 26:8 27:16 29:4,18 30:9,11,13,14	142:12 143:3,7 143:24 145:22 145:23 146:20	<b>counted</b> 96:23 <b>County</b> 138:8
<b>constitute</b> 4:25 156:11	<b>contracts</b> 85:13 197:18,20	32:25 33:2,15 36:9,13,19,25 37:14,17,19,20	149:12,13,15 149:16,24 150:14 151:6	<b>couple</b> 22:19 58:12 59:22 65:20 102:18 109:20,22 111:14 166:24 171:22 182:2,7 189:19 199:25
<b>constitutes</b> 18:14,22 67:22	<b>contradiction</b> 204:15	40:11,13,14 41:2,9 44:7 49:1,15 51:13	151:11,12,25 152:4 153:11 153:12 156:16	<b>course</b> 5:3,14 9:24 18:24 22:17 75:11 77:11 86:22 90:23 96:4,12 107:7 109:21 117:20 124:11 129:22 140:11 168:23 173:13 179:16 183:2
<b>consult</b> 118:11	<b>control</b> 41:6 23:10 24:14,20	51:14 52:6 56:15 57:5,22 58:18,19,24	158:20 162:14 163:20 164:18 169:18,24	<b>court</b> 8:18 21:7 21:8,10,14,18 145:18
<b>consulting</b> 195:4 195:4 198:11 198:20,21 202:1,3	<b>conversation</b> 25:8 33:8 55:20 77:8 80:13 98:22 99:19 135:24 136:1 165:18 165:20 174:21 203:6,11,12 204:23 213:7 222:2	58:15 60:13,14 62:18 65:3 67:5,10,11,13 67:14,19,20,24 67:25 68:6,7,7 69:8 70:13,15 71:12,24 72:3 74:2,3,5 79:2 80:21 82:1,2 82:25 85:17,18 85:20 87:21,22 87:25 88:6,9 88:23 89:2,8 89:11,14,21 90:8,13 91:20	169:18,24 176:8 177:10 178:24 182:1 185:8 187:23 188:25 190:16 190:17,17 191:15,16 193:5 195:5,10 195:11 200:7 200:12,16 202:16 204:20 205:15,16 206:5,21 207:3 208:7,10,17,17 209:4 210:9	<b>covered</b> 156:12 <b>covering</b> 173:13
<b>contact</b> 14:15 106:15 165:24 165:24 218:22 226:5	<b>conversations</b> 11:6 26:7 58:5 58:7 89:25 91:16 134:6 136:14 138:4 154:9 168:20 218:2,7			
<b>contacted</b> 166:1 198:6	<b>convey</b> 84:2			
<b>contacting</b> 15:1	<b>conveyed</b> 100:16			
<b>contained</b> 27:22 27:25	<b>convinced</b> 39:21 40:3			
<b>contemplated</b> 9:12	<b>Coordinated</b> 50:11,13,13,14 50:25 53:16 76:10,14 77:3			
<b>content</b> 9:22				
<b>contentious</b> 166:23 209:7 210:5				
<b>contents</b> 12:23				
<b>contingent</b> 220:13				
<b>continual</b> 128:17				
<b>continue</b> 64:18 106:22 126:22 128:10,20				

<b>CPA</b> 47:17 133:4 194:16 <b>CRD</b> 72:13 <b>create</b> 186:18 <b>created</b> 99:9 181:13 <b>creating</b> 87:14 <b>criminal</b> 5:1,17 9:13 10:12 11:11,15,18,20 <b>CRM</b> 147:1 <b>curious</b> 223:20 <b>current</b> 37:6 38:9 45:14 96:19 113:4 116:17 128:14 147:23 150:3,8 150:16 151:8 209:6 <b>currently</b> 34:4 37:7,15 41:18 45:18 48:23 103:11,13 144:1 188:3 226:2 <b>custodial</b> 148:16 148:17,19 151:14 189:15 189:16,18 190:1 191:9 <b>custodian</b> 151:19,19 152:5,5 <b>customer</b> 67:23 <b>customers</b> 148:18 <b>cut</b> 37:9,12 38:17 64:13 209:2 <b>cutting</b> 133:25 134:5,15 156:21	107:15 139:2,9 139:10,13,16 179:20 182:6 201:1,2 <b>damn</b> 62:22 <b>dark</b> 157:18 <b>darker</b> 137:18 <b>Darren</b> 72:5 142:16 <b>Darryl</b> 215:19 215:19 216:2 216:15 218:19 222:8 <b>data</b> 125:1,1 176:4,6 177:16 178:24,25 <b>date</b> 1:14 17:17 24:19 34:8 58:14,15 137:4 140:23 144:16 144:17,21,23 147:18,20 149:7,9 154:5 170:24 198:13 206:24 214:6,9 222:14 227:7 227:23 <b>dated</b> 6:11 7:3 15:23 16:14 83:4 101:19 153:8 214:6 215:6 <b>dates</b> 38:19 163:17,17 <b>daughter</b> 28:15 <b>David</b> 50:20 58:11 60:23 <b>day</b> 18:24 21:14 59:23,24 69:15 82:22 172:10 188:6 189:11 <b>days</b> 8:15 102:19 168:10 168:11 <b>deadline</b> 154:12 223:15 <b>deal</b> 19:25 132:21 190:19 190:23	<b>dealing</b> 148:18 <b>dealings</b> 54:11 <b>deals</b> 190:22 <b>dealt</b> 83:22 162:11 177:4,5 <b>death</b> 92:21 120:13 <b>debt</b> 128:8 171:15 <b>debts</b> 128:15 <b>decades</b> 36:17 <b>December</b> 198:14 202:15 202:17 <b>decent</b> 95:6 <b>decide</b> 45:3 <b>decided</b> 32:18 136:5,19 164:12 165:1 180:16 223:17 <b>decides</b> 168:15 <b>decision</b> 134:18 134:22 190:6 190:12 <b>declined</b> 79:20 80:20,25 91:1 91:6 <b>decree</b> 44:21 <b>deduct</b> 88:14 89:6 <b>deducted</b> 88:22 88:24 <b>defendant</b> 9:15 9:21 10:6 <b>defendants</b> 9:7 <b>defined</b> 171:24 <b>definitely</b> 134:22,23 154:2 186:19 215:20 220:10 <b>definition</b> 217:11 <b>delete</b> 19:16 <b>Deloitte</b> 131:8,8 131:8,8,10 <b>Delucchi</b> 131:10 <b>delve</b> 53:21 <b>delved</b> 164:19 <b>Democratic</b>	72:14 <b>Department</b> 11:3 174:15,18 <b>depended</b> 152:17 <b>depending</b> 44:13 62:10 90:2 151:15 <b>Depends</b> 21:10 48:20 <b>depressive</b> 74:18 <b>describe</b> 20:6 213:16 <b>described</b> 90:4 212:24 <b>description</b> 3:6 176:5 <b>designated</b> 83:5 83:17 84:10 85:9 <b>designation</b> 102:9 <b>designations</b> 10:22 <b>designed</b> 85:16 158:5 <b>desire</b> 17:5 <b>desks</b> 152:21 <b>destroyed</b> 21:4 <b>detail</b> 32:23 154:18 155:10 201:21 <b>detailed</b> 8:25 <b>determination</b> 10:17 18:3 <b>determine</b> 4:21 8:24 13:13 17:6,15 18:5 <b>determined</b> 188:21 221:5 <b>determines</b> 10:4 <b>developed</b> 4:24 105:11 <b>DFW</b> 138:25 139:4,6,13 <b>diabetes</b> 79:23 <b>Diaz</b> 156:19 <b>die</b> 120:12 <b>died</b> 117:21	<b>difference</b> 65:12 116:10 117:2,5 117:7,8 118:5 206:19 <b>different</b> 21:11 23:20,24 35:9 35:24 53:6 62:5 74:21 75:7 92:5,7 97:7,7 111:15 116:18 118:23 120:11 133:16 157:16 158:9 163:14,17,24 164:2,3,5 165:1 171:11 188:20 202:13 209:11 212:20 218:1 <b>differently</b> 35:10 <b>difficulty</b> 120:20 <b>diligence</b> 71:3 71:13 72:2,4 83:23 101:5 106:5,8 125:22 126:19 164:25 180:18 183:9 194:24 203:9 <b>DiLucci</b> 131:9,9 131:11,11 133:5,5 193:24 193:24 <b>direct</b> 46:22 135:18 145:24 178:23 <b>direction</b> 165:2 168:3 188:20 <b>directly</b> 24:21 30:2 37:9 47:8 60:24 62:12 65:9 112:2 125:5 142:4,8 143:9,10,11,14 143:21 145:17 145:23 147:9 150:16 152:10 162:11 170:2 189:12 196:25
--	---	--	---	--

**D**  
**D** 4:1 29:1  
103:14 142:15  
220:17,22  
**dad** 82:2  
**Dallas** 104:18



<b>directories</b> 17:9 17:9 19:8,10 19:14 <b>disappointment</b> 196:15 <b>disclose</b> 127:18 168:20 <b>disclosure</b> 72:12 127:10,11 <b>discount</b> 96:24 <b>discretion</b> 9:7 9:16 <b>discuss</b> 18:25 211:20,21 214:15 221:23 <b>discussed</b> 82:24 90:4 106:10,11 129:5,8 163:10 178:9 194:12 194:19 223:13 <b>discussing</b> 82:18 99:2 <b>discussion</b> 99:12 102:18 107:4 163:15 197:1 <b>discussions</b> 11:2 68:10 69:2 70:9 106:22 110:19 119:11 135:6 174:2 195:14,16 196:13,24 197:18 223:18 <b>disposed</b> 21:4 <b>disruptive</b> 65:21 <b>disseminate</b> 124:18 <b>disseminated</b> 122:4 <b>disseminating</b> 126:12 <b>distinctive</b> 137:15 <b>distribution</b> 34:17,17 47:7 47:10,17 48:9 116:11 118:9 148:5 175:18 201:8 220:18	220:19 <b>distributions</b> 47:18 148:8,10 200:7,8,10 202:20 <b>Diversified</b> 1:24 <b>divide</b> 19:13 <b>dividends</b> 96:25 <b>division</b> 2:8 92:5 <b>divorce</b> 44:21 <b>divorced</b> 44:22 <b>document</b> 12:3 15:23 16:5,14 20:19 108:7 113:14 115:13 115:16 124:6 126:13 134:9,9 168:22,25 169:4 171:4 174:5 186:24 187:11 199:8 214:4 <b>documents</b> 5:18 8:12 11:14 12:24 16:18,19 16:22,24,25 17:18,19,20 19:1,25 20:7 20:11,17,23 21:2 26:1 46:23 63:8 85:12 103:23 107:12,13,23 108:1,3 110:23 111:19,20,24 113:17,22 114:12 125:1 125:16 129:9 152:4 187:10 190:21 212:1 212:21,23 214:12,20 <b>Dodd</b> 29:1 216:12 219:12 <b>Dodd-Frank</b> 216:3 <b>doing</b> 52:14 57:5 59:16 61:15 63:13 71:13	72:1 75:4,21 79:17 95:21 109:17 114:3 120:1,7 124:9 132:17 135:6 135:10 136:19 144:9 153:21 155:15 167:9 167:17 168:19 174:20 180:18 183:8 186:2 188:14 189:12 189:13,16,24 194:24 196:18 203:8 214:12 219:23 220:5 221:17 223:11 <b>dollar</b> 64:13 78:3 81:4 93:4 100:5,11,15,17 129:1 147:21 149:5,14,19,20 150:7,8,11 <b>dollars</b> 64:12 93:12,18 94:1 95:9 97:13,17 98:2 150:21 155:25 162:25 171:15 173:3,7 173:7 206:16 <b>Donny</b> 224:8,9 <b>dormant</b> 49:8 <b>dot</b> 29:2 103:8,8 103:8 <b>double</b> 64:10 <b>Dovila</b> 24:24 25:1,2 177:6 208:5 <b>Dovile</b> 24:25 59:7,9 62:4,13 62:14 69:3 72:8,14 102:20 102:22 114:4 119:11 130:18 136:21 145:10 145:24 146:15 146:23,24,25 161:6 172:9 177:6 189:10	195:22 <b>downtown</b> 213:21 <b>dozen</b> 42:11,13 <b>drafting</b> 220:17 <b>draw</b> 118:8 <b>Drew</b> 29:1 <b>drink</b> 80:11 <b>drive</b> 2:18 139:16 147:13 166:7,8 <b>Drives</b> 208:22 <b>drop-off</b> 37:1 <b>Dropbox</b> 147:12 147:12,14 <b>drove</b> 136:20 <b>drugs</b> 22:6 <b>due</b> 71:2,13 72:1 72:4 83:23 101:5 106:5,8 125:22 126:19 164:25 180:18 183:9 194:24 203:8 <b>dug</b> 180:14 <b>duly</b> 4:9 <b>duplicitous</b> 175:11 <b>dust</b> 134:16 135:2	217:10 218:20 221:22,22 222:2 <b>e-mailed</b> 15:17 165:14 <b>e-mailing</b> 167:3 <b>e-mails</b> 16:22 17:1,4,5,6,7,10 17:11,12,14,16 17:16,21,22 18:6,7,13,14 18:20,23 19:13 19:15,16,18 20:6,24 21:5 23:22 26:17 29:12 103:19 195:21 223:7 <b>earlier</b> 34:13 54:14 116:24 171:2 194:2 199:8 204:19 204:19 206:3 209:3 210:17 225:5 <b>early</b> 39:20 72:23 100:14 130:15 138:9 155:14 159:4 160:2,4,25,25 161:1 179:24 181:12 182:1 183:8 185:4 210:13 212:7 <b>earn</b> 116:23 <b>earning</b> 118:25 <b>earnings</b> 200:9 <b>easier</b> 7:25 19:7 24:24 35:3 103:20 135:8 <b>easiest</b> 119:14 <b>East</b> 60:25 <b>eco</b> 64:18 <b>economic</b> 65:21 <b>Economics</b> 1:5 4:21 14:10,11 33:14 34:25 45:13 61:19 83:4,16,21 84:3 112:24
---	---	---	--	--

118:22 119:15	220:22	everybody 26:22	147:16 148:11	Exhibit 5:9,10
123:6 126:10	England 53:7	35:3 58:25	148:20 152:7	5:15,16 6:8,10
144:24 171:10	ensued 7:18	188:7	152:14,25	6:23 7:1,4
227:3	26:5 91:10	everybody's	156:3,24	12:22 14:1,2,4
Ed 15:1 16:21	136:11 138:1	61:22	163:21 164:8	14:6,8 15:18
20:12 134:23	165:8 192:25	evolved 70:3	176:21 177:14	15:20,24 16:4
168:15	212:16 225:19	ex 44:17	178:5 179:3	16:11,13,15
Edmond 39:7	ensure 171:14	ex's 47:8 48:11	183:14 184:19	27:2,5,11,19
educated 94:12	entire 40:21	ex-wife 25:13	186:8 187:1	27:22,25 28:3
94:19,21	121:2 123:8	exact 24:19 34:7	192:1 193:2	73:2,5,7,17
educational 6:20	entities 9:23	36:5 48:5 49:4	195:12 198:8	83:3 91:18
Edwin 2:16,17	57:25 83:19	60:5 105:2	198:16 199:5	93:11 97:12
6:1,2	entity 11:22	137:4 161:11	205:12 206:1	101:1,4,11,11
effective 10:1	81:9 123:16	163:14 170:24	207:6,24 208:3	108:4 112:4,7
effort 180:19	225:24	180:11 194:6	210:15 213:1	112:14,14,18
eight 40:23	EO 69:22	206:24 214:9	214:2,18 217:5	122:4,4,20
105:18 167:5	equal 47:18	224:18	218:25 224:5	123:24 124:18
either 8:22	Equitas 74:24	exactly 24:6	224:13 225:3	125:18,18,25
181:21 189:11	74:25 75:1,1	69:4 76:4	226:19	126:7,20
196:15 213:8	equity 56:3	108:11,17	examined 4:10	139:22,24
electronic 20:15	74:14,15	114:24 140:8	example 42:10	140:2,4,21
eliminate 121:14	148:17 151:21	170:11 181:6	53:2 56:2 64:7	144:15,20
Elizabeth 153:8	errors 13:13	213:16 217:13	87:3 92:17,18	147:6 148:22
email 3:10,14,15	especially 22:1	exam 38:23	109:1 115:18	148:23 149:15
3:17	127:14 132:18	39:22 40:3	117:22 120:22	150:2 153:2,5
empathetic	134:13 180:19	examination 3:3	121:9,11	153:7 171:2
39:21	191:9	4:11 5:3 35:12	126:23 128:22	175:8 185:16
employee 42:3	essentially	35:19 42:6	134:8,12 148:4	186:4,5,11
43:14,16 44:20	125:25 126:5	44:2 45:10	150:5 173:2,6	193:9,13,17
employees 33:3	163:5 190:19	46:5 49:11,19	188:10 200:11	195:3 197:22
42:2 44:5,6	estate 39:4,6	50:4,17 52:12	exceeds 200:14	198:10 199:8
48:12,23 76:16	76:11 179:7,10	52:16 54:12	Excel 147:1	199:11,16,19
99:1	179:12,14,15	55:10,23 56:25	exception 17:1	200:18 201:4
employment	estimate 94:15	61:7,11,16	excess 66:11	201:23 213:3,6
38:8 46:18,22	95:25	62:15 65:22	exchange 1:1,10	213:11 214:21
encourage 13:11	evaluate 84:12	68:8 78:10	2:3,9 4:18 88:7	214:22,22,23
13:18	evening 166:21	80:8,15 81:1	89:12 227:14	214:23 215:2
encouraged	166:23	83:1 84:8,15	Excuse 54:16	215:18,25
58:15 61:9	event 12:3 119:1	86:2,16 87:16	100:7	219:2,13
endeavor 18:20	160:8,12,22	90:15 91:13	exemption 55:15	222:14
ended 39:11	161:8 167:4,8	93:9 95:23	55:17,18 56:14	exhibits 3:6 8:5
143:6 156:21	167:10 172:11	97:10,22 98:6	56:15,18	16:17 21:25,25
energy 17:5	185:12 188:16	98:12 100:24	103:14 215:12	22:1
180:19	213:19,22	118:13 121:21	216:6 219:12	exist 137:16
enforced 85:13	events 32:13	122:25 123:17	exemptions	existence 9:5
enforcement 2:8	117:18	131:19 132:24	136:24 216:4,8	82:18 177:21
9:13 10:12	eventually 78:6	133:19 134:3	216:10,13	existing 52:6
11:4,15,20	107:8 108:10	137:6,20	218:1	64:6 82:16
engaging 183:4	Everman 142:6	144:13 147:3	exercise 9:16	155:3 160:20

161:14 207:15	<b>explaining</b> 65:5	194:7 218:18	198:11,21	<b>financials</b>
<b>exit</b> 66:14,16	65:20 77:18	<b>family</b> 39:19	202:1,3	129:10,12,13
176:17,18	117:1	204:3 205:9	<b>fell</b> 218:1	129:15,16
183:17,17,18	<b>explains</b> 65:19	<b>far</b> 54:22 63:13	<b>felt</b> 134:13 135:6	130:6 131:3,22
184:2,10,21	126:8	64:15 65:6	153:20 167:20	168:7 180:7
185:6 192:16	<b>explanation</b>	108:18 111:15	<b>females</b> 59:1,6	192:6,7 194:8
<b>exiting</b> 184:21	126:3 127:17	115:14 118:25	<b>fewer</b> 127:11	194:23 195:20
184:24 185:7,9	<b>explanatory</b>	141:5 145:12	<b>FFG</b> 30:18,19	195:23,24
185:11	116:21 118:6	149:5 154:2	40:10,12,15	197:6
<b>expand</b> 64:7,9	<b>exposure</b> 156:18	169:19 177:3	<b>Field</b> 139:5,6,13	<b>find</b> 34:8 97:8
64:18 82:20	<b>extended</b> 58:12	200:14 203:24	<b>fifth</b> 120:22	125:25 127:4
156:18	58:12 87:8	<b>father</b> 7:12	121:8,10	155:2 166:20
<b>expect</b> 178:3,20	157:22 212:6	14:13 15:3,4	<b>figured</b> 34:20	167:19 170:24
184:6 185:22	<b>extensively</b>	22:17 25:19	<b>figures</b> 97:24	<b>finder</b> 217:11
<b>expected</b> 89:19	166:9	50:20 73:25	<b>file</b> 1:4 208:9,15	<b>fine</b> 35:2 72:16
176:10 177:8	<b>extent</b> 12:22	74:4,12,13,19	227:6	174:25 223:12
178:2,13 185:2	<b>extra</b> 78:17 87:8	77:17 81:14,18	<b>filed</b> 85:12	<b>finish</b> 21:15
192:15 204:24	178:12,22	81:21 84:2	224:25	138:22
205:6,7	202:4	109:21,23,23	<b>files</b> 16:22 20:10	<b>finished</b> 39:22
<b>expecting</b> 133:6	<b>extract</b> 180:22	200:11	208:14	<b>FINRA</b> 37:3,10
138:10 150:7	<b>eyes</b> 54:3 61:22	<b>father's</b> 14:14	<b>fill</b> 99:15 109:12	37:10 72:13
177:9 180:9		148:4	111:13 145:5	102:8 127:5,14
195:18 205:10	<b>F</b>	<b>favor</b> 223:11	189:8,18,25	174:15
<b>expenditure</b>	F 29:1 220:25	<b>fax</b> 26:20	191:8	<b>firm</b> 6:1 18:1
172:12,19	<b>face</b> 92:16,19,21	<b>FBI</b> 11:2	<b>filled</b> 144:23	20:10 37:8,16
<b>expenses</b> 152:22	<b>face-to-face</b>	<b>features</b> 65:20	149:1 189:11	43:17,23 46:2
198:19,20	115:8	120:16	190:24	84:11 122:11
206:7	<b>Facebook</b> 28:13	<b>February</b> 43:20	<b>filling</b> 99:14	123:2,8 224:2
<b>expensive</b> 95:4	29:11	173:25 212:9	<b>fills</b> 74:17	224:4
<b>experience</b>	<b>facing</b> 69:6	213:23 215:6	<b>final</b> 144:5	<b>first</b> 4:9 6:14
94:21	<b>fact</b> 9:22 16:6	222:15	191:4	8:16 27:23
<b>experiences</b>	71:4 81:20	<b>federal</b> 4:22,25	<b>finalizing</b>	30:7 34:16
79:16	126:1,13	10:17 11:23	190:18	39:16 52:24
<b>expert</b> 77:6	130:24 131:2	<b>feed</b> 214:5	<b>Finally</b> 11:21	55:22 64:11,13
<b>expertise</b> 196:18	168:12 182:15	<b>feedback</b> 124:12	<b>finance</b> 219:24	66:11 74:24
<b>explain</b> 63:24	203:6 204:15	174:17	220:1,4	79:16 93:11
74:9 91:25	204:22 221:6	<b>feel</b> 74:13 75:14	<b>financial</b> 9:1	122:18 129:25
117:9 131:5	<b>factors</b> 219:14	79:14 106:22	30:8,10,16,17	132:3 133:6
144:15 162:18	<b>facts</b> 4:24	106:24 107:9	38:25 39:13	144:20 154:5,6
172:3 173:23	<b>fairly</b> 58:14	107:14,24	40:9,11,12,15	154:8 162:7,12
178:7,13	167:25 180:20	129:4 131:1,3	44:15 50:11,13	166:17,25
181:15 189:6	<b>fall</b> 130:15	148:7 166:13	50:14,25 53:7	173:3,10
209:8	219:23	168:14 175:3	53:16 76:10,14	174:13 176:7
<b>explained</b> 52:24	<b>falling</b> 36:24	180:15,17	77:3 90:3,21	177:3,3,7,10
66:6 77:17	<b>false</b> 5:17,18	196:5 217:1	107:5 129:9,25	184:2 186:2
85:4 125:24	<b>familiar</b> 6:13	<b>feeling</b> 80:23	130:3,17,22	192:14 194:10
126:5 172:5	7:6,7 76:5	<b>feelings</b> 212:5	133:1,3,22	194:11,23
173:23 176:13	101:8 112:13	<b>feels</b> 168:8	193:21 194:1	199:19 200:12
178:1 183:19	162:7 182:5	<b>fees</b> 195:4	210:8 220:18	210:20

<b>fit</b> 40:7	<b>flown</b> 143:13	51:20 52:2	<b>found</b> 18:10	<b>full</b> 4:13 23:23
<b>five</b> 14:23 35:4	<b>flows</b> 47:8,9	74:20 143:18	52:22 57:20	34:17 156:14
41:3 65:11	182:3	<b>focusing</b> 98:20	136:4 161:18	173:15 184:10
77:21 78:12,20	<b>Floyd</b> 2:4 4:2,12	214:12	180:14	203:22 222:1
78:21,25 79:10	4:16 5:24 6:5	<b>FOIA</b> 12:23,25	<b>Foundation</b>	<b>fully</b> 77:22
86:25 87:4,10	7:17,19,20,22	<b>folded</b> 182:13	30:10,17 40:9	119:12
87:20 89:21,23	13:21,24 26:4	<b>folder</b> 114:23	<b>four</b> 29:24 35:6	<b>function</b> 44:9
90:1 91:22	26:6 35:20	212:22	59:12 65:10,11	<b>fund</b> 35:21,22
92:6,8,12,17	44:3 46:6	<b>folders</b> 114:11	75:11,25 76:9	36:5 41:6 62:1
93:4 95:11,13	49:20 50:18	114:14	76:11 92:7	64:9 72:15
96:1,15,20	52:17 55:11	<b>follow</b> 12:20	120:11 127:10	77:10,14 79:11
104:17 120:6	57:1 61:12	<b>follow-up</b> 127:3	141:9 152:16	79:18 81:4,4
120:11 122:10	62:16 68:9	127:24 206:24	152:19 179:2	84:13 86:7
149:21,25	79:13 80:9	223:7	<b>fourth</b> 181:22	87:1,7 110:7
150:10,13,21	81:2 86:3 91:8	<b>followed</b> 216:5	<b>frame</b> 23:15	119:24 155:17
151:4 152:10	91:11,14 98:7	<b>following</b> 88:1	58:20 87:2	159:8 162:12
206:3,15,18	100:25 131:9	119:7 222:9	96:22 100:14	162:19,24
<b>fixed</b> 188:10	131:20 134:4	<b>follows</b> 4:10	102:20 122:16	163:1,5,6
<b>FL</b> 2:20	136:9,12	<b>food</b> 62:7	122:22 129:23	164:3 173:5
<b>flag</b> 128:3,4,6	137:21,24	<b>force</b> 85:25	137:2,3,3,5	176:4 180:9,13
136:18 137:18	138:2,12,15,19	<b>forensic</b> 194:15	162:3 170:25	183:7,9 184:24
<b>flags</b> 129:17,18	138:24 139:3,9	<b>forever</b> 28:13	184:3,5 185:5	212:11
129:18 131:21	139:11,16	<b>forget</b> 157:20	192:8 206:12	<b>funded</b> 66:18
<b>Flesh</b> 155:11	141:3 145:19	<b>form</b> 5:8 12:16	206:14 210:13	67:8 76:16
<b>flew</b> 60:22	147:4 148:12	12:21 13:20	212:9 218:16	77:1,22 82:20
<b>flight</b> 138:14,16	152:8 153:1	24:8 145:1	<b>frames</b> 92:11,11	82:21 128:10
138:17,20	156:25 164:9	180:25 184:1	<b>Frank</b> 29:1	144:7 149:21
<b>flip</b> 199:25	165:7,9,10	189:7,8 191:7	216:12 219:12	161:21,22
<b>flippant</b> 45:4	169:18 179:4	<b>formal</b> 5:2,2,5	<b>frankly</b> 18:1	172:14 173:12
<b>Floor</b> 1:12 2:11	186:9 187:14	8:11 10:3	<b>free</b> 62:12	192:14 201:14
<b>Florida</b> 54:6	192:24 193:1,3	<b>format</b> 17:15	<b>Freedom</b> 8:9,15	217:14
72:6 129:22	197:22,25	182:16	8:17	<b>funding</b> 24:3
131:24 132:4	200:22 201:1	<b>forms</b> 189:11	<b>frequent</b> 221:2	64:16 83:22
132:20 133:12	205:13 208:4	<b>Fort</b> 1:13 2:12	<b>frequently</b>	85:8,14 86:23
133:24 137:11	208:17,20	4:3 227:8	107:13	86:24 87:2,7
143:18 174:10	209:2 212:15	<b>forth</b> 5:16 13:14	<b>fresh</b> 157:4	88:13,15,25,25
174:16 186:23	212:17,25	70:9 107:12	<b>Friday</b> 168:14	99:2 117:21
187:8,10,11,13	213:2 214:19	147:19 208:24	<b>friend</b> 160:20	120:6 140:16
196:9,12 197:4	224:6 225:4,17	<b>forthcoming</b>	215:17 218:22	173:9,16
198:5	225:20 226:13	166:3	223:10	176:18 184:17
<b>flow</b> 63:11 64:15	226:17	<b>forthright</b> 210:1	<b>friends</b> 22:19	192:5 202:24
86:12 109:5	<b>fluctuated</b> 31:20	<b>forward</b> 16:8	25:10 28:15	220:2,2
111:16,19	31:21	23:6 69:23	204:3 205:9	<b>funding's</b> 86:8
142:11 151:11	<b>fluff</b> 197:13	147:2 151:24	<b>front</b> 125:7	<b>funds</b> 33:24,25
152:11 196:23	<b>FMO</b> 44:12,15	154:21 162:3	199:14,16	38:23 75:12
207:22	<b>focal</b> 39:8	164:6 168:9	<b>fruition</b> 53:12	77:7,12 83:20
<b>flowed</b> 142:7,12	<b>focus</b> 157:22	169:14 180:10	128:22	87:19 88:11,22
150:17	158:10 196:10	207:11 222:11	<b>frustration</b>	103:15 108:15
<b>flowing</b> 86:13	<b>focused</b> 40:16	<b>forwarded</b> 16:7	80:23	117:13 118:5

159:1,2 162:5 162:12 163:5 163:14,16,24 164:2 206:4,7 220:25 <b>furnished</b> 13:20 <b>further</b> 77:6 180:14,14 197:16 198:18 216:20 226:3 <b>future</b> 11:6 117:18,18 <b>FW-04043-A</b> 1:4 <b>FW-04343-A</b> 227:6 <b>FW-4043</b> 4:21 14:11	74:13,16 101:5 107:12 129:9 133:11,12 134:1 168:4,25 190:24 195:22 196:3,9 197:4 197:6 200:6 217:15 <b>ghost</b> 211:10 <b>give</b> 9:23 49:4 53:2,4 87:13 111:21 112:12 131:14 134:11 155:10 167:15 169:1 173:7,8 175:17 179:19 183:11 185:16 190:5,11 206:12 214:25 221:25 223:25 <b>given</b> 8:15,22,23 12:10 13:10 56:2 84:20 187:20 192:9 198:10 221:16 <b>gives</b> 8:2 67:12 140:13 <b>giving</b> 8:23 65:11 94:15 96:1 100:20 111:24 167:20 222:5 <b>glad</b> 208:24 <b>glass</b> 59:3 <b>glazing</b> 61:22 <b>Gmail</b> 17:25 29:2 <b>go</b> 7:13,22 15:18 17:14 21:23 24:12 26:4 40:6 60:2,19 60:20 64:14 66:19 74:19 91:8 92:25 98:21 102:4 103:13 109:17 111:16 114:5 115:14 118:15 119:21,23	124:16 127:9 128:17 131:15 135:14,19 136:9 137:25 137:25 150:5 151:13,20,22 154:17,21 157:1,2,13 162:3 165:1,9 165:11 171:1,4 175:8 180:10 181:16 185:13 187:25 188:20 189:4 190:9 192:24 197:16 207:17 211:5 221:25 223:9 225:17 <b>go-to</b> 34:22 <b>goes</b> 11:16 66:22 74:1 138:14 167:8 211:6 <b>going</b> 6:10 7:3 14:8,17,19 15:1 16:13 18:12 19:2 20:9 21:19 23:2,6 24:18 24:24 26:21 27:4 29:16 32:20 34:25 38:8 39:9,14 51:24 53:5,8,9 53:25 57:15 59:9 63:11,24 66:9,12 69:17 73:4 74:21 75:10,12 77:19 77:20 78:25 79:9,11,18 82:8,9 83:25 84:11,22 85:1 85:10,11 86:23 88:15 89:10 90:17,19,22 91:18 93:25 94:4,25 98:18 98:23,24 99:18 100:10,22	101:3 107:1 111:15 112:6 116:16 117:24 118:1,24,25 119:4,4,16,17 119:18,21,24 121:2 123:6,13 125:18 127:8 127:18 128:2 129:7,11 130:5 130:24,25 131:2,14 132:5 132:7,9,17,20 133:10,15,21 134:1,7,14 136:3 139:24 147:2 148:7,16 153:4 154:21 158:10 160:1 164:4 165:18 167:13,14,23 168:5,7,9 169:1,11,19,22 170:25 172:19 173:3 174:24 175:2,19 178:19 180:4 180:13,18 183:5,7,16,22 183:25 193:8 195:24 196:1 196:18 197:22 201:19,19 203:15 207:11 207:14,17 213:5 214:20 215:14 222:3 222:11 223:25 225:17 <b>good</b> 25:19 34:7 38:16 40:5,7 48:5 62:12 74:17 95:2 100:21 106:25 114:5 131:4 135:19 139:18 140:14 167:24 168:8,8 174:21 175:3 180:17	189:6 196:5,7 <b>gospel</b> 223:25 <b>Gotcha</b> 32:16 34:18 38:21 114:25 139:12 <b>gotten</b> 23:5 133:1 <b>graciously</b> 212:4 <b>grant</b> 18:19 <b>granted</b> 8:14 16:21 17:25 20:10,12 <b>granting</b> 8:17 <b>great</b> 26:3 27:4 28:2 190:9 201:15 208:25 <b>greatly</b> 154:3 <b>green</b> 180:21 183:12 <b>greet</b> 58:16 62:3 69:22 99:4,20 102:19 106:20 182:11,16 211:2 212:8 <b>greet</b> 159:19 161:16 <b>Grieson</b> 151:2 <b>group</b> 6:3 8:13 9:1,14,19,20 9:25 10:5,11 11:5 15:24 29:11,15 30:6 30:10,17 32:8 35:6 40:9 41:9 41:11,12,15 44:10 46:21 50:11,13,14,25 54:19 58:21 73:10 76:10,14 77:3 81:7 83:15 112:17 113:4 125:11 148:24 152:12 153:10 155:18 156:16 157:20 160:15 162:2 163:5,24 164:11,23 177:5 185:24
--	--	--	---	---

194:20 210:8	210:16 217:6	<b>happened</b> 54:2	64:6,10,19	111:7,10,12
<b>Groups</b> 157:16	<b>guy</b> 76:10	172:12 194:11	74:12 86:14	169:15 180:7
<b>grow</b> 64:6,9,18	133:17 166:6	<b>happening</b>	98:19 117:17	190:20 209:19
82:20	<b>guys</b> 15:1 28:5	172:7 217:13	119:24 157:17	<b>hopefully</b>
<b>growing</b> 63:13	44:22 92:4	<b>happens</b> 117:20	188:4 223:8	214:13
<b>growth</b> 119:24	107:7 127:7	<b>hard</b> 20:17,19	<b>helped</b> 26:15	<b>hoping</b> 197:14
188:2,8,9	131:23 137:24	21:19 28:4	<b>helpful</b> 21:18	<b>Horne</b> 142:25
<b>guarantee</b>	157:9,20	212:4	<b>helping</b> 40:5	143:23 153:7
116:25 117:8	159:18 167:17	<b>hardest</b> 21:16	<b>helps</b> 47:21	153:10,15
171:7	174:25 208:6	<b>hate</b> 190:10	<b>herb</b> 80:10	154:9
<b>guaranteed</b>		<b>Hauling</b> 172:23	<b>hey</b> 14:21 78:6	<b>hour</b> 21:24
117:10 155:21	<b>H</b>	<b>head</b> 21:17,19	87:9 107:6	61:21
186:20	<b>H-e-i-n-z-e-l-...</b>	26:23 94:7	129:19,20	<b>hours</b> 58:13
<b>guarantees</b>	4:15	<b>head's</b> 23:5	132:7,7 159:7	169:13
188:11	<b>H-u-n-k-s</b>	<b>headings</b> 144:15	209:24 214:13	<b>house</b> 14:23
<b>guess</b> 11:15 57:6	172:20	<b>health</b> 44:24,25	<b>hi</b> 59:6 99:22,22	62:21
66:20 72:19	<b>half</b> 83:10 84:22	46:20 79:21,25	<b>hierarchy</b> 50:7	<b>Houston</b> 60:25
80:3 94:12,13	98:2 111:9	91:6 93:7 95:1	<b>high</b> 31:22 79:22	<b>Howard</b> 18:16
94:14,16,19,21	152:23,24	95:2,7 141:18	92:25 94:7	22:24 23:11
95:13 119:6	157:21 175:5	<b>healthy</b> 92:18	120:10	24:15,23 34:18
120:20 123:6	175:14,14	94:8	<b>higher</b> 68:3	58:25 59:4
123:10 146:13	206:16	<b>hear</b> 137:14	96:21,22	62:13 68:23,25
147:11 168:11	<b>Hamness</b> 141:15	174:20 175:4	121:10 204:24	69:5,10 70:20
169:3 172:21	<b>hand</b> 4:5 27:4	191:17	<b>highlighted</b>	72:8,12,19,21
185:22 194:21	73:4 101:3	<b>heard</b> 10:22	179:1	79:8,9 82:24
209:19 216:6	112:6 115:18	110:19 159:16	<b>highlights</b> 116:5	84:5,6 90:8
<b>guessing</b> 33:14	153:4 182:1	168:17	116:7	92:12 101:18
53:17 78:8	193:8 213:5	<b>hearing</b> 1:16	<b>Hillsborough</b>	101:23 102:1
119:21 123:13	214:20	91:5 227:18	138:8	102:10 103:2
161:7	<b>handed</b> 74:10,11	<b>hearsay</b> 99:7	<b>hindsight</b>	106:15 111:10
<b>guesstimate</b>	115:12	<b>Heinzelman</b> 1:8	133:15	114:3,4 125:20
95:25	<b>handing</b> 114:8	3:4 4:8,14,16	<b>hired</b> 31:21 62:7	125:24 126:9,9
<b>Gunn</b> 2:5 4:17	<b>handle</b> 63:5	5:4,21 6:2,6	142:4 143:13	126:13,19
10:14,25 11:8	85:10,11	7:24 8:1,11,12	143:13 150:16	130:18 132:6
11:19 12:7	118:11 146:2	9:2,4,12,15,20	<b>hiring</b> 40:16	134:25 135:8
18:4,9,17,24	201:20	9:21,23,25	<b>history</b> 6:20	155:13,24,25
19:5,11,23	<b>handled</b> 83:20	10:5,10 11:5	38:8	158:15,18,22
20:3 42:7	83:23 85:7	11:21,24 13:6	<b>hit</b> 66:20 89:24	158:25 159:7
45:11 52:13	155:23	14:1 17:8,13	138:10 172:19	161:6 162:18
61:17 68:23	<b>handles</b> 46:19	28:14 73:11,13	173:8 181:17	163:4,23 165:3
69:1 80:16	85:6	73:24,25 74:1	192:15 197:4	165:18,21
84:9 86:17	<b>handling</b> 85:1	81:7,13 227:5	206:11	168:25 169:20
93:4 95:24	220:25	<b>Heinzelman's</b>	<b>hitting</b> 143:17	173:21 179:13
117:3 118:14	<b>hands</b> 14:22	17:1	<b>holding</b> 81:7	179:18 192:3
122:24 123:1	23:23	<b>held</b> 30:2 102:12	223:14	194:22 196:13
141:2 163:22	<b>handwriting</b>	114:11 165:15	<b>holdings</b> 179:15	201:18 203:7
177:15 183:15	28:4	172:11 227:14	<b>hole</b> 98:21	203:19,24
192:2,23	<b>happen</b> 178:19	<b>help</b> 24:9 51:3	<b>holler</b> 21:22	204:19,25
195:13 207:7	178:20,20	53:5 63:15	<b>home</b> 68:18	207:21 211:20

211:24 212:10 215:5,9,10 216:10 217:17 218:5,6,10 221:21 223:2 <b>Howard's</b> 207:10 212:12 <b>Hughes</b> 15:15 50:16,19,20 52:25 53:1 55:9 56:22,22 57:4,10 58:11 58:11 60:18,23 60:23,25 62:13 63:11 65:9 69:18 71:6,16 71:23 73:1 79:4,15 80:18 80:19 90:12 99:4,6 100:2,4 104:11 209:4 209:21 211:16 211:25 218:4,6 <b>hundred</b> 10:25 94:10,11 95:9 95:14 96:12 97:25 121:16 <b>hundreds</b> 18:16 <b>hung</b> 51:8 <b>Hunks</b> 172:20 172:23 <b>hurried</b> 197:10 <b>husband</b> 123:15	139:23 153:3 213:4 <b>identified</b> 3:6 19:3 43:11 <b>identify</b> 5:24 17:10 84:12 218:13 <b>identifying</b> 19:18 <b>Illinois</b> 72:15 <b>illustration</b> 94:17 <b>ILP</b> 110:10,11 <b>imagine</b> 185:22 <b>immediately</b> 82:8,17 172:17 <b>IMO</b> 44:12,14 <b>impact</b> 212:11 <b>impair</b> 22:6 <b>implications</b> 175:12 <b>imply</b> 84:24 <b>important</b> 10:1 117:13 205:17 205:22 223:16 <b>impression</b> 175:1 <b>improve</b> 188:4 <b>In-house</b> 152:19 <b>inactive</b> 36:18 36:22 <b>inadequate</b> 12:3 <b>inadvertent</b> 12:8 <b>inadvertently</b> 11:25 16:1 <b>inbox</b> 19:7 <b>incentive</b> 48:21 <b>inception</b> 41:22 198:14 <b>including</b> 9:8,18 11:15 16:22 17:19 63:1 74:20 189:14 <b>income</b> 6:3 8:13 9:2,14,20,20 9:25 10:5,11 11:5 16:14 23:13 29:17 32:19,24 33:9	82:10,19 135:13 188:10 202:4,7,7 207:2,16 <b>incorrect</b> 7:10 <b>incur</b> 12:12 <b>independent</b> 42:8 43:15 125:12 141:17 <b>index</b> 190:7 <b>indexed</b> 97:6 <b>indicate</b> 83:3 126:23 198:25 212:10,13 219:3 <b>indicated</b> 9:8,18 10:8 54:14 210:18 219:20 <b>indicates</b> 149:9 221:11 <b>indirectly</b> 30:2 <b>individual</b> 51:25 94:9,9 104:15 141:6 145:11 <b>individuals</b> 77:19 92:13 99:1 109:14 117:12 205:19 205:22 223:13 <b>industry</b> 94:22 <b>influence</b> 9:22 <b>inform</b> 10:20 <b>information</b> 5:8 8:9,15,17,21 20:13 23:7 25:19 26:13 27:19 53:25 54:7 62:11 74:16 76:6 93:20,24 99:15 100:20 105:9 107:4,5 108:10 111:13 114:11 118:8 123:12 124:8 125:6 127:19,25 128:2,18 129:20,20 130:20 131:1	131:11 133:5 133:12 134:2,7 134:11,25 135:20 137:10 137:14 140:5 146:13 147:9 166:22 167:6 181:3 189:20 192:4,10 195:17 196:4 196:12,16 198:3 203:14 204:10 209:9 209:10,14,24 209:25 <b>informed</b> 12:19 212:18 <b>initial</b> 79:18 99:3 108:3 110:8,8 128:16 132:4 147:21 149:19,19 150:1,2,7 151:8 173:10 174:23 177:3 194:22 197:8 203:22 204:13 205:1,8 206:23 225:10,11 <b>initially</b> 38:25 61:20 68:20 99:2 106:25 111:18 115:3 131:14 134:20 148:17 151:21 181:11 209:17 <b>injuries</b> 24:10 <b>injury</b> 39:11 <b>input</b> 125:1 146:25 <b>inside</b> 63:14 120:14 201:9 <b>Instagram</b> 28:14 28:16,18,19 29:5 <b>instance</b> 18:12 <b>instructions</b> 108:14 157:24 <b>insurance</b> 30:21	32:3,5 38:22 44:11,12,14,24 44:25 45:1,5,9 45:12,20 46:1 46:20 48:22 49:14,25 50:8 51:3,17,19,20 52:3,5,6 55:5,6 56:5 57:13,14 58:16 60:12,16 68:19 76:17,25 77:4,7,19,20 77:25 79:1 80:4,20 83:20 85:16,23,24,25 86:7,9,19,20 87:1,5,13 88:15 90:19 91:19 92:2,4,9 92:13,17,24 93:23 94:1,22 95:1,3 98:2,25 98:25 99:9 109:22 110:16 110:17,24 115:6 117:9,11 117:16,24 118:1 119:8,17 119:23 120:5 120:10,12,17 120:19 121:1,8 123:4 141:12 141:18 157:5 170:13 171:14 173:13 174:15 174:18,20 190:7,14 205:15,18,21 209:13 210:3 211:7 <b>insured</b> 57:23 62:2 75:17,20 75:23 83:19 85:5,15,22 86:4,4,6 105:11 110:11 116:19 171:8 171:16 179:8 186:21 210:21
<b>I</b> <b>I-V</b> 4:15 <b>IAR</b> 29:14 154:14,17,22 <b>IARs</b> 207:11 <b>idea</b> 80:7 89:20 104:22 105:17 140:14 179:19 <b>identical</b> 182:12 213:21 <b>identification</b> 6:9 7:2 14:7 15:21 16:12 27:3 73:3 101:2 112:5				

<b>insureds</b> 98:15	9:18,24 10:16	160:16 161:10	79:21 128:8	137:11
<b>insurer</b> 116:25	11:9,14 16:18	161:18 162:18	170:21	<b>JS</b> 73:25
<b>insures</b> 118:17	26:8 91:16	164:15 167:22	<b>item</b> 28:3 33:11	<b>JSHeinzelman...</b>
118:22 119:2,8	136:14 138:4	177:3 178:7,8	36:20 127:16	73:15
121:23,25	154:18 226:4	185:19 186:10	<b>items</b> 49:16	<b>July</b> 3:17 23:17
171:11	<b>investigative</b>	186:10 200:6	127:10,11	24:15 30:12
<b>insuring</b> 117:8	154:20	201:6,25 202:7	217:7	37:18 38:11
173:24	<b>investing</b> 64:21	202:12,20,25	<b>IV</b> 1:8 3:4 4:8,14	40:13 153:8,16
<b>intend</b> 11:24	162:19 163:5	203:3,3,4,16	141:9	154:1
<b>intent</b> 12:11	180:3 183:7	203:22 204:13		<b>jump</b> 38:10
<b>intention</b> 39:23	204:4	205:1,14	<b>J</b>	<b>jumped</b> 61:21
<b>interactions</b>	<b>investment</b>	219:22 220:8	<b>Jacks</b> 142:13	<b>jumping</b> 37:5
85:7	35:14 37:21	220:23	<b>Jackson</b> 41:20	<b>jumps</b> 27:20
<b>interest</b> 11:11	77:9 88:7 89:4	<b>investors'</b> 88:23	46:21 54:19	154:8
11:18,20 113:4	93:13 135:7	89:2,3	60:22 61:2,6	<b>June</b> 16:14
116:11,23	171:15 184:7	<b>invitation</b>	62:11 104:21	52:15 137:2
<b>interested</b> 17:12	188:22 190:4	165:14 213:19	105:3,13	210:10,10,11
<b>interesting</b>	<b>investments</b>	214:15	106:10 129:6	<b>June-ish</b> 210:13
167:14	84:12,13	<b>invite</b> 58:15 61:9	130:19 133:10	<b>Junior</b> 31:4,5,8
<b>interests</b> 185:13	188:22	<b>invited</b> 58:15	134:23 137:9	31:9
<b>internal</b> 199:7	<b>investor</b> 66:12	60:12,17 61:6	142:14 145:13	<b>Junk</b> 172:23
<b>internet</b> 28:13	67:18,22 85:6	<b>involved</b> 59:20	149:2 154:24	<b>Justice</b> 11:3
29:21	87:25 109:9,11	79:20 84:17	155:14,23	
<b>interview</b> 40:6	115:13,17	95:3 117:10	160:20 162:16	<b>K</b>
<b>interviewed</b>	116:4 128:16	191:12 203:7	166:21 170:19	<b>K&amp;L</b> 132:8
143:13	144:16 159:19	210:18,20	174:13,24	135:12 215:14
<b>interviewing</b>	161:20 167:4,8	211:18	178:9 180:8,17	218:16,19,22
107:21	167:10,18	<b>involvement</b>	186:24 187:10	222:3 223:11
<b>introduce</b> 7:3	169:8,11 171:3	105:5 221:3	194:10 195:16	<b>Kagan</b> 2:16,17
16:13	172:10 175:9	<b>involves</b> 19:18	196:17,24	6:1,1,2,5,7,17
<b>introduced</b>	176:3,13,23	19:19	201:19 209:13	6:21 7:20,21
53:15 75:6	177:4 180:24	<b>IRA</b> 146:6,8	<b>Jackson's</b>	7:23 10:24
<b>introduction</b>	183:20,25	148:1,2,19	152:20 196:18	11:1,12,20
50:15	184:12 185:9	151:21 189:15	<b>January</b> 174:13	13:19,22,25
<b>invest</b> 33:23,24	185:11 187:20	189:17,19	195:25	16:24 18:7,11
35:21 80:2	187:21 191:2,3	191:9	<b>Jeff</b> 31:4,8 74:1	18:18 19:4,6
83:25 89:10	191:13 205:17	<b>IRAs</b> 148:1	74:2	19:12 20:2,5
94:4 98:18	213:19	188:13	<b>jeopardize</b> 9:4	22:17 25:25
110:1,7,14	<b>investors</b> 3:16	<b>ironic</b> 80:1 91:6	<b>jeopardizing</b>	26:18 36:2
124:7 131:24	65:24 75:16	<b>IRS</b> 180:15	173:4	134:23 135:20
183:5	76:24 85:19	<b>Ish</b> 24:16,17	<b>Jim</b> 182:6 198:6	135:23 136:8
<b>invested</b> 64:24	89:1 114:9,14	<b>issue</b> 11:10	<b>jive</b> 199:7	138:7,13,17,20
66:3 67:10	114:16,25	12:20 19:1,6	<b>Joe</b> 104:8,13,14	139:1,4,8,10
87:19 88:3	115:5 118:3	53:23 92:24	151:1	139:15,18
109:23 132:3	123:5 129:7	132:9 201:18	<b>join</b> 42:18	165:13 186:22
132:10 217:15	139:20 140:10	209:16,20,21	<b>joined</b> 43:23	187:7 208:15
<b>investigation</b>	140:14,21	215:22 224:17	<b>Jones</b> 26:15,24	208:18 212:23
4:20 5:2,19	141:7 148:14	<b>issued</b> 90:22	43:12 44:4	226:7,15
8:14,21 9:5,8	155:2 160:7,15	<b>issues</b> 55:2	47:22 48:1	<b>keep</b> 19:14



24:13 49:17	50:22,22,24	164:2,12	140:24 143:8	58:3,13 72:25
74:20 100:22	54:24 56:9	166:13,14,20	145:24 195:11	79:3,17 136:3
114:3 129:11	58:25,25 59:1	166:20,22,23	<b>known</b> 72:23	144:6 168:23
131:10 132:11	59:4,6,19 60:6	166:23 167:7,9	105:8 109:21	222:1
157:4 168:7,19	60:9,24 61:5	167:14,15,16	110:18 207:14	<b>ledgers</b> 196:20
185:19	61:24 63:5,9	167:16,16,17	207:16	<b>left</b> 21:13 31:14
<b>keeping</b> 152:4	63:12 64:11,18	167:18,18	<b>knows</b> 23:3,8	39:1 41:8 52:2
<b>keeps</b> 167:23	65:4,21 68:20	168:12 169:11	25:11,20 26:15	64:14 171:7
<b>Ken</b> 31:4,15	68:20 74:13,13	170:19 172:20	26:19,21	176:15 184:9
<b>Kensa</b> 180:1	77:24 78:6,7,8	172:24 173:1,2		225:13,15
<b>kept</b> 44:25	80:3 81:5 82:9	173:23 174:7	<b>L</b>	<b>left-hand</b> 179:5
207:14 208:22	82:13,14 83:23	174:22,23,23	<b>lack</b> 30:21 196:7	<b>leg</b> 108:13
<b>Kevlar</b> 24:8,8	84:19,22,22,24	174:24,25	197:12 204:15	<b>legal</b> 9:22
<b>key</b> 18:4,21	85:1 88:24	175:3,4,4,11	<b>lady</b> 107:21	104:10 208:1
76:16 86:9	90:21,25 91:2	175:23,24	174:22	222:20
92:13 99:1	91:4,25 93:20	177:2 178:9	<b>Lake</b> 62:21	<b>legislators</b> 8:23
117:20 119:7	95:4 99:6,10	179:11 180:2,3	<b>language</b> 77:12	<b>legitimacy</b>
205:15,19,21	99:13,14,24	180:9,10	174:4	107:22
<b>kids</b> 25:15,16	102:12 105:10	182:20 183:2,2	<b>lapse</b> 207:18	<b>length</b> 178:10
<b>kind</b> 12:9 25:9	105:12 106:11	183:3,4 186:19	<b>large</b> 42:16	<b>let's</b> 26:4 64:13
28:8 33:17	106:19,19,21	187:6,18 188:9	89:24 118:22	82:7 91:8 93:3
38:9 41:4 52:1	106:24 107:8,8	189:11,15,22	<b>larger</b> 121:13	93:25 104:22
57:24 61:23	107:10,20	189:25 190:5	131:15 192:14	120:7 121:15
72:4 79:25	108:25 109:4	190:10 191:2,3	<b>Larry</b> 39:7,8	136:9 137:25
84:25 91:5	109:12,20	191:18 194:16	<b>late</b> 133:14	150:5,20 165:9
95:1 97:14	111:9,13	194:19 195:18	138:10 164:6	185:5 190:9
99:15 105:13	114:20 116:22	195:19 196:6,7	174:6	192:23
108:1,14	116:25 119:22	196:9,10,10,10	<b>laugh</b> 138:22	<b>letter</b> 12:25
155:10 171:4	123:10 127:12	196:17,20,24	<b>laughed</b> 168:16	127:6 214:23
172:24 188:2	128:15,20	197:1,6,12,13	<b>laughing</b> 172:24	215:5 216:1,2
189:4 196:2,10	129:6,6,7,9,18	197:14 198:4	<b>law</b> 18:1 20:10	216:23 217:7
197:5	131:4,13 132:5	204:6 205:7,9	39:18,19	219:2
<b>kitchen</b> 62:7	132:16,21	205:10,17,23	215:19	<b>letters</b> 51:25
<b>knew</b> 24:13 61:4	133:4,12,14,14	206:25 207:17	<b>laws</b> 4:23 5:1	<b>letting</b> 14:11
82:13 105:13	134:12,15	208:13 209:25	10:17	<b>level</b> 135:5
160:1 166:3	135:1,3,5,11	211:8,10 212:3	<b>layout</b> 171:12	<b>leveraging</b>
172:22 211:25	135:13 137:3,5	212:4,6 214:9	<b>lead</b> 55:2 219:14	171:16
<b>know</b> 10:2,14	137:15,18	216:19 217:12	<b>learn</b> 188:19	<b>liability</b> 180:15
11:12 12:12,14	138:7 143:12	217:13 221:22	189:3	<b>license</b> 51:2 55:4
12:15,17 13:7	143:16,19,20	221:23 223:12	<b>learned</b> 39:20	55:7 208:7
13:8 14:12	148:9,13,15	223:12,17,23	<b>lease</b> 104:18	<b>licensed</b> 31:21
15:25 21:2,24	153:21 154:16	223:25 224:19	107:1,10 108:2	36:12,15,16
22:4 23:3,4,4,6	154:19,19	225:7,15	128:14	55:16 60:14
23:19,21 24:5	155:3,14,16	226:10	<b>leave</b> 13:20	61:25 136:23
24:19 26:1,2	157:6,7,15	<b>knowingly</b> 5:17	39:21 177:16	154:14 207:22
26:16,23 28:6	159:6,15,22	5:18	<b>leaving</b> 53:9	215:13 216:18
28:12 32:17	160:19 161:6	<b>knowledge</b>	<b>led</b> 53:16 54:14	217:3,20,21
34:3,7 36:3	161:11,11	15:13 22:10	54:16,18 56:23	221:9
48:5,8 49:22	162:2,9,16	27:17 104:16	57:2,19,21	<b>licenses</b> 36:21

36:21 51:8,21 <b>licensing</b> 62:11 <b>life</b> 38:23 41:6 51:22 53:8 74:21 76:15,25 77:4,9,13,19 77:20,25 78:14 79:10 80:4 86:7,9,19,20 87:1,5,13,21 87:24 88:8,12 88:15,22 89:7 89:16,21 90:17 91:19 92:5,9 92:13,16 93:12 93:19,23 94:1 95:17 97:5,6,6 97:6,8,13,18 98:1,25,25 99:9,25 100:5 100:9,9 117:11 117:15,24 119:16,23 120:10,12,17 120:18 155:8 157:5 190:7 <b>lifetime</b> 96:4 <b>light</b> 98:20 183:12,12 223:8 <b>limit</b> 54:23 129:8 166:8 <b>limited</b> 30:23 41:7 69:11 <b>Lincoln</b> 38:2 <b>line</b> 101:21 104:10 145:9 198:19 215:5 <b>lines</b> 83:9 84:24 84:24 100:4 196:19 <b>link</b> 136:22,24 137:16 145:5 189:12,14 190:1 191:8 <b>Linked</b> 3:18 29:10 167:2,4 168:10 172:9 213:14 214:5	<b>Linked-In</b> 28:24 <b>liquid</b> 185:13 188:16 <b>liquidate</b> 77:24 <b>liquidity</b> 57:23 62:2 75:18,20 75:23 76:17 83:19 85:5,15 85:22 105:12 110:11 116:19 117:18 119:1 171:13 179:8 185:12 210:21 <b>Liquidity's</b> 86:4 <b>list</b> 3:16 8:10,19 11:12 33:12 34:18 36:20 140:12 201:23 <b>listed</b> 76:9 126:13 140:23 176:24 202:13 221:22 224:3 <b>listen</b> 12:11,13 208:23 <b>listing</b> 140:9 216:4 <b>lists</b> 126:9 219:13 <b>little</b> 7:25 14:17 21:11 28:4 32:23 57:7 62:3 71:4,13 86:13 96:19 129:5 135:8 139:12 150:21 157:19 166:5 168:14 172:24 177:2 181:16 183:1 188:19 196:11 197:13 215:21 225:5 <b>live</b> 120:13 157:18 173:1 <b>lives</b> 14:23 173:24 <b>LLC</b> 1:6 4:21 6:4 14:11 16:14 32:24 33:9 41:12	81:7 207:16 227:4 <b>LLP</b> 6:3 <b>loan</b> 117:23,23 117:25 118:2 120:16 121:16 164:17 <b>located</b> 15:6 <b>Location</b> 227:8 <b>lock-up</b> 75:12 183:21 <b>log</b> 212:24 <b>logo</b> 113:5 <b>long</b> 25:9 39:12 43:17 64:16 109:21 157:1 171:23 224:3 <b>longer</b> 36:15 87:11 92:10 120:3 169:21 170:1,2,13 172:4 182:25 183:1 187:16 <b>look</b> 6:11 7:4,6,7 27:6 73:5 74:12 76:5 81:16 99:13 100:20 101:4 112:9,13 126:7 131:13 139:25 150:8 152:18 153:5 154:22 178:3 183:6 186:14,15 187:25 188:1 188:12,13 189:23 193:11 194:25 196:23 198:18 199:11 199:18 213:6 216:20 218:19 224:10 <b>looked</b> 97:12 103:3 142:3 163:13 164:19 164:23 170:1 172:7 176:19 194:10,20 196:5 199:8	<b>looking</b> 23:20 24:2 56:24 57:6,13 60:15 63:13,20 66:21 72:21 74:13 75:4 82:19 84:23 90:1 92:12 94:8 124:22 128:23 166:11 169:10 180:3,20 181:21 183:4 183:23 187:7 197:7 209:24 <b>looks</b> 6:13 75:20 83:12 101:6 113:17 114:5 150:21 182:10 182:10,15 184:4 189:6 194:7 216:3 <b>loophole</b> 135:18 135:21 223:14 223:14 <b>loose</b> 133:25 134:5 <b>losses</b> 122:2 <b>lost</b> 21:4 <b>lot</b> 14:19 19:20 28:5 52:19,21 53:9,12,16,18 54:15 71:4 93:6 95:5 97:2 97:8 98:4,5 117:14 133:16 136:25 158:9 166:10 174:1 175:10 190:11 192:16 195:7 195:17 201:21 209:3 <b>Love</b> 139:3,4,6,7 139:8,13 <b>low</b> 204:23 <b>lower</b> 68:3 87:11 95:2,3 121:10 <b>lunch</b> 137:23,25 137:25 139:19 172:6,8	<b>M</b> <b>ma'am</b> 45:23,25 199:3 208:11 210:22 211:4 215:1 <b>mail</b> 16:1 115:10 <b>mailbox</b> 17:1,2,4 17:8,8,13,22 18:5,14 19:2 19:13,16 <b>mailboxes</b> 17:23 19:12 <b>mailed</b> 14:12 <b>Maintained</b> 64:4 <b>majority</b> 60:15 140:19 161:15 <b>making</b> 12:23 85:12 87:11 172:18 215:21 <b>man</b> 86:9 119:8 205:15,19,21 <b>managed</b> 76:16 76:17 <b>management</b> 38:10,19 58:16 74:11 76:1 87:14 88:13 142:9 143:14 154:15 216:16 <b>manager</b> 50:9 75:2 <b>managers</b> 75:8 <b>managing</b> 163:16 <b>manic</b> 74:18,19 <b>manner</b> 8:8 <b>March</b> 54:1,2 129:13 140:13 170:15,16 173:25 192:7 193:18,19 198:14 212:9 <b>mark</b> 15:15,18 36:25 50:16,19 52:25 53:1 55:9 56:22 57:10 58:11,14 60:18,23 61:9 62:13 63:10
--	--	--	---	--

65:9,10,11	<b>Master's</b> 153:10	45:4 49:17	168:13 179:20	179:24
66:20 69:18	<b>material</b> 8:20	52:25 53:14	182:6	<b>mid-year</b> 34:13
71:6,16,23	54:23 63:6,7,9	76:19 78:4	<b>meetings</b> 54:20	43:3
73:1 79:4,15	123:11 191:23	83:18 93:23	54:21 58:22,23	<b>middle</b> 42:24
80:18,19 81:25	216:7 220:18	94:16 95:8	59:13,14,21	69:19 73:24
90:12 99:6	<b>materials</b> 3:13	98:4 116:21	60:4,7 167:17	102:7 130:11
100:2,4,5	11:25 20:11	118:20 119:3	179:20	171:11 219:17
104:8,10,15	65:14,15 69:7	123:19 124:23	<b>members</b> 8:23	<b>middle-aged</b>
209:4,21 210:1	70:1 75:5,6,9	126:23 128:9	22:20 58:9	94:9
210:1 211:12	104:3 108:19	133:17 134:5	126:8	<b>Midland</b> 148:19
211:25	108:19,20,22	135:4 137:3	<b>memo</b> 217:8,17	151:21 189:15
<b>Mark's</b> 60:23	109:2,2 110:25	144:22 155:6	<b>memorandum</b>	189:19 191:9
61:4 65:12	112:19,20	156:7 158:9	215:19	<b>miles</b> 14:23
<b>marked</b> 5:9 6:8	113:20 114:19	167:12 171:20	<b>memory</b> 172:25	<b>million</b> 77:10,14
7:1,4 14:6	115:14 189:5	181:3 182:12	219:6	81:3 93:4 98:2
15:20 16:11	205:14 212:5	182:17 187:5	<b>men</b> 95:5	129:2,3 150:21
27:2,5 30:7	220:19	197:8 202:6	<b>mention</b> 55:18	162:25 164:4
73:2,4 101:1,3	<b>math</b> 94:7 95:11	205:5	103:23 159:1	173:6,7,15
112:4,6 139:22	149:18	<b>meaning</b> 84:11	173:20	206:15,18
153:2,4 193:8	<b>matter</b> 1:3,16	<b>means</b> 33:14	<b>mentioned</b>	<b>mind</b> 97:14
193:9 213:3,5	4:24 11:5,11	37:15 76:20,21	55:19 60:11	100:22 134:8
214:21,22	11:18 12:4	76:24 78:16	90:25 102:20	167:8,11
<b>market</b> 35:8,9	14:10 16:6	92:10 117:9,10	102:23,24	182:25
45:12 93:22	17:10 175:18	141:6 159:2	105:8 132:11	<b>mine</b> 47:9 48:10
108:15 158:4	190:24 227:3	210:2	132:12 152:18	103:20 141:25
170:18 171:14	<b>matters</b> 9:3 19:9	<b>meant</b> 164:12	158:11,12	160:24
<b>marketing</b> 3:13	<b>maximum</b>	214:9	183:16 194:22	<b>minimum</b> 92:23
20:11 44:12,14	162:24	<b>mechanisms</b>	<b>mentioning</b>	158:12,16,19
44:15 45:20	<b>McCole</b> 2:7 4:17	171:14	157:23	176:6 184:5
53:5,10 63:6,6	13:3 35:13	<b>Meckler</b> 150:6	<b>messages</b> 17:20	185:1 189:24
63:9,22 65:14	50:5 54:13	<b>medical</b> 91:7	23:22	<b>minor</b> 132:9
65:15 69:7	55:24 61:8	<b>medication</b> 22:6	<b>met</b> 25:25 49:23	<b>minus</b> 31:23
76:3,7 85:25	65:23 78:11	<b>meet</b> 58:16 62:3	49:25 50:3,9	42:12 48:10
104:3 106:16	83:2 84:16	69:21 89:15	53:8 59:2 72:9	49:5 62:24
108:13,18	87:17 93:10	99:3,20 102:19	87:3 105:14	124:11,11
109:14,15	97:11 98:13	103:13,13	110:19 168:12	150:22 151:2
111:19 112:19	121:22 123:18	106:20 115:5,8	185:3,3 212:6	156:9 172:2
112:20 113:20	132:25 137:7	159:19 161:16	214:13	203:6
115:17 134:18	144:14 147:17	182:6,11,16	<b>metamorphosis</b>	<b>minutes</b> 61:21
143:6 155:5,25	148:21 152:15	183:10 189:22	111:15	<b>misappropriat...</b>
170:2 205:14	156:4 176:22	211:2 212:8	<b>Metcalf</b> 61:20	127:1,3,12
212:18,20	178:6 184:20	<b>meeting</b> 54:20	72:8,11,18	<b>missing</b> 140:20
216:6	187:2 198:9	55:22 60:1,12	79:12 84:6	<b>misspelled</b> 32:14
<b>marketplaces</b>	199:6 200:24	60:17 61:1,13	105:7 225:5,8	<b>mistake</b> 79:13
116:17	201:2 207:25	62:17 63:17	<b>methodologies</b>	<b>mistaken</b> 180:5
<b>marking</b> 6:10	214:3 219:1	64:17,20 65:16	183:6	<b>mitigate</b> 86:14
14:8 139:24	224:14	68:10 69:13,14	<b>methodology</b>	86:18 98:23,24
<b>married</b> 210:4	<b>mean</b> 20:18,19	69:19,21 99:4	171:21	117:11,17
<b>Martel</b> 105:5,6	23:24,24 45:3	106:20 107:13	<b>mid</b> 160:2	118:24 120:2,5

121:17 <b>mitigated</b> 205:15 <b>mitigates</b> 121:13 122:2 <b>mitigating</b> 76:24 <b>mix</b> 188:7,21 <b>mock</b> 21:7,8,10 <b>model</b> 65:2,3,4 <b>moment</b> 6:11 7:4 27:5 73:5 101:4 112:9 139:25 153:5 193:11 213:6 <b>money</b> 35:8,9,17 67:10,22 75:2 75:8 81:14 87:19,24 88:13 88:24 89:1,16 94:4 116:22 118:10,25 119:5,8,17 120:3,15,22 128:23 129:7 133:17 147:22 147:24,25 148:2,14,15 149:2 150:2 151:7,8,8,10 151:10 155:24 163:24 167:20 172:14 173:2,3 173:4,11,11 175:12,13,15 175:19 179:16 180:17 183:4 183:22 184:4 184:12,15,25 188:17 194:19 194:21,25 200:5 201:6,10 201:24,24 203:4,17,25 204:2 205:8 <b>monies</b> 81:10 220:15 <b>monitor</b> 168:6,7 172:16 <b>month</b> 23:15	29:3,4,5 46:10 47:7,25 48:10 59:22 60:6 94:9,11 95:8 95:14 96:11 97:25 98:2 156:6 157:8,11 157:12,14 160:24 225:1 <b>monthly</b> 156:9 <b>months</b> 17:14 95:13,14 131:24 157:25 158:2 175:5 <b>mortgage</b> 116:24 164:17 164:25 <b>mother</b> 25:20 39:21 <b>motivational</b> 72:18 <b>mouth</b> 22:5 56:13 86:12 91:3 <b>move</b> 51:25 69:23 169:14 169:14 <b>moved</b> 40:2,9 41:8 51:8 209:21,22 220:15 <b>mover</b> 152:22 <b>moving</b> 31:24 33:11 72:12 172:23 175:25 <b>MSN</b> 147:14 <b>multiple</b> 119:11 121:4,5 <b>multiplied</b> 95:13 <b>multiply</b> 149:21 <b>mutual</b> 38:23  <hr/> <b>N</b> <hr/> N 3:1,1 4:1 <b>Nally</b> 182:7 198:6 <b>name</b> 4:13,16 6:1 24:4,5,6 25:1 28:19	31:4,5,8 32:7 32:18 35:22 36:2,3 38:13 79:19 80:6 103:24 104:4 104:25 109:4 111:3 113:5 126:15 144:16 144:16 145:21 224:8 227:23 <b>named</b> 32:19 <b>names</b> 28:8 72:9 <b>Natalie</b> 62:5 <b>Nate</b> 141:24 142:10 152:9 <b>national</b> 72:15 <b>nature</b> 9:8,17 10:8 55:25 <b>Near</b> 130:9 <b>Nebraska</b> 38:2 <b>necessary</b> 8:8,18 82:10 87:20 226:5 <b>need</b> 12:24 13:12 14:25 21:22 27:18 55:16 61:24,25 106:24 107:9 117:19 129:20 129:20,24 131:13 136:23 169:4 173:15 173:16 174:3 174:18 194:3 207:19,20,21 207:22,22 208:7 215:12 216:17 217:2 217:18,20 221:9 222:10 <b>needed</b> 28:16 51:22 64:9 77:23,25 99:10 133:6 134:8,10 135:9 158:23 171:13 173:6 207:18 <b>needs</b> 89:15 99:15 117:18	<b>neglected</b> 214:11 <b>negotiating</b> 191:12 219:21 <b>Neither</b> 17:4 <b>nervous</b> 132:22 132:23 <b>networking</b> 60:1 <b>never</b> 42:16 98:9 108:22 142:7,7 159:16 163:8 164:5 166:7 178:19 205:21 <b>Nevertheless</b> 13:17 <b>new</b> 24:2 28:18 31:20 52:4 53:7 71:9 72:23 162:1,3 162:25 181:8 209:22 215:15 218:16 <b>newer</b> 181:10 186:14 <b>news</b> 167:24 168:8 <b>nice</b> 23:5 107:19 188:7 <b>Nicholas</b> 227:11 <b>night</b> 99:20 166:18,19 208:19 <b>nine</b> 36:20 38:8 158:2 <b>non-insurance</b> 190:15 <b>non-qualified</b> 110:6 118:5,7 118:10 146:6,7 146:7 151:15 175:15 <b>non-registrati...</b> 85:2 <b>normal</b> 168:9 <b>notice</b> 1:17 8:16 33:12 60:9 186:22 <b>notified</b> 11:7 172:15	<b>notify</b> 11:8 <b>November</b> 30:12 31:17,25 40:14 41:10 <b>number</b> 12:22 29:24 33:12 48:6 51:21 67:25 68:3 78:3,8 89:24 95:16 96:1 98:20 99:3,5,8 99:11,25 100:11,12,15 100:17 101:15 102:5 104:7,17 105:4,18 110:13 119:22 125:18,18 126:7 144:6 146:9,10,13,19 150:14 151:3,5 156:6 161:12 183:24 192:16 198:10 199:8 200:2 202:13 208:13 227:6 <b>numbered</b> 73:9 101:11,15 112:17 <b>numbers</b> 40:5,5 66:20 74:17 81:12 82:5,6 99:14 100:21 100:21 129:3 129:16 132:19 140:17 149:6 152:19 177:25 180:9 183:10 183:13 194:6 194:16,17 197:9,11 198:2 <b>numeral</b> 141:9 <b>numerous</b> 154:24,25 173:21 212:6  <hr/> <b>O</b> <hr/> O 3:1 4:1 <b>oath</b> 4:4
---	---	--	---	---

<b>object</b> 8:16,18	108:14,17	212:21,23	215:19	42:5,15,23
<b>objection</b> 12:13	109:8,23 111:1	213:20,21	<b>officer</b> 103:15	43:2,4,6,8,11
<b>obtain</b> 90:17	111:10,12,21	214:15 215:13	<b>officers</b> 4:18	43:17,23 44:1
<b>obtained</b> 187:10	111:25 112:21	216:10,16	94:3	44:9,22 45:17
<b>obviously</b> 19:1	112:24 113:11	218:10 219:3	<b>offices</b> 62:18	45:19,24 47:11
20:3 26:1,19	113:23 114:12	219:21 220:5	138:9	47:20 48:7,12
36:22 54:3	114:18,19	220:10 222:17	<b>Officially</b> 44:23	49:10,21 50:2
77:3 159:18	116:18 118:9	225:6,9	<b>oh</b> 28:25 34:10	50:14,24 51:15
166:11 167:10	123:9 125:6,10	<b>OE's</b> 53:23	50:7 83:6	51:18 52:7,11
196:5	126:8 127:17	58:21 108:20	100:7 112:11	53:22 54:10
<b>occur</b> 11:6 59:21	130:17 136:21	113:13,22	135:25 145:20	56:17 57:18,21
62:20	139:20 140:10	153:16 154:19	153:25 164:17	58:1,6,21
<b>occurred</b> 11:17	142:4,8,22,25	<b>OECP</b> 33:12	167:22 169:7	59:16 60:21
12:6 61:13	143:5,6,9,14	49:16 175:22	198:23	61:3 62:20,25
62:17 71:12	144:1,9,24	187:22 188:4,5	<b>Ohio</b> 39:22,23	65:2,10 66:5
<b>October</b> 38:11	145:8 146:2,10	191:18,18,22	40:1,2	66:22 67:3,7
40:13,14 41:8	147:5,20	<b>OERA</b> 171:21	<b>okay</b> 5:12,21	67:12 69:7,9
41:10	148:13 150:16	171:22 172:2,5	6:10,18 7:3,9	69:13 70:5,21
<b>odd</b> 204:18,22	150:17 151:17	187:15	7:11,13,15,21	70:25 71:15
<b>OE</b> 17:6 18:12	151:23,24	<b>offense</b> 39:15	11:21 13:25	72:1,4,10 73:4
23:25 24:21	152:10 153:20	196:19	14:20,24 15:3	73:19,22 74:2
33:17,23 34:1	154:10 155:5,8	<b>offer</b> 57:17	15:5,9,12,14	74:23 75:17,22
34:22,25 35:15	156:14 157:3,8	154:15,23	15:16,18,22	76:9,14,22
36:8 45:24	157:9,23,24	190:15	16:4,9,13,17	77:2 78:2 79:9
46:1 49:21,22	158:1,5,6,10	<b>offered</b> 46:2	18:9,24 19:23	80:19,22 83:6
50:21 53:12,15	158:13,23	158:16,19	20:17,21,22,23	83:6 84:14
53:19 54:9,15	160:5,13,16	<b>offering</b> 45:18	21:6,10 22:9	86:11 87:5
54:15,15 57:22	161:2,4,9	130:23 157:16	22:21 23:1,14	88:10,11,17,21
57:24 58:10,16	162:8,19 163:6	159:1 210:20	23:18,24 24:4	89:3 90:14
59:13 62:2	163:13,15,23	211:9 220:4,10	24:14,23 25:6	91:11,18 92:16
63:2,3,16	164:12 165:14	<b>offerings</b> 103:14	25:14,17,21	93:1,25 94:2,5
65:25 66:3,12	170:13,21	103:14 158:25	26:3,3,12 27:4	94:6,11,18,24
66:19 67:1,3,9	172:13 174:4	<b>offguard</b> 154:7	27:4,10,11	95:8,20,22
67:12,16,18	176:13 179:10	<b>office</b> 4:3 11:3	28:2,8,23,23	96:6,11,23
68:11,13,21	181:15 182:21	12:25 50:8	29:9,22,24	98:3 99:17
69:16,23 70:5	183:19 184:1,3	51:1,17 57:10	30:7,20,24	100:19 101:5,9
70:18,21 71:23	184:24 185:1,7	58:8,10 59:18	31:3,10,13,16	101:21 102:4
74:11 75:3,20	185:9,11,14	60:2 68:18	31:18,24 32:5	103:1,3,6,10
76:7,23 77:18	186:12 188:22	72:6 105:1	32:7,12 33:1,5	103:18 104:7
78:24 79:7	189:2,9 190:4	107:14,20	33:7,11,23	104:17,24
80:2 84:11	190:20,23,25	110:19,20,20	34:1,3,11,15	105:1,4,16,18
85:6 86:24	191:13 192:4	111:8,10,12	35:3,9,11 36:4	106:5,8,18
87:5,13 88:3	194:14,15,17	141:13 142:18	36:12,12,18	107:18 108:8
88:13,19 89:3	195:20,21	142:21 152:21	37:5,11,13	108:11,14,22
90:17 93:25	196:14 197:18	174:14,19,19	38:1,3,14,16	108:24 109:14
98:23 99:4	201:7,10,13,24	174:19 180:7	38:21,24 39:3	109:17 110:1,7
101:11,15	205:18,21	190:20 191:2	39:10,13,17	110:7,14,23
105:11,14	206:4,8,9	209:20 211:7,8	40:1,8 41:4,8	112:3,6,8,20
106:5 108:11	210:18,24	211:13,18	41:11,14 42:1	112:23,25

113:15 114:5	180:23 181:2,9	216:10 224:25	<b>organization</b>	225:19,19
114:12,25	181:19 182:4,9	<b>open</b> 62:9 65:18	31:14 44:12,14	226:19
115:3,5,20,20	182:19,24	65:18 162:25	44:15 54:24	<b>PA</b> 2:17 6:2
115:25 116:2	184:18 185:25	<b>opened</b> 16:1	63:13 85:16	<b>package</b> 14:12
116:12,14,20	187:14,25	<b>opening</b> 5:1,7	185:21	<b>packet</b> 114:6,8
118:24 119:2,6	192:19,22	223:18	<b>organizations</b>	114:14,21
121:18 122:23	193:7,12,17,21	<b>opens</b> 54:3	53:6	115:1,3,13,17
123:14,19	193:23 194:5,8	<b>operate</b> 54:25	<b>original</b> 6:19	115:18 116:5
124:10,15	194:18 195:9	<b>operated</b> 65:6	206:18 227:16	118:4 212:19
125:14 126:7	198:1,7,23	<b>operating</b> 18:1	<b>outcome</b> 171:18	212:20
128:5 130:14	199:1,4 201:2	58:2	203:10	<b>packets</b> 114:10
130:16 131:4	202:2,3,17,22	<b>operation</b> 31:15	<b>outlined</b> 13:9	114:11
131:10 132:9	203:10,23	64:7 72:20	<b>outside</b> 11:4	<b>page</b> 28:3 29:11
132:16 136:7	204:2,14	82:20 177:10	143:18	29:24 35:4
136:16 137:22	206:13 208:20	<b>operations</b>	<b>outstanding</b>	36:20 37:5
137:25 138:6	209:8 210:2,12	195:10	118:2 128:8,15	38:8,9,10,17
138:15,19	210:23 211:5	<b>operative</b> 13:17	147:25 148:2	81:6,6,17 83:3
139:8,11,12,13	211:14,16	<b>opinion</b> 222:5	150:11,11	83:10 93:11
139:19,24	212:14 213:10	222:20	<b>overall</b> 145:11	101:14,15
140:8,12,18,21	215:4 216:14	<b>opportunities</b>	<b>overhead</b> 152:22	102:7 104:17
140:25 141:5,9	216:22 218:17	81:12 154:16	<b>overnight</b>	113:13 118:15
141:11,14,22	218:24 219:9	188:2,8	128:16	125:24 126:7,8
141:24 142:2,5	219:25 220:4	<b>opportunity</b> 5:4	<b>overpromise</b>	127:16 144:20
142:10,13,15	220:20 221:2	8:7,16,24 13:6	52:19	150:20 171:25
142:24 143:2,2	222:16,23	53:11 73:20	<b>override</b> 65:12	172:2,2,3,4
143:15,23	223:3 224:12	74:6 125:10	<b>owing</b> 119:18	175:8,25 176:2
144:12,22	224:21 225:16	132:15 164:24	<b>owned</b> 77:24	177:11 180:23
145:2,7,11	225:20,25	188:4,12,15	120:18 179:12	187:17 198:19
146:1,4,21	226:2,13,17	<b>Optimal</b> 1:5	225:24	199:19 200:12
147:18 149:17	<b>old</b> 181:8 188:13	4:20 14:10	<b>owner</b> 30:2,25	200:17,21
149:22 150:12	188:13	33:14 34:25	31:1,1 40:16	219:13,17
151:4,7,13,16	<b>older</b> 187:16	36:6,6 45:13	41:17,19 42:19	<b>pages</b> 1:9 18:19
152:2,13 153:6	<b>oldest</b> 73:25	61:19 83:4,16	43:6 46:15	171:23 187:18
153:13,18	<b>omissions</b> 13:14	83:16,21 84:3	56:3 86:8	197:16 199:25
155:1 157:25	<b>on-line</b> 20:20	112:24 118:22	117:20	<b>paid</b> 47:4,5,6,22
158:3,3,15,22	109:13 111:16	119:15 123:6	<b>owners</b> 31:2	48:13 49:14
159:11,17,23	134:9 136:25	126:10 144:24	41:15 43:9	86:20,21,22
160:7,14,18,21	145:9 147:7,8	171:10 227:3	76:25 99:1	119:17 125:12
161:16,20,24	189:12,14,18	<b>optimistic</b>	<b>ownership</b> 43:4	147:20 152:9
162:5,15,23	<b>once</b> 71:2	106:12	46:23,24 47:16	160:12 161:8
163:2,12 165:6	150:12 173:8	<b>option</b> 87:12	47:19	176:13,14,16
166:16 167:9	<b>one-half</b> 184:5,6	191:19		176:17 178:10
167:14,22	<b>ones</b> 17:6,15	<b>options</b> 180:16	<b>P</b>	184:25 202:17
168:24 169:2	18:21 59:10	<b>orally</b> 192:10,19	<b>P</b> 4:1	204:16,16
169:13 170:23	83:22 85:1,7	<b>order</b> 5:2,2,5	<b>p.m</b> 14:10 138:1	205:10 207:1,4
171:1 173:18	85:10,11 109:6	8:18,24 12:15	138:1 153:8	207:8,9 217:15
174:11 175:1,2	112:23,24,25	13:20,22 18:2	165:8,8 192:25	225:1
175:6,20,25	154:8 157:3	85:17,19	192:25 212:16	<b>paid-up</b> 78:18
176:12,20	162:16 205:2	100:15	212:16 215:6	92:6

<b>paper</b> 109:13 189:15	140:10 157:3	60:3,10	148:13 156:14	152:10,16,19
<b>papers</b> 145:8	<b>partners</b> 1:6	<b>passion</b> 40:4,4	156:17 170:19	152:24 156:12
<b>paperwork</b> 51:7	4:21 33:15	<b>paste</b> 37:9,12	203:3	158:12,16,19
111:15 144:17	34:25 45:13	<b>Patrick</b> 18:16	<b>payment</b> 87:11	171:17 175:23
144:23,25	53:13,15 54:9	34:18 58:25	206:23,24	176:7,7,9,10
145:2 146:2,17	57:23 61:19	59:4 61:21,21	<b>payments</b> 96:14	176:14,14,25
162:1,17	62:2 63:2,3	62:4,13 68:23	150:1 206:23	177:6 178:10
189:14,18,25	66:13 75:21	68:25 69:2	<b>payroll</b> 42:4	178:11,15,21
190:24 191:4,9	76:24 79:7	70:20 72:7,8	44:17,18,20	178:21 179:1
224:25	83:4,17,21	72:12,17,19,20	46:20 47:5,9	183:21 184:8,8
<b>paragraph</b> 81:3	84:3 85:7 86:5	72:20 73:11,24	<b>pays</b> 48:22	186:13 203:16
118:17 171:10	86:24 98:24	74:2,7,16	183:20	203:18,21,21
171:12	99:5 105:11,14	75:22 79:7,9	<b>PDF'ing</b> 19:19	204:12,12
<b>parents</b> 40:2	111:1,12	81:6,24 84:5,6	<b>PDFs</b> 20:19	205:3 206:4,17
<b>part</b> 6:14,19,19	116:18 119:16	90:8 103:2	<b>peaceful</b> 166:6	209:10
12:21 27:23	125:6 131:18	114:3,4 119:11	<b>penalties</b> 5:17	<b>percentage</b> 41:1
30:25 31:1	136:21 144:24	126:9,9 130:18	<b>penmanship</b>	43:4 48:17,19
40:16 44:21	144:24 146:3	132:5,7 133:24	27:7,8	64:6,11 66:19
47:18,21 51:18	146:11 147:20	135:8 155:13	<b>PEO</b> 46:19 47:5	68:2 70:11
51:19,19 53:13	150:16,17	155:17,24,24	<b>people</b> 17:3	75:11 156:10
56:3 63:14	151:23 155:5,9	158:18 161:6	24:20 35:9	183:25 184:11
64:23 72:20	157:23,24	172:8 173:20	40:5,17,18	217:15
73:1,1,1 74:23	158:11 160:13	174:2 179:13	44:15 59:12	<b>perfect</b> 173:2
76:23 85:5,16	160:17 161:9	181:16 194:22	60:7,8,9,15	<b>perfection</b>
86:4,6,15 87:6	182:22 183:19	196:13 203:7	62:23 63:1	186:18
88:1,15 89:17	184:1,25 185:1	203:19 207:10	69:21 72:8	<b>perform</b> 125:22
91:5 117:1	185:14 186:12	207:21 215:22	105:14,25	<b>performance</b>
118:6 119:22	189:9 190:21	218:5,6,9,9	106:3 116:16	176:4,6,6,7,24
120:1 126:15	190:23,25	<b>pay</b> 44:19 47:25	118:1 119:8	177:16,18
128:11 130:10	194:15,17	77:21,21,21	120:11 123:16	178:2,4,14,23
132:18 135:6,7	195:21,22	78:12,12,17,18	143:18 148:8	178:25 183:4
135:11 148:6	213:20,22	78:20,25 79:10	161:5 173:22	<b>performing</b>
165:23 166:25	215:13 227:4	79:10 82:10	173:24 174:3	48:20
168:23 172:5	<b>Partners'</b>	87:10,20,24	190:10	<b>period</b> 37:1
178:18 182:16	194:14	88:8,12,14,19	<b>percent</b> 41:3	47:25 66:11
182:22 189:4	<b>partnership</b>	89:20 92:8,9	43:5,6 47:1	76:17 77:8,10
190:8 191:10	111:6	95:11 96:1,20	48:21 49:13	77:11,15,22
191:24 197:5	<b>parts</b> 53:6 54:20	96:24,25	63:21,25 65:11	78:7,17,21,23
197:10,11	54:20 85:4	116:23 133:17	65:11,11,13,20	81:24 86:21
198:12 212:4	188:4	147:18 149:7	66:10,10,22,25	87:4,4,8,10,12
213:23 215:23	<b>party</b> 12:2,5	155:25 170:1	67:23 68:1,4	102:9 103:9,14
222:13	72:15 75:2,8	175:13 184:3,7	70:14 75:13	103:15,15
<b>particular</b> 217:7	120:18 154:20	184:9 185:4,14	80:12 87:25	104:9,10 105:6
<b>parties</b> 8:14	<b>pass</b> 74:24	202:10 203:15	88:20 89:15	105:21 122:20
<b>parting</b> 210:24	<b>passed</b> 62:22	203:21 204:11	119:1,10,21,22	123:8 156:20
211:22 212:11	67:21 106:17	205:3 206:16	119:23,25	157:8,22
<b>partly</b> 86:22	199:25	<b>paying</b> 78:16	148:5 149:21	171:16,18
<b>Partner</b> 33:20	<b>passes</b> 67:18	88:18 96:11,24	149:25 150:10	173:10 178:2
	<b>passing</b> 59:3	104:25 128:7	150:13 151:4	180:11,12

184:7 185:2,3 196:8 203:22 204:13 222:25 <b>periods</b> 58:12 212:7 <b>permit</b> 10:8 11:13 <b>Perrin</b> 31:4,15 <b>person</b> 11:22 34:22 59:11 61:5 68:22 72:18 80:5 91:6 98:8,10 117:20 131:15 131:16 172:23 188:22,24 196:23 209:22 221:12,23 223:10 224:2,4 224:7 <b>person's</b> 80:6 <b>personal</b> 26:25 28:11,25 35:17 39:11 74:21 122:8 171:15 <b>personally</b> 70:3 70:5 72:1 100:23 109:18 109:20 185:20 185:25 <b>persons</b> 123:19 <b>pertain</b> 9:9,19 <b>pester</b> 196:1 <b>Pete</b> 73:20 74:2 77:8 <b>Pete's</b> 73:19 74:6 <b>phase</b> 82:9,11 <b>phone</b> 25:7 29:21 71:6,19 71:20,22,22 107:3,21 <b>phrase</b> 118:19 118:21 <b>phrases</b> 18:21 <b>physically</b> 114:22 200:12 <b>PI</b> 72:6 <b>picked</b> 182:2	<b>picture</b> 168:12 214:11 <b>pie</b> 179:5 <b>piece</b> 66:13 74:10 76:3 87:8 124:16 126:16 131:7,7 131:12 157:19 171:22 172:2 176:9 181:12 181:13,18,21 182:11,12,14 182:18,24 183:8 197:13 <b>pieces</b> 59:4 63:22 64:23 68:17 69:6 74:10 76:7 105:10,15 116:15,16 122:21 124:9 124:17 131:17 181:6,7,10 186:1,3,6,14 186:19 188:8 226:11 <b>piling</b> 19:14 <b>Pinellas</b> 138:8 <b>Pinnacle</b> 76:10 <b>pitch</b> 124:13 <b>placate</b> 196:3 <b>place</b> 1:10 4:4 56:7 169:15 207:18 <b>placed</b> 56:9 <b>places</b> 169:17 <b>plan</b> 19:24 20:4 99:16 154:7 168:24 176:18 184:24 <b>planning</b> 39:4,6 196:24 <b>platform</b> 57:17 71:8,24 75:2 75:15 211:18 212:3 <b>playing</b> 119:22 <b>plays</b> 77:10 <b>please</b> 4:4,13	5:24 6:11 7:4 7:22 22:3 27:5 57:9 62:17 74:9 92:1 139:25 165:11 169:5 <b>plus</b> 31:23 42:11 49:5 62:24 124:11,11 150:22 151:2 156:8 172:2 176:10 187:18 <b>point</b> 2:18 10:14 11:17 12:14 31:23 39:8 42:19,20 43:11 50:23 55:20 57:10 70:17 78:6 84:5 94:19 116:5,7 117:5 126:16 133:9 135:4 137:13 143:17 143:22 147:24 154:6,7 164:3 172:24 174:6 176:2 177:12 177:22 181:7 181:17,23 186:16 191:3 195:1 208:16 210:17,23 224:18 <b>points</b> 165:11 <b>policies</b> 76:16 77:5 79:10 90:18,22 91:19 92:6 205:18 <b>policy</b> 12:7 78:19 79:20 80:20 86:9 87:5,21,24 88:8,12,22 89:7,16,21 90:25 92:6,13 92:17 93:5 95:17 100:10 <b>popping</b> 133:13 <b>pops</b> 26:22	<b>portfolio</b> 92:14 120:24 171:18 179:7,17 190:9 191:25 192:5 211:9 <b>portion</b> 40:23,24 47:8,16 51:3 51:16,17 57:13 62:12 66:15 67:1,13,15,18 67:21 88:14 89:6,9 121:7 <b>portions</b> 120:21 201:20 <b>position</b> 12:2,10 13:7 56:4 190:7 <b>positive</b> 80:12 <b>possibility</b> 12:20 222:17 <b>Possibly</b> 221:4 <b>pot</b> 164:1 <b>potential</b> 84:12 114:9,16,25 136:20 144:3 154:19 160:7 161:10 164:24 186:10 215:21 220:7 <b>potentially</b> 140:16 221:4 <b>Power</b> 137:13 208:16 <b>PPM</b> 33:20,21 35:25 36:1 45:13 110:8 111:2 145:3,5 <b>PPMs</b> 109:8 115:21 223:23 224:2 <b>practice</b> 131:4 <b>practices</b> 132:22 <b>praying</b> 22:20 <b>pre</b> 189:11 <b>precise</b> 45:16 <b>predominantly</b> 141:18 <b>preexisting</b> 142:22,25	143:2,24 155:4 155:6 161:17 <b>preferred</b> 171:14 <b>premium</b> 96:22 97:16,17 <b>premiums</b> 78:16 78:17 93:3 96:17,21 <b>preparation</b> 10:9 26:1 <b>prepare</b> 25:21 <b>prepared</b> 10:10 148:22 <b>preparing</b> 9:10 <b>present</b> 58:17 59:14 124:6 125:3,10 160:5 161:2,4 178:12 181:14,18,21 188:5 191:18 <b>presentation</b> 187:20 189:21 208:16 <b>presented</b> 124:8 191:23 <b>presenting</b> 57:16 181:23 <b>preserved</b> 20:3 <b>president</b> 68:21 <b>press</b> 8:22 <b>pressure</b> 79:23 <b>pressuring</b> 215:16 <b>presumably</b> 98:14 <b>pretty</b> 25:19 85:15 116:21 118:6 128:1 175:3 204:23 <b>previous</b> 106:2,3 131:17 136:17 159:18 221:2 <b>previously</b> 102:19 110:21 142:1 193:9 194:1 208:5 214:21,22 <b>primarily</b> 40:24
--	---	--	--	---



<b>primary</b> 158:10 170:12	<b>produce</b> 16:18 222:4	<b>progressed</b> 38:25	186:10 192:3 201:10 214:10	201:14
<b>principal</b> 88:23 89:2,4 171:14 184:13 185:13	<b>produced</b> 212:19,21 213:19,22	<b>projection</b> 81:16 180:7	<b>provided</b> 5:7 8:10,12,12 12:1 20:12 21:3 27:15 33:24 34:5 36:1 37:2 38:17 53:24 63:8,22 64:16 64:23 70:2 72:20,21 75:9 76:7 110:25,25 112:21 114:10 123:10 125:15 129:16 140:5 146:15 169:3 186:12 209:9 209:10,14,18 212:1,5 213:15 226:11	<b>purpose</b> 30:15 164:5 <b>purposes</b> 4:19 13:8,9 27:21 27:24 34:24 <b>pursuant</b> 1:17 6:23 8:14 9:10 10:7 207:10 <b>pursue</b> 180:16 <b>pushed</b> 197:7 <b>put</b> 7:24 18:12 18:15 34:20 51:1,20 61:23 71:8,23 86:10 89:16 99:16 105:10,15 114:20,22 116:22 119:14 126:20 136:5 136:21 144:5 148:3 149:1 170:17 182:14 189:24 196:22 197:12 203:4 211:8 212:3 216:21 <b>putting</b> 179:15 194:16 203:17
<b>print</b> 118:22	<b>producing</b> 42:16 44:12 64:8	<b>promise</b> 53:2 206:20		
<b>prior</b> 5:1,7 8:16 32:2 39:3 53:19,20,23 130:3 137:12 192:9 203:6 212:8 214:8 217:16	<b>product</b> 48:22 54:23 55:5,7 55:25 56:7,19 57:22 58:17 61:25 65:5 68:19 69:23,24 70:10 71:24 82:24 85:17,19 85:21,22 86:1 106:16,16 111:19 117:10 130:23 134:15 134:19 143:6,7 154:10,23 157:23,23 158:23 159:9 170:13 189:2 190:15 215:14 217:14,14 219:4 220:11 222:17,21	<b>promised</b> 67:23 67:25 195:21 <b>promises</b> 130:21 205:1 <b>prompted</b> 215:8 <b>pronounce</b> 32:9 <b>proof</b> 125:25 217:2 <b>Proofreader's</b> 227:1,23 <b>properly</b> 118:12 222:10 223:19 <b>Properties</b> 76:11 <b>proprietary</b> 183:3 <b>prospective</b> 9:7 9:15,21 10:6 <b>protect</b> 77:9 93:13 117:13 121:2 <b>protecting</b> 32:15 <b>protective</b> 8:18 8:24 <b>protocol</b> 71:5 <b>protocols</b> 216:5 <b>proven</b> 134:16 <b>provide</b> 5:17 12:25 20:13 28:5 34:6 44:11 52:20 56:17 63:5,9 63:20 75:10,13 76:6,15 82:8 107:1 108:15 109:8 110:23 111:20,21 114:14,19 119:1 130:5 131:22 137:10 137:10 147:5 165:16 169:6	<b>provider</b> 62:8 <b>provides</b> 169:5 <b>providing</b> 5:17 23:8 26:16 133:5 220:4 <b>provision</b> 116:13 183:23 <b>provisions</b> 4:22 <b>public</b> 8:22 127:18 <b>pull</b> 20:13 28:20 120:15 147:8 175:13 <b>pulled</b> 18:9,11 154:12 <b>pulling</b> 128:21 <b>purchase</b> 8:3 13:12 88:22 90:19 119:7 121:8 <b>purchased</b> 53:7 123:20 205:18 205:21 <b>purchasing</b> 86:6 <b>pure</b> 20:19 <b>purely</b> 88:18 94:16 <b>purportedly</b>	
<b>privately</b> 62:21				
<b>privilege</b> 11:22 11:23,24 12:1 12:6,12				
<b>privileged</b> 11:25 12:3,4				
<b>probably</b> 21:11 21:23 22:4 23:16 25:1 91:25 94:8 122:13 123:7 124:14 125:4 134:1 136:4 150:25 154:6 158:10 169:4 179:25 181:17 187:16 194:21 215:23 216:20 223:8	<b>production</b> 12:3 12:8 48:16,16 48:17 <b>products</b> 41:4 45:1,5,6,6,12 45:20,24 46:1 46:2,2 49:14 53:19,23 63:4 70:6 153:16 158:6,13,16,19 190:14 210:3,4 213:24			
<b>problem</b> 19:13				
<b>proceed</b> 215:22				
<b>proceeded</b> 209:17				
<b>proceeding</b> 4:19 5:4,14 10:1				
<b>proceedings</b> 13:4 227:13	<b>professional</b> 118:11 175:17			
<b>process</b> 50:22 69:18,23 128:17 146:16 187:20 189:1 189:19 190:22 196:1 210:17 225:1	<b>professionals</b> 118:12 165:1 <b>profit</b> 184:1 <b>profitability</b> 66:15 184:9 <b>program</b> 70:2 125:3,9 225:2			
				<b>qualified</b> 110:6 118:5,7 146:6 151:15 152:6 175:12 <b>quarter</b> 34:14 66:10 84:23 122:19 148:5 170:5 176:14 178:21 181:23 183:20 203:16 203:21 204:12 <b>quarterly</b> 116:11 148:10 176:15 178:11 184:8 <b>question</b> 11:16 21:14,15 22:3 25:4 29:16

34:7 35:14,23 44:17 45:3 48:3,5 53:24 72:16 81:25 92:23 93:8,21 97:3 104:8 114:17 126:22 128:19,20 129:19 163:19 169:19 191:11 191:16 201:15 201:22 203:15 203:18 208:1 <b>questioning</b> 8:25 <b>questionnaire</b> 3:12 6:16 27:14,16 37:6 109:11 <b>questionnaires</b> 109:10 <b>questions</b> 5:10 5:15 21:15 22:3 27:8 63:10 68:13,15 68:16 69:9 70:10 101:21 101:24 102:2,5 125:20 126:20 126:21 128:21 165:19 226:3 226:14,15 <b>quick</b> 35:14 97:25 169:19 215:17 224:10 <b>quickly</b> 52:1 <b>quite</b> 52:23 53:3 54:4 57:20 91:19 106:11 169:13 <b>quiz</b> 70:16,18,21 <b>quote</b> 76:15 77:6 77:15 81:23 82:2 102:8,9 103:8 104:8,10 105:4,6,21,22 135:18 171:12 171:18 221:11 221:14	<b>quotes</b> 76:17 103:15  <b>R</b> <b>R</b> 4:1 38:16 <b>rabbit</b> 98:21 <b>radio</b> 155:4,7,14 155:15,16,23 155:25 156:7 156:10,12,14 156:17,18,22 157:1,22 159:17 161:16 169:20,21 170:1,2,6,8,12 170:13,18,20 170:24 <b>raise</b> 4:4 23:25 77:25 110:8 162:5 194:22 204:2,5,19 223:9 <b>raised</b> 150:20 165:10 194:20 194:25 201:18 203:25 205:2,8 206:4 <b>raises</b> 23:20,24 <b>raising</b> 72:16 77:11 194:21 <b>ran</b> 59:5 155:19 158:5,7 180:6 <b>range</b> 40:14 100:13 122:15 180:1 <b>rate</b> 116:23 173:9 196:7 <b>rates</b> 113:4 <b>rating</b> 95:1 <b>rationale</b> 181:22 <b>re-file</b> 135:14 <b>re-open</b> 135:15 <b>re-payment</b> 220:3 <b>re-set</b> 207:13 <b>re-start</b> 223:17 <b>reach</b> 174:24 <b>reached</b> 133:24 217:23	<b>reaction</b> 132:4 194:9 <b>read</b> 7:25 27:9 77:13,14 81:3 116:1,2 127:13 219:5,24 220:1 221:21 <b>reading</b> 28:4 81:23 215:20 <b>reads</b> 119:13 157:15,18 <b>ready</b> 191:3 <b>real</b> 151:2 172:6 172:7,16,25 179:7,10,12,14 179:15 215:17 224:10 <b>real-time</b> 171:12 <b>realistically</b> 182:21 197:15 <b>realize</b> 92:4 <b>realized</b> 134:1 134:12 <b>realizing</b> 133:23 <b>really</b> 30:21 40:16 51:20 52:2 55:5 65:12 66:20 74:17 78:18 93:8,23 95:2 106:23 129:6 133:8,8,10,15 133:17 135:14 136:5 155:15 167:1,12 168:8 168:8 178:8,17 178:25 180:25 181:14 188:14 196:2 197:14 221:25 223:6 <b>reason</b> 12:18 17:3 22:9 37:3 59:25 78:1 79:24 105:2 132:3,10 135:6 135:7 172:17 <b>reasonably</b> 9:16 <b>reasons</b> 52:19 91:7 132:3	166:24 167:20 <b>recall</b> 24:4 50:2 58:6 65:15 68:15 74:6 125:19 144:3 161:20 <b>recapture</b> 56:1 64:11 86:25 89:16 203:18 <b>recaptured</b> 195:1 <b>recapturing</b> 68:2 120:8,9 173:17 <b>receipt</b> 217:17 <b>receive</b> 11:14 34:16 35:25 36:1 46:11 47:11 66:2,15 67:12 71:6 89:12 90:23 105:22 115:1,3 117:22 122:16 124:20 129:12 133:22 146:12 146:13,19 150:15 152:22 152:23 156:5 175:19 176:23 179:17 193:17 206:8,22 222:20 <b>received</b> 14:4,12 14:16 15:14 16:4 25:2 26:20 65:14,16 67:2 71:16,22 85:14 88:5 122:7,12 126:19 129:13 129:14 149:10 149:23,25 150:10 151:4 155:24 165:13 167:24 168:1 178:11 186:24 192:4,10 195:4 196:16 201:7 201:24 206:3,9	206:23 212:23 223:2 <b>receivership</b> 168:5 <b>receives</b> 47:1,14 47:16 <b>receiving</b> 23:12 48:25 82:22 117:12,21 121:19 123:22 148:5,9 220:12 220:14 <b>reception</b> 165:14 <b>recognize</b> 14:2 15:24 16:15 27:11 73:17 112:14 121:23 140:2 193:13 213:11 215:2 <b>recognized</b> 11:23 <b>recollection</b> 23:16 <b>recommend</b> 190:3 <b>recommendati...</b> 220:5 <b>record</b> 4:2,13 5:1,7 7:13,17 7:19,24 8:11 9:11 12:11,21 13:2 14:8 21:23 26:4,6 71:10 91:11 105:21 136:9 136:12 152:4 165:9,10,16 166:9 192:24 193:1,5 212:15 212:17 225:18 225:20 226:18 227:15 <b>recording</b> 137:12 227:17 <b>records</b> 16:23 107:6 206:25 <b>recruit</b> 59:19 61:1 124:22
--	---	--	--	--

125:8 143:5 <b>recruited</b> 38:22 124:12 136:20 <b>recruiting</b> 51:3 52:3,4,4,21 53:4,5 63:14 124:9 142:3 143:22 173:25 209:12 215:11 <b>red</b> 128:3 129:17,18 131:21 136:18 137:18 183:12 <b>reduced</b> 77:7 <b>reduction</b> 53:8 <b>reestablished</b> 207:1 <b>reestablishing</b> 224:1 <b>refer</b> 44:15 78:12 185:9 <b>referenced</b> 217:10 <b>referencing</b> 140:6 153:20 216:3 218:9 <b>referrals</b> 105:19 105:23 <b>referred</b> 8:5 56:14 91:22 <b>referring</b> 24:21 25:4 37:8 74:7 76:11 77:16 102:9 104:11 111:10 123:3 158:13 186:4,5 <b>refers</b> 81:7 93:12 185:6 <b>refi's</b> 164:16 165:4 <b>reflected</b> 149:15 149:17 <b>refresh</b> 219:5 <b>refunded</b> 202:2 <b>Reg</b> 103:14 <b>regard</b> 12:1,13 13:3 55:1,2,3 205:1 217:25 <b>regarding</b> 5:10	5:15 12:4,23 13:10 26:8 27:8 54:7 91:16 115:6 136:14 138:4 154:10 171:4 224:17 <b>regards</b> 195:16 <b>register</b> 174:19 <b>registered</b> 31:23 37:8,16,18,21 62:10 154:14 154:14 217:18 221:9 223:19 223:22 <b>registrar</b> 224:9 224:16,20,23 224:24 <b>registration</b> 54:22 55:2 85:2,11 107:10 215:22 221:18 <b>registrations</b> 37:7 <b>regulatory</b> 170:22 174:14 <b>reimbursement</b> 198:19,21 202:3 <b>reinvest</b> 118:9 175:18 <b>reiterated</b> 61:24 <b>relate</b> 17:10 <b>related</b> 16:18 17:6 19:8 <b>relates</b> 53:25 171:21 187:22 188:3 <b>relationship</b> 106:13 134:13 185:7 209:6 224:21 <b>relationships</b> 155:3 <b>relay</b> 134:25 <b>relaying</b> 135:8 135:19 <b>Release</b> 10:7 <b>relied</b> 71:4	<b>relying</b> 218:14 <b>remain</b> 43:6 <b>remaining</b> 88:15 <b>remember</b> 6:19 14:16 24:6 36:3 58:8,9 64:22 79:19,19 79:21,24 80:13 99:21 105:2 107:19 129:1 131:12,16 135:4,17 172:17 180:12 180:25 182:25 224:8 <b>remove</b> 21:25 22:1 121:14 137:1 <b>removed</b> 136:24 136:25 137:4 208:21 <b>removing</b> 137:12,17 <b>renewed</b> 44:24 <b>Reno</b> 99:6,8,19 99:22 100:5,5 100:6,9 105:8 211:10 <b>rent</b> 198:23 <b>rented</b> 62:21 <b>reopened</b> 135:12 207:9 <b>rep</b> 40:24 141:6 141:6 145:11 152:9 <b>repeatedly</b> 129:21 130:19 <b>rephrase</b> 22:4,5 <b>replace</b> 181:8 <b>replicate</b> 99:18 <b>replied</b> 221:21 <b>report</b> 193:16 193:21,22 196:15,16 197:2,3,16 <b>reported</b> 147:23 <b>reporter</b> 21:14 21:18 33:8 59:8 145:18	<b>reporting</b> 1:24 173:1 227:17 <b>reports</b> 59:19 194:1 <b>reposition</b> 188:17 <b>represent</b> 6:2,3 18:2 55:16 69:23 215:13 <b>representation</b> 10:1 <b>representatives</b> 62:10 <b>represented</b> 5:21 <b>representing</b> 6:5 <b>reps</b> 31:21,23 40:25 145:14 <b>request</b> 7:25 8:4 8:11,17 10:3,6 11:1,6 12:23 13:1 21:3 207:10 <b>requested</b> 16:22 23:7 <b>requesting</b> 54:7 195:20 196:12 <b>required</b> 212:2 212:6 221:18 <b>requirements</b> 87:3 <b>research</b> 211:10 <b>reservations</b> 129:22 196:14 <b>reserve</b> 205:3 <b>residence</b> 211:11 <b>resistance</b> 190:11 <b>resolve</b> 128:5 221:20 <b>respect</b> 8:9 150:1 182:5 <b>respectfully</b> 10:6 <b>respecting</b> 11:4 <b>responded</b> 102:1 <b>respondent</b> 9:15 9:21 10:6	<b>respondents</b> 9:7 <b>response</b> 55:14 197:8 <b>responses</b> 126:18 <b>responsibilities</b> 63:14 <b>responsibility</b> 191:1 <b>responsible</b> 21:2 119:25 <b>responsive</b> 16:24 17:7,11 17:15,18,24 18:15,23 19:1 20:7 21:3 <b>rest</b> 189:14 196:3 <b>restrooms</b> 21:25 <b>result</b> 8:20 221:11 <b>resume'</b> 39:4 <b>retain</b> 87:14 <b>retained</b> 156:19 185:14 201:9 <b>return</b> 63:21 87:25 89:19 119:1 148:3 158:12,17,19 184:6 199:11 199:18 200:14 200:18,20 205:6,7 <b>returned</b> 15:8 15:12 104:9 <b>returning</b> 203:3 <b>returns</b> 63:16 82:8 148:13 199:23 200:3,5 201:11 202:10 202:20 204:16 <b>reveal</b> 72:10 <b>revenue</b> 56:1,4 64:6 66:2 67:2 67:2,3,5 68:2,3 68:3,5 82:17 82:23 87:18 89:12 99:11 120:1,8,9
---	---	--	---	---

121:19 173:9	89:1,1,20	150:16 156:19	191:14,21,23	223:24
179:17 184:16	96:23 98:11	Ron's 145:17,19	192:14 204:24	SBA 117:23,23
185:1,6 192:4	106:24 107:18	145:20,22	220:18,19	scan 16:3,8
192:10,20	108:2 115:12	roof 135:5	221:3	scanned 15:17
195:1,3,7	118:3,6 122:5	room 22:1,2	SAS 75:6	15:25 182:13
198:12,25	125:22 126:3,5	58:11 62:4,5	sat 115:18	schedule 86:25
201:13 204:15	127:9,21	rooms 58:23	124:13	Scherer 142:3
revenues 64:8,9	129:24 131:21	Roth 146:8	satisfied 126:18	143:12 145:20
66:19 67:13,15	133:18 137:2	roughly 62:23	221:16	school 39:18
77:25 85:14	139:12 141:24	152:22 156:8	satisfy 128:12	schools 138:8
87:1 88:5,8	142:24 145:12	routine 8:10,20	saved 116:24	Scott 74:1,1
125:13 142:6	150:24 154:8	11:12 12:20	137:12	209:23,23
183:25 198:10	155:15 161:25	royalties 67:1	savings 35:7	screen 136:23
200:14 202:22	163:20 167:8	royalty 56:1,4	Savo 209:19	154:8
204:22	167:18 168:3	66:17,19	saw 60:7 75:25	screws 168:4
review 5:5,13	168:23 169:10	run 64:15 68:17	76:1 97:12	search 20:7,8
8:7 13:6,12	169:19 172:8	68:18,20,21	127:7 128:14	searches 18:5
17:5 149:4	176:4 181:1	69:4,5 100:21	128:15 147:22	SEC 4:3 6:8 7:1
reviewed 25:25	182:22 192:9	155:19 157:19	156:16,17	11:4,13 12:2
reviewing 13:10	195:6 197:9,10	157:25 173:8	166:5 167:7	13:8 14:6
19:18	197:23,24	running 81:12	172:6 182:16	15:20 16:11
revise 186:17	199:13,18,23	99:13 170:21	187:15 188:4	21:13 27:2
Reynolds 142:6	200:6,11,15	runs 47:5	192:6 194:8	73:2,10 101:1
150:15,25	201:3,8,20		saying 11:17	101:11,16
RI 207:11	202:2,18,20	S	14:21 32:10	112:4 139:22
RIA 29:14 32:19	203:2 211:6	S 3:1 4:1 30:6	54:18 71:7,16	153:2 154:20
32:20 75:2,4,8	218:11 219:10	47:21	75:9 83:16	167:9,17 168:2
102:8,12,15,21	219:22 220:16	S-c-h-e-r-e-r	87:9 95:25	187:9 213:3,15
102:24 103:3,7	221:22 222:13	145:20	96:7 97:1,3	214:13 221:9
103:11,24	222:18 226:2	S-i-m-m-e-r-s	99:13 121:9	SEC's 13:7
104:4 126:1,5	right-hand	38:13	124:4 129:19	second 23:12
126:10,13,14	141:5	salary 46:8,9	137:13 157:10	34:14 36:10
126:15,24	ring 163:15	47:5,11,12,13	166:10 168:2	81:6 83:9
135:11 154:15	risk 76:24 77:7	47:14,22,24	173:21 174:2	113:13 122:19
154:17 207:1	86:14,18 95:3	48:4,9 92:25	178:18 182:18	154:5,7 165:17
207:10,12,14	98:24 117:10	sale 64:13	190:7 191:17	170:5 171:10
207:14,16,23	117:11 118:24	122:18 144:3,4	209:24 211:6	174:13
222:12 223:16	120:2,5 121:2	217:11	216:8,9,12	secondary 93:22
223:18,20,23	121:13,14	sales 3:13 40:17	218:6	Secretary
224:1,2,3,4,8	122:2 171:13	40:24,25 54:23	says 14:14 35:7	107:11
224:16,20,23	173:12 205:15	64:23 67:5	37:6 38:10	section 17:20
224:24	risky 77:11	72:5 76:6	74:23,24 75:25	29:7
Richard 150:6	Road 15:6	110:25 112:19	81:3,23 92:9	securities 1:1,10
right 4:5 7:16	Rocky 2:18	112:20 122:19	93:11 119:2	2:3,9 4:18,23
14:15 22:20	Rolex 107:19	124:13,25	121:23 126:9	9:6,11 10:7,17
29:8 32:22	roman 141:9	131:7 141:6	141:5 144:18	30:22,23 33:11
39:24 53:17,25	Ron 142:2,3	144:9 154:21	146:4 167:22	41:4,7 50:1,8
62:24 67:12	143:12,20	187:19 189:5	179:7 195:3	51:2,8,12,16
71:15 85:19	145:17,20	190:18 191:2	198:19 220:4	51:19 55:4,7

55:16 56:11,14 56:18 57:10,12 57:15 60:14 83:5,17 84:10 84:17,21,25 85:9 174:15 207:22 208:7 211:7,12,17 215:13 216:17 217:20,21 218:8 221:3,6 221:8 222:5 227:14 <b>security</b> 56:12 56:13 216:17 218:3 219:4 222:18,21 <b>see</b> 22:2 53:10 59:2,4 60:2 61:22 71:15 77:12 82:7 83:6,7,24 89:24 93:16 103:20 104:21 104:25 105:1,3 106:11,13 107:6,22 117:17 126:10 126:11,15 127:9 128:7,17 128:22 129:10 131:21 150:5,6 150:20 162:17 168:11,22 173:2,3 178:20 181:4 182:3 183:9 188:12 189:16 197:8 197:17 198:20 199:21 200:2 201:2 202:4,4 208:13 219:18 221:14 <b>seeing</b> 60:9 99:21 168:10 189:13 <b>seek</b> 8:18 208:1 <b>seen</b> 103:23 104:3 140:4	177:4 182:15 <b>self</b> 116:21 118:6 <b>sell</b> 40:18,19,20 40:21,24 41:5 45:1,6 54:23 55:4 61:25 69:24 70:6 77:24 85:17,19 108:25 120:17 144:1 210:3,3 216:18 217:3 222:23 223:1,3 223:23 224:2 <b>selling</b> 85:25 106:16 134:14 134:18 143:6 189:1 213:24 222:10 <b>send</b> 51:24 89:9 109:12 111:14 114:12 124:17 145:4,14 182:17 189:9 189:10 191:7 214:11 215:8 <b>sending</b> 165:23 <b>sense</b> 57:8 72:22 108:25 132:17 134:24 135:20 135:21 136:6 173:22 174:2 196:21 <b>sensitive</b> 9:3 <b>sent</b> 7:12 15:5 15:10,12 16:1 16:2,7 17:1,2,4 17:12,22 18:5 18:14 19:2,12 19:13,16 20:25 21:5 26:20 61:4 69:18 74:11,12 101:23 107:9 127:6 144:23 153:19,23 190:1 193:4 195:19 209:23 210:1 216:2	<b>sentence</b> 76:15 <b>separate</b> 14:16 75:17 123:16 <b>separated</b> 6:15 210:6 <b>separately</b> 12:25 114:20 <b>September</b> 34:17 <b>Series</b> 30:23 36:22,23 38:22 <b>Services</b> 1:24 32:5 <b>servicing</b> 51:22 <b>set</b> 5:16 85:12 86:24 92:22 93:2 99:4 207:13 222:12 223:15 <b>settled</b> 135:2 <b>settles</b> 134:16 <b>seven</b> 40:1 75:13 77:21 78:12,22 78:22,23,25 79:10 87:20 89:21,23 90:1 91:22 92:6,9 92:12 127:16 138:18 <b>severing</b> 134:14 <b>severity</b> 133:23 <b>shaking</b> 21:17 21:19 <b>share</b> 25:18 66:2 67:2 68:5 88:5 88:7 107:4 128:2 165:11 165:12 194:3 <b>shared</b> 166:22 168:21 175:1 223:12 <b>shareholder</b> 47:7,10,17 48:8 <b>sharing</b> 179:17 184:1 <b>Shark</b> 56:2 <b>Sharon</b> 151:1 <b>shed</b> 98:19	<b>sheet</b> 194:16 <b>shifted</b> 196:11 <b>shine</b> 223:8 <b>shop</b> 131:15,16 <b>short</b> 86:21 136:11 180:10 180:12 222:25 <b>shorten</b> 40:10 <b>shorter</b> 78:17 92:11 96:21 <b>shortly</b> 170:20 174:8 <b>show</b> 18:13 37:2 37:3 102:8 116:10,16 148:16 156:19 157:3 169:8 202:14 203:13 <b>showed</b> 61:5 114:1,2 132:19 160:7,16 161:10 <b>showing</b> 177:18 180:7 202:4 203:14 <b>shown</b> 151:7 <b>shows</b> 28:20 116:22 150:8 150:15 <b>shut</b> 167:12 <b>side</b> 46:21 50:7 51:3,8 52:2,3 52:21 54:11 57:12,15 63:15 68:17 72:22 85:6 128:8,15 131:12 132:15 134:24 153:22 179:5 191:9 209:13 210:5 <b>sideline</b> 188:14 <b>sign</b> 109:6 125:9 190:21 <b>signatures</b> 190:23 <b>signed</b> 82:22 124:25 190:23 197:17,20 198:4	<b>signs</b> 57:11 <b>similar</b> 50:8 75:3,10,14,20 108:7 117:25 182:10 <b>Simmers</b> 38:13 38:18,21 39:3 39:14 40:8 <b>Simmons</b> 38:10 <b>simple</b> 49:18 149:18 <b>simply</b> 70:11 203:3 <b>sit</b> 27:18 58:10 60:22 <b>site</b> 37:10 <b>sitting</b> 53:17 58:8 167:14 175:2 188:14 <b>situation</b> 188:5 191:7,22 <b>situations</b> 175:16 <b>six</b> 92:8 105:4 120:6,11 122:10 167:5 <b>slash</b> 40:12 220:4,5,18 221:2 <b>sleeve</b> 65:19,19 <b>slide</b> 208:16 <b>slides</b> 137:23 <b>slightly</b> 35:3 74:18 <b>slow</b> 103:22 <b>slowly</b> 107:23 <b>small</b> 121:7 <b>smaller</b> 186:2,11 <b>smarter</b> 166:10 <b>smoke</b> 94:25 95:1 <b>snapchat</b> 28:16 <b>snippet</b> 157:19 <b>Soblinsaks</b> 59:9 <b>Soblinskis</b> 59:7 62:13 72:8 114:4 130:19 136:22 145:10 145:12,25
---	---	---	---	--

146:15,22	<b>sources</b> 201:23	17:14 42:16	174:9,15	183:17,17,18
161:6 172:10	<b>space</b> 28:5	62:8 107:21	186:23 196:9	184:2,10,21
<b>sold</b> 38:23 41:3	<b>speak</b> 23:6	125:12 165:16	196:12 197:4	185:6
85:22 190:10	44:13 69:12	193:5	198:5	<b>stream</b> 56:4 66:2
217:14	84:7 194:6	<b>staff's</b> 8:1	<b>stated</b> 8:19,19	82:19 87:18
<b>solely</b> 219:11	224:17	<b>stage</b> 106:17	12:10 154:24	89:13
<b>solicit</b> 154:23	<b>speaking</b> 102:20	212:7	<b>statement</b> 7:23	<b>street</b> 1:11 2:10
<b>soliciting</b> 153:16	137:14 170:13	<b>stages</b> 225:10,11	7:25 11:16	49:13
220:23	181:25 219:11	<b>stamp</b> 186:22	18:22 25:5	<b>streets</b> 48:21
<b>solution</b> 188:7	<b>specific</b> 15:11	<b>stamped</b> 187:8	130:7,16 187:3	<b>stress</b> 135:5
<b>solve</b> 223:21	18:21 19:8	<b>stand</b> 78:4	<b>statements</b>	<b>stressed</b> 166:5,9
<b>somebody</b> 95:6	159:16	<b>standard</b> 92:5,8	27:22,25 130:1	168:13
<b>somewhat</b> 94:12	<b>specifically</b> 9:6	118:8	130:4,17,22	<b>strictly</b> 29:15
123:7	9:18 17:10	<b>standing</b> 10:3	133:2,3,22	<b>strike</b> 159:5
<b>son</b> 31:8	56:10 58:6	<b>stands</b> 104:5	226:6	204:18,22
<b>soon</b> 26:14	84:4 115:6	<b>start</b> 24:3 41:24	<b>states</b> 1:1 4:18	<b>strong</b> 134:13
<b>sooner</b> 192:16	126:21 136:21	49:21 60:4	9:6	<b>structure</b> 209:15
<b>sorry</b> 27:23	157:24 158:1	82:22 106:25	<b>status</b> 31:10	<b>stuck</b> 56:2
49:24 50:7	195:22 196:17	134:14 135:10	<b>statutes</b> 5:16	169:15,16
61:19 68:24,24	<b>speed</b> 166:8	173:9 176:15	<b>statutory</b> 42:3	172:25
71:18 72:7	<b>spell</b> 4:13	190:22 223:17	44:6	<b>study</b> 70:2
79:7,12 98:23	<b>spent</b> 62:12	<b>start-up</b> 71:9	<b>stay</b> 39:12,22	154:22
103:22 111:12	180:19	82:7,9,11	<b>stayed</b> 40:8	<b>studying</b> 154:16
112:11,12	<b>Spicewood</b> 15:6	128:9,10 196:6	150:17 201:8	<b>stuff</b> 14:19
114:3 135:25	<b>split</b> 44:18 46:10	203:20,23	<b>step</b> 69:16,17	25:25 28:7
135:25,25	66:12 183:25	205:8 211:25	167:11 189:8	32:20 99:7
138:22 140:10	<b>spoke</b> 22:17	<b>started</b> 28:15	189:19	108:9 109:7
141:23 149:19	32:13 61:20	30:22 31:25	<b>Stephens</b> 142:20	115:15,22,24
156:17 158:18	104:15 166:24	33:1 60:8	<b>Stephenson</b>	132:7 136:25
164:11,23	208:18 218:15	61:20 65:3,4	141:19,20	145:17,19,22
165:22 168:19	<b>spoken</b> 25:2	71:13 72:1	<b>stick</b> 159:5	169:14 170:11
168:21 177:5	166:13 167:7,9	98:22 107:11	<b>Stonebridge</b>	182:21
183:24 186:5	<b>sporadic</b> 49:6	107:12,13,23	74:15	<b>Stumbaugh</b> 2:6
194:2,13	<b>sports</b> 24:9	111:18 128:21	<b>stood</b> 66:2	4:17 36:8
198:23,24	<b>spot</b> 91:4 156:10	129:17,21	<b>stop</b> 18:1 52:14	49:12 71:11
203:19 205:20	156:13,22	133:10,11,12	52:18 129:24	90:16 97:23
209:2 211:21	<b>spots</b> 155:4,15	133:23 137:17	134:18 136:19	98:16 133:20
213:9 216:15	155:15,19,20	173:17 174:7,7	144:5 170:8	169:17 171:24
218:5,6 220:7	155:25 156:8	186:2 196:8	<b>stopped</b> 66:17	198:17 206:2
222:8	156:17 157:1	203:25 215:20	170:19,20,25	<b>stupidest</b> 168:17
<b>sort</b> 70:1 97:13	157:22 158:5,7	222:11	<b>storm</b> 138:10	<b>sub-date</b> 144:18
125:2 159:18	169:21 170:18	<b>starting</b> 60:9	<b>Stormie</b> 26:15	144:19
197:2 205:2	<b>spreadsheet</b>	135:23 203:16	43:11 137:11	<b>subject</b> 14:10
<b>sought</b> 8:25	147:1	207:12	208:22	101:21 215:5
<b>sound</b> 132:22	<b>Springs</b> 15:6	<b>starts</b> 75:22	<b>Stormie's</b> 26:17	<b>subjects</b> 10:15
<b>source</b> 66:25	107:17,18	<b>state</b> 4:13,25	<b>straggler</b> 141:4	<b>submission</b> 9:10
87:19 88:21,21	<b>staff</b> 9:6 10:4,9	54:6 74:19	<b>strategy</b> 66:14	10:9 13:1
202:6,7,24	10:14 11:2	102:8 107:11	66:16 171:17	144:21
203:23	16:19,21 17:4	129:22 137:11	176:17,19	<b>submit</b> 145:12

162:1 191:3 <b>submits</b> 57:11 <b>submitted</b> 80:24 144:7 146:17 <b>subpoena</b> 3:7,8 3:9,11 6:11,23 7:3 15:11,23 16:5,14,25 17:7,24 18:23 20:1,24 23:12 54:3,5 132:6 174:9 175:5 <b>subpoenaed</b> 131:23 <b>subpoenas</b> 15:5 16:20 17:18 18:15 19:9 25:3 53:20,23 196:9 <b>subscription</b> 109:9 111:4,5 115:22 145:6 <b>subscriptions</b> 145:3 <b>subsequent</b> 42:19,20 <b>substantial</b> 51:21 <b>substantive</b> 26:7 91:15 136:13 138:3 213:7 <b>subtract</b> 150:22 <b>success</b> 105:21 156:23 220:12 <b>sufficient</b> 10:8 <b>suggesting</b> 103:12 <b>suitability</b> 109:7 109:9,11 111:1 145:1,4 189:7 189:8,20,23 191:7 <b>suitable</b> 188:23 188:23 <b>Suite</b> 2:19 <b>sum</b> 110:3 <b>summary</b> 61:23 <b>summer</b> 130:12 130:13,13	210:13 <b>sums</b> 110:5 <b>superiors</b> 209:9 <b>supervise</b> 143:17 <b>supervision</b> 209:22 <b>supervisor</b> 209:19 211:12 <b>supplement</b> 8:8 79:25 80:11,13 91:6 <b>Supplemental</b> 5:8 <b>supplied</b> 108:7 125:16 <b>supply</b> 108:10 134:7,10 196:11 <b>supplying</b> 107:23 108:1 <b>support</b> 52:20 <b>suppose</b> 95:17 <b>supposed</b> 25:15 34:16 52:20,23 <b>supposedly</b> 88:11 165:15 <b>sure</b> 14:18,18 18:13 21:12 22:18 24:19 28:17 32:20 34:20 35:10,22 35:23 40:12 44:19 45:5,15 53:22 56:12 59:10,12 60:5 60:6 70:24 76:4,5 78:3 85:12 88:1 92:22 104:14 106:15 108:17 109:3 115:21 118:11,11 119:4 127:5 128:10 135:19 138:13,19 148:15 154:6 155:20 160:23 161:7 166:25	171:6 215:23 222:10 223:8 223:18 224:3 224:11 <b>surprise</b> 72:24 <b>surprised</b> 154:2 <b>swear</b> 227:12 <b>switching</b> 159:7 <b>sworn</b> 4:6,9 <b>system</b> 64:19 66:17 183:3 <b>systems</b> 94:17 <hr/> <b>T</b> <b>T</b> 3:1,1 <b>table</b> 52:22 148:22 149:15 201:6 <b>tagged</b> 155:8 <b>take</b> 6:11 7:4 12:8 17:13 21:22,23 23:2 27:5 39:22 40:3 47:18 60:9 64:13 73:5 89:3 91:8 96:17 101:4 112:9 118:9 120:16 124:24 128:24 129:4,7 139:25 145:13 153:5 164:4 165:7 175:18 185:13,13 192:23 193:11 199:11 200:9 213:6 216:18 <b>taken</b> 103:8 127:12 142:8 169:12 <b>takes</b> 19:7,20 120:3 197:17 <b>talk</b> 5:14 22:13 22:16 23:21 62:10 63:10,16 64:20 65:9 69:22 91:19 92:4 136:8 157:4,8,15	158:9,25 170:12 175:11 178:25 181:16 182:20,21 183:1 187:22 201:20 215:22 <b>talked</b> 14:25 22:19 24:23 25:7 61:14 106:19 110:21 132:6,18 139:19 155:13 157:5,5 164:24 166:21 169:9 178:8,10 191:22 193:4 194:23 206:6 209:3 216:22 225:5 <b>talking</b> 24:21 32:14 42:3,3 49:21 58:8 62:12 75:22 78:5 81:10 85:9 104:21 115:6,20,21 123:5 131:17 132:5 164:2 172:15 180:8 213:8 216:2 222:7,12 224:1 <b>Tampa</b> 2:20 72:6 142:18,21 145:13 152:20 158:4 159:24 160:21 161:8 162:16 200:2 200:21,24 <b>Tank</b> 56:3 <b>target</b> 9:12 10:2 10:11,21 96:3 96:3 <b>targets</b> 10:15,20 10:21 <b>taught</b> 188:6 <b>tax</b> 118:11,12 175:12,15,16 175:17 <b>taxable</b> 118:10	<b>taxes</b> 118:7 175:13 <b>team</b> 126:8 191:2 <b>Technologies</b> 24:11,12 132:13,14 <b>tedious</b> 52:1 <b>teenage</b> 28:15 <b>tell</b> 7:8 10:10 55:20,21 76:21 116:4 118:3 131:14 136:1 146:16 154:19 158:15,18 159:7 163:4,23 165:3 169:20 171:3 178:17 179:18 183:17 192:17 204:9 204:25 205:4 206:10 211:24 217:25 <b>telling</b> 217:18 <b>template</b> 149:1 <b>tendered</b> 16:19 <b>term</b> 84:10 86:22 89:22 <b>terminated</b> 210:2,6 <b>terminology</b> 84:20 92:8 <b>terms</b> 12:14 13:1 46:24 194:12 194:14 219:24 220:1 <b>Terry</b> 141:18,20 <b>test</b> 182:2 <b>testified</b> 4:10 21:6 206:3 208:5 <b>testify</b> 22:10 226:4 <b>testifying</b> 22:7 22:13,22,23 23:3 25:12 194:2 <b>testimony</b> 5:18 8:2,5,6,12 12:4
---	---	---	---	---

12:15 13:10	23:6,20 24:9	151:23 152:19	177:21 178:2	137:3,5 138:15
23:8 25:22	24:10 28:2	156:19,22	178:10,21	138:15 139:17
27:21,24 34:24	52:22 53:16,18	163:14 168:6	182:7 183:20	143:16,17,22
136:17 194:2	53:24 54:15,16	169:11 170:16	183:20,21	147:24 156:20
209:3 217:16	59:19 63:12	171:7,24	184:3,8 185:5	157:8,22 162:3
223:5 225:6	64:15 69:12	173:19 174:18	188:16,17	164:3 166:5,17
226:17	74:19,21 76:20	177:2 180:22	203:16,18,21	167:21 168:15
<b>Texas</b> 4:3 37:24	81:11 83:21	186:1,2 187:16	203:22 204:12	170:8,11,25
38:4,6 60:25	97:4 100:22	189:13 190:8	204:13	172:6,7,11,14
107:11 143:19	107:10,22,24	200:21,22,22	<b>three-quarters</b>	172:16 173:1,5
169:15,16	116:24 124:21	206:20 207:18	187:17	173:10,13,14
<b>text</b> 17:19 23:22	128:19,22	210:10,17,21	<b>throw</b> 104:22	174:6,9 178:2
<b>thank</b> 13:25	129:8,8,10	216:12,15	<b>throwing</b> 129:17	180:11,11,12
20:5,23 21:6	133:13,16	217:10 219:11	180:17	180:19 181:7
24:12,14 25:21	137:17 142:4,8	220:1 222:13	<b>tie</b> 172:13	181:24 184:3,4
26:12 27:4	148:7 149:6	223:7 224:9	<b>tied</b> 181:20	184:7 185:2,3
28:10,23 29:9	152:21 154:18	226:9,11	183:22 185:4	185:4,15
29:19 34:15	155:21 157:4,5	<b>thinking</b> 82:14	<b>ties</b> 134:14,15	186:16 192:8
35:3 36:9,12	157:6,6,16	84:23 91:5	<b>tightening</b> 168:3	195:1 196:8
41:14 44:1,16	158:9 163:18	134:14	<b>time</b> 9:9,17 10:2	203:22 206:12
47:20 49:10	165:1 166:4	<b>third</b> 8:14 12:2,5	10:4,8,10	206:14 210:13
51:15 62:17	167:12,13,16	66:13 75:2,7	14:17 17:5,17	212:7,9 215:15
69:1 71:22	174:16 182:2	120:18 150:20	18:19 19:7,20	218:15 222:10
91:18 104:7	191:6 194:23	184:2 200:21	19:22 23:15	222:25 223:17
113:15 137:23	196:20,22	<b>thought</b> 6:15	24:19 25:9	224:18 225:8
138:6 139:15	203:14 208:22	38:18 39:8	27:17 28:4	226:3
141:24 152:13	208:23 209:12	40:6 52:23	31:6 32:13,18	<b>times</b> 10:25
155:1 159:13	210:1 211:11	53:3 97:16	37:1 39:1	52:21 59:22
159:17 163:20	214:12,14	102:18 108:5,6	40:11,21 42:13	64:16 92:25
165:24 168:24	216:5	119:12 132:15	42:13,14,19	95:14 149:21
171:1 175:6	<b>think</b> 10:22 12:7	132:17 167:24	52:24 55:21	154:24,25
205:25 209:1	16:7 19:15	187:17 204:22	57:15 58:12,13	173:21 182:7,7
210:14 212:25	20:18 22:9	209:10	58:20 59:5	183:16 189:9
212:25 217:21	23:7 24:24	<b>thousand</b> 94:10	60:8 62:12	212:6
225:16	25:20 26:16	94:11 95:9,14	64:12,20 66:11	<b>timing</b> 19:6
<b>theory</b> 173:13	28:11,12 31:22	96:12 97:25	68:23 69:11	<b>Timothy</b> 2:7
<b>therewith</b> 8:4	36:1 44:23	121:16	70:17 72:23	4:17
<b>thing</b> 19:14 25:9	45:16 56:13	<b>three</b> 31:18,20	77:22 78:7,18	<b>title</b> 35:22 38:24
32:17 33:18	58:14 61:22	31:22 33:12	78:21,23 84:5	<b>titled</b> 171:22
116:17 117:25	62:8 76:21	41:25 66:10,10	86:21 87:2,4,5	172:2 210:21
128:17 131:12	84:23 102:16	66:13,17 86:25	87:9,10,12	<b>TJ</b> 141:11,12
132:4,20	106:23 107:2,7	87:4 89:23	88:2 91:5	142:10 152:9
137:11 142:25	107:15 110:11	92:7 93:4	92:10,11 94:20	<b>today</b> 4:17 6:6
154:5 165:17	111:3,7,7	96:14,20 104:7	96:22 99:12,20	6:24 8:2,25
168:17 169:8	119:13 121:3	113:17 116:15	100:14 102:19	13:20 17:17
177:4 178:8	123:8,13	148:5 152:18	109:21 110:14	22:7,11,14
189:23 194:11	125:15 129:2	152:24 157:14	122:16,22	23:8 25:12,22
198:4	132:11 141:21	172:1,2 174:14	129:23 135:4	27:18 31:16
<b>things</b> 21:11	147:12 150:3	176:13,14,18	136:5 137:2,3	48:24 52:7



53:20 82:21	<b>trained</b> 31:21	127:13 163:15	148:1 152:23	150:19 151:9
104:9 168:11	<b>training</b> 40:17	227:16	156:20 157:7	153:9 158:8
171:2 226:6	40:25 136:19	<b>truly</b> 123:12	157:10 159:22	171:9,19 175:7
<b>today's</b> 13:4	137:23 143:4	<b>trust</b> 148:17	160:19 165:22	175:21 176:1
<b>told</b> 10:7 14:21	208:6,6,10	151:21,24	166:12,24	177:17,20
15:2 28:15	<b>Trajan</b> 6:3 8:13	<b>truth</b> 223:25	167:16,17	179:6,9 184:14
40:6 55:3,8	9:2,14,19,20	<b>truthfully</b> 22:7	169:13 175:4	185:18 193:10
57:3,4 63:3,12	9:25 10:5,11	22:10 166:4	181:17 182:7	199:10,20
77:18 79:4,4,9	11:5 16:14	<b>try</b> 18:19 21:16	187:18 206:16	200:1,4 201:5
80:19 100:1	23:13 29:17	49:17 87:1	206:23 214:20	201:12 202:8
106:21 127:6	32:3,5,9,10,11	99:15	219:13	202:11,19,21
127:13 143:20	32:19,24 33:3	<b>trying</b> 49:4,4	<b>two-thirds</b> 93:15	202:23 203:1
153:20 154:11	33:9 135:12	74:20 82:14	<b>TX</b> 1:13 2:12	204:17 214:24
154:12 165:17	207:2,16	84:24 86:12	227:8	215:1 219:16
166:15,17,17	225:22,22	93:7,21 94:7	<b>tying</b> 188:17	220:21 221:13
179:12 192:12	<b>transaction</b>	97:2 99:12,17	<b>type</b> 65:15 146:4	<b>ultimate</b> 87:25
192:13,19	84:18 190:18	105:9,10,14	158:25 190:14	<b>ultimately</b> 67:22
195:23 203:24	191:13 220:25	111:16 120:2	<b>types</b> 45:5 206:7	<b>unaudited</b> 130:4
203:25 204:19	<b>transactional</b>	129:7 137:10	<b>typical</b> 157:14	192:7
205:4,8,14	84:25	143:5 157:4	<b>typically</b> 90:1	<b>uncle</b> 141:19
207:19,20	<b>transactions</b>	173:22 196:11	92:24 96:4	<b>uncomfortable</b>
208:6 211:15	219:21 220:6	<b>turn</b> 11:13 17:16	176:18	128:19 133:13
218:1,11	<b>transcribed</b> 8:9	19:21 96:9	<b>U</b>	<b>underdeliver</b>
<b>tomorrow</b>	<b>transcript</b> 8:2,3	124:18	<b>U.S</b> 11:3 227:13	52:20
138:10	8:7 12:15,16	<b>turned</b> 6:16	<b>ugly</b> 169:10	<b>underneath</b>
<b>Toni</b> 209:19	12:18,23,24	16:25 17:2,11	<b>uh-huh</b> 18:17	28:19 120:12
<b>tonight</b> 138:10	13:4,7,11,12	17:19,21,24	19:11 21:17,20	<b>undersigned</b>
138:14	13:13,14,16,23	18:18 26:16	29:25 30:4,11	227:12
<b>top</b> 29:20 74:23	227:16	172:22 186:23	31:6 33:13,22	<b>understand</b> 5:16
113:5 144:20	<b>transfer</b> 190:22	187:8,9 194:17	34:20 35:5	13:19 22:3
175:22 176:4	<b>transferred</b>	197:12 208:16	66:1,24 67:17	92:10,22 107:5
<b>total</b> 97:17	147:22 148:1,3	209:15 215:18	68:12 73:6,8	117:15,16
123:5 150:6	150:9	<b>turning</b> 194:15	73:12,14,16	118:19 119:10
151:5 160:9	<b>transfers</b> 51:23	<b>twice</b> 166:13	75:24 76:18	119:13 121:12
184:4,6 199:21	162:2	167:7,9	81:19,22 82:3	163:11,13
200:23,24	<b>transmit</b> 145:7	<b>two</b> 15:5,10 28:3	83:11 88:4,10	173:22 174:1
206:21	<b>Travis</b> 62:21	29:12 31:2	89:5 90:5,7	184:23 195:25
<b>touch</b> 137:22	<b>treated</b> 191:5	36:16,25 37:1	93:14,17 95:10	196:6,20 201:3
<b>tough</b> 76:20	<b>tremendous</b>	45:22 46:3	95:12 96:13,18	217:16
<b>tout</b> 131:3	19:7	57:24 59:1,6	98:17 101:10	<b>understanding</b>
<b>track</b> 71:10	<b>trending</b> 168:2	77:9,14 78:3	101:13,17	66:8,9 76:1,22
105:21 147:2	<b>tri-fold</b> 65:17	83:19 85:4	102:6 105:20	76:23 77:15
148:6 168:8	<b>tried</b> 212:4	93:12,18 94:1	113:1,8,10	84:1 90:6
173:4	<b>triggered</b> 168:9	97:13,17 98:1	115:7 116:9	120:21 143:4
<b>tracking</b> 149:2	<b>Trinet</b> 47:6	98:9,20 99:24	118:16,18	152:2 163:18
183:3	<b>trouble</b> 119:7	100:5,10,15,17	119:19 123:21	177:24 191:16
<b>Tracy</b> 172:9	166:7	110:4,5,11,12	123:25 125:21	204:3 205:5
<b>traffic</b> 139:16	<b>truck</b> 138:21	112:9 123:16	127:20 149:8	211:16 215:25
<b>train</b> 40:18	<b>true</b> 27:16 66:14	129:3 132:3		216:9,16 223:4

223:6 225:13	155:16,21	<b>verification</b>	174:13	64:5 66:6,6
<b>understood</b>	171:13 182:13	215:11	<b>Walker</b> 79:12	79:11 85:4
21:21 66:7	182:18 193:5	<b>verified</b> 127:14	<b>want</b> 7:21 10:3	86:10 93:15
127:22 128:9	<b>uses</b> 8:10,20	<b>verify</b> 172:8	18:25 19:2,21	99:6 117:11
155:22 162:22	11:12 12:21	<b>version</b> 147:12	23:21,22 35:10	119:14,14
163:3 172:6	<b>usual</b> 167:13	172:3,4 182:24	38:9,10 39:15	145:25 156:1
183:19	<b>usually</b> 25:19	186:3,11,17	39:16 45:15	159:5 162:22
<b>undertake</b> 11:8	59:1 60:1	212:20	49:21 65:17	163:3 167:23
<b>undertaking</b>	86:21 89:22	<b>versions</b> 185:17	98:21 106:13	172:25 178:1
12:9	92:8 157:19	186:20	107:4 143:20	182:3 183:18
<b>unemployment</b>	188:12	<b>versus</b> 40:25	166:25 167:19	184:3,23 187:7
46:13	<b>utilize</b> 75:8	60:9 116:11,25	168:22 169:16	189:13 194:11
<b>Unequal</b> 24:11	99:10	117:8 118:7	174:22 175:16	196:22,23
24:12 132:13	<b>utilized</b> 155:5	171:8 186:21	203:13 206:15	207:13,17
132:14,14	<b>Uverse</b> 29:23	<b>vett</b> 54:21	216:20 224:10	209:15 216:20
<b>unfortunate</b>		57:19,22 58:4	<b>wanted</b> 7:23	<b>ways</b> 155:1
31:10	<b>V</b>	72:25	24:3 26:13	161:17 176:13
<b>Unfortunately</b>	<b>valuable</b> 190:8	<b>vetting</b> 56:20,21	28:2 39:18,21	183:20 210:24
51:23	<b>valuation</b>	<b>vice-president</b>	65:9 69:12	211:22 212:4
<b>United</b> 1:1 4:18	197:17	39:2	96:14 104:21	212:11
<b>unrelated</b>	<b>value</b> 77:20 86:6	<b>viewed</b> 10:2	105:3 106:11	<b>WDAE</b> 156:22
171:17	86:20 92:16,19	<b>violated</b> 10:18	106:21 107:22	<b>we'll</b> 78:6
<b>unwinding</b> 53:6	92:21 93:7	10:18	128:7,9 131:15	137:22
<b>up-to-date</b>	117:14,15	<b>violation</b> 72:12	154:15 165:11	<b>we're</b> 4:2 10:20
128:14	119:16 120:4	<b>violations</b> 4:22	166:3,4,5,12	11:9 12:8 19:2
<b>updated</b> 181:7	120:10,14,15	4:25 9:9,19	169:8 195:17	19:20 32:20
185:16	120:17,18	10:8	197:9 212:2	75:10 91:11
<b>updates</b> 122:21	121:5,15	<b>visit</b> 166:18	218:20	92:3 101:5
140:15	<b>Van</b> 142:19,20	<b>voice</b> 25:8,9	<b>wanting</b> 24:13	134:14,15,15
<b>upfront</b> 96:24	<b>variable</b> 38:23	137:15	131:10 132:11	135:19 138:2
173:7 209:17	38:23 41:6,6	<b>volume</b> 120:9	<b>warrant</b> 72:11	139:1,10 144:8
<b>upline</b> 49:23,25	51:21,22 97:6	220:14	72:11	144:9 155:15
50:6 71:5	<b>variables</b> 93:6		<b>wash</b> 81:11	159:7 170:13
<b>UPS</b> 14:12	95:5 96:8 97:2	<b>W</b>	<b>wasn't</b> 34:20	175:2 190:10
<b>upset</b> 166:7,12	97:3	<b>W-i-l-l-i-a-m</b>	37:9 52:23	195:24 197:10
<b>urshel</b> 61:20	<b>various</b> 208:6	4:15	53:3 68:1,2	210:4 212:17
62:4 72:7,8,11	219:14	<b>W-y-n-i-a</b>	106:25 111:24	213:8 222:10
72:17,17 79:12	<b>vary</b> 94:25	224:12	115:21 132:22	223:12,18
84:6 90:10	<b>vast</b> 60:15	<b>Wagner</b> 227:11	134:13 147:12	225:17,20
105:7 225:5	140:19 161:15	<b>wait</b> 40:2 144:7	164:20 167:1,3	<b>wealth</b> 154:15
<b>use</b> 8:19 21:24	<b>venture</b> 204:1,4	<b>waiting</b> 174:14	181:11,23	225:22,23
29:14,17 64:7	<b>ventured</b> 164:6	195:24	189:12 208:15	<b>webinar</b> 124:13
77:7,8,23	<b>Ventures</b> 162:8	<b>waive</b> 11:22,24	222:8	124:16 136:20
84:21 96:5	<b>verbal</b> 55:20	<b>waiver</b> 12:1,5	<b>waterfall</b> 116:13	136:22 143:5
97:4,7 108:19	70:16,18	<b>walk</b> 28:3,8	176:10,16	215:11 217:4
108:20,20,22	<b>verbally</b> 136:22	115:13,16,19	177:8,9 183:23	<b>website</b> 76:4
109:1,4 117:22	137:13	117:1 171:2	184:8	147:10,11
120:15 122:20	<b>verbiage</b> 45:14	187:19 191:10	<b>way</b> 12:12 35:24	<b>Wednesday</b> 1:14
133:17 151:25	155:20	<b>walked</b> 26:14	52:23 57:6	59:25 71:6

104:9	226:5,13	41:21 50:25	100:20 107:18	168:11
<b>week</b> 25:16 58:9	<b>withdrawal</b>	59:17 103:6,6	110:11 113:16	<b>yield</b> 118:17,23
153:24,25	120:16	103:11 104:16	136:9 141:4,23	119:2 121:23
157:2,7,10,18	<b>withheld</b> 12:18	140:11 143:21	145:20 146:18	121:25 171:11
174:13	20:23	186:6 197:11	146:23,25	171:15,17
<b>weekends</b>	<b>witness</b> 1:8 2:15	<b>works</b> 33:3	147:7 149:19	204:12
168:16	3:3 4:4,6,9	107:7 117:16	154:1,3 160:4	<b>York</b> 215:15
<b>weeks</b> 157:7,14	6:14,18,22	119:14 141:12	164:11 168:21	218:16
165:22 166:12	68:24 71:12	142:18,20	177:1 186:12	<b>youngest</b> 73:25
166:24	117:4 138:21	153:10 167:11	193:20 208:21	
<b>Weldon</b> 150:25	139:6 197:24	172:3 182:3	219:23 225:17	<b>Z</b>
<b>Weldone</b> 150:15	198:1 226:16	<b>world</b> 39:13	<b>year</b> 34:9,13	<b>Zero</b> 33:4
<b>well-versed</b> 92:2	227:5	74:14 106:4	36:25 37:1	<b>0</b>
97:5,6	<b>witnesses</b> 10:16	<b>worried</b> 53:19	39:16 42:22	<b>001033</b> 112:17
<b>Wells</b> 9:10 10:9	<b>women</b> 39:19	53:21,25	43:3,18 44:24	<b>001036</b> 116:8
13:1	95:4	167:10,13,21	48:8 52:15	<b>003409</b> 73:10
<b>went</b> 16:10 39:7	<b>women's</b> 32:13	<b>worry</b> 132:9	54:1,2 63:25	<b>018809</b> 101:12
39:18 60:21	<b>word</b> 18:4,12	<b>worse</b> 169:17	66:10,10,11	<b>018820</b> 101:16
111:14 127:14	30:22 56:13	<b>worth</b> 1:13 2:12	70:12 75:11,12	<b>1</b>
137:18 145:17	84:21 91:3	4:3 93:19 94:1	78:21,23 84:22	<b>1</b> 1:9 5:9,10,15
145:23,25	99:21 123:3	97:17 227:8	84:22 86:25	5:16 12:22
151:16,19	168:6 196:7	<b>wouldn't</b> 64:1	87:4,4,10	195:25
172:6,12,12	197:13	93:8 129:8,15	89:23 90:1	<b>1:15</b> 138:1,2
174:16 180:14	<b>wording</b> 173:19	163:18 173:15	92:7,7,8,13,17	<b>1:47</b> 165:7,8
189:12 201:21	<b>words</b> 18:15,21	173:15 190:5	111:9 129:14	<b>10</b> 8:15 28:3
215:15	106:23 155:21	204:9	130:25 161:23	29:1 49:5
<b>weren't</b> 129:15	158:11 221:5	<b>wrestled</b> 169:9	170:5 174:12	77:10,14 81:3
134:1 154:17	<b>work</b> 12:14	<b>write</b> 21:19 77:4	176:18 177:3,7	160:11,15
157:3 210:1	26:24 31:18	90:22 218:22	177:10,18,18	162:25 188:18
<b>Westin</b> 167:5	38:9 39:18,19	<b>writing</b> 125:15	177:19 178:2	<b>10,000</b> 46:10
213:20	44:18 51:18,19	145:10 192:6	183:21,22	48:10
<b>whatsoever</b>	52:8 53:11	<b>written</b> 91:1	184:2,3,8	<b>100</b> 80:12
21:22 31:16	55:5,7 57:14	167:25	193:20 195:10	119:10 156:12
225:25	72:14 80:24	<b>wrong</b> 32:10	203:21,22	186:13 189:10
<b>Wheeler</b> 209:23	118:7 141:16	108:6 217:17	204:12,13	209:10
209:24	143:18 146:21	<b>wrote</b> 119:20	207:16 210:11	<b>100,000</b> 34:5,6
<b>wife</b> 123:15	154:13 189:16	<b>Wynia</b> 224:12	<b>year's</b> 176:7	35:14,17 95:6
<b>willfully</b> 209:14	196:20 214:20		<b>years</b> 40:1,8,23	96:2 119:20
<b>William</b> 4:14	216:13 225:6,8	<b>X</b>	41:25 45:22	151:1,1 173:8
<b>Williams</b> 72:5	225:11	<b>Y</b>	46:3 66:13,17	206:21
142:16	<b>worked</b> 38:6,11	<b>yeah</b> 6:19 7:22	78:17 89:21,23	<b>101</b> 3:15
<b>willing</b> 12:9	39:3 60:24	16:10 19:5	90:1 92:7	<b>102</b> 2:19
<b>willingness</b>	70:10 74:15	26:19,23 28:5	96:12,15	<b>1035</b> 186:16,17
223:1	109:20 116:13	28:25 29:7	110:18 177:21	<b>1036</b> 186:18
<b>wind</b> 100:16	141:17,25	30:18,19 31:6	185:5 188:6,16	<b>1037</b> 113:2
<b>winding</b> 174:8	146:16 152:3	32:13 41:10	188:17,18	186:18
<b>wise</b> 168:3,4	181:12 209:18	47:14 69:2	<b>yellow</b> 128:4	<b>1038</b> 113:7
<b>wish</b> 8:3 131:12	209:18,20	83:15,16 85:20	129:18	<b>1039</b> 113:9
133:15 223:7	<b>working</b> 39:11	91:4 98:14	<b>yesterday</b> 26:1	


<b>1040</b> 117:4,6 118:15 171:7 174:5 186:19 <b>1041</b> 186:20 <b>1042</b> 113:11 175:9,22 181:5 <b>1043</b> 175:25 176:2 177:11 179:5 <b>1044</b> 126:8 180:23 <b>1045</b> 181:9 <b>1046</b> 181:19 182:5 <b>1047</b> 181:19 <b>1048</b> 182:4,9 <b>1049</b> 112:18 172:4 182:23 <b>1099</b> 42:4 152:12 175:19 <b>10th</b> 47:6 11 38:9,10 75:13 158:2 <b>11:03</b> 81:21 <b>11:13</b> 91:9,10 <b>11:28</b> 91:10,12 <b>112</b> 3:13 179:1 <b>118</b> 177:18 <b>12</b> 63:21,24 65:20 66:10,22 66:25 67:23,25 68:4 70:14 81:17,20 87:24 88:20 89:15 95:13 119:1 158:12,16,19 171:16 176:7 176:10,14 177:6 178:10 178:21 179:1 184:8 203:21 204:12 205:3 <b>12-31-2015</b> 135:14 <b>12:21</b> 136:10,12 <b>12:23</b> 137:25 138:1 <b>125</b> 179:1 <b>1250</b> 47:25	<b>139</b> 3:16 <b>14</b> 3:10 <b>140</b> 179:2 <b>15</b> 3:11 29:24 49:3 92:25 129:2 <b>150-ish</b> 31:23 <b>153</b> 3:17 <b>16</b> 3:9 34:11 <b>1662</b> 5:9 12:21 13:9 <b>17</b> 33:11 <b>18</b> 3:15 101:19 176:7,25 178:15 <b>181</b> 150:9 <b>18810</b> 102:5 125:24 <b>18812</b> 104:17 127:17 <b>19</b> 178:15 <b>19th</b> 1:12 2:11 <hr/> <b>2</b> 2 210:21 2,000 47:10 2:11 165:8,9 2:48 192:24,25 2:59 192:25 193:1 <b>20</b> 61:21 62:24 119:20,22 175:23 176:9 178:15 188:6 <b>20,000</b> 121:16 121:17 <b>2000--</b> 41:10 <b>2002</b> 30:12 38:11 40:13 <b>2010</b> 30:12 31:17,25 40:13 41:8,10,10 <b>2012</b> 33:1 <b>2013</b> 51:7 <b>2014</b> 37:18 51:6 51:9 <b>2015</b> 3:15 34:9 42:25 50:3 58:18,19 60:5	60:11 71:11,16 79:22 81:17,20 83:4 101:19 122:18 126:14 129:14 130:2,2 130:8,9,12 133:22 160:2,3 179:22,24 181:23 182:11 192:18 193:16 193:20 195:9 195:25 198:14 198:15 200:15 202:15,17 211:3,3 212:7 <b>2016</b> 1:14 3:10 3:17 4:3 6:11 7:4 14:9 15:23 16:14 24:15 34:10 43:21 122:19 131:25 140:13 151:21 153:8 160:4,25 167:5 170:7,15 174:12 192:7,8 193:19,20 207:4,12 213:20 215:6 227:7 <b>202</b> 1:25 <b>20th</b> 83:4 21 35:4 140:21 213 3:18 219 177:19 <b>225,000</b> 150:7 <b>228</b> 1:9 23 168:10 <b>23rd</b> 15:23 24 60:11 168:11 24th 58:14,19 25 43:5 47:1 122:15 123:2,9 124:1 193:9,13 193:17 195:3 197:22 198:10 201:23 <b>25-ish</b> 96:12 <b>25,830</b> 200:12 <b>2500</b> 47:25	<b>2555</b> 150:15,23 <b>25th</b> 7:4 47:6 <b>26</b> 3:10 14:9 27 3:12,17 153:8 <b>270,000</b> 110:2 <b>2709</b> 2:18 <b>275</b> 225:1 <b>27th</b> 154:1 <b>2nd</b> 165:15 198:14 <hr/> <b>3</b> 3,000 47:9 3:24 212:15,16 3:43 212:16,17 30 78:16 122:15 123:2,9 124:1 31 1:14 36:20 227:7 <b>31st</b> 4:2 135:9 135:17 144:6 144:10,11,11 154:11 198:14 202:15,17 207:12 222:12 223:15,16,19 <b>320</b> 177:19 <b>33607</b> 2:20 <b>3409</b> 74:23 <b>3410</b> 81:6 <b>3411</b> 83:3,5 <b>3412</b> 81:17 <b>3414</b> 73:10 35 17:5,5 164:3 164:4 <b>3500</b> 17:3,6 37 116:15 214:21,22,23 215:2,4 222:14 222:15 38 116:15 186:18 214:22 214:23 215:2 215:18,25 219:2,13 <b>38,500</b> 200:17 <b>38,528.69</b> 199:21 39 116:15	186:18 <hr/> <b>4</b> 4 3:4 <b>4:01</b> 225:19 <b>4:03</b> 225:19,21 <b>4:04</b> 226:19 <b>4:08</b> 14:10 <b>4:15</b> 139:14,16 <b>40</b> 78:17 <b>40-ish</b> 95:6 <b>40-year-old</b> 92:18 <b>400</b> 119:25 <b>401k's</b> 188:13 44 150:12,13 <b>44,000</b> 150:10 <b>45</b> 129:2 <b>467-9200</b> 1:25 <b>4801</b> 15:6,12 <b>493</b> 179:2 <b>4th</b> 215:6 222:15 <hr/> <b>5</b> 5,000 46:10,10 47:8,8 <b>5,940</b> 156:8 <b>5:19</b> 215:6 <b>5:48</b> 153:8 <b>50</b> 48:21 49:13 124:12,14 125:8 <b>50,000</b> 92:24 <b>500</b> 172:19 <b>506(b)</b> 154:7 159:8 <b>506(c)</b> 159:2,8 <b>52</b> 3:7 6:8,10,23 <b>53</b> 3:8 7:1,4 14:1 14:2,4 16:4,17 <b>5310</b> 9:6,11 10:7 <b>54</b> 3:9 16:11,13 16:15,17 <b>55</b> 3:10 14:6,8 <b>56</b> 3:11 15:19,20 15:24 16:4,17 <b>57</b> 3:12 27:2,5 27:11,19,22,25 28:3 <b>58</b> 3:13 112:4,7
--	--	---	--	--

112:14,14,18	96:11 97:25			
122:4,20,21	7500 48:9			
123:24 124:18	76102 1:13 2:12			
126:7 171:2				
175:8 185:16	<u>8</u>			
186:4,5,11	8,125 195:4			
59 3:14 73:2,5,7	198:11,22			
73:17 83:3	80 119:23			
91:18 93:12	801 1:11 2:10			
97:12	813-281-5609			
	2:21			
<u>6</u>	817-900-2638			
6 3:7 16:14	2:13			
30:23 36:22	8th 167:5 213:20			
38:22	214:8			
6,000 18:19				
156:9	<u>9</u>			
6,100 156:6	9:09 1:17 4:3			
60 3:15 95:13	9:13 7:17,18			
101:1,4,11	9:22 7:18,19			
108:4 125:18	9:47 26:4,5			
125:19,25	9:52 26:5,6			
126:20	92 200:24			
61 3:16 139:22	92,000 200:20			
139:24 140:2,4	201:3 202:10			
140:8 141:2	95 38:11			
144:15,20	99 189:9			
147:6 148:22	9th 6:11			
148:23 149:15				
150:2 199:9,12				
199:16,19				
200:18 201:4				
6100 156:8				
62 3:17 153:2,5				
153:7				
63 3:18 30:23				
36:23 38:22				
213:3,6,11,16				
63,000 202:17				
63,012 202:14				
65 96:4,9 103:8				
6th 44:23				
<u>7</u>				
7 3:8				
70 175:13,14				
71988 198:21				
73 3:14				
75 43:6 94:9,11				
95:6,8,14,25				

PROOFREADER'S CERTIFICATE

In the Matter of: OPTIMAL ECONOMICS CAPITAL  
PARTNERS, LLC  
Witness: Charles Heinzelman  
File Number: FW-04343-A  
Date: August 31, 2016  
Location: Fort Worth, TX

This is to certify that I, Nicholas Wagner,  
(the undersigned), do hereby swear and affirm  
that the attached proceedings before the U.S.  
Securities and Exchange Commission were held  
according to the record and that this is the  
original, complete, true and accurate transcript  
that has been compared to the reporting or recording  
accomplished at the hearing.

  
(Proofreader's Name)

2-7-2016  
(Date)

1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2 I, Rhonda Jacks, Certified Shorthand Reporter in and for  
3 the State of Texas, hereby certify that the foregoing  
4 transcript of 22 pages is a complete, true, and accurate  
5 transcript of the testimony indicated, held on 8-31-2016  
6 at the Securities and Exchange Commission, in the matter of  
7 Optimal Economics Capital Partners, LLC

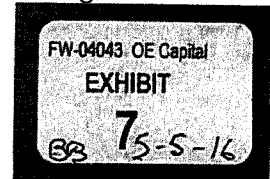
8 I, further certify that this proceeding was recorded by me  
9 and that the foregoing transcript has been prepared under my  
10 direction.

11  
12 Date: 9-7-2016

13 Official Reporter: Rhonda Jacks

14 Rhonda Jacks

15 Diversified Reporting Services, Inc.  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25



**BACKGROUND QUESTIONNAIRE**

**Please respond to the following questions in the space provided. If you need additional space for any response, you may attach additional pieces of paper.**

Today's date: May 3, 2016

1. What is your full name?  
Patrick O'Neal Howard

2. Have you ever been known by any other name? Yes No ☒

If yes, list each such name and the period(s) in which you were known by that name.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Date and Place of Birth?  
01/21/1971 – Titusville, FL

4. Country of Citizenship?  
USA

5. Marital Status? Married ☐ Divorced ☒ Single ☐

If you have ever been married, state for each marriage: (i) the date(s) of the marriage; (ii) the name of your spouse; (iii) your spouse's birth name, if different; (iv) your spouse's age; and (v) your spouse's occupation.

(i) Date August 2005 – March 2010; (ii) Ivett Jeffries; (iv) 44; (v) IT

\_\_\_\_\_  
\_\_\_\_\_

6. List the names, ages and occupations of your children, if any.  
NONE

\_\_\_\_\_  
\_\_\_\_\_

7. List all residences you occupied at any time during the last three years, including vacation homes, beginning with your current residence. For each residence, state the address, dates of residence, and all telephone numbers (including facsimile numbers) listed at that address.

Phone number – 214-289-9888

2728 Hood Street Apt 620 Dallas, TX 75219 – June 2015 - Present

\_\_\_\_\_  
\_\_\_\_\_

Initials: \_\_\_\_\_



Background Questionnaire  
Page 2

9300 Coit Rd Apt 1911 Plano, TX 75025 – March 2014 – June 2015

9300 Coit Rd Apt 412 Plano, TX 75025 – February 2013 – March 2014

8. List all telephone numbers and telecommunication services that were in your name or that you regularly used at any time during the last three years. Include all residential, business, cellular, credit card, and VOIP telephone numbers, including those listed in your response to question 7, and services such as GoogleVoice, Skype, video conference services. For each telephone number, state the name(s) of the corresponding carrier(s) (e.g., AT&T, Verizon, Vonage, Skype, etc.).  
Personal – 214-289-9888; Business direct – 214-504-2644; Business main – 214-432-8277;  
Google Voice – 214-771-8273

9. List the universal resource locator (URL) for all websites or blogs that you established or for which you had the authority to control content, at any time during the last three years. For each website, state the name(s) of the domain name registrar (e.g. GoDaddy) through which the URL was obtained, the name(s) of all individuals or entities who provided web site hosting or design services, whether the website contained primarily business or personal information, and the time period in which it was active.  
www.oecapitalpartners.com -  
www.optimaconomics.net; Content generated internally by OE Capital Partners; Designed by  
Kyle Towb (current OE employee)

10. List all electronic mail addresses and social networking accounts (e.g. Facebook, LinkedIn, Twitter, Instagram, Flickr, and Google+) that were in your name or that you regularly used at any time during the last three years. Include all personal, business and shared electronic mail addresses and social networking accounts. For each electronic mail address and social networking account, state the name(s) of the corresponding internet service provider(s) (e.g., Google, Yahoo, AOL, or your employer), whether the address was used primarily for business or personal correspondence, and the time period in which it was active.  
Email – patrick@oecapitalpartners.com; Gmail – patrick.o.howard@gmail.com; Personal email  
– phoward71@live.com; Facebook – Patrick Howard(patrick.o.howard@gmail.com); Instagram –  
patrick.o.howard; Twitter – patrickohoward; LinkedIn – patrick@oecapitalpartners.com; Business  
Facebook page – OE Capital Partners; Business LinkedIn page – OE Capital Partners

11. List all usernames for instant messaging and similar electronic communication services (including, but not limited to, Bloomberg, Skype, whatsapp), other than those listed in your response to questions 8 through 10, that were in your name or that you regularly used at any time during the last three years. Include all personal, business and shared

Initials: \_\_\_\_\_

Background Questionnaire  
Page 3

addresses. For each username, state the name(s) of the communication service provider (e.g., Google, AOL, etc.), whether the address was used primarily for business or personal correspondence, the time period in which it was active, and the name of the software application(s) (e.g., GTalk, ICQ, MSN Messenger) you used to access it.  
Skype – phoward71@live.com; Whatsapp – Patrick Howard -214-289-9888

---

---

12. List all internet message boards or discussion forums (including, but not limited to, Money Maker Group, PNQI Message Board, Investors Hub Daily) of which you were a member or on which you posted any messages at any time during the last three years. For each message board or discussion forum, state the service provider and your member name or identification information.

None

---

---

PUBLICLY-HELD COMPANIES

13. Are you now, or have you ever been, an officer or director of any publicly-held company? Yes No ☒

If yes, identify each such company, its CUSIP, and any exchange on which it is or was listed, and state your positions (including membership on any Board or management committees) and the dates you held each position.

---

---

---

14. Are you now, or have you ever been, a beneficial owner, directly or indirectly, of five per cent or more of any class of equity securities of any publicly held company? Yes No ☒

If yes, identify each such company, its CUSIP, and any exchange on which it is or was listed, and state the amount, percentage, and dates of your ownership.

---

---

---

Initials: \_\_\_\_\_

Background Questionnaire  
Page 4

PRIVATELY-HELD COMPANIES

15. Are you now, or have you ever been, a beneficial owner, directly or indirectly, of any privately-held company (*i.e.*, corporation, partnership, limited liability company or other corporate form)? Yes ☒ No ☐

If yes, identify each such company, including address and other contact information, and state your positions and the dates you held each position.

Address for all 1700 Pacific Ave STE 3680 Dallas, TX 75201 – 214.432.8200; Howard Capital Holdings, LLC – Owner – STATE TX; Optimal Economics Capital Partners, LLC – STATE TX

16. Are you now, or have you ever been, a manager or a member of any privately-held company (*i.e.*, corporation, partnership, limited liability company or other corporate form)? Yes ☒ No ☐

If yes, identify each such company, including address and other contact information, and state your positions and the dates you held each position.

Address for all 1700 Pacific Ave STE 3680 Dallas, TX 75201 – 214.432.8200; OE Capital Ventures - STATE TX – Current Manager; Insured Liquidity Partners CFG I, LLC – STATE TX – Member; Insured Liquidity Partners CFG II, LLC STATE TX – Member

SECURITIES ACCOUNTS

17. List all securities or brokerage accounts that you have held in your name, individually or jointly, at any time during the last three years. Include all foreign accounts. For each such account, identify: (i) the brokerage firm; (ii) the location of the branch where your account is or was held; (iii) your broker; (iv) the type of account (*i.e.*, cash, margin or IRA); (v) the account number; and (vi) whether any person has ever held discretionary authority or power of attorney over the account; if so, name such person(s).

401k from American United Life Insurance Co Retirement Plan -  
Plan Administrator – MARK ROLLER ONE AMERICAN SQUARE P O BOX 368 INDIANAPOLIS  
IN 46206

Initials: \_\_\_\_\_

Background Questionnaire  
Page 5

18. List all securities or brokerage accounts (including foreign accounts), other than those listed in your answer to question 17, in which you had any direct or indirect beneficial interest at any time during the last three years. For each such account, provide the information requested by question 17.

None.

---

---

---

---

19. List all securities or brokerage accounts (including foreign accounts), other than those listed in your answer to question 17 or 18, over which you had any control at any time during the last three years. For each such account, provide the information requested by question 17.

None.

---

---

---

---

**BANK ACCOUNTS**

20. List all accounts you have held in your name at any financial institution (i.e., bank, thrift, or credit union) at any time during the last three years. Include all foreign accounts. For each such account, identify: (i) the financial institution; (ii) the address of the branch at which your account is or was held; (iii) the type of account (i.e., checking, savings, money market or IRA); (iv) the account number; and (v) whether any person has ever had discretionary authority or power of attorney over the account; if so, name such person(s).

Personal Checking - Chase Branch 4236 Wycliff Ave Dallas, TX 75219 - Checking -  
696979918 - no other person has authority; First Convenience Bank - closed account

---

---

---

---

21. List all accounts at financial institutions (including foreign accounts), other than those listed in your answer to question 20, in which you had any direct or indirect beneficial interest at any time during the last three years. For each such account, provide the information requested by question 20.

Howard Capital Holdings - Chase Branch 4236 Wycliff Ave Dallas, TX 75219 - Checking -  
696989305 - no other person has authority; OE Capital Partners - Chase Branch 1700 Pacific  
Ave Dallas, TX 75219 - Checking - 797567810 - no other person has authority; OE Capital

Initials: \_\_\_\_\_

Background Questionnaire  
Page 6

Ventures – Green Bank – 2408 Cedar Springs RD Dallas, TX 75201 Checking - 5501102965;  
Insured Liquidity Partners CFG I – Checking 5501066970 and CFG II – Checking 5501067945

22. List all accounts at financial institutions (including foreign accounts), other than those listed in your answer to question 20 or 21, over which you had any control at any time during the last three years. For each such account, provide the information requested by question 20.

None.

23. List any other accounts (including foreign accounts), other than those listed in your answers to questions 20 through 22, that were held in your name, in which you had any direct or indirect beneficial interest, or over which you had any control, that you have used to transfer funds in the last three years, including, but not limited to, PayPal accounts. For each such account, provide the information requested by question 20.

Paypal – patrick.o.howard@gmail.com (login)

PRIOR PROCEEDINGS

24. Have you ever testified in any proceeding conducted by the staff of the Securities and Exchange Commission, a U.S. or foreign federal or state agency, a U.S. or foreign federal or state court, a stock exchange, the Financial Industry Regulatory Authority ("FINRA") or any other self-regulatory organization ("SRO"), or in any arbitration proceeding related to securities transactions? Yes ☒ No ☐

If yes, for each such proceeding, identify: (i) the title of the proceeding; (ii) the organization or agency; and (iii) the date(s) on which you testified.

(i) FINRA Matter No. 20150448667; (ii) FINRA; (iii) February 19, 2016

Initials: \_\_\_\_\_

Background Questionnaire

Page 7

25. Have you ever been deposed in connection with any court proceeding? Yes ☐ No ☒

If yes, for each such proceeding, identify: (i) the title of the proceeding, and (ii) the date(s) on which you were deposed.

---

---

---

---

26. Have you ever been named as a defendant or respondent in any action or proceeding brought by the SEC, any other U.S. or foreign federal agency, a state securities agency, FINRA, an SRO, or any exchange? Yes ☒ No ☐

If yes, for each such proceeding, identify: (i) the title of the proceeding; (ii) the agency or tribunal; (iii) the substance of the allegations; (iv) the outcome of the proceeding; and (v) the date of the outcome.

(i) FINRA Matter No. 20150448667; (ii) FINRA

For remaining details, please see an excerpt of Mr. Howard's BrokerCheck report marked as Exhibit A, and the complaintant's criminal history background report, marked as Exhibit B.

---

---

27. Have you ever been a defendant in any action (other than those listed in response to question 26) alleging violations of the federal securities laws? Yes ☐ No ☒

If yes, for each such proceeding, identify: (i) the title of the proceeding; (ii) the court or tribunal; (iii) the outcome of the proceeding; and (iv) the date of the outcome.

---

---

---

---

28. Have you ever been a defendant in any criminal proceeding other than one involving a minor traffic offense? Yes ☒ No ☐

If yes, for each such proceeding, identify: (i) the title of the proceeding; (ii) the court or tribunal; (iii) the outcome of the proceeding; and (iv) the date of the outcome.

(i) 2003 Insufficient Funds Charge; (ii) NO Court proceedings/Pled No Contest; (iii) Paid Fines and Check amount

---

---

---

Initials: \_\_\_\_\_

## Background Questionnaire

Page 10

nationally recognized statistical rating organization? Yes ☒ No ☐

If yes, list for each: (i) the jurisdiction of the entity; (ii) your CRD number; (iii) the entity's CRD number; (iv) the entity's SEC File number; (v) the entity's CUSIP number; and (vi) any foreign registration information similar to the foregoing.

My CRD – 5153247; OneAmerica Securities – CRD – 4173 – SEC File Number – 8-15009;

Northwestern Mutual Investment Services – CRD – 2881 – SEC File Number – 8-14088; PFS

Investments CRD – 10111 SEC File Number 8-26486

35. State your employment activities, beginning with the present and working backward to the date that you completed high school and attach a recent copy of your resume or curriculum vitae.

## OE Capital Partners/Howard Capital Holdings

Employer's Name/Self-Employment		214.432.8200
1700 Pacific Ave STE 3680		
Employer's Street Address		Telephone Number
Dallas	TX USA	75201
City	State Country	Zip Code
Owner of Company	March 2015 - Present	
Title	Dates of Employment	Supervisor
Title	Dates of Employment	Supervisor
Title	Dates of Employment	Supervisor
Title	Dates of Employment	Supervisor

## OneAmerica Securities/Personal Economics Group

Employer's Name/Self-Employment		
12700 Park Central Drive Suite 1050		
Employer's Street Address		Telephone Number
Dallas	TX USA	75251
City	State Country	Zip Code
Assoc. General Agent	June 2012 - December 2014	
Title	Dates of Employment	Supervisor
Financial Representative	November 2009 - June 2012	
Title	Dates of Employment	Supervisor
CRD 5153247 for above	positions	
Title	Dates of Employment	Supervisor
Title	Dates of Employment	Supervisor

Initials: \_\_\_\_\_

Background Questionnaire  
Page 9

**PROFESSIONAL LICENSES/CLUBS**

31. Do you hold, or have you ever held, any professional license? Yes ☒ No ☐

If yes, for each such license, identify: (i) the license number or attorney bar number; (ii) the licensing organization; (iii) the date the license was awarded; (iv) the date such license terminated, if applicable; (v) the date(s) of any disciplinary proceeding(s) against you; and (vi) the outcome of any such disciplinary proceeding (e.g., reprimand, suspension, revocation).

a. Insurance License - 1382980

b. Series 6 - 5153247

c. Series 63 - 5153247

32. Are you, or have you ever been, a member of any professional or business club or organization? Yes ☒ No ☐

If yes, list for each: (i) the name of the club or organization; (ii) its address; (iii) the date(s) of your membership; and (iv) service in any governance roles (e.g., board member, committee member, etc.) including title and dates of service.

(i) NAIFA (National Association of Insurance and Financial Advisors); (iii) 2014; (iv) No Governance Roles, No Board Roles

33. Are you, or have you been in the last three years, a member of any social clubs, charities or nonprofit organizations? Yes ☐ No ☒

If yes, list for each: (i) the name of the social club, charity or nonprofit organization; (ii) its address; (iii) the date(s) of your membership; and (iv) service in any governance roles (e.g., board member, committee member, etc.) including title and dates of service.

**EMPLOYMENT HISTORY**

34. Are you, or have you ever been, an employee of a broker, dealer, investment adviser, investment company, municipal securities dealer, municipal advisor, transfer agent, or

Initials: \_\_\_\_\_



Background Questionnaire  
Page 10

nationally recognized statistical rating organization? Yes ☒ No ☐

If yes, list for each: (i) the jurisdiction of the entity; (ii) your CRD number; (iii) the entity's CRD number; (iv) the entity's SEC File number; (v) the entity's CUSIP number; and (vi) any foreign registration information similar to the foregoing.

My CRD – 5153247; OneAmerica Securities – CRD – 4173 – SEC File Number – 8-15009;  
Northwestern Mutual Investment Services – CRD – 2881 – SEC File Number – 8-14088; PFS  
Investments CRD – 10111 SEC File Number 8-26486

35. State your employment activities, beginning with the present and working backward to the date that you completed high school and attach a recent copy of your resume or curriculum vitae.

OE Capital Partners/Howard Capital Holdings

Employer's Name/Self-Employment			
1700 Pacific Ave STE 3680			214.432.8200
Employer's Street Address			Telephone Number
Dallas	TX	USA	75201
City	State	Country	Zip Code
Owner of Company			March 2015 - Present
Title	Dates of Employment	Supervisor	
Title	Dates of Employment	Supervisor	
Title	Dates of Employment	Supervisor	
Title	Dates of Employment	Supervisor	

OneAmerica Securities/Personal Economics Group

Employer's Name/Self-Employment			
12700 Park Central Drive Suite 1050			
Employer's Street Address			Telephone Number
Dallas	TX	USA	75251
City	State	Country	Zip Code
Assoc. General Agent			June 2012 - December 2014
Title	Dates of Employment	Supervisor	
Financial Representative			November 2009 - June 2012
Title	Dates of Employment	Supervisor	
CRD 5153247 for above positions			
Title	Dates of Employment	Supervisor	
Title	Dates of Employment	Supervisor	

Initials: \_\_\_\_\_

Background Questionnaire  
Page 11

**Turtle Creek Financial Group**

Employer's Name/Self-Employment

3131 Turtle Creek Blvd Suite 600

Employer's Street Address

Dallas

TX

USA

Telephone Number

75219

City

State

Country

Zip Code

Vice President

August 2008 - November 2009

Bill Watson

Title

Dates of Employment

Supervisor

Title

Dates of Employment

Supervisor

Title

Dates of Employment

Supervisor

Title

Dates of Employment

Supervisor

**Northwestern Mutual**

Employer's Name/Self-Employment

2591 Dallas Parkway Suite 401

Employer's Street Address

Frisco

TX

USA

Telephone Number

75034

City

State

Country

Zip Code

Financial Representative

January 2007 - August 2008

Patrick Matthews

Title

Dates of Employment

Supervisor

Title

Dates of Employment

Supervisor

Title

Dates of Employment

Supervisor

Title

Dates of Employment

Supervisor

**PFS (Primerica Financial Services) / Self-Employed**

Employer's Name/Self-Employment

Employer's Street Address

Telephone Number

City

State

Country

Zip Code

Title

Dates of Employment

Supervisor

Financial Rep (part-time)

2006

Title

Dates of Employment

Supervisor

Title

Dates of Employment

Supervisor

Title

Dates of Employment

Supervisor

Initials: \_\_\_\_\_

Background Questionnaire  
Page 12

**Alliance Data**

Employer's Name/Self-Employment			
7500 Dallas Parkway			
Employer's Street Address			
Dallas	TX	USA	Telephone Number
City	State	Country	Zip Code
Manager	February 2002 - December 2006		Scott Choate
Title	Dates of Employment		Supervisor
Title	Dates of Employment		Supervisor
Title	Dates of Employment		Supervisor
Title	Dates of Employment		Supervisor

CONTINUE ON ADDITIONAL SHEETS IF NECESSARY

Please date and initial each page of the questionnaire (including any additional pages you insert) and sign the certification below.

I have read the foregoing document and have answered all questions fully and frankly.  
The answers are complete and true to the best of my knowledge.

Name: Patrick O'Neal Howard

Signature: 

Date: 5/5/2016

Initials: \_\_\_\_\_

**Additional Employment Information**

---

<b>Employer's Name/Self-Employment:</b>	Context Integration
<b>Employer's Street Address:</b>	Dallas, TX
<b>Title:</b>	Managing Consultant
<b>Dates of Employment:</b>	August 1999 – December 2001
<b>Supervisor:</b>	Bron Praslicka
<b>Employer's Name/Self-Employment:</b>	Williams Energy
<b>Employer's Street Address:</b>	Nashville, TN
<b>Title:</b>	Project Manager – Convenience Stores
<b>Dates of Employment:</b>	January 1999 – August 1999
<b>Employer's Name/Self-Employment:</b>	Cambridge Technology Partners
<b>Employer's Street Address:</b>	Nashville, TN
<b>Title:</b>	Consultant
<b>Date of Employment:</b>	September 1995 – August 1999
<b>Supervisor:</b>	Tom Weeks
<b>Employer's Name/Self-Employment:</b>	Service Merchandise
<b>Employer's Street Address:</b>	Nashville, TN
<b>Title:</b>	Systems Analyst
<b>Dates of Employment:</b>	May 1995 – September 1995
<b>Employer's Name/Self-Employment:</b>	Gallagher Financial Systems
<b>Employer's Street Address:</b>	Nashville TN
<b>Title:</b>	Consultant
<b>Dates of Employment:</b>	June 1993 – May 1995

**EXHIBIT A**

www.finra.org/brokercheck

User Guidance



OEC-PH-015

**Customer Dispute - Settled**

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

**Disclosure 1 of 1**

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** ONEAMERICA SECURITIES, INC

**Allegations:** COMPLAINANT ALLEGES THAT ON OR AROUND MAY 13, 2014 THE REGISTERED REPRESENTATIVE MISAPPROPRIATED FUNDS INTENDED FOR THE COMPLAINANT'S WHOLE LIFE POLICY

**Product Type:** Insurance

**Alleged Damages:** \$3,500.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

**Customer Complaint Information**

**Date Complaint Received:** 03/11/2015

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/08/2015

**Settlement Amount:** \$3,500.00

**Individual Contribution Amount:** \$0.00

**Firm Statement** \$3,500 WAS DEPOSITED INTO THE CLIENT'S WHOLE LIFE POLICY BY THE INSURANCE COMPANY.

FOIA Confidential Treatment Requested by K&amp;L Gates LLP

**EXHIBIT B**

**Important:**

This is NOT a CONSUMER REPORT and does not constitute a "consumer report" under the Fair Credit Reporting Act ("FCRA"). This report may not be used to determine the eligibility for credit, insurance, employment or any other purpose regulated under the FCRA.

This system may be used only in accordance with your Subscriber Agreement, the Gramm-Leach-Bliley Act ("GLBA"), the Driver's Privacy Protection Act ("DPPA") and all other applicable laws. User agrees to having knowledge of all applicable laws pertaining to the usage of data. User accepts all responsibility civilly and criminally for any use of this system.




Violations of these restrictions or misuse of this system will cause your access to be terminated and will cause an immediate investigation.

## Comprehensive Report




Comprehensive Report  
Date: 02/19/2016

Reference ID: 0311651.00001/28248

### Report Legend

- ✓ - Confirmed Address
-  - Deceased Person
-  - View Address Map
-  - View Social Network(s)

### Relatives

-  > - 1<sup>st</sup> Degree of Separation
-  >> - 2<sup>nd</sup> Degree of Separation
-  >>> - 3<sup>rd</sup> Degree of Separation

## Subject Information

(Best Information for Subject)

Name: ANITA LASHUN HILL  
(01/21/2014 to 10/15/2015)  
Name: ANITA LASHUN EVANS  
(12/01/2001 to 11/02/2014)  
Name: ANITA HILL (05/01/2014 to  
06/05/2014)  
Name: ANITA LASHUN GLADNEY  
(11/01/2002 to 04/18/2014)  
Name: ANITA LASHUN DAVIS  
(12/01/1992 to 04/18/2014)  
Name: ANITA LASHUN DAVIS  
EVANS  
Date of Birth: 02/18/1971, Born 45  
years ago  
SSN: 466-43-3414 issued in  
TEXAS between 1978-1979  
SSN: 466-45-XXXX issued in  
TEXAS between 1979-1980

Other Individuals Observed with  
shared SSN:  
ANTIA L DAVIS 466-43-3414  
A EVANS 466-43-3414 Age: 45

Other Names Associated with  
Subject  
None found

Other DOBs Associated with  
Subject  
None found

Other Possible Phones Associated  
with Subject [ Show Carriers ]:  
(972) 780-7346 (CT) (LandLine)  
(100%)  
(214) 893-2412 (CT) (Mobile) (99%)  
(972) 227-7944 (CT) (LandLine)  
(88%)  
(214) 298-2248 (CT) (Mobile) (66%)  
(214) 333-9924 (CT) (66%)  
(214) 375-6677 (CT) (LandLine)  
(66%)  
(972) 227-2926 (CT) (LandLine)  
(66%)  
(972) 298-0760 (CT) (LandLine)  
(66%)  
(972) 375-6677 (CT) (Mobile) (66%)  
(214) 371-0447 (CT) (40%)  
(214) 309-0264 (CT) (18%)  
(972) 227-1921 (CT) (15%)

## Indicators

Bankruptcies: No  
Liens: No  
Judgments: Yes  
Property: Yes  
Corporate Affiliations: No  
Criminal/Traffic: Yes  
Global Watch Lists Match: Yes

The Global Watch List  
Check covers 60+  
sanctions and watch  
lists, including OFAC  
(SDNs and other lists),  
EU Consolidated List,  
HM Treasury Sanctions,  
UN Consolidated List  
and MORE

Click here for a detailed  
coverage list including  
update frequency.

Email Addresses Associated  
with Subject  
anita.evans@wmconnect.com  
anita.gladney@msn.com

[Run Social Media Search](#)



## Table of Contents

**Subject Information**  
Potential Subject Photos (None Found)  
**Comprehensive Report Summary**  
**Possible Criminal Records (11 Found)**  
**Possible Employers (2 Found)**  
**Address Summary (12 Found)**  
**Address Details (12 Found)**  
**Cities History (4 Found)**  
**Counties History (2 Found)**  
**Driver's License Information (2 Found)**  
**Utilities (4 Found)**  
Professional Affiliations (None Found)  
Professional Licenses (6 Found)  
Bankruptcy Records (None Found)  
Liens (None Found)  
**Judgments (1 Found)**  
**Current Property Deeds (2 Found)**  
Past Property Deeds (None Found)  
Property Foreclosures (None Found)  
**Property Assessments (1 Found)**  
Evictions (None Found)  
**Current Vehicle Information (1 Found)**  
**Past Vehicle Information (6 Found)**  
FL Accidents (None Found)  
**Global Watch Lists (2 Found)**  
US Business Affiliations (None Found)  
UCC Filings (None Found)  
US Corporate Affiliations (None Found)  
Aircraft Records (None Found)  
Pilot Licenses (None Found)  
**Voter Registrations (5 Found)**  
Hunting Permits (None Found)  
Weapon Permits (None Found)  
**Possible Relatives - Summary (24 Found)**  
**Likely Associates - Summary (4 Found)**  
**Possible Associates - Summary (18 Found)**  
**Neighbor Phones (30 Found)**

## Potential Subject Photos (None Found)

## Comprehensive Report Summary

Bankruptcies: None found  
Possible Phones: 15 found  
Driver's License: 2 found  
Address(es) found: 12 found  
Motor Vehicles Registered: 7 found  
Criminal History Records: 11 found

## Possible Criminal Records (11 Found)

**WARNING - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.**

Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.

Name: ANITA EVANS  
DOB: 02/18/1971, Born 45 Years Ago  
Gender: F  
Hair: BLACK  
Height: 64  
Weight: 188  
Ethnicity: BLACK  
Eyes: BROWN  
Is Sex Offender: No  
Source Name: TX DEPT OF PUBLIC SAFETY  
Source State: TX

**Match Indicators**

First Name: ☐ Exact Match  
Middle Name: ☐ Not Available On Record  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Exact Match  
Age: ☐ Not Provided  
Address: ☐ Crime County Matched  
(DALLAS, TX)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

**Crime Details - 08/10/2006 - DALLAS, TX**

OffenseDescription1: FAIL TO ID FUGITIVE INTENT  
GIVE FALSE INFO  
Case Number: 8604849  
Arresting Agency: MESQUITE PD  
Crime County: DALLAS  
Crime Type: MISDEMEANOR  
OffenseCode: 38.02(D)(2)  
NCICCode: 2201

Case Type: MISDEMEANOR - CLASS A  
Court: COUNTY CRIMINAL COURT NO 2 DALLAS  
Court Costs: 249  
Fines: 200  
Plea: NO CONTEST OR NO  
Disposition: CONVICTED  
Disposition Date: 08/10/2006

WARNING - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.

Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.

Name: ANITA EVANS  
DOB: 02/18/1971, Born 45 Years Ago  
Gender: F  
Hair: BLACK  
Height: 64  
Weight: 188  
Ethnicity: BLACK  
Eyes: BROWN  
Is Sex Offender: No  
Source Name: TX DEPT OF PUBLIC SAFETY  
Source State: TX

**Match Indicators**

First Name: ☐ Exact Match  
Middle Name: ☐ Not Available On Record  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Exact Match  
Age: ☐ Not Provided  
Address: ☐ Crime County Matched  
(DALLAS, TX)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

**Crime Details - 07/14/2006 - DALLAS, TX**

OffenseDescription1: FORGERY TO DEFRAUD OR  
HARM OF ANOTHER  
Case Number: 8604849  
Crime County: DALLAS  
Crime Type: MISDEMEANOR  
OffenseCode: 32.21(C)  
NCICCode: 685

Case Type: MISDEMEANOR - CLASS A  
Court: CRIMINAL DISTRICT COURT #5 OF DALLAS  
CO DALLAS  
Court Costs: 50  
Fines: 200  
Plea: GUILTY  
Disposition: PROBATION REVOCATION  
Disposition Date: 07/14/2006

**Crime Details - 07/14/2006 - DALLAS, TX**

OffenseDescription1: FORGERY FINANCIAL INSTRUMENT Case Number: 8604849 Crime County: DALLAS Crime Type: FELONY OffenseCode: 32.21(D) NCICCode: 683	Case Type: FELONY - STATE JAIL FELONY Court: CRIMINAL DISTRICT COURT #5 OF DALLAS CO DALLAS Court Costs: 198 Fines: 200 Plea: GUILTY Probation: 4Y Disposition: DEFERRED Disposition Date: 07/14/2006
---	--

**WARNING - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.**

**Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.**

Name: ANITA EVANS  
DOB: 02/18/1971, Born 45 Years Ago  
Gender: F  
Hair: BLACK  
Height: 64  
Weight: 188  
Ethnicity: BLACK  
Eyes: BROWN  
Is Sex Offender: No  
Source Name: TX DEPT OF PUBLIC SAFETY  
Source State: TX

**Match Indicators**

First Name: ☐ Exact Match  
Middle Name: ☐ Not Available On Record  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Exact Match  
Age: ☐ Not Provided  
Address: ☐ Crime County Matched  
(DALLAS, TX)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

**Crime Details - 09/21/2005 - DALLAS, TX**

OffenseDescription1: FAIL TO ID FUGITIVE INTENT GIVE FALSE INFO Case Number: 8604849 Arresting Agency: DALLAS COUNTY SHERIFFS OFFICE Crime County: DALLAS Crime Type: MISDEMEANOR OffenseCode: 38.02(D)(2) NCICCode: 2201	Case Type: MISDEMEANOR - CLASS A Court: COUNTY CRIMINAL COURT #7 DALLAS Court Costs: 245 Fines: 500 Plea: NO CONTEST OR NO Disposition: CONVICTED Offense Date: 09/21/2005 Disposition Date: 01/27/2006
---	--

**WARNING - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.**

**Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.**

Name: ANITA EVANS  
DOB: 02/18/1971, Born 45 Years Ago  
Gender: F  
Hair: BLACK  
Height: 64  
Weight: 188

**Match Indicators**

First Name: ☐ Exact Match  
Middle Name: ☐ Not Available On Record  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Exact Match

Ethnicity: BLACK  
Eyes: BROWN  
Is Sex Offender: No  
Source Name: TX DEPT OF PUBLIC SAFETY  
Source State: TX

Age: ☐ Not Provided  
Address: ☐ Crime County Matched  
(DALLAS, TX)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

Crime Details - 07/22/2005 - DALLAS, TX

OffenseDescription1: FORGERY TO DEFRAUD OR HARM OF ANOTHER Case Number: 8604849 Arresting Agency: DALLAS COUNTY SHERIFFS OFFICE Crime County: DALLAS Crime Type: MISDEMEANOR OffenseCode: 32.21(C) NCICCode: 685	Case Type: MISDEMEANOR - CLASS A Court: CRIMINAL DISTRICT COURT #5 OF DALLAS CO DALLAS Court Costs: 50 Fines: 200 Plea: GUILTY Disposition: PROBATION REVOCATION Offense Date: 07/22/2005 Disposition Date: 07/14/2006
--	---

Crime Details - 07/22/2005 - DALLAS, TX

OffenseDescription1: FORGERY FINANCIAL INSTRUMENT Case Number: 8604849 Arresting Agency: DALLAS COUNTY SHERIFFS OFFICE Crime County: DALLAS Crime Type: FELONY OffenseCode: 32.21(D) NCICCode: 683	Case Type: FELONY - STATE JAIL FELONY Court: CRIMINAL DISTRICT COURT #5 OF DALLAS CO DALLAS Court Costs: 198 Fines: 200 Plea: GUILTY Probation: 4Y Disposition: DEFERRED Offense Date: 07/22/2005 Disposition Date: 07/14/2006
--	--

WARNING - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.

Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.

Name: ANITA EVANS  
DOB: 02/18/1971, Born 45 Years Ago  
Gender: F  
Hair: BLACK  
Height: 64  
Weight: 188  
Ethnicity: BLACK  
Eyes: BROWN  
Is Sex Offender: No  
Source Name: TX DEPT OF PUBLIC SAFETY  
Source State: TX

Match Indicators

First Name: ☐ Exact Match  
Middle Name: ☐ Not Available On Record  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Exact Match  
Age: ☐ Not Provided  
Address: ☐ Crime County Matched  
(DALLAS, TX)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

Crime Details - 05/05/2005 - DALLAS, TX

OffenseDescription1: FORGERY TO DEFRAUD OR HARM OF ANOTHER Case Number: 8604849 Arresting Agency: DALLAS COUNTY SHERIFFS OFFICE	Case Type: MISDEMEANOR - CLASS A Court: CRIMINAL DISTRICT COURT #5 OF DALLAS CO DALLAS Court Costs: 50 Fines: 200
---	--

Crime County: DALLAS Crime Type: MISDEMEANOR OffenseCode: 32.21(C) NCICCode: 685	Plea: GUILTY Disposition: PROBATION REVOCATION Offense Date: 05/05/2005 Disposition Date: 07/14/2006
---	---

Crime Details - 05/05/2005 - DALLAS, TX

OffenseDescription1: FORGERY FINANCIAL INSTRUMENT Case Number: 8604849 Arresting Agency: DALLAS COUNTY SHERIFFS OFFICE Crime County: DALLAS Crime Type: FELONY OffenseCode: 32.21(D) NCICCode: 683	Case Type: FELONY - STATE JAIL FELONY Court: CRIMINAL DISTRICT COURT #5 OF DALLAS CO DALLAS Court Costs: 198 Fines: 200 Plea: GUILTY Probation: 4Y Disposition: DEFERRED Offense Date: 05/05/2005 Disposition Date: 07/14/2006
--	--

WARNING - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.  
Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.

Name: ANITA LASHUN DAVIS  
DOB: 02/18/1971, Born 45 Years Ago  
Address: 7209 S LOOP 12, DALLAS, TX 75217-6049 (DALLAS COUNTY)  
Gender: F  
Ethnicity: BLACK  
Is Sex Offender: No  
Source Name: DALLAS COUNTY  
Source State: TX

Match Indicators

First Name: ☐ Exact Match  
Middle Name: ☐ Exact Match  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Exact Match  
Age: ☐ Not Provided  
Address: ☐ Zip Matched (75217)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

Crime Details - 01/07/1994 - DALLAS, TX

OffenseDescription1: BURGLARY OF VEHICLE Case Number: F-9400373 Crime County: DALLAS	Charges Filed Date: 02/01/1994 Court: 195TH JUDICIAL DISTRICT COURT Disposition: NOBILL BY GRAND JURY Offense Date: 01/07/1994 Disposition Date: 02/21/1994
--	---

Crime Details - 01/07/1994 - DALLAS, TX

OffenseDescription1: BURG VEH Case Number: F-9400373 Crime County: DALLAS	Charges Filed Date: 02/01/1994 Court: 195TH JUDICIAL DISTRICT Disposition: NO BILL BY GRAND JURY Offense Date: 01/07/1994 Disposition Date: 02/21/1994
---	--

**WARNING** - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.  
Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.

Name: ANNIE EVANS

DOB: Unavailable

Address: DALLAS, TX 75210 (DALLAS COUNTY)

Is Sex Offender: No

Source Name: DALLAS COUNTY - JUSTICE OF THE PEACE

Source State: TX

Match Indicators

First Name: ☐ Close Match (ANITA - ANNIE)  
Middle Name: ☐ Not Available On Record  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Not Available On Record  
Age: ☐ Not Provided  
Address: ☐ City Matched (DALLAS, TX)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

**Crime Details - 10/04/2012 - DALLAS, TX**

OffenseDescription1: FARE EVASION  
Case Number: JT12M2723H  
Crime County: DALLAS

Offense Date: 10/04/2012

**WARNING** - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.  
Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.

Name: ANNETTE LASHUN EVANS

DOB: Unavailable

Address: 9825 MICHELLE DR, DALLAS, TX 75217 (DALLAS COUNTY)

Is Sex Offender: No

Source Name: DALLAS COUNTY - JUSTICE OF THE PEACE

Source State: TX

Match Indicators

First Name: ☐ Close Match (ANITA - ANNETTE)  
Middle Name: ☐ Exact Match  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Not Available On Record  
Age: ☐ Not Provided  
Address: ☐ Zip Matched (75217)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

**Crime Details - 08/29/2012 - DALLAS, TX**

OffenseDescription1: EXPIRED/NO  
Case Number: JT1243353A  
Crime County: DALLAS  
OffenseCode: 3205

Fines: 204.00  
Offense Date: 08/29/2012

**Crime Details - 08/29/2012 - DALLAS, TX**

OffenseDescription1: NO DL  
Case Number: JT1243354A  
Crime County: DALLAS  
OffenseCode: 3103

Fines: 169.00  
Offense Date: 08/29/2012

Crime Details - 08/29/2012 - DALLAS, TX

OffenseDescription1: NO INSURANCE Case Number: JT1243355A Crime County: DALLAS OffenseCode: 3049	Fines: 267.00 Offense Date: 08/29/2012
---	---

Crime Details - 08/29/2012 - DALLAS, TX

OffenseDescription1: NO SEATBELT - CHILD UNDER 8 Case Number: JT1243356A Crime County: DALLAS Crime Type: TRAFFIC OffenseCode: 3031	Fines: 125.00 Offense Date: 08/29/2012
---	---

WARNING - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.  
Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.

Name: ANNETTE T HILL  
DOB: Unavailable  
Address: FORNEY, TX 75126 (KAUFMAN COUNTY)  
Is Sex Offender: No  
Source Name: DALLAS COUNTY - JUSTICE OF THE PEACE  
Source State: TX

Match Indicators

First Name: ☐ Close Match (ANITA - ANNETTE)  
Middle Name: ☐ Marginally Matched (LASHUN DAVIS - T)  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Not Available On Record  
Age: ☐ Not Provided  
Address: ☐ Zip Matched (75126)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

Crime Details - 01/22/2014 - DALLAS, TX

OffenseDescription1: FARE EVASION Case Number: JT1401917A Crime County: DALLAS	Offense Date: 01/22/2014
--	--------------------------

WARNING - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.  
Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.

Name: ANNETTE TESSERA HILL  
DOB: Unavailable  
Address: FORNEY, TX 75126 (KAUFMAN COUNTY)

Match Indicators

First Name: ☐ Close Match (ANITA - ANNETTE)

Is Sex Offender: No  
Source Name: DALLAS COUNTY - JUSTICE OF  
THE PEACE  
Source State: TX

Middle Name: ☐ Marginally Matched  
(LASHUN DAVIS - TESSERA)  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Not Available On Record  
Age: ☐ Not Provided  
Address: ☐ Zip Matched (75126)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

Crime Details - 11/26/2013 - DALLAS, TX

OffenseDescription1: FARE EVASION Case Number: JT1401570H Crime County: DALLAS	Offense Date: 11/26/2013
--	--------------------------

**WARNING** - Due to the quality of Criminal data entry - Data displayed may not pertain to your Subject.

Separate Criminal Search is highly suggested as well as independent verification of anything displayed on this system.

Name: ANN LOUISE HILL  
DOB: Unavailable  
Address: 7200 S R L THORNTON FWY TRLR  
13, DALLAS, TX 75232-4038 (DALLAS  
COUNTY)  
Gender: F  
Ethnicity: BLACK  
Source Name: DALLAS COUNTY - WARRANTS  
Source State: TX

Match Indicators

First Name: ☐ Close Match (ANITA - ANN)  
Middle Name: ☐ Marginally Matched  
(LASHUN DAVIS - LOUISE)  
Last Name: ☐ Exact Match  
Date Of Birth: ☐ Not Available On Record  
Age: ☐ Not Provided  
Address: ☐ City Matched (DALLAS, TX)  
Height: ☐ Not Provided  
Ethnicity: ☐ Not Provided

Warrant Details - 09/08/2008 - TX

Offense Information: NO SEATBELT - DRIVER/FTA Source State: TX Case Number: JT0868865H Offense Date: 03/27/2008 Warrant Date: 09/08/2008	Court: JP 11 - SOUTH DALLAS GOVT. CTR. 7201 S. POLK . DAL Bail: \$260.00 Remarks: CITATION NUMBER: 111003316-1
--	---

Warrant Details - 09/08/2008 - TX

Offense Information: EXPIRED/NO INSPECTION/FTA Source State: TX Case Number: JT0771117H Offense Date: 05/01/2007 Warrant Date: 09/08/2008	Court: JP 11 - SOUTH DALLAS GOVT. CTR. 7201 S. POLK . DAL Bail: \$325.00 Remarks: CITATION NUMBER: 106001247-1
---	---

Warrant Details - 09/08/2008 - TX

Offense Information: NO INSURANCE/FTA Source State: TX	Court: JP 11 - SOUTH DALLAS GOVT. CTR. 7201 S. POLK . DAL
---	--



Case Number: JT0868866H Offense Date: 03/27/2008 Warrant Date: 09/08/2008	Bail: \$412.10 Remarks: CITATION NUMBER: 111003316-2
---	---

**Warrant Details - 12/18/2003 - TX**

Offense Information: FAIL TO SEC A CHILD (\$251.00) Source State: TX Case Number: JT0216251H Offense Date: 05/14/2002 Warrant Date: 12/18/2003	Court: JP 11 - SOUTH DALLAS GOVT. CTR. 7201 S. POLK . DAL Bail: \$331.00 Remarks: CITATION NUMBER: N/A
--	---

**Warrant Details - 12/18/2003 - TX**

Offense Information: SPD SCH ZONE 20/28 (\$251.00) Source State: TX Case Number: JT0216249H Offense Date: 05/14/2002 Warrant Date: 12/18/2003	Court: JP 11 - SOUTH DALLAS GOVT. CTR. 7201 S. POLK . DAL Bail: \$381.00 Remarks: CITATION NUMBER: N/A
---	---

**Warrant Details - 12/18/2003 - TX**

Offense Information: FMFR (\$351.00) Source State: TX Case Number: JT0216250H Offense Date: 05/14/2002 Warrant Date: 12/18/2003	Court: JP 11 - SOUTH DALLAS GOVT. CTR. 7201 S. POLK . DAL Bail: \$431.00 Remarks: CITATION NUMBER: N/A
---	---

**Possible Employers (2 Found)**

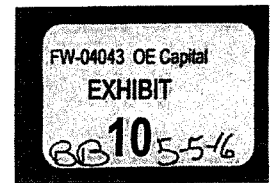
Business Name: AUDREY CREATIVE BRAIDS (10/24/2014)

Business Name: EVANS, ANITA L  
Phone: (214) 371-0447 (CT) EVANS, ANITA L  
Address: 1252 CYPRESS LN, LANCASTER, TX 75146 (Dallas COUNTY)

**Address Summary (12 Found)**

✓ 1014 HAYWORTH AVE, DUNCANVILLE, TX 75137-4750 (DALLAS COUNTY) (01/17/2014 to 02/19/2016)  
 1252 CYPRESS LN, LANCASTER, TX 75146-2100 (DALLAS COUNTY) (10/2001 to 06/2015)  
 2658 KATHLEEN AVE, DALLAS, TX 75216-5850 (DALLAS COUNTY) (09/1989 to 05/2014)  
 PO BOX 397804, DALLAS, TX 75339-7804 (DALLAS COUNTY) (12/1997 to 09/30/2013)  
 9309 PRAIRIE OAK DR, DALLAS, TX 75217-7243 (DALLAS COUNTY) (12/01/2001 to 09/26/2004)  
 3911 S LANCASTER RD STE 105, DALLAS, TX 75216-5677 (DALLAS COUNTY) (12/2002 to 02/12/2004)  
 PO BOX 1963, FORNEY, TX 75126-1963 (KAUFMAN COUNTY) (09/01/2002 to 06/2003)  
 1102 E 9TH ST, DALLAS, TX 75203-2418 (DALLAS COUNTY) (07/1992 to 01/23/2003)  
 2611 BURGER AVE, DALLAS, TX 75215-3512 (DALLAS COUNTY) (10/2001 to 10/2001)  
 2110 VATICAN LN, DALLAS, TX 75224-4732 (DALLAS COUNTY) (08/2000 to 06/2001)  
 2900 DILIDO RD, DALLAS, TX 75228-8339 (DALLAS COUNTY) (03/1997 to 06/1997)  
 1059 GAYNOR AVE, DUNCANVILLE, TX 75137-4749 (DALLAS COUNTY) (01/1995 to 12/1995)

**EXECUTION COPY**



---

---

**REVENUE FINANCING AGREEMENT**

**BY AND AMONG**

**OPTIMAL ECONOMICS CAPITAL PARTNERS LLC,**

**ATHLETES PERFORMANCE GEAR, LLC,**

**AND**

**JOHN HOBBS (SOLELY WITH RESPECT TO THE OBLIGATIONS SET FORTH IN  
SECTION 5.3)**

**DATED AS OF NOVEMBER 2, 2015**

---

---

# TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS AND CERTAIN INTERPRETIVE MATTERS.....	1
1.1    Definitions.....	1
1.2    Certain Interpretive Matters .....	9
ARTICLE II FUNDING AMOUNTS; PROCEDURE; ROYALTY FEES .....	10
2.1    Funding Amounts; Procedure .....	10
2.2    Project Manager .....	11
2.3    Payments to the Investor .....	11
2.4    Company Credit for Royalty Fees .....	12
2.5    Withholding Taxes .....	12
ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE COMPANY .....	12
3.1    Organization.....	12
3.2    Corporate Authorization .....	12
3.3    Governmental Authorization .....	12
3.4    Ownership .....	13
3.5    Financial Projections.....	13
3.6    Solvency.....	13
3.7    Litigation.....	13
3.8    Compliance with Laws .....	13
3.9    Conflicts .....	13
3.10   Material Contracts.....	14
3.11   Subordination.....	14
3.12   Place of Business .....	14
3.13   Broker's Fees .....	14
3.14   Investment Company Status .....	14
3.15   Taxes .....	14
3.16   ERISA and Labor Relations.....	15
3.17   Properties .....	15
3.18   Subsidiaries; Business.....	15
3.19   Intellectual Property .....	15
3.20   Indebtedness; Liens.....	16
3.21   Affiliate Transactions.....	16
3.22   Tax Analysis by the Company .....	16
3.23   No Other Representations and Warranties.....	16
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE INVESTOR.....	16
4.1    Organization.....	16
4.2    Corporate Authorization .....	16
4.3    Governmental Authorization .....	17
4.4    Broker's Fees .....	17

**TABLE OF CONTENTS**  
(Continued)

	<u>Page</u>
4.5 Conflicts .....	17
4.6 Financing .....	17
4.7 Litigation .....	17
4.8 Compliance .....	17
<b>ARTICLE V COVENANTS AND ADDITIONAL AGREEMENTS .....</b>	<b>18</b>
5.1 Access; Books and Records; Inspection .....	18
5.2 Observer Rights .....	18
5.3 Key Person Life Insurance .....	18
5.4 Compliance with Laws and Material Contracts; Amendments .....	18
5.5 Permitted Liens .....	19
5.6 Further Assurance .....	19
5.7 Indebtedness .....	19
5.8 Restricted Payments .....	19
5.9 Investments .....	19
5.10 Existence; Conduct of Business .....	19
5.11 Payment of Obligations .....	20
5.12 Non-Solicitation .....	20
5.13 Subordination .....	20
5.14 Security Interest .....	20
<b>CLOSING AND CONDITIONS TO CLOSING .....</b>	<b>21</b>
5.16 Closing Date .....	21
5.17 Conditions to the Obligations of the Investor .....	21
5.18 Conditions to the Obligations of the Company .....	22
<b>ARTICLE VI TERMINATION .....</b>	<b>22</b>
6.1 Company Event of Default .....	22
6.2 Effect of a Company Event of Default .....	23
6.3 Early Exit .....	23
6.4 Change of Control .....	24
6.5 Change of Control Tail Period .....	24
6.6 Early Termination .....	24
6.7 Effect of Termination .....	25
<b>ARTICLE VII MISCELLANEOUS .....</b>	<b>25</b>
7.1 Survival .....	25
7.2 Specific Performance .....	25
7.3 Notices .....	25
7.4 Successors and Assigns .....	26
7.5 Indemnification .....	27

**TABLE OF CONTENTS**  
(Continued)

	<u>Page</u>
7.6 Indemnification Procedures .....	27
7.7 Expenses .....	29
7.8 Independent Nature of Relationship .....	29
7.9 Entire Agreement; Third Party Beneficiaries .....	29
7.10 Amendments; No Waivers .....	29
7.11 Headings and Captions .....	30
7.12 Counterparts; Effectiveness .....	30
7.13 Severability .....	30
7.14 Governing Law; Jurisdiction.....	30
7.15 Waiver of Jury Trial .....	31
7.16 No Recourse Against Non-Parties .....	31
7.17 Federal Income Tax Treatment; Treatment in Bankruptcy.....	31
FINANCIAL PROJECTIONS.....	EXHIBIT A
FINANCIAL REPORTING AND BANKING .....	EXHIBIT B

## REVENUE FINANCING AGREEMENT

This Revenue Financing Agreement (this "Agreement"), dated as of November 2, 2015, is made by and among Athletes Performance Gear, LLC, a Texas corporation (the "Company"), Optimal Economics Capital Partners LLC, a Texas limited liability company (the "Investor"), and John Hobbs (solely with respect to the obligations set forth in Section 5.3).

### RECITALS

WHEREAS, the Company is engaged in the business of manufacturing and selling athletic performance tools;

WHEREAS, on the terms and conditions set forth in this Agreement, the Investor desires to invest in the Company and the Company desires to grant the Investor the right to receive certain payments from the Company as consideration for such investment; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual representations, warranties and covenants herein contained, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

### ARTICLE I

#### DEFINITIONS AND CERTAIN INTERPRETIVE MATTERS

1.1 *Definitions.* The following terms will have the following respective meanings for purposes of this Agreement:

"Additional Funding Date" has the meaning set forth in Section 2.1(b).

"Affiliate" means with respect to any Person, (a) any member, manager, director, officer or partner of such Person, (b) any corporation, partnership, business, association, limited liability company, firm or other entity of which such Person is a controlling equity holder, member, manager, director, officer or partner, and (c) any other Person that directly or indirectly controls, is controlled by or is under direct or indirect common control with such first Person. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting equity interests, by contract or otherwise.

"Aggregate Payment Amount" means the Royalty Fees together with any Change of Control Payment, or Default Payment, as applicable.

"Agreement" has the meaning set forth in the Preamble.

"Bankruptcy Event" means:

(a) the Company shall commence any case, proceeding or other action (i) under any existing or future Law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency,

reorganization, relief of debtors or the like, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its respective debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets, or the Company shall make a general assignment for the benefit of its respective creditors;

(b) the commencement against the Company of any case, proceeding or other action of a nature referred to in clause (a) above (i) seeking the entry of an order for relief or any such adjudication or appointment, and (ii) which remains undismissed, undischarged or unbonded for a period of ninety (90) days, or an order or decree approving or ordering any of the foregoing shall be entered;

(c) the commencement against the Company of any case, proceeding or other action (i) seeking issuance of a warrant of attachment, execution, or similar process against all or substantially all of its assets, and (ii) which shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal within ninety (90) days, or an order or decree approving or ordering any of the foregoing shall be entered;

(d) the Company shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (a), (b) or (c) above of this definition of "Bankruptcy Event"; or

(e) the Company shall admit in writing in any legal proceeding its inability to, pay its respective debts as they become due.

**"Business Day"** means any day, excluding Saturday, Sunday and any other day on which the commercial banks in Dallas, Texas are authorized or required by Law to close.

**"Change of Control"** means the occurrence of any of the following transactions that would result in any Person (or group of Persons):

(a) merging with or into (whether or not the Company is the surviving entity) the Company (or group of Persons);

(b) acquiring all or substantially all of the properties or assets of the Company through a sale, transfer, lease, license, or conveyance;

(c) acquiring, whether directly or indirectly, beneficial ownership or the right to acquire beneficial ownership of fifty percent (50%) or more of the outstanding voting securities of the Company; or

(d) other than John Hobbs possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities (or any other ownership interest), by contract or otherwise.

**"Change of Control Payment"** the meaning set forth in Section 7.3.

**"Change of Control Transaction"** the meaning set forth in Section 7.3.

**"Closing"** has the meaning set forth in Section 6.1.

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Collateral"** means all of the Company's right, title and interest in the following property, whether now or hereafter existing or acquired:

- (a) all accounts, chattel paper, deposit accounts, documents, equipment, general intangibles, instruments, inventory, letter of credit rights and any supporting obligations related to any of the foregoing;
- (b) all equity interests in all Subsidiaries directly or indirectly owned by the Company;
- (c) all books and records pertaining to the other property described in this definition;
- (d) all other goods (including fixtures) and personal property of the Company, whether tangible or intangible and wherever located; and
- (e) to the extent not otherwise included, all proceeds of the foregoing.

**"Company"** has the meaning set forth in the Preamble.

**"Company Documents"** means this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by the Company in connection with the Transactions.

**"Company Event of Default"** has the meaning set forth in Section 7.1.

**"Company Indemnified Party"** has the meaning set forth in Section 8.5(b).

**"Company Leases"** has the meaning set forth in Section 3.17(c).

**"Company Related Persons"** has the meaning set forth in Section 5.12.

**"Contract"** means any legally binding contract, agreement, instrument, lease, license, understanding, undertaking, commitment or obligation.

**"Copyrights"** means all rights, title and interests (and all related IP Ancillary Rights) arising under any Law in or relating to copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordings thereof and all applications in connection therewith.

**"Default Payment"** has the meaning set forth in Section 7.2(b)(ii).

**"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended from time to time.



**"ERISA Affiliate"** shall mean any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 4001(b) (1) of ERISA or Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414(m) of the Code.

**"Early Exit"** the meaning set forth in Section 7.3.

**"Financial Projections"** means the projected financial performance of the Company during the course of the entire Term, which such projections are included in Exhibit A, attached hereto.

**"Funding Schedule"** has the meaning set forth in Section 2.1(b).

**"GAAP"** means accounting principles generally accepted in the United States in effect from time to time, applied on a consistent basis.

**"Governmental Authority"** means any country, state, county, city or political subdivision thereof in which the Company's operations or assets are located or that exercises jurisdiction over the Company or its operations or assets and any agency, department, commission, board, bureau or instrumentality thereof that exercises jurisdiction over the Company or its operations or assets.

**"Gross Revenues"** means all proceeds received by the Company as a result of its business activities, including from the sale of the Company's goods and services to customers, before any deductions or allowances.

**"Indebtedness"** of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business and not overdue by more than ninety (90) days), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed; provided that the amount of Indebtedness for purposes of this clause (e) shall be an amount equal to the lesser of the unpaid amount of such Indebtedness and the fair market value of the encumbered property, (f) all guarantees by such Person of Indebtedness of others, (g) all capital lease obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (j) any revenue interest granted by such Person to a Third Party or any other forward sale of receivables or revenues by such Person, (k) all obligations of such Person under any liquidated earn-out, (l) any other off-balance sheet liability of such Person, and (m) all hedging obligations of such Person. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

**"Indemnification Claim"** has the meaning set forth in Section 8.6(b).

**"Initial Funding Date"** has the meaning set forth in Section 6.1.

**"Initial Funding Amount"** has the meaning set forth in Section 2.1(a).

**"Intellectual Property"** means all rights, title and interests in or relating to intellectual property and industrial property arising under any Law and all IP Ancillary Rights relating thereto, including all Copyrights, Patents, Software, Trademarks, Internet Domain Names, Trade Secrets and IP Licenses.

**"Internet Domain Name"** means all right, title and interest (and all related IP Ancillary Rights) arising under any Law in or relating to internet domain names.

**"Investor"** has the meaning set forth in the Preamble.

**"Investor Documents"** means this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by the Investor in connection with the Transactions.

**"Investor Indemnified Party"** has the meaning set forth in Section 8.5(a).

**"IP Ancillary Rights"** means, with respect to any Intellectual Property, as applicable, all foreign counterparts to, and all divisionals, reversions, continuations, continuations-in-part, reissues, reexaminations, renewals and extensions of, such Intellectual Property and all income, royalties, proceeds and Losses at any time due or payable or asserted under or with respect to any of the foregoing or otherwise with respect to such Intellectual Property, including all rights to sue or recover at law or in equity for any past, present or future infringement, misappropriation, dilution, violation or other impairment thereof, and, in each case, all rights to obtain any other IP Ancillary Right.

**"IP License"** means all Contracts (and all related IP Ancillary Rights), whether written or oral, granting any right, title and interest in or relating to any Intellectual Property.

**"Knowledge"** means (a) with respect to the Company, the actual knowledge of John Hobbs after reasonable inquiry, and (b) with respect to the Investor, the actual knowledge of Patrick Howard or Urshel Metcalf after reasonable inquiry. For the purposes of the definition of "Knowledge," "reasonable inquiry" with respect to any fact, event, circumstance or condition means making inquiries of direct reports and such other senior management personnel of the Company or the Investor, as applicable, having primary responsibility over the subject matter in question.

**"Law"** means any federal, state, local or foreign law (including common law), statute, code, ordinance, rule, regulation or Order.

**"Liens"** mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement

(or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a Third Party with respect to such securities.

**"Liquidity Schedule"** has the meaning set forth in Section 2.1(e).

**"Losses"** means, collectively, any and all claims, damages, losses, judgments, liabilities, costs and expenses (including reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding).

**"Material Adverse Effect"** means any event, circumstance or effect that, individually or in the aggregate, has, or could reasonably be expected to have, a material adverse effect on the (a) validity or enforceability of any of the Company Documents, (b) ability of the Company to perform any of its material obligations under any of the Company Documents, or (c) right of Investor to receive the Aggregate Payment Amount, and in respect of the foregoing subsections (a), (b) and (c), other than an event, circumstance or effect resulting from an Excluded Matter. **"Excluded Matter"** means any one or more of the following: (i) the effect of any change in the United States or foreign economies or securities or financial markets in general, (ii) the effect of any change arising in connection with natural disasters, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or worsening of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date hereof; or (iii) changes in GAAP or applicable Laws, other than, with respect to clauses (i), (ii) and (iii), events that disproportionately affect the Company as compared to other companies engaged in the multilevel marketing industry in which the Company operates.

**"Material Contracts"** has the meaning set forth in Section 3.10.

**"Material Intellectual Property"** means Intellectual Property that is owned by or licensed to the Company and material to the conduct of the Company's business.

**"Maturity Date"** means the date that is the third anniversary of the Initial Funding Date.

**"Maximum Funding Amount"** has the meaning set forth in Section 2.1(c).

**"Minimum Plan Performance Threshold"** has the meaning set forth in Section 2.1(f).

**"Monthly Payment Date"** means the first Monday following the one hundred and twentieth (120<sup>th</sup>) day after the Initial Funding Date and every first Monday of the month thereafter during the Measurement Period.

**"Multiemployer Plan"** shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

**"Non-Party Affiliate"** has the meaning set forth in Section 3.16.

**"Obligations"** means the Company's obligation to pay when due any Royalty Fee, Default Payment, Change of Control Payment, or other amounts the Company owes to the Investor under this Agreement (including any amounts accruing during the pendency of any bankruptcy,

insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), whether direct or indirect (including those acquired by assumption), absolute, contingent, due or to become due, now existing or hereafter arising.

**"Observer"** has the meaning set forth in Section 5.2.

**"Order"** means any order, injunction, judgment, decree, ruling, writ, settlement or arbitration award of a Governmental Authority.

**"Patents"** means all rights, title and interests (and all related IP Ancillary Rights) arising under any Law in or relating to letters patent and applications therefor.

**"Permit"** means any license, permit, consent, authorization or Order.

**"Permitted Indebtedness"** has the meaning set forth in Section 5.7.

**"Permitted Liens"** means (a) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established; (b) Liens in respect of property or assets imposed by Law which were incurred in the ordinary course of business, such as carriers', warehousemen's, distributors', wholesalers', materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty, are subject to a right of set-off or which are being contested in good faith and by appropriate proceedings; and (c) Liens in favor of the Investor.

**"Person"** means an individual, a corporation, a partnership, a limited liability company, an association, a trust, a joint stock company, a joint venture, an unincorporated organization, any Governmental Authority or any other entity or organization.

**"Plan"** shall mean any employee pension benefit plan, as defined in Section 3(2) of ERISA, (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Sections 412 or 430 of the Code or Section 302 of ERISA, and in respect of which the Company or any of its ERISA Affiliates is (or, if such plan were terminated, would under Sections 4062 or 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

**"Project Manager"** has the meaning set forth in Section 2.2(a).

**"Project Manager Duties"** has the meaning set forth in Section 2.2(b).

**"Promissory Note"** has the meaning set forth in the Recitals.

**"Measurement Period"** has the meaning set forth in Section 2.3.

**"Royalty Fees"** has the meaning set forth in Section 2.3.

**"Software"** means (a) all computer programs, including source code and object code versions, (b) all data, databases and compilations of data, whether machine readable or otherwise, and (c) all documentation, training materials and configurations related to any of the foregoing.

**"Subsidiary"** means, with respect to any Person, any corporation, partnership, limited liability company, joint venture or other legal entity of which such Person (either alone or through or together with any other Subsidiary or Subsidiaries) directly or indirectly, (a) owns any equity interests, the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity, or (b) serves as general partner.

**"Tax"** or **"Taxes"** means (a) any federal, state, local or foreign income, gross receipts, alternative or add-on minimum, sales, use, customs duty, property transfer, occupation, service, license, payroll, franchise, excise, escheat or unclaimed property, withholding, ad valorem, severance, stamp, premium, windfall profit or employment tax or other like assessment or charge of any kind whatsoever, together with any interest, fine or penalty thereon, addition to tax, additional amount, deficiency, assessment or governmental charge, and (b) any liability for the payment of any amount of the types described in clause (a) immediately above (i) as a result of the Company being party to any agreement to indemnify any Person, (ii) as a result of the Company being a successor of any other Person or the transferee of assets or property of any other Person or (iii) under Treasury Regulation Section 1.1502-6 or other similar provision of any state, local or federal Law.

**"Term"** means the period of time beginning on the Initial Funding Date and continuing until the earlier of (a) the date this Agreement is terminated in accordance with Article VII or (b) the Maturity Date.

**"Third Party"** shall mean any Person other than the Investor or the Company or their respective Affiliates.

**"Total Funding Amount"** has the meaning set forth in Section 2.1(b).

**"Trade Secrets"** means all right, title and interest (and all related IP Ancillary Rights) arising under any Law in or relating to trade secrets.

**"Trademarks"** means all rights, title and interests (and all related IP Ancillary Rights) arising under any Law in or relating to trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and, in each case, all goodwill associated therewith, all registrations and recordations thereof and all applications in connection therewith.

**"Transaction Price"** the meaning set forth in Section 7.3.

**"Transactions"** means the transactions contemplated by the Transaction Documents.

**"Transaction Documents"** means the Company Documents and the Investor Documents.

**"UCC"** means the Uniform Commercial Code as in effect from time to time in the State of Texas or such other jurisdiction as the context may require.

1.2 *Certain Interpretive Matters.*

(a) The definitions in Section 1.1 will apply equally to both the singular and plural forms of the terms defined. Additionally:

(i) all references herein to the Recitals, Sections, Articles, Exhibits or Schedules are to the Preamble, Recitals, Sections, Articles, Exhibits or Schedules of or to this Agreement unless otherwise indicated;

(ii) each term defined in this Agreement has the meaning expressly assigned to it herein;

(iii) any terms (whether capitalized or lower case) used in this Agreement that are defined in the UCC shall be construed and defined as set forth in the UCC unless otherwise defined herein;

(iv) words in the singular include the plural and vice versa, and the masculine, feminine or neuter gender shall be deemed to include each of the other genders, in each case, as required by the context;

(v)

(vi) the term "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation";

(vii) the word "will" shall be construed to have the same meaning and effect as the word "shall";

(viii) any definition of or reference to any Law, agreement, instrument or other document herein shall be construed as referring to such Law, agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified;

(ix) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns;

(x) all references herein to \$ or dollar amounts will be to the lawful currency of the United States;

(xi) to the extent the term "day" or "days" is used, it means calendar days;

(xii) any reference in this Agreement to "the date hereof" shall refer to the date that this Agreement is executed.

(b) The parties hereto have participated jointly in the negotiation and drafting of this Agreement and the other Transaction Documents and, in the event an ambiguity or question of intent or interpretation arises, this Agreement and the other Transaction Documents shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise

favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. Further, prior drafts of this Agreement or any other Transaction Documents or the fact that any clauses have been added, deleted or otherwise modified from any prior drafts of this Agreement or any other Transaction Documents hereto shall not be used as an aide of construction or otherwise constitute evidence of the intent of the parties hereto; and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of such prior drafts. The parties each hereby acknowledge that this Agreement embodies the justifiable expectations of sophisticated parties derived from arm's-length negotiations, and all parties specifically acknowledge that no party has any special relationship with another party that would justify any expectation beyond that of ordinary parties in an arm's-length transaction.

## ARTICLE II

### FUNDING AMOUNTS; PROCEDURE; ROYALTY FEES

#### 2.1 *Funding Amounts; Procedure.*

(a) Initial Funding Amount. On the Initial Funding Date, the Investor shall provide the Company an amount equal to \$238,750 (the "Initial Funding Amount").

(b) Additional Funding Amounts. Subject to the terms and conditions set forth herein, additional funding amounts shall be provided by the Investor to the Company or made available for the benefit of the Company (each date on which any additional funding amounts are provided, an "Additional Funding Date"), upon the achievement of certain milestones (such additional funding amount provided by the Investor, together with the Initial Funding Amount, the "Total Funding Amount") as contained in that certain Financial Projections document, attached hereto as Exhibit A (such particular information, the "Funding Schedule").

(c) Maximum Funding Amount. The maximum funding amount that may be provided by the Investor to the Company shall be \$1,500,000 (or such higher amount as determined in accordance with this Section 2.1(c), the "Maximum Funding Amount"), unless the Investor determines, in its sole discretion, to increase such amount as a result of the Company's financial performance.

(d) Funding Amount Procedure. All funding amounts to be paid by the Investor shall be made in accordance with the Funding Schedule, and such amounts shall be paid by wire transfer of immediately available funds to the account(s) designated by the Company.

(e) Use of Proceeds. The proceeds of the Total Funding Amount shall be used by the Company exclusively in accordance with that certain liquidity schedule information, which is included in the Financial Projections attached hereto as Exhibit A (such particular information, the "Liquidity Schedule"). No amendments shall be made to the Liquidity Schedule, except in the event that the Project Manager recommends any such amendment to the Liquidity Schedule as necessary or advisable, and the Investor approves in writing such recommended amendment.

(f) Minimum Plan Performance Threshold. The Company's projected Gross Revenues over the full Term shall be equal to or greater than 1.75 times the Total Funding Amount as of the date of determination (the "Minimum Plan Performance Threshold"). Determination of

whether the Minimum Plan Performance Threshold has been met (i) shall be in the sole discretion of the Investor (which shall be exercised in good faith) after consultation with the Project Manager, and (ii) shall be based on the financial books and records of the Company that are provided by the Company to the Project Manager pursuant to Section 5.1. During the Measurement Period, there shall be no obligation of the Investor to provide additional funding above the Initial Funding Amount in the event that the Company's projected Gross Revenues over the full Term do not meet or exceed the Minimum Plan Performance Threshold.

## 2.2 *Project Manager.*

(a) Appointment of Project Manager. The Investor hereby appoints Tracy Alexander as a full-time project manager who shall provide consulting to the Investor and the Company regarding the direction and progress of the project (the "Project Manager") and who shall report directly to, and represent the interests of, the Investor. From time to time, the Investor may remove the current Project Manager and designate a new Project Manager to the Company.

(b) Duties. The duties of the Project Manager shall include attending weekly meetings with the Company and the Investor, providing updates on the progress of the business of the Company to the Investor, and monitoring, tracking and providing updates in connection with the Company's Gross Revenues (the "Project Manager Duties"). The Project Manager will monitor the Company's financial performance and provide information regarding such performance to the Investor for purposes of determining whether the milestones set forth in the Funding Schedule have been met. For the avoidance of doubt, (i) any discussions in connection with the funding by the Investor to the Company or the overall management of such arrangement shall be between the Company and the Investor, and not between the Company and the Project Manager and (ii) any questions regarding the details of the funding by the Investor to the Company shall be directed to the Investor, and not the Project Manager; provided, however, that the Company may direct any requests for amendments to the Liquidity Schedule to the Project Manager. The Company agrees to cooperate and take such further actions as may be reasonably requested by the Project Manager in order to facilitate the performance by the Project Manager of his or her duties.

(c) Project Manager Fees. The costs and expenses of the Project Manager shall be paid by the Investor directly to the Project Manager.

2.3 *Payments to the Investor.* Beginning ninety (90) days from the Initial Funding Date, or as otherwise agreed upon by the Company and the Investor, until the expiration of the Term (the "Measurement Period"), the Company shall pay directly to the Investor on each Monthly Payment Date an amount equal to 10.00% of the Gross Revenues (each, a "Royalty Fee") for each day during the period following any prior Royalty Fee through the day immediately preceding the then current Monthly Payment Date (except that in the case of the first Monthly Payment Date, the Royalty Fee shall only be calculated from the first day of the Measurement Period); provided, however, that in the event that the aggregate amount of total Royalty Fees actually paid to the Investor prior to the Maturity Date does not equal three (3) times the Total Funding Amount, on the Maturity Date, the Company shall pay the Investor as a final Royalty Fee



an amount equal to the difference between (a) three (3) times the Total Funding Amount and (b) the aggregate amount of total Royalty Fees actually paid to the Investor prior to the Maturity Date.

2.4 *Company Credit for Royalty Fees.* Any Default Payment pursuant to Section 7.2 or any Change of Control Payment pursuant to Section 7.3 paid by the Company to the Investor shall be net of the Royalty Fees actually paid to the Investor prior to the date of such Default Payment or Change of Control Payment.

2.5 *Withholding Taxes.* The Company shall make each payment due to the Investor hereunder free and clear of, and without deduction or withholding, for or on account of any Taxes, except as otherwise required by Law after consultation with the Investor. In the event the Company is required by Law to deduct or withhold any Tax from a payment otherwise due to the Investor hereunder, the Company will notify the Investor and cooperate in good faith to eliminate or reduce any such requirement and, after doing so, will make such deduction or withholding required by Law, pay the amount deducted or withheld to the applicable Governmental Authority and make such additional payments to the Investor as may be necessary to ensure that the Investor receives and retains (free and clear of any such deduction or withholding) the amount otherwise required to be paid hereunder.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Investor as of the Initial Funding Date and as of each Additional Funding Date the following:

3.1 *Organization.* The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of Texas, is authorized to do business in the State of Texas, and has all corporate powers and all licenses, authorizations, consents and approvals required to carry on its businesses as now conducted and as proposed to be conducted in connection with the Transactions. The copies of the certificate of formation, the bylaws and similar organizational documents of the Company as provided to the Investor are true, accurate and complete in all respects and reflect all amendments made through the date of this Agreement.

3.2 *Corporate Authorization.* The Company has all necessary power and authority to enter into, execute and deliver the Company Documents to perform all of the obligations to be performed by it thereunder and to consummate the Transactions. The Company Documents have been duly authorized, executed and delivered by the Company and the Company Documents constitute the valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally or general equitable principles.

3.3 *Governmental Authorization.* The execution and delivery by the Company of the Company Documents, and the performance by the Company of its obligations thereunder, do not require any notice to, action or consent by, or in respect of, or filing with, any Government Authority.

3.4 *Ownership.* The Company has not transferred, sold or otherwise disposed of or encumbered, or agreed to transfer, sell or otherwise dispose of or encumber, any portion of its Gross Revenues other than pursuant to this Agreement.

3.5 *Financial Projections.* The Financial Projections of the Company have been furnished to the Investor and the Financial Projections have been prepared in good faith based on assumptions believed to be reasonable at the time of preparation thereof. There are no statements or conclusions in any of the Financial Projections which are based upon or include information known to be misleading in any material respect or which fail to take into account material information regarding the matters reported therein. The Company believes that the Financial Projections are reasonable and attainable; it being recognized, however, that projections as to future events are not viewed as facts and that the actual results during the period or periods covered by the Financial Projections could differ from the projected results and such differences could be material.

3.6 *Solvency.* Assuming consummation of the Transactions, (a) the present fair saleable value of the Company's assets is greater than the amount required to pay its debts as they become due (other than debts or liabilities incurred pursuant to the Company Documents) and (b) the Company has not incurred, and has no present plans to incur, debts or liabilities (other than debts or liabilities incurred pursuant to the Company Documents) beyond its ability to pay such debts or liabilities as they become absolute and matured.

3.7 *Litigation.* There is no (a) action, suit, arbitration proceeding, claim, investigation or other proceeding pending or, to the Knowledge of the Company, threatened against the Company, (b) governmental inquiry pending or, to the Knowledge of the Company, threatened against the Company, in each case with respect to clauses (a) and (b) above, which, if adversely determined, would question the validity of, or could materially and adversely affect or prevent the consummation of, the Transactions or would reasonably be expected to have a Material Adverse Effect.

3.8 *Compliance with Laws.* The Company (a) is not in violation of, or to the Knowledge of the Company, is not under investigation with respect to, and, (b) to the Knowledge of the Company, has not been threatened to be charged with or been given notice of any actual or alleged violation of, with respect to clauses (a) and (b) above, any Law or decree entered by any Government Authority applicable to the Company or its Gross Revenues which would reasonably be expected to have a Material Adverse Effect.

3.9 *Conflicts.*

(a) Neither the execution and delivery of the Company Documents nor the performance or consummation of the Transactions will: (1) contravene, conflict with, result in a breach or violation of, constitute a default under, or accelerate the performance provided by, in any material respect, any provisions of: (A) any Law of any Government Authority, or any Order of any Government Authority, to which the Company or any of its assets or properties may be subject or bound, or (B) any contract, agreement, commitment or instrument to which the Company is a party or by which any of its assets or properties is bound or committed; (2) contravene, conflict with, result in a breach or violation of, constitute a default under, or accelerate the performance provided

by, in any respect, any provisions of the certificate of formation or the bylaws (or other organizational or constitutional documents) of the Company; (3) require any notification to, filing with, or consent of any Person or Government Authority; (4) give rise to any right of termination, cancellation or acceleration of any right or obligation of the Company; (5) constitute a breach of or default under any Material Contract or give rise to any right of termination, cancellation or acceleration of any right or obligation of the Company or any other Person or to a loss of any benefit relating to the Aggregate Payment Amount; or (6) result in the creation or imposition of any Lien on the assets or properties of the Company.

(b) The Company has not granted, nor does there exist, any Lien on the Gross Revenues or any of the property or assets of the Company other than Permitted Liens.

3.10 *Material Contracts.* Schedule 3.10 sets forth a list of all Contracts, including all amendments and supplements thereto, to which the Company is a party or bound (collectively referred to herein as the "Material Contracts"). The Company is not in breach of or in default under any Material Contract, which breach or default, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. To the Knowledge of the Company, nothing has occurred and no condition exists that would permit any other party thereto to terminate any Material Contract. The Company has not received any notice or, to the Knowledge of the Company, any threat of termination of any Material Contract. To the Knowledge of the Company, no other party to a Material Contract is in material breach of or in material default under such Material Contract. All Material Contracts are valid and binding on the Company and, to the Knowledge of the Company, on each other party thereto, and are in full force and effect.

3.11 *Subordination.* The claims and rights of the Investor created by the Investor Documents, including, without limitation, rights in and to the Aggregate Payment Amount, are not subordinated to any obligation of the Company, including the current and future Indebtedness of the Company, any other creditor of the Company or any other Person.

3.12 *Place of Business.* The Company's principal place of business and chief executive office are set forth on Schedule 3.12.

3.13 *Broker's Fees.* The Company has not taken any action which would entitle any Person to any commission or broker's fee in connection with the Transactions.

3.14 *Investment Company Status.* The Company is not required to register as an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

3.15 *Taxes.* The Company has timely filed or caused to be filed all federal, state and other material Tax returns and reports required to have been filed by or with respect to it and has paid or caused to be paid all material Taxes required to have been paid by or with respect to it. The Company has satisfied all withholding Tax obligations with respect to payments due to any employee, member or other Person. The Company is not presently under audit or examination with respect to Taxes, and no written claim has been made that the Company is liable for additional Taxes in any jurisdiction. There are no Liens on any of the Company's assets relating to Taxes, other than Taxes that are not yet due or that may be paid without interest or penalty. The Company

is presently, and has been since its organization, treated as either a partnership or disregarded as an entity separate from its owner for federal income tax purposes and has never been treated as a corporation for such purposes.

3.16 *ERISA and Labor Relations.* The Company has no employees and does not maintain or have an obligation to contribute to or have any liability with respect to and has never maintained, had an obligation to contribute to or had any liability with respect to any Plan or Multiemployer Plan. There are no strikes, lockouts or slowdowns against the Company or, to the Knowledge of the Company, threatened.

3.17 *Properties.*

(a) The Company has valid title to, or a valid leasehold interest in (or other right to use), all of the tangible personal property, free and clear of all Liens, except for Permitted Liens, used in the conduct of the business and the operations of the Company as currently conducted.

(b) The Company does not own any real property.

(c) The Company has a good, marketable and insurable leasehold interest in the real property demised by the lease(s) described on Schedule 3.17(c), which constitute all of real property leased by the Company and used in the conduct of the business and operations of the Company as currently conducted (the "Company Leases"). The Company Leases are valid and enforceable in accordance with their terms and are in full force and effect, subject to applicable bankruptcy, insolvency and similar Laws affecting creditors' rights and remedies generally and to general principles of equity, whether applied a court of law or a court of equity.

(d) The Company owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to the operation of the business of the Company currently conducted, and the use thereof by the Company does not infringe in any material respect upon the rights of any other Person, and the Company's rights thereto are not subject to any licensing agreement or similar arrangement in favor of a Third Party. The Company is not required to pay any royalties with respect to intellectual property.

3.18 *Subsidiaries; Business.* The Company has no Subsidiaries. The Company has not conducted any business other than the business contemplated by the Company Documents and the Material Contracts and matters reasonably related thereto.

3.19 *Intellectual Property.* The Company owns, or is licensed to use, all Intellectual Property necessary to conduct its business as currently conducted. All Material Intellectual Property owned by the Company is valid, subsisting, unexpired and enforceable, and no Material Intellectual Property has been abandoned. No breach or default of any material IP License shall be caused by any of the following, and none of the following shall limit or impair the ownership, use, validity or enforceability of, or any rights of the Company in any Material Intellectual Property: (a) the consummation of the Transactions or (b) any holding, decision, judgment or order rendered by any Governmental Authority. To the Knowledge of the Company, the conduct and operations of the business of the Company do not infringe, misappropriate, dilute, violate or otherwise impair any Intellectual Property owned by any other Person. There are no pending (or, to the Knowledge of the Company, threatened) actions, investigations, suits, proceedings, audits, claims, demands,

orders or disputes challenging the ownership, use, validity, enforceability of, or the Company's rights in, any material Intellectual Property. To the Company's Knowledge, no Person has been or is infringing, misappropriating, diluting, violating or otherwise impairing any Intellectual Property of the Company. The Company, and to the Company's Knowledge each other party thereto, is not in material breach or default of any material IP License.

3.20 *Indebtedness; Liens.* The Company has not incurred any Indebtedness other than the Indebtedness set forth on Schedule 3.20.

3.21 *Affiliate Transactions.* The Company is not a party to any agreement or arrangement with any Affiliate.

3.22 *Tax Analysis by the Company.* The Company acknowledges and agrees that the Company is not relying on any tax advice or analysis provided by the Investor or any representative of the Investor, and that it has made its own inquiry, analysis, and investigation into, and, based thereon, has formed an independent judgment concerning, the tax consequences of this Agreement to the Company.

3.23 *No Other Representations and Warranties.* Other than the specific representations and warranties expressly set forth Article IV, the Company specifically disclaims that they are relying upon or have relied upon any such other representations or warranties that may have been made by any Person, and acknowledges and agrees that the Investor has specifically disclaimed and does hereby specifically disclaim any such other representation or warranty made by any Person. The Company specifically disclaims any obligation or duty by the Investor to make any disclosures of fact not required to be disclosed pursuant to the specific representations and warranties expressly set forth in Article IV.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor hereby represents and warrants to the Company as of the Initial Funding Date and as of each Additional Funding Date the following:

4.1 *Organization.* The Investor is duly formed, validly existing and in good standing under the Laws of the State of Texas, is authorized to do business in the State of Texas, and has all limited liability company powers and all licenses, authorizations, consents and approvals required to carry on its business as now conducted and as proposed to be conducted regarding the Transactions.

4.2 *Corporate Authorization.* The Investor has all necessary power and authority to enter into, execute and deliver the Investor Documents to perform all of the obligations to be performed by it thereunder and to consummate the Transactions. The Investor Documents have been duly authorized, executed and delivered by the Investor and the Investor Documents constitute the valid and binding obligation of the Investor, enforceable against the Investor in accordance with their respective terms subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally or general equitable principles.

4.3 *Governmental Authorization.* The execution and delivery by the Investor of the Investor Documents, and the performance by the Investor of its obligations thereunder, do not require any notice to, action or consent by, or in respect of, or filing with, any Government Authority.

4.4 *Broker's Fees.* The Investor has not taken any action which would entitle any Person to any commission or broker's fee in connection with the Transactions.

4.5 *Conflicts.* Neither the execution and delivery of the Investor Documents nor the performance or consummation of the Transactions will: (1) contravene, conflict with, result in a breach or violation of, or constitute a default under, in any material respects, any provisions of: (A) any Law of any Government Authority, or any judgment, writ, decree, permit or license of any Government Authority, to which the Investor or any of its assets or properties may be subject or bound, or (B) any material contract, agreement, commitment or instrument to which the Investor is a party or by which the Investor or any of its assets or properties is bound or committed; (2) contravene, conflict with, result in a breach or violation of or constitute a default under, or accelerate the performance provided by, in any respect, any provisions of the organizational or constitutional documents of the Investor; (3) require any notification to, filing with, or consent of any Person or Government Authority; or (4) give rise to any right of termination, cancellation or acceleration of any right or obligation of the Investor which would reasonably be expected to have a material adverse effect on the Investor's ability to perform its obligations pursuant to the Investor Documents.

4.6 *Financing.* The Investor has sufficient cash, available lines of credit or other sources of immediately available funds to enable it to pay any additional funding amounts on each Additional Funding Date, up to the Maximum Funding Amount.

4.7 *Litigation.* There is no (a) action, suit, arbitration proceeding, claim, investigation or other proceeding pending or, to the Knowledge of the Investor, threatened against the Investor or any of its directors, officers or senior managers or (b) governmental inquiry pending or, to the Knowledge of the Investor, threatened against the Investor, or any of its directors, officers or senior managers, in each case with respect to clauses (a) and (b) above, which, if adversely determined would question the validity of, or could materially and adversely affect or prevent the consummation of, the Transactions or would reasonably be expected to have a material adverse effect on the Investor's ability to perform its obligations pursuant to the Investor Documents.

4.8 *Compliance.* The Investor is in compliance with all applicable state and federal laws, including without limitation, the Investment Company Act of 1940.

## ARTICLE V

### COVENANTS AND ADDITIONAL AGREEMENTS

The Company and the Investor shall comply with the following covenants and additional agreements during the Term and until the Company has complied with all payment obligations hereunder:

#### 5.1 *Access; Books and Records; Inspection.*

(a) The Company shall keep and maintain, or cause to be kept and maintained, at all times accurate and complete books and records, as well as full and accurate books of account and records adequate to correctly reflect all payments paid and/or payable with respect to the Aggregate Payment Amount.

(b) The Company shall permit the Investor, its representatives and the Project Manager from time to time, to visit the Company's offices and properties for purposes of (i) conducting an audit of the Company's books and records, and to inspect, copy and audit such books and records, during normal business hours, and, upon five (5) Business Days written notice given by the Investor to the Company, the Company will provide the Investor, its representatives and the Project Manager reasonable access to such books and records, and shall permit the Investor, its representatives and the Project Manager to discuss the business, operations, properties and financial and other condition of the Company with officers of the Company, and with its independent certified public accountants (to the extent such independent certified accountants agree to discuss such matters with the Investor, their representatives and the Project Manager).

5.2 *Observer Rights.* The Investor shall designate one (1) observer (the "**Observer**"), who shall have observation rights with respect to manager, board of managers, or member meeting (or meetings of any other applicable governing body of the Company). In the event that an authorization for Company action is done by written consent instead of a meeting, the Observer shall have the right to review such written consent for a period of at least forty-eight (48) hours prior to its execution. The Company shall pay for or reimburse any reasonable out-of-pocket fees and expenses occurred by such Observer in his or her capacity as an Observer to the same extent and up to the same amount that the Company pays or reimburses such fees and expenses for any other board member of the Company.

5.3 *Key Person Life Insurance.* The Investor shall purchase and maintain a key person life insurance policy in the amount of the Maximum Funding Amount designating John Hobbs as the key person and naming the Investor as the beneficiary of the policy. John Hobbs consents to the Investor's purchase of such policy and agrees to cooperate and take such further actions as may be reasonably requested by the Investor or as required by the life insurance company in order to establish and maintain such policy.

#### 5.4 *Compliance with Laws and Material Contracts; Amendments.*

(a) The Company shall comply in all material respects with all Laws applicable to it or its property. The Company shall comply in all material respects with all of its obligations under the Material Contracts and shall seek to enforce its rights pursuant to the Material Contracts.

Without the Investor's consent (which shall not be unreasonably withheld, conditioned or delayed), the Company shall not agree to the amendment, modification or termination of any Material Contract if such amendment, modification or termination could reasonably be expected to have a Material Adverse Effect.

(b) The Company will not amend, modify or waive any of its rights under its certificate of formation, bylaws or any other of its organizational documents in a manner which could reasonably be expected to have a Material Adverse Effect.

5.5 *Permitted Liens.* The Company will not create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it except Permitted Liens.

5.6 *Further Assurance.* Subject to the terms and conditions of this Agreement, the Company will take, or cause to be taken, all actions and do, or cause to be done, all things reasonable and necessary under applicable Laws and regulations to (a) consummate the Transactions and (b) to facilitate the transfer or pledge of the Investor's interests under this Agreement (or the interest of any successor, assign or other subsequent party in interest). The Company agrees to execute and deliver such other documents, agreements and other writings and to take such other actions as may be reasonably necessary in order to consummate, carry out the terms and conditions of, or implement expeditiously the Transactions.

5.7 *Indebtedness.* The Company shall not incur any Indebtedness other than Permitted Indebtedness. As used herein, "Permitted Indebtedness" means unsecured Indebtedness in an aggregate principal amount not exceeding \$50,000 at any given time.

5.8 *Restricted Payments.* The Company shall not pay a dividend or a distribution to its equityholders if any Aggregate Payment Amount is due and payable and has not been paid.

5.9 *Investments.* The Company shall not purchase, hold or acquire any evidence of Indebtedness or equity interest of, make any loans or advances to, guarantee any obligations of, or make any investment in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit (whether through purchase of assets, merger or otherwise). The Company will not form or acquire any Subsidiaries, or any interest in a joint venture.

5.10 *Existence; Conduct of Business.*

(a) The Company shall not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve.

(b) The Company shall do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, franchises, government approvals, intellectual property rights, licenses and permits material to the conduct of its business, and to maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, to the extent that failure to do so would cause a Material Adverse Effect.



5.11 *Payment of Obligations.* The Company shall pay or discharge all Taxes and all other material Indebtedness, liabilities and obligations before the same shall become delinquent or in default, except where (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, (ii) the Company has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (iii) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect; provided, however, the Company will remit all material Taxes to appropriate Government Authorities as and when claimed to be due, notwithstanding the foregoing exceptions.

5.12 *Non-Solicitation.* During the Term of this Agreement and for a period of one (1) year from the expiration of the Term, the Company shall not and shall cause each of its respective directors, managers, partners, members, officers, employees and Affiliates (collectively, the "Company Related Persons") not to, directly or indirectly, on its behalf or on behalf of any other Person, employ or hire or solicit or divert any employee or independent contractor of the Investor that the Company comes in contact with, or becomes aware of, in connection with the Transactions; provided, that the Company Related Persons may engage in general solicitations of employment not specifically directed at such employees or independent contractors and employ or hire individuals who respond to non-targeted solicitations or who approach the Company Related Persons on his or her own for employment.

5.13 *Subordination.* The claims and rights of the Investor created by the Investor Documents, including, without limitation, rights in and to the Aggregate Payment Amount, shall constitute a senior obligation and shall not be subordinated to any obligation of the Company, including the current and future Indebtedness of the Company, any other creditor of the Company or any other Person.

5.14 *Security Interest.*

(a) The Company hereby pledges, collaterally assigns, mortgages, transfers and grants to the Investor, its successors and assigns, to secure the payment and performance in full of all the Obligations, a continuing security interest in the Collateral, whether now owned by or owing to, or hereafter acquired by or arising in favor of the Company, and regardless of where located. If this Agreement is terminated, the Investor's Lien on the Collateral shall continue until the Obligations (other than contingent indemnity obligations for which a claim has not been asserted) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than contingent indemnity obligations for which a claim has not been asserted), the Investor shall, at the Company's sole cost and expense, release its Liens on the Collateral and all rights therein shall revert to the Company.

(b) The Company authorizes the Investor to file UCC financing statements in all appropriate jurisdictions to perfect or protect the Investor's interest or rights hereunder.

5.15 *Inventory Ownership.* Any physical inventory purchased by the Company in the course of its business which is the subject of this Agreement shall be owned by the Investor. The Company agrees to take any steps reasonably necessary to perfect the Investor's ownership of said inventory as necessary.

## CLOSING AND CONDITIONS TO CLOSING

5.16 *Closing Date.* Subject to the closing conditions set forth in this Article VI, the closings of the Transactions contemplated by this Agreement (each, a "Closing") will take place remotely via the electronic exchange of documents and signatures (i) on November 2, 2015 (the "Initial Funding Date") and (ii) with respect to additional funding amounts, each on an Additional Funding Date. If all conditions are determined to be satisfied (or any of such conditions are duly waived by the party benefited by such condition) at each Closing (whether or not delayed), each Closing shall be consummated.

5.17 *Conditions to the Obligations of the Investor.* The obligations of the Investor to effect each Closing and the payment of any additional funding amount shall be subject to the satisfaction of each of the following conditions, any of which may be waived by the Investor in its sole discretion:

(a) *Accuracy of Representations and Warranties and Compliance with Obligations.* The representations and warranties of the Company set forth in this Agreement and the other Company Documents shall be true, correct and complete in all material respects both on the Initial Funding Date and as of each Additional Funding Date (with the same force and effect as if such representations and warranties were made anew at and as of each Additional Funding Date, except to the extent that any such representations or warranties which by their terms are made as of a specified date, in which case such representations or warranties shall have been true, correct and complete in all material respects as of such specified date). The Company shall have performed and complied in all material respects with all covenants, obligations and agreements required in this Agreement and each other Company Document to be performed or complied with by it on or prior to the Initial Funding Date and each Additional Funding Date.

(b) *No Adverse Circumstances.* There shall not have occurred or be continuing any event or circumstance which would reasonably be expected to have a Material Adverse Effect.

(c) *Laws.* There shall not be in effect on the Initial Funding Date or on any Additional Funding Date any final or non-appealable Law permanently enjoining or otherwise prohibiting or making illegal the consummation of the Transactions.

(d) *Officer's Certificates.* The Investor shall have received at or prior to the Closing (i) a duly executed certificate from an authorized officer of the Company and not in his or her individual capacity pursuant to which such officer certifies that the conditions set forth in Section 6.2(a) have been satisfied in all respects as of the Initial Funding Date or Additional Funding Date, as applicable.

(e) *Company Documents.* This Agreement and the other Company Documents required to be in place as of the Initial Funding Date shall have been duly executed and delivered by all the parties thereto and shall be in form reasonably satisfactory to such parties.

5.18 *Conditions to the Obligations of the Company.* The obligations of the Company to effect each Closing shall be subject to the satisfaction of each of the following conditions, any of which may be waived by the Company in its sole discretion:

(a) *Accuracy of Representations and Warranties and Compliance with Obligations.* The representations and warranties of the Investor set forth in this Agreement and the other Investor Documents shall be true, correct and complete in all material respects both on the Initial Funding Date and as of each Additional Funding Date (with the same force and effect as if such representations and warranties were made anew at and as of each Additional Funding Date, except to the extent that any such representations or warranties which by their terms are made as of a specified date, in which case such representations or warranties shall have been true, correct and complete in all material respects as of such specified date). The Investor shall have performed and complied in all material respects with all covenants, obligations and agreements required in this Agreement and each other Investor Document to be performed or complied with by the Investor on or prior to the Initial Funding Date and each Additional Funding Date.

(b) *Laws.* There shall not be in effect on the Initial Funding Date or on any Additional Funding Date any final or non-appealable Law permanently enjoying or otherwise prohibiting or making illegal the consummation of the Transactions.

(c) *Officer's Certificates.* The Company shall have received at or prior to the Closing (i) a duly executed certificate from an authorized officer of the Investor and not in his or her individual capacity pursuant to which such officer certifies that the conditions set forth in Sections 6.3(a) have been satisfied in all respects as of the Initial Funding Date or Additional Funding Date, as applicable, and (ii) a complete and duly executed IRS Form W-9 on behalf of the Investor.

(d) *Investor Documents.* This Agreement and the other Investor Documents required to be in place as of the Initial Funding Date shall have been duly executed and delivered by all the parties thereto and shall be in form reasonably satisfactory to the parties.

(e) *Payment of the Additional Funding Amounts.* The additional funding amount, as applicable, due at such Closing shall have been tendered by the Investor to the Company by wire transfer of immediately available funds to the account(s) identified to the Investor on or prior to the Closing.

## ARTICLE VI

### TERMINATION

6.1 *Company Event of Default.* A "Company Event of Default" shall occur upon any of the following events:

(a) the Company's financial performance falls below the Minimum Plan Performance Threshold during the Measurement Period;

(b) any representation, warranty or certification made by the Company in writing pursuant to the Company Documents shall be inaccurate in any material respect as of the date as

on which it was made or deemed made and such inaccuracy could reasonably be expected to result in a Material Adverse Effect;

(c) the failure of the Company to observe or perform any term, covenant, condition or agreement contained in the Company Documents (including, but not limited to, the failure of the Company to pay any Aggregate Payment Amount to the Investor when due), which such failure, if capable of cure, has not been cured within ten (10) days after written notice thereof has been provided to the Company from the Investor.

(d) a Bankruptcy Event shall have occurred; or

(e) the (i) death, or (ii) the permanent disability of John Hobbs.

**6.2 Effect of a Company Event of Default.**

(a) In the event of a Company Event of Default, the Investor (i) may decide to cease to provide any additional funding amounts called for by the Funding Schedule, (ii) without notice of default or demand, may exercise all rights and remedies available to the Investor under this Agreement or at law or equity, including all remedies provided under the UCC, and (iii) shall have the right, but not the obligation, to terminate this Agreement.

(b) If the Investor shall decide to terminate this Agreement and the Company Event of Default has occurred in accordance with:

(i) Sections 7.1(b) and 7.1(c), the Company shall pay to the Investor three (3) times the Total Funding Amount as of the date of such termination; or

(ii) Sections 7.1(d) and 7.1(e)(ii), the Company shall pay to the Investor 1.75 times the Total Funding Amount as of the date of such termination

(any payment pursuant to the foregoing clauses (i) or (ii) of this Section 7.2(b), a "Default Payment"). Further, any Default Payment shall be net of any amount actually paid by the Company to the Investor prior to the date of such Default Payment.

**6.3 Early Exit.** In the event of a sale of the Company prior to the expiration of the Term (an "Early Exit"), on the date of such Early Exit, the Company shall pay to the Investor an exit payment of an amount to be determined as follows (such exit payment amount, as applicable, the "Early Exit Payment"):

(a) if the Company is sold at an amount equal to or greater than \$110,000,000, on the date of the Early Exit, the Company shall pay Investor an amount equal to 7 (seven) times the Total Funding Amount; or

(b) if the Company is sold for an amount less than \$100,000,000, on the date of the Early Exit, the Company shall pay Investor an amount to be negotiated and agreed upon by the Company and the Investor prior to the Early Exit; provided, however, that such payment amount to Investor shall not exceed ten (10) times the Total Funding Amount.

Any Early Exit Payment shall be net of Royalty Fees actually paid to the Investor prior to the date of such Early Exit Payment. Further, upon the payment in full of the Early Exit Payment, this Agreement shall terminate subject to Section 7.7.

6.4 *Change of Control.* In the event of a Change of Control of the Company that does not qualify as an Early Exit (a "Change of Control Transaction"), the Investor (i) may cease to provide any additional funding amounts called for by the Funding Schedule and (ii) shall have the right, but not the obligation, to terminate this Agreement. If the Investor opts to so terminate this Agreement, the payment due to the Investor (the "Change of Control Payment") shall be calculated as follows:

(a) if, as of the date of the Change of Control Transaction, the Company's performance is equal to or above the Minimum Plan Performance Threshold but its aggregate Gross Revenues are less than or equal to \$78 million, the Investor shall receive three (3) times the Total Funding Amount as of the date of the Change of Control Transaction;

(b) if, as of the date of the Change of Control Transaction, the Company's performance is equal to or above the Minimum Plan Performance Threshold but its aggregate Gross Revenues are above \$78 million, the Investor shall receive the amount of the Change of Control Payment that would have been payable if the date of the Change of Control Transaction were the expiration date of the Term;

(c) if, as of the date of the Change of Control Transaction, (i) the Company's performance is below the Minimum Plan Performance Threshold and (ii) the Change of Control Transaction occurs during the first year of the Term, the Investor shall receive 1.5 times the Total Funding Amount as of the date of the Change of Control; or

(d) if, as of the date of the Change of Control Transaction, (i) the Company's performance is below the Minimum Plan Performance Threshold and (ii) the Change of Control Transaction occurs during the second or third year of the Term, the Investor shall receive 1.75 times the Total Funding Amount as of the date of the Change of Control.

Upon the payment in full of the Change of Control Payment, this Agreement shall terminate subject to Section 7.7.

6.5 *Change of Control Tail Period.* In the event that any Change of Control Transaction occurs within twelve (12) months of the expiration of the Term, the Company shall pay to the Investor, on the date of such Change of Control Transaction, the Change of Control Payment that would have been payable on the date of the Change of Control Transaction as set forth in Section 7.4. Any such payment made by the Company to the Investor pursuant to this Section 7.5 shall be net of (a) the Royalty Fees and (b) any Default Payment, in the case of each of the foregoing clauses (a) and (b), actually paid to the Investor prior to the date of the Change of Control Payment.

6.6 *Early Termination.* At any time prior to the expiration of the Term, the Company shall have the right to terminate this Agreement. In the event that the Company exercises such termination right, the Company shall pay (on the effective date of such termination) to the Investor

an early termination amount to be determined as follows (such termination amount, as applicable, the "**Termination Payment**"):

(a) in the event that the Minimum Plan Performance Threshold has been achieved as of such termination date but the Company's Gross Revenues are less than or equal to **\$78 million**, the Termination Payment shall be five (5) times the Total Funding Amount as of such termination date; or

(b) in the event that Gross Revenues as of such termination date are greater than **\$78 million**, the Termination Payment shall be the amount of the Exit Payment that would have been payable if such termination date were the expiration date of the Term.

In the event that an Early Exit occurs within twelve (12) months of any such termination of this Agreement, at the closing of the Early Exit transaction, the Company shall pay to the Investor the Early Exit Payment that would have been payable on the date of the Early Exit. Further, any Termination Payment shall be net of any Royalty Fees actually paid to the Investor prior to the date of such Termination Payment.

6.7 *Effect of Termination.* In the event of the termination of this Agreement pursuant to Article VII, this Agreement shall forthwith become void and have no effect without any liability on the part of any party hereto or its Affiliates, directors, officers, members or stockholders; provided that, notwithstanding the foregoing, (a) no such termination shall relieve any party hereto of any liability for damages to the other party hereto resulting from any breach of this Agreement prior to such termination and (b) the provisions of Section 5.12 (Non-Solicitation), this Section 7.7 (Effect of Termination) and Article VIII (Miscellaneous) of this Agreement will survive any termination of this Agreement.

## ARTICLE VII

### MISCELLANEOUS

7.1 *Survival.* All covenants, agreements, representations and warranties made herein and in any other Transaction Document, any certificates or any other writing delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and each Closing and shall remain in effect until the expiration of the Term; provided, that, notwithstanding anything in this Agreement or implied by Law to the contrary, all representations and warranties shall expire on the third anniversary of the final Closing.

7.2 *Specific Performance.* Each of the parties hereto acknowledges that the other party will have no adequate remedy at law if it fails to perform any of its obligations under this Agreement or any of the other Transaction Documents. Accordingly, the parties agree that such non-breaching party shall have the right, in addition to any other rights and remedies existing in their favor at law or in equity, to enforce its rights and the other party's obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief (without posting of bond or other security).

7.3 *Notices.* All notices, consents, waivers and communications hereunder given by any party to the other shall be in writing (including facsimile or email transmission) and delivered

personally, by facsimile with confirmation of delivery, by email with non-automated confirmation of receipt, by a recognized overnight courier, or by dispatching the same by certified or registered mail, return receipt requested, with postage prepaid, in each case addressed:

**if to the Company, to:**

Athletes Performance Gear, LLC  
205 Dempsey Road #68  
Palm Harbor, Florida 34683  
Attention: John Hobbs  
E-mail address: jhobbs@athletesoasis.com

**if to Investor, to:**

Optimal Economics Capital Partners LLC  
1700 Pacific Avenue  
Suite 3680  
Dallas, Texas 75201  
Attention: Patrick Howard  
Facsimile: (214)432-6308  
E-mail address: patrick@oecapitalpartners.com

**with a copy (which shall not constitute notice) to:**

Law Office of Darryl Cleveland  
5950 Berkshire Lane, Suite 410  
Dallas, Texas 75225  
Attention: Darryl Cleveland  
E-mail address: darryl@dclevelandlaw.com

if or to such other address or addresses as the Company or the Investor may from time to time designate by notice as provided herein, except that notices of changes of address shall be effective only upon receipt. All such notices, consents, waivers and communications shall: (a) when posted by certified or registered mail, postage prepaid, return receipt requested, be effective three (3) Business Days after dispatch, (b) when facsimiled or emailed, be effective as of (1) the date of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address specified in this Section 8.3 prior to 5:00 p.m. (Dallas, Texas time) on a Business Day, or (2) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address specified in this Section 8.3 on a day that is not a Business Day or later than 5:00 p.m. (Dallas, Texas time) on any Business Day, or (c) when delivered by a recognized overnight courier or in person, be effective upon receipt when hand delivered.

**7.4 Successors and Assigns.** The provisions of this Agreement shall be binding upon the parties hereto and their successors and assigns and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Company shall not be entitled to assign any of its obligations and rights hereunder or under any other Company Documents without the prior

written consent of the Investor, and any such purported assignment shall be void. The Investor may assign without restriction any of its obligations and rights hereunder or under any other Investor Documents; provided that, in order to be effective, the Investor must provide written notice of the assignment to the Company. The Company shall maintain a register of ownership of the rights of the Investor or its assigns hereunder.

#### 7.5 Indemnification.

(a) The Company hereby indemnifies and holds the Investor and its Affiliates and any of their respective partners, directors, managers, members, officers, employees and agents (each an **"Investor Indemnified Party"**) harmless from and against any and all Losses incurred or suffered by any Investor Indemnified Party as a result of (i) a claim by a Third Party arising out of the Transactions, including any actual or proposed use of the amounts paid to the Company or for the Company's benefit by the Investor pursuant to any of the Transaction Documents, (ii) any breach of any representation, warranty or certification made by the Company in any of the Transaction Documents or certificates given by the Company in writing pursuant hereto or thereto, or (iii) any breach of or default under any covenant or agreement by the Company pursuant to any Transaction Document, in each case, to the extent that any of the foregoing Losses are not caused by an Investor Indemnified Party or otherwise subject to indemnification by the Investor pursuant to Section 8.5(b).

(b) The Investor hereby indemnifies and holds the Company, its Affiliates and any of their respective partners, directors, managers, members, officers, employees and agents (each a **"Company Indemnified Party"**) harmless from and against any and all Losses incurred or suffered by any Company Indemnified Party as a result of (i) a claim by a Third Party arising out of the Transactions, (ii) any breach of any representation, warranty or certification made by the Investor in any of the Transaction Documents or certificates given by the Investor in writing pursuant hereto or thereto or (iii) any breach of or default under any covenant or agreement by the Investor pursuant to any Transaction Document, in each case, to the extent that any of the foregoing Losses are not caused by a Company Indemnified Party or otherwise subject to indemnification by the Company pursuant to Section 8.5(a).

#### 7.6 Indemnification Procedures.

(a) A claim for indemnification for any matter not involving a Third Party claim may be asserted by notice to the party or parties from whom indemnification is sought.

(b) In the event that any legal proceedings shall be instituted or that any claim or demand shall be asserted by any Third Party in respect of which payment may be sought under Section 8.5 (an **"Indemnification Claim"**), the indemnified party shall promptly cause written notice of the assertion of any Indemnification Claim to be forwarded to the indemnifying party. The failure of the indemnified party to give reasonably prompt notice of any Indemnification Claim shall not release, waive or otherwise affect the indemnifying party's obligations with respect thereto except to the extent that the indemnifying party is prejudiced as a result of such failure. The indemnifying party shall have the right, at its sole option and expense, to be represented by counsel of its choice and to defend against, negotiate, settle or otherwise deal with such Indemnification Claim, which relates to any Losses indemnified against by it hereunder. If the



indemnifying party elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against by it hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the indemnified party of its intent to do so. Notwithstanding the foregoing sentence, the indemnified party shall not be required to relinquish control of such defense to the indemnifying party and the indemnified party may, in the event the indemnifying party had previously asserted control over such defense, subsequently reassert control over such defense in the event that a Third Party is solely seeking non-monetary relief. If the indemnifying party elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim that relates to any Losses indemnified against hereunder, the indemnified party may defend against, negotiate, settle or otherwise deal with such Indemnification Claim. If the indemnifying party shall assume the defense of any Indemnification Claim, the indemnified party may participate, at his, her or its own expense, in the defense of such Indemnification Claim; provided, however, that such indemnified party shall be entitled to participate in any such defense with separate counsel at the expense of the indemnifying party if (i) so requested by the indemnifying party to participate or (ii) in the reasonable written opinion of outside counsel to the indemnified party, a conflict or potential conflict exists between the indemnified party and the indemnifying party that would make such separate representation advisable; and provided, further, that the indemnifying party shall not be required to pay for more than one such counsel (plus any appropriate local counsel) for all indemnified parties in connection with any Indemnification Claim. The parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim.

(c) Notwithstanding anything in this Section 8.6 to the contrary, neither the indemnifying party nor the indemnified party shall, without the written consent of the other party, (i) enter into any settlement or compromise of any Indemnification Claim that imposes non-monetary obligations or (ii) permit a default or consent to entry of any judgment, in each case, unless the claimant and such party provide to such other party an unqualified release from all liabilities in respect of the Indemnification Claim; provided, that, if a settlement offer solely for money damages is made by the applicable Third Party claimant, and the indemnifying party notifies the indemnified party in writing of the indemnifying party's willingness to accept the settlement offer and pay the amount called for by such offer, and the indemnified party declines to accept such offer, the indemnified party may continue to contest such Indemnification Claim, free of any participation by the indemnifying party, and the amount of any ultimate liability with respect to such Indemnification Claim that the indemnifying party has an obligation to pay hereunder shall be limited to the lesser of (i) the amount of the settlement offer that the indemnified party declined to accept plus the Losses of the indemnified party relating to such Indemnification Claim through the date of its rejection of the settlement offer or (ii) the aggregate Losses of the indemnified party with respect to such Indemnification Claim. If the indemnifying party makes any payment (or causes any payment to be made) on any Indemnification Claim, the indemnifying party shall be subrogated, to the extent of such payment, to all rights and remedies of the indemnified party to any insurance benefits or other claims of the indemnified party with respect to such Indemnification Claim.

(d) After any final decision, judgment or award shall have been rendered by a Governmental Authority of competent jurisdiction, or a settlement shall have been consummated, or the indemnified party and the indemnifying party shall have arrived at a mutually binding

agreement with respect to an Indemnification Claim hereunder, the indemnified party shall forward to the indemnifying party notice of any sums due and owing by the indemnifying party pursuant to this Agreement with respect to such matter.

7.7 *Expenses.* Each party hereto will pay all of its own fees and expenses in connection with entering into and consummating the Transactions.

7.8 *Independent Nature of Relationship.* Neither the Investor, on the one hand, nor the Company, on the other, has any fiduciary or other special relationship with the other or any of their respective Affiliates. Nothing contained herein or in any other Transaction Document shall be deemed to constitute the Company and the Investor as a partnership, an association, a joint venture or other kind of entity or legal form or give rise to any fiduciary obligations between the Investor and the Company.

7.9 *Entire Agreement; Third Party Beneficiaries.* This Agreement, together with the Exhibits and Schedules hereto (which are incorporated herein by reference), and the other Transaction Documents constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter of this Agreement. There are no unwritten oral agreements between the parties. The parties have voluntarily agreed to define their rights, liabilities and obligations with respect to the Transactions exclusively in contract pursuant to the express terms and provisions of this Agreement and the other Transaction Documents, and the parties hereto expressly disclaim that they are owed any duties or are entitled to any remedies not expressly set forth in this Agreement. The sole and exclusive remedies for any breach of the terms and provisions of this Agreement (including any representations and warranties set forth herein, made in connection herewith or as an inducement to enter into this Agreement) or any claim or cause of action otherwise arising out of or related to the Transactions shall be those remedies available at law or in equity for breach of contract only (as such contractual remedies have been further limited or excluded pursuant to the express terms of this Agreement), and the parties hereby agree that neither party hereto shall have any remedies or causes of action (whether in contract or in tort or otherwise) for any statements, communications, disclosures, failures to disclose, representations or warranties not set forth in this Agreement. None of this Agreement, nor any provision hereof, is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder; provided that Section 8.5 is expressly made for the benefit of all indemnified parties and Section 8.16 is expressly made for the benefit of any Non-Party Affiliate.

7.10 *Amendments; No Waivers.*

(a) This Agreement or any term or provision hereof may not be amended, changed or modified except with the written consent of the parties hereto. No waiver of any right hereunder shall be effective unless such waiver is signed in writing by the party against whom such waiver is sought to be enforced, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(b) No failure or delay by either party in exercising any right, power or privilege hereunder or under any other Transaction Document shall operate as a waiver thereof, nor shall

any single or partial exercise thereof, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

**7.11 Headings and Captions.** The headings and captions in this Agreement are for convenience and reference purposes only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

**7.12 Counterparts; Effectiveness.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

**7.13 Severability.** If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall nevertheless be given full force and effect.

**7.14 Governing Law; Jurisdiction.**

(a) This Agreement, the other Transaction Documents and all claims or causes of action (whether in contract or tort or otherwise) that may be based upon, arise out of or relate to this Agreement or any Transaction Document or the negotiation, execution or performance of this Agreement or any Transaction Document (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement, any Transaction Document or as an inducement to enter into this Agreement), shall be governed by, and construed, interpreted and enforced in accordance with, the internal Laws of the State of Texas, without giving effect to conflict-of-laws principles that would result in the application of the Laws of any other jurisdiction.

(b) The parties hereby irrevocably submit to the exclusive jurisdiction of any state or federal court of competent jurisdiction in the City and State of Dallas, Texas over all claims or causes of action (whether in contract or tort or otherwise) that may be based upon, arise out of or relate to this Agreement or any other Transaction Document or the negotiation, execution or performance of this Agreement or other Transaction Document (including any claim or cause of action, whether in contract or tort or otherwise, based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement, any other Transaction Document or as an inducement to enter into this Agreement) and each party hereby irrevocably agrees that all claims in respect of any such dispute or any suit, action or proceeding related thereto (whether in contract or tort or otherwise) shall be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection that they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(c) Each party hereto hereby irrevocably consents to the service of process out of any of the courts referred to in Section 8.14(b) in any such suit, action or proceeding by the mailing of

copies thereof by registered or certified mail, postage prepaid, to it at its address set forth in Section 8.3 of this Agreement (as may be updated in accordance with the procedures specified therein). Each party hereto hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any suit, action or proceeding commenced hereunder or under any other Transaction Document that service of process was in any way invalid or ineffective. Nothing herein shall affect the right of a party to serve process on the other party in any other manner permitted by Law.

**7.15 Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY AND EXPRESSLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CAUSE OF ACTION, CLAIM OR COUNTERCLAIM (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BOUGHT BY OR AGAINST IT THAT MAY BE BASED UPON, ARISE OUT OF OR RELATE TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT (INCLUDING ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO ANY REPRESENTATION OR WARRANTY MADE IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT) OR THE TRANSACTIONS. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT.

**7.16 No Recourse Against Non-Parties.** All claims or causes of action (whether in contract or in tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the other Transaction Documents, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement) or the other Transaction Documents, may be made only against the Persons that are expressly identified as parties hereto. No Person who is not a named party to this Agreement, including any past, present or future director, officer, employee, incorporator, member, manager, partner, equityholder, Affiliate, agent, attorney, lender or representative of any named party to this Agreement ("**Non-Party Affiliates**"), shall have any liability (whether in contract or in tort or otherwise, or based upon any theory that seeks to impose liability of an entity party against its owners or Affiliates) for any obligations or liabilities arising under, in connection with or related to this Agreement or for any claim based on, in respect of or by reason of this Agreement or its negotiation or execution, and each party hereto waives and releases all such liabilities, claims and obligations against any such Non-Party Affiliates. Non-Party Affiliates are expressly intended as third-party beneficiaries of this provision of this Agreement.

**7.17 Federal Income Tax Treatment; Treatment in Bankruptcy.**

(a) Solely for United States federal income tax purposes, the parties agree to treat each advance hereunder as a contingent payment debt instrument subject to the "noncontingent bond method" of Section 1.1275-4(b) of the Treasury Regulations promulgated under the Code. For such purpose, the parties agree to treat the "comparable yield" of the debt instrument represented by the Initial Funding Amount as 10 percent. The parties will cooperate in good faith to determine the projected payment schedule for any debt instrument issued hereunder and the comparable yield of any additional debt instruments treated as having been issued.

(b) For the avoidance of doubt all amounts due to the Investor under this Agreement or in respect of the Aggregate Payment Amount shall be deemed a "claim" under and as defined in Title 11 of the United States Code.

*[Signature Page Follows]*

IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**INVESTOR:**

OPTIMAL ECONOMICS CAPITAL PARTNERS  
LLC

By: 

Name: Patrick House D  
Title: CEO

**COMPANY:**

ATHLETE'S PERFORMANCE GEAR, LLC

By: 

Name:   
Title: Founder

**JOHN HOBBS:**

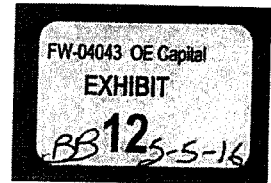
JOHN HOBBS  
(Solely with respect to the obligations set forth in  
Section 5.3)

By: \_\_\_\_\_

Name: \_\_\_\_\_

*[Signature Page to Revenue Financing Agreement]*

SIDLEY DRAFT  
9/8/15



---

---

REVENUE FINANCING AGREEMENT

BY AND AMONG

OPTIMAL ECONOMICS CAPITAL PARTNERS LLC,

WHRZT, INC.,

AND

JAMES NALLEY (SOLELY WITH RESPECT TO THE OBLIGATIONS SET FORTH  
IN SECTION 5.3)

DATED AS OF SEPTEMBER [\_14\_], 2015

---

---

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS AND CERTAIN INTERPRETIVE MATTERS.....	1
1.1    Definitions.....	1
1.2    Certain Interpretive Matters.....	9
ARTICLE II FUNDING AMOUNTS; PROCEDURE; REVENUE PAYMENTS .....	10
2.1    Funding Amounts; Procedure .....	10
2.2    Project Manager .....	11
2.3    Payments to the Investor .....	12
2.4    Company Credit for Revenue Payments.....	12
2.5    Withholding Taxes.....	12
ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE COMPANY .....	13
3.1    Organization.....	13
3.2    Corporate Authorization .....	13
3.3    Governmental Authorization .....	13
3.4    Ownership .....	13
3.5    Financial Projections.....	13
3.6    Solvency.....	14
3.7    Litigation.....	14
3.8    Compliance with Laws .....	14
3.9    Conflicts.....	14
3.10    Material Contracts.....	14
3.11    Subordination.....	15
3.12    Place of Business .....	15
3.13    Broker's Fees .....	15
3.14    Investment Company Status .....	15
3.15    Taxes .....	15
3.16    ERISA and Labor Relations.....	15
3.17    Properties .....	15
3.18    Subsidiaries; Business.....	16
3.19    Intellectual Property.....	16
3.20    Indebtedness; Liens.....	16
3.21    Affiliate Transactions.....	16
3.22    Tax Analysis by the Company .....	17
3.23    No Other Representations and Warranties.....	17
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE INVESTOR.....	17
4.1    Organization.....	17
4.2    Corporate Authorization .....	17
4.3    Governmental Authorization .....	17
4.4    Broker's Fees .....	17



**TABLE OF CONTENTS**  
(Continued)

		<u>Page</u>
4.5	Conflicts.....	17
4.6	Financing.....	18
4.7	Litigation.....	18
ARTICLE V COVENANTS AND ADDITIONAL AGREEMENTS .....		18
5.1	Access; Books and Records; Inspection .....	18
5.2	Observer Rights .....	19
5.3	Key Person Life Insurance.....	19
5.4	Compliance with Laws and Material Contracts; Amendments .....	19
5.5	Permitted Liens .....	19
5.6	Further Assurance .....	19
5.7	Indebtedness.....	20
5.8	Restricted Payments.....	20
5.9	Investments .....	20
5.10	Existence; Conduct of Business.....	20
5.11	Payment of Obligations.....	20
5.12	Non-Solicitation.....	20
5.13	Subordination.....	20
5.14	Security Interest .....	21
ARTICLE VI CLOSING AND CONDITIONS TO CLOSING .....		21
6.1	Closing Date.....	21
6.2	Conditions to the Obligations of the Investor .....	21
6.3	Conditions to the Obligations of the Company.....	22
ARTICLE VII TERMINATION .....		23
7.1	Company Event of Default .....	23
7.2	Effect of a Company Event of Default .....	23
7.3	Change of Control.....	24
7.4	Change of Control Tail Period.....	24
7.5	Effect of Termination.....	24
ARTICLE VIII MISCELLANEOUS .....		24
8.1	Survival.....	24
8.2	Specific Performance.....	24
8.3	Notices .....	25
8.4	Successors and Assigns.....	26
8.5	Indemnification .....	26
8.6	Indemnification Procedures .....	27
8.7	Expenses .....	28
8.8	Independent Nature of Relationship .....	28

**TABLE OF CONTENTS**  
(Continued)

	<u>Page</u>
8.9 Entire Agreement; Third Party Beneficiaries .....	28
8.10 Amendments; No Waivers .....	29
8.11 Headings and Captions .....	29
8.12 Counterparts; Effectiveness .....	29
8.13 Severability .....	29
8.14 Governing Law; Jurisdiction .....	29
8.15 Waiver of Jury Trial .....	30
8.16 No Recourse Against Non-Parties .....	30
8.17 Federal Income Tax Treatment; Treatment in Bankruptcy .....	31

## REVENUE FINANCING AGREEMENT

This Revenue Financing Agreement (this "Agreement"), dated as of September [●], 2015, is made by and among WHRZT, Inc., a Texas corporation (the "Company"), Optimal Economics Capital Partners LLC, a Texas limited liability company (the "Investor"), and James Nalley (solely with respect to the obligations set forth in Section 5.3).

### RECITALS

WHEREAS, the Company is engaged in the business of geolocation tracking and the identification of real-world geographic location of an object;

WHEREAS, the Company and the Investor have entered into that certain Bridge Loan Agreement, dated as of July 13, 2015 (the "Bridge Loan Agreement"), and Promissory Note, dated as of July 13, 2015 [and subsequently amended on [ ]] (the "Promissory Note" and together with the Bridge Loan Agreement, the "Loan Documents");

WHEREAS, on the terms and conditions set forth in this Agreement, the Investor desires to invest in the Company and the Company desires to grant the Investor the right to receive certain payments from the Company as consideration for such investment; and

WHEREAS, concurrently with the Company's receipt of the Initial Funding Amount, the Company will repay in full all amounts outstanding under the Promissory Note and the Loan Documents will be terminated.

NOW, THEREFORE, in consideration of the foregoing and of the mutual representations, warranties and covenants herein contained, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

### ARTICLE I

#### DEFINITIONS AND CERTAIN INTERPRETIVE MATTERS

1.1 *Definitions.* The following terms will have the following respective meanings for purposes of this Agreement:

"Additional Funding Date" has the meaning set forth in Section 2.1(b).

"Affiliate" means with respect to any Person, (a) any member, manager, director, officer or partner of such Person, (b) any corporation, partnership, business, association, limited liability company, firm or other entity of which such Person is a controlling equity holder, member, manager, director, officer or partner, and (c) any other Person that directly or indirectly controls, is controlled by or is under direct or indirect common control with such first Person. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting equity interests, by contract or otherwise.

**"Aggregate Payment Amount"** means the Revenue Payments together with any Change of Control Payment, or Default Payment, as applicable.

**"Agreement"** has the meaning set forth in the Preamble.

**"Bankruptcy Event"** means:

(a) the Company shall commence any case, proceeding or other action (i) under any existing or future Law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, relief of debtors or the like, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its respective debts, or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets, or the Company shall make a general assignment for the benefit of its respective creditors;

(b) the commencement against the Company of any case, proceeding or other action of a nature referred to in clause (a) above (i) seeking the entry of an order for relief or any such adjudication or appointment, and (ii) which remains undismissed, undischarged or unbonded for a period of ninety (90) days, or an order or decree approving or ordering any of the foregoing shall be entered;

(c) the commencement against the Company of any case, proceeding or other action (i) seeking issuance of a warrant of attachment, execution, or similar process against all or substantially all of its assets, and (ii) which shall not have been vacated, discharged, stayed, satisfied or bonded pending appeal within ninety (90) days, or an order or decree approving or ordering any of the foregoing shall be entered;

(b) acquiring all or substantially all of the properties or assets of the Company through a sale, transfer, lease, license, or conveyance;

(c) acquiring, whether directly or indirectly, beneficial ownership or the right to acquire beneficial ownership of fifty percent (50%) or more of the outstanding voting securities of the Company; or

(d) other than James Nalley possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities (or any other ownership interest), by contract or otherwise.

**"Change of Control Payment"** the meaning set forth in Section 7.3.

**"Change of Control Transaction"** the meaning set forth in Section 7.3.

**"Closing"** has the meaning set forth in Section 6.1.

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Collateral"** means all of the Company's right, title and interest in the following property, whether now or hereafter existing or acquired:

(a) all accounts, chattel paper, deposit accounts, documents, equipment, general intangibles, instruments, inventory, letter of credit rights and any supporting obligations related to any of the foregoing;

(b) all equity interests in all Subsidiaries directly or indirectly owned by the Company;

(c) all books and records pertaining to the other property described in this definition;

(d) all other goods (including fixtures) and personal property of the Company, whether tangible or intangible and wherever located; and

(e) to the extent not otherwise included, all proceeds of the foregoing.

**"Company"** has the meaning set forth in the Preamble.

**"Company Documents"** means this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by the Company in connection with the Transactions.

**"Company Event of Default"** has the meaning set forth in Section 7.1.

**"Company Indemnified Party"** has the meaning set forth in Section 8.5(b).

**"Company Leases"** has the meaning set forth in Section 3.17(c).

**"Company Related Persons"** has the meaning set forth in Section 5.12.

**“Contract”** means any legally binding contract, agreement, instrument, lease, license, understanding, undertaking, commitment or obligation.

**“Copyrights”** means all rights, title and interests (and all related IP Ancillary Rights) arising under any Law in or relating to copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordings thereof and all applications in connection therewith.

**“Default Payment”** has the meaning set forth in Section 7.2(b)(ii).

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended from time to time.

**“ERISA Affiliate”** shall mean any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 4001(b) (1) of ERISA or Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414(m) of the Code.

**“Early Exit”** the meaning set forth in Section 7.3.

**“Financial Projections”** means the projected financial performance of the Company during the course of the entire Term, which such projections are attached hereto as Exhibit A.

**“Funding Schedule”** has the meaning set forth in Section 2.1(b).

**“GAAP”** means accounting principles generally accepted in the United States in effect from time to time, applied on a consistent basis.

**“Governmental Authority”** means any country, state, county, city or political subdivision thereof in which the Company’s operations or assets are located or that exercises jurisdiction over the Company or its operations or assets and any agency, department, commission, board, bureau or instrumentality thereof that exercises jurisdiction over the Company or its operations or assets.

**“Gross Revenues”** means all proceeds received by the Company as a result of its business activities, including from the sale of the Company’s goods and services to customers, before any deductions or allowances.

**“Indebtedness”** of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business and not overdue by more than ninety (90) days), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed; provided that the amount of Indebtedness for purposes of this clause (e) shall be

**"Knowledge"** means (a) with respect to the Company, the actual knowledge of James Nalley after reasonable inquiry, and (b) with respect to the Investor, the actual knowledge of Patrick Howard or Urshel Metcalf after reasonable inquiry. For the purposes of the definition of "Knowledge," "reasonable inquiry" with respect to any fact, event, circumstance or condition means making inquiries of direct reports and such other senior management personnel of the Company or the Investor, as applicable, having primary responsibility over the subject matter in question.

**"Law"** means any federal, state, local or foreign law (including common law), statute, code, ordinance, rule, regulation or Order.

**"Liens"** mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a Third Party with respect to such securities.

**"Liquidity Schedule"** has the meaning set forth in Section 2.1(e).

**"Loan Documents"** has the meaning set forth in the Recitals.

**"Losses"** means, collectively, any and all claims, damages, losses, judgments, liabilities, costs and expenses (including reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding).

**"Material Adverse Effect"** means any event, circumstance or effect that, individually or in the aggregate, has, or could reasonably be expected to have, a material adverse effect on the (a) validity or enforceability of any of the Company Documents, (b) ability of the Company to perform any of its material obligations under any of the Company Documents, or (c) right of Investor to receive the Aggregate Payment Amount, and in respect of the foregoing subsections (a), (b) and (c), other than an event, circumstance or effect resulting from an Excluded Matter. **"Excluded Matter"** means any one or more of the following: (i) the effect of any change in the United States or foreign economies or securities or financial markets in general, (ii) the effect of any change arising in connection with natural disasters, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or worsening of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date hereof; or (iii) changes in GAAP or applicable Laws, other than, with respect to clauses (i), (ii) and (iii), events that disproportionately affect the Company as compared to other companies engaged in the multilevel marketing industry in which the Company operates.

**"Material Contracts"** has the meaning set forth in Section 3.10.

**"Material Intellectual Property"** means Intellectual Property that is owned by or licensed to the Company and material to the conduct of the Company's business.

**"Maturity Date"** means the date that is the third anniversary of the Initial Closing Date.

**"Maximum Funding Amount"** has the meaning set forth in Section 2.1(c).

**"Minimum Plan Performance Threshold"** has the meaning set forth in Section 2.1(f).

**"Monthly Payment Date"** means the first [MONDAY] following the one hundred and twentieth (120<sup>th</sup>) day after the Initial Closing Date and every first [MONDAY] of the month thereafter during the Revenue Payment Period.

**"Multiemployer Plan"** shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

**"Non-Party Affiliate"** has the meaning set forth in Section 8.16.

**"Obligations"** means the Company's obligation to pay when due any Revenue Payment, Default Payment, Change of Control Payment, or other amounts the Company owes to the Investor under this Agreement (including any amounts accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), whether direct or indirect (including those acquired by assumption), absolute, contingent, due or to become due, now existing or hereafter arising.

**"Observer"** has the meaning set forth in Section 5.2.

**"Order"** means any order, injunction, judgment, decree, ruling, writ, settlement or arbitration award of a Governmental Authority.

**"Patents"** means all rights, title and interests (and all related IP Ancillary Rights) arising under any Law in or relating to letters patent and applications therefor.

**"Permit"** means any license, permit, consent, authorization or Order.

**"Permitted Indebtedness"** has the meaning set forth in Section 5.7.

**"Permitted Liens"** means (a) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established; (b) Liens in respect of property or assets imposed by Law which were incurred in the ordinary course of business, such as carriers', warehousemen's, distributors', wholesalers', materialmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty, are subject to a right of set-off or which are being contested in good faith and by appropriate proceedings; and (c) Liens in favor of the Investor.

**"Person"** means an individual, a corporation, a partnership, a limited liability company, an association, a trust, a joint stock company, a joint venture, an unincorporated organization, any Governmental Authority or any other entity or organization.

**"Plan"** shall mean any employee pension benefit plan, as defined in Section 3(2) of ERISA, (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Sections 412 or 430 of the Code or Section 302 of ERISA, and in respect of which the Company



or any of its ERISA Affiliates is (or, if such plan were terminated, would under Sections 4062 or 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

**"Project Manager"** has the meaning set forth in Section 2.2(a).

**"Project Manager Duties"** has the meaning set forth in Section 2.2(b).

**"Promissory Note"** has the meaning set forth in the Recitals.

**"Revenue Payment Period"** has the meaning set forth in Section 2.3.

**"Revenue Payments"** has the meaning set forth in Section 2.3.

**"Software"** means (a) all computer programs, including source code and object code versions, (b) all data, databases and compilations of data, whether machine readable or otherwise, and (c) all documentation, training materials and configurations related to any of the foregoing.

**"Subsidiary"** means, with respect to any Person, any corporation, partnership, limited liability company, joint venture or other legal entity of which such Person (either alone or through or together with any other Subsidiary or Subsidiaries) directly or indirectly, (a) owns any equity interests, the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity, or (b) serves as general partner.

**"Tax"** or **"Taxes"** means (a) any federal, state, local or foreign income, gross receipts, alternative or add-on minimum, sales, use, customs duty, property, transfer, occupation, service, license, payroll, franchise, excise, escheat or unclaimed property, withholding, ad valorem, severance, stamp, premium, windfall profit or employment tax or other like assessment or charge of any kind whatsoever, together with any interest, fine or penalty thereon, addition to tax, additional amount, deficiency, assessment or governmental charge, and (b) any liability for the payment of any amount of the types described in clause (a) immediately above (i) as a result of the Company being party to any agreement to indemnify any Person, (ii) as a result of the Company being a successor of any other Person or the transferee of assets or property of any other Person or (iii) under Treasury Regulation Section 1.1502-6 or other similar provision of any state, local or federal Law.

**"Term"** means the period of time beginning on the Initial Closing Date and continuing until the earlier of (a) the date this Agreement is terminated in accordance with Article VII or (b) the Maturity Date

**"Third Party"** shall mean any Person other than the Investor or the Company or their respective Affiliates.

**"Total Funding Amount"** has the meaning set forth in Section 2.1(b).

**"Trade Secrets"** means all right, title and interest (and all related IP Ancillary Rights) arising under any Law in or relating to trade secrets.

**"Trademarks"** means all rights, title and interests (and all related IP Ancillary Rights) arising under any Law in or relating to trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and, in each case, all goodwill associated therewith, all registrations and recordations thereof and all applications in connection therewith.

**"Transaction Price"** the meaning set forth in Section 7.3.

**"Transactions"** means the transactions contemplated by the Transaction Documents.

**"Transaction Documents"** means the Company Documents and the Investor Documents.

**"UCC"** means the Uniform Commercial Code as in effect from time to time in the State of Texas or such other jurisdiction as the context may require.

1.2 *Certain Interpretive Matters.*

(a) The definitions in Section 1.1 will apply equally to both the singular and plural forms of the terms defined. Additionally:

(i) all references herein to the Recitals, Sections, Articles, Exhibits or Schedules are to the Preamble, Recitals, Sections, Articles, Exhibits or Schedules of or to this Agreement unless otherwise indicated;

(ii) each term defined in this Agreement has the meaning expressly assigned to it herein;

(iii) any terms (whether capitalized or lower case) used in this Agreement that are defined in the UCC shall be construed and defined as set forth in the UCC unless otherwise defined herein;

(iv) words in the singular include the plural and vice versa, and the masculine, feminine or neuter gender shall be deemed to include each of the other genders, in each case, as required by the context;

(v)

(vi) the term "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation";

(vii) the word "will" shall be construed to have the same meaning and effect as the word "shall";

(viii) any definition of or reference to any Law, agreement, instrument or other document herein shall be construed as referring to such Law, agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified;