

# Exhibit 38

1 IN THE UNITED STATES DISTRICT COURT

2 SOUTHERN DISTRICT OF NEW YORK

3  
4 SECURITIES AND EXCHANGE )  
COMMISSION, )

5 )  
6 Plaintiff, )

7 v. )

) Case No.  
) 20-Civ-10832 (AT) (SN)

8 )  
9 RIPPLE LABS, INC., BRADLEY )  
GARLINGHOUSE, and CHRISTIAN )  
LARSEN, )

10 Defendants. )  
\_\_\_\_\_ )

11  
12  
13 \*\*SUBJECT TO PROTECTIVE ORDER\*\*

14  
15 REMOTE VIDEO DEPOSITION OF

16 BREANNE MADIGAN

17 Tuesday, May 18, 2021  
18  
19  
20  
21  
22

23 Reported by:  
24 BRIDGET LOMBARDOZZI,  
CSR, RMR, CRR, CLR  
25 Job No. 210518LO



1 IN THE UNITED STATES DISTRICT COURT

2 SOUTHERN DISTRICT OF NEW YORK

3  
4 SECURITIES AND EXCHANGE )  
COMMISSION, )

5 )  
6 Plaintiff, )

7 v. )

8 RIPPLE LABS, INC., BRADLEY )  
9 GARLINGHOUSE, and CHRISTIAN )  
LARSEN, )

10 Defendants. )  
11  
12  
13  
14

) Case No.  
) 20-Civ-10832 (AT) (SN)  
)  
)  
)  
)  
)  
)  
)

15 Remote Videotaped Deposition of BREANNE MADIGAN  
16 taken remotely on behalf of Plaintiff, commencing at  
17 10:17 a.m. and ending at 6:52 p.m., EST, on Tuesday,  
18 May 18, 2021, before Bridget Lombardozzi, CCR, RMR,  
19 CRR, CLR, and Notary Public of the States of New York  
20 and New Jersey, pursuant to notice.  
21  
22  
23  
24  
25

A P P E A R A N C E S (Via Remote where indicated):

For the Plaintiff:

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
NEW YORK REGIONAL OFFICE

BY: JORGE G. TENREIRO, ESQUIRE

DUGAN BLISS, ESQUIRE (Remote)

ROBERT MOYE, ESQUIRE (Remote)

BENJAMIN HANAUER, ESQUIRE (Remote)

DAPHNA A. WAXMAN, ESQUIRE (Remote)

JON A. DANIELS, ESQUIRE (Remote)

LADAN F. STEWART, ESQUIRE

New York Regional Office

200 Vesey Street

Suite 400

New York, New York 10281-1022

Telephone: 212.336.1060

Email: tenreiroj@sec.gov

blissd@sec.gov

moyer@sec.gov

hanauerb@sec.gov

danielsj@sec.gov

stewartl@sec.gov

1 A P P E A R A N C E S (Continued):

2  
3 For Defendant Ripple Labs Inc.:

4  
5 DEBEVOISE & PLIMPTON LLP

6 BY: LISA ZORNBERG, ESQUIRE

7 EROL GULAY, ESQUIRE

8 919 Third Avenue

9 New York, New York 10022

10 Telephone: 212.909.6000

11 E-Mail: Lzornberg@debevoise.com

12 EGulay@debevoise.com

13  
14 -and-

15  
16 KELLOGG, HANSEN, TODD, FIGEL & FREDERICK PLLC

17 BY: BETHAN JONES, ESQUIRE (Remote)

18 REID M. FIGEL, ESQUIRE (Remote)

19 Sumner Square

20 1615 M Street, N.W.

21 Suite 400

22 Washington, D.C. 20036

23 Telephone: 202.326.7999

24 E-mail: bjones@kellogghansen.com

25 rfigel@kellogghansen.com

1 A P P E A R A N C E S (Continued)

2  
3 For Defendant Bradley Garlinghouse:

4  
5 CLEARY GOTTLIEB STEEN & HAMILTON

6 BY: NOWELL D. BAMBERGER, ESQUIRE (Remote)

7 NICOLE TATZ, ESQUIRE (Remote)

8 2112 Pennsylvania Avenue, NW

9 Washington, D.C. 20037

10 Telephone: 202.974.1500

11 E-mail: nbamberger@cgsh.com

12 ntatz@cgsh.com

13  
14  
15 For Defendant Christian A. Larsen:

16  
17 PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

18 By: ROBIN LINSENMEYER, ESQUIRE (Remote)

19 GRACE TIEDEMANN, ESQUIRE (Remote)

20 2001 K Street, NW

21 Washington, D.C. 20006-1047

22 Telephone: 628.432.5117

23 E-mail: rlinsenmayer@paulweiss.com

24 gtiedemann@paulweiss.com

A P P E A R A N C E S (Continued):

For the Witness:

MORVILLO ABRAMOWITZ GRAND IASON & ANELLO PC

BY: ROBERT J. ANELLO, ESQUIRE

ALEXANDER LEVINE, ESQUIRE

BRONWYN ROANTREE, ESQUIRE

565 Fifth Avenue

New York, New York 10017

Telephone: 212.856.9600

E:mail: ranello@maglaw.com

alevine@maglaw.com

broantree@maglaw.com

ALSO PRESENT:

ANA GUARDADO, Ripple

TARA RAAM, Debevoise & Plimpton

DANNY ORTEGA, Videographer

1	INDEX		
2	WITNESS	EXAMINATION	
3	BREANNE MADIGAN		
4	BY MR. TENREIRO	18,	402
5	BY MS. ZORNBERG	394	
6			
7			
8	EXHIBITS		
9	SEC-BM NUMBER	DESCRIPTION	PAGE
10			
11	Exhibit 1	String of e-mails dated	58
12		July 10, 2019	
13		RPLI_SEC 0312351-52	
14			
15	Exhibit 2	String of e-mails dated	222
16		July 2019	
17		RPLI_SEC 0181347-49	
18			
19	Exhibit 3	String of e-mails dated	228
20		5/26-27/20	
21		RPLI_SEC 0478900-01	
22			
23	Exhibit 7	String of e-mails dated	117
24		May 31, 2019	
25		RPLI_SEC 0435043-44	

1		EXHIBITS	
2	SEC-BM NUMBER	DESCRIPTION	PAGE
3	Exhibit 8	String of e-mails dated	136
4		6/25/19 with forwards	
5		RPLI_SEC 0182614-16	
6			
7	Exhibit 10	9/3/19 E-mail from Madigan	160
8		to Madigan with action items	
9		RPLI_SEC 0295506-07	
10			
11	Exhibit 11	String of e-mails dated	184
12		September 4, 2019	
13		RPLI_SEC 0463443-44	
14			
15	Exhibit 15	7/15/19 E-mail from Madigan	196
16		to Dunika	
17		RPLI_SEC 0200768	
18			
19	Exhibit 21	Weekly Presentation - XRP	332
20		Markets Deck	
21		RPLI_SEC 0301757-89	
22			
23	Exhibit 24	String of e-mails dated	233
24		October 25, 2019	
25		RPLI_SEC 0478676-80	

1		EXHIBITS	
2	SEC-BM NUMBER	DESCRIPTION	PAGE
3	Exhibit 25	1/7/20 E-mail from Madigan	307
4		to Will - Draft Win Report	
5		RPLI_SEC 0478596	
6			
7	Exhibit 28	String of e-mails dated	346
8		January 10, 2020	
9		RPLI_SEC 0503252-56	
10			
11	Exhibit 29	1/13/20 E-mail from Madigan	350
12		to Dinuka with action items	
13		RPLI_SEC 0504441-42	
14			
15	Exhibit 31	6/23/20 E-mail from Madigan	354
16		to [REDACTED]	
17		RPLI_SEC 0302044	
18			
19	Exhibit 33	List of Slack messages	369
20		dated 6/24/20	
21		RPLI_SEC 0504550-53	
22			
23	Exhibit 34	Slide Deck - XRP-O	354
24		Supply Concerns	
25		RPLI_SEC 0302045-57	



1		EXHIBITS	
2	SEC-BM NUMBER	DESCRIPTION	PAGE
3			
4	Exhibit 35	XRP Purchases + XRPO	383
5		Preliminary Observations	
6		+ Recommendations	
7		RPLI_SEC 0504020-21	
8			
9	Exhibit 36	Master Purchase Agreement	374
10		dated 7-3-20, GSR - Ripple	
11		RPLI_SEC 0301887-94	
12			
13	Exhibit 37	String of e-mails dated	377
14		July 13-14, 2020	
15		RPLI_SEC 0301861-62	
16			
17	Exhibit 41	String of e-mails dated	379
18		August 4, 2020	
19		RPLI_SEC 0503633	
20			
21	Exhibit 50	String of e-mails dated	102
22		12/23/19 and 1/29/20	
23		RPLI_SEC 0503813-14	
24			
25			

1		EXHIBITS	
2	SEC-BM NUMBER	DESCRIPTION	PAGE
3	Exhibit 56	Q2 2019 XRP Markets	201
4		Report   Ripple	
5		NO BATES, 10 pages	
6			
7	Exhibit 62	String of e-mails dated	105
8		May 2019	
9		RPLI_SEC 0223624-26	
10			
11	Exhibit 63	String of e-mails dated	124
12		5/30/19	
13		RPLI_SEC 0435051-53	
14			
15	Exhibit 65	String of e-mails dated	163
16		September 10-11, 2019	
17		RPLI_SEC 0463382-86	
18			
19	Exhibit 66	String of e-mails dated	319
20		July 2019	
21		RPLI_SEC 0223540-45	
22			
23	Exhibit 67	String of e-mails dated	250
24		July 17, 2019	
25		RPLI_SEC 0200554-56	

1		EXHIBITS	
2	SEC-BM NUMBER	DESCRIPTION	PAGE
3	Exhibit 68	Twitter threads dated	254
4		7/17/19	
5		NO BATES, 5 pages	
6			
7	Exhibit 69	Twitter threads dated	248
8		October 25, 2019	
9		NO BATES, 2 pages	
10			
11	Exhibit 70	String of e-mails dated	258
12		August 15-16, 2019	
13		RPLI_SEC 0261522-23	
14			
15	Exhibit 71	String of e-mails dated	267
16		August 21-22, 2019	
17		RPLI_SEC 0181671-72	
18			
19	Exhibit 72	String of e-mails dated	284
20		August 24, 2019	
21		RPLI_SEC 0463519-20	
22			
23	Exhibit 73	Bloomberg News Article on	287
24		Crypto 8-23-19	
25		BM73, 3 pages	

1	EXHIBITS		
2	SEC-BM		
3	NUMBER	DESCRIPTION	PAGE
4	Exhibit 74	String of e-mails dated	81
5		June 26-27, 2019	
6		BM74; GSR00007158-59	
7			
8	Exhibit 75	String of e-mails dated	292
9		September 6-7, 2019	
10		RPLI_SEC 0463291-92	
11			
12	Exhibit 79	7/8/19 E-mail from Madigan	142
13		to Dinuka - Board Slides	
14		RPLI_SEC 0464643-44	
15			
16	Exhibit 82	4/19/20 E-mail from Madigan	299
17		to Dinuka, Q1 2020 XRP	
18		Markets Report - Draft	
19		RPLI_SEC 0367128	
20			
21	Exhibit 83	6/3/20 E-mail from Madigan	297
22		to Long, et als	
23		RPLI_SEC 0479392	
24			
25			

## EXHIBITS

SEC-BM NUMBER	DESCRIPTION	PAGE
Exhibit 84	String of e-mails dated July 14-15, 2020 RPLI_SEC 0423325-27	388

## EXHIBITS

DEFENSE BM EXH NUMBER	DESCRIPTION	PAGE
Exhibit 1	News Article dated 10-1-18 Ripple's cryptocurrency NO BATES, 9 pages	398

DEPOSITION SUPPORT INDEX

DIRECTION TO WITNESS NOT TO ANSWER

Page	Line
------	------

- -none-	-
----------	---

STIPULATIONS

Page	Line
------	------

34	5
----	---

QUESTIONS MARKED

Page	Line
------	------

- -none-	-
----------	---

REQUEST FOR DOCUMENTS

Page	Line
------	------

- -none-	-
----------	---

- - -

10:17 a.m.

May 18, 2021

- - -

10:17:41 THE VIDEOGRAPHER: We are now on  
the record. My name is Danny Ortega and  
I'm the legal videographer for Gradillas  
Reporting. Today's date is May 18th,  
2021, and the time is 10:17 a.m. The  
video deposition is being held at 919  
Third Avenue, New York, New York, in the  
matter of the SEC versus Ripple.

10:17:53 The deponent today is Breanne  
Madigan. All counsel will be noted on  
the stenographic record. The court  
reporter today is Bridget Lombardozzi and  
will now swear in the witness.

10:17:58 THE COURT REPORTER: Good  
morning. My name is Bridget Lombardozzi.  
I am a Certified Court Reporter, License  
No. 1201, and a Notary Public in the  
states of New Jersey and New York. I  
also hold a nationally recognized  
certification of Registered Merit  
Reporter and Certified Realtime Reporter

10:17:58 1 in the United States with NCRA. I am the  
2 deposition officer for today's  
3 deposition.

4 Before we proceed, I will ask  
10:17:58 5 counsel to stipulate on the record that  
6 we are proceeding according to Rule 30 of  
7 the Rules of Civil Procedure and that  
8 this deposition officer may swear in the  
9 deponent even though I am not in the  
10:17:58 10 physical presence of the deponent, and  
11 that there is no objection to that at  
12 this time, nor will there be an objection  
13 to it at a future date.

14 Let's start with the noticing  
10:17:58 15 attorney.

16 MR. TENREIRO: Good morning.  
17 This is Jorge Tenreiro on behalf of the  
18 Securities and Exchange Commission and we  
19 have no objection.

10:18:55 20 MS. ZORNBERG: Lisa Zornberg on  
21 behalf of Ripple. No objection.

22 MR. ANELLO: Robert J. Anello on  
23 behalf of the witness. No objection.

24 MS. TATZ: Nicole Tatz on behalf  
10:19:06 25 of Bradley Garlinghouse. We have no



10:19:09 1 objection.

2 MS. LINSENMAYER: Robin

3 Linsenmayer on behalf of Christian Larsen.

4 No objection.

10:19:18 5 B R E A N N E M A D I G A N,

6 having been duly sworn, was examined and

7 testified as follows:

8 THE COURT REPORTER: Thank you.

9 You may proceed.

10:19:34 10 EXAMINATION

11 BY MR. TENREIRO:

12 Q. Good morning. Please state your name  
13 for the record.

14 A. Breanne Madigan.

10:19:39 15 Q. Ms. Madigan, are you represented by  
16 counsel today?

17 A. I am.

18 Q. And who is your counsel?

19 A. Morvillo Abramowitz.

10:19:46 20 MR. TENREIRO: Does counsel  
21 represent anybody else in connection with  
22 this case?

23 MR. ANELLO: No.

24 BY MR. TENREIRO:

10:19:51 25 Q. Ms. Madigan, as you've heard, I'm

10:19:53 1 Jorge Tenreiro. I'll be asking questions on  
2 behalf of the plaintiff, Securities and Exchange  
3 Commission. My colleagues, Rob Moyer and Daphna  
4 Waxman, are here and other SEC staff on the  
10:20:00 5 phone.

6 Ms. Madigan, have you ever given  
7 testimony on the record before?

8 A. No.

9 Q. Okay. So just so that we can be on  
10:20:07 10 the same page, you've heard us talk about how  
11 the court reporter isn't here. This is on the  
12 record. The most important thing is that we try  
13 not to speak over each other. I'll try to wait  
14 for your answers to finish. If you can let me  
10:20:20 15 wait for -- let me finish my questions, that  
16 would be helpful.

17 Please give only verbal answers rather  
18 than shaking or nodding your head. And never  
19 tell me the substance of anything a lawyer told  
10:20:32 20 you in answering my questions, please.

21 Is there any reason why you cannot  
22 testify truthfully or accurately today?

23 A. No.

24 Q. Ms. Madigan, are you employed?

10:20:41 25 A. Yes.

10:20:41 1 Q. Where are you employed?

2 A. With Ripple.

3 Q. And since when have you been employed  
4 by Ripple?

10:20:47 5 A. May of 2019.

6 Q. What is your title at Ripple?

7 A. The global head of institutional  
8 markets.

9 Q. Has that always been your title?

10:20:54 10 A. Yes.

11 Q. Okay. What is your salary?

12 A. My base salary is [REDACTED].

13 Q. Do you get a bonus?

14 A. Yes.

10:21:03 15 Q. What is the bonus based on?

16 A. Meeting my OKRs.

17 Q. OKRs? Can you explain --

18 THE COURT REPORTER: I'm sorry.

19 Repeat.

10:21:08 20 THE WITNESS: Sure.

21 A. Meeting my OKRs. That stands for  
22 objective and key results.

23 THE COURT REPORTER: And please

24 keep your voice up. It's a little hard to

10:21:20 25 hear you.

10:21:20 1 THE WITNESS: Sorry.

2 Q. Ms. Madigan, who sets your OK -- OKRs?

3 A. A combination of people, including  
4 Brad and my direct manager.

10:21:32 5 Q. When you say "Brad," do you mean Brad  
6 Garlinghouse?

7 A. Yes.

8 Q. And who is your direct manager?

9 A. Monica Long.

10:21:39 10 Q. Okay. What -- what are your OKRs?  
11 What are their measures?

12 A. Things like building liquidity, en --  
13 ensuring ODL runs smoothly, enhancing our data  
14 and analytics platform.

10:21:57 15 Q. Anything else?

16 A. No, that's the bulk of them right now.

17 Q. When you say "ensuring ODL runs  
18 smoothly," can you please explain for the record  
19 what you mean by "ODL"?

10:22:08 20 A. Sure. ODL stands for On-Demand  
21 Liquidity and that is the flagship software  
22 platform run by Ripple for cross-border  
23 payments.

24 Q. And when you said "building liquidity"

10:22:16 25 --

10:22:17 1 THE COURT REPORTER: Repeat. Run  
2 by Ripple. Repeat.

3 A. ODL is -- stands for On-Demand  
4 Liquidity and it is the flagship software  
10:22:28 5 platform at Ripple.

6 Q. When you said "building liquidity,"  
7 can you explain? Building liquidity of what?

8 A. Yeah. So integral to the ODL platform  
9 is XRP, which is used as a bridge asset for  
10:22:45 10 cross-border payments. In order for ODL  
11 payments to function smoothly, there's a  
12 requirement for XRP liquidity to be present.

13 So to give it a little bit more in  
14 detail, as an example, clients of the ODL  
10:23:01 15 platform may sign up and choose to send money,  
16 for example, from the U.S. to Mexico. In that  
17 workflow, typically they would have dollars in  
18 the originating corridor, which would be the  
19 U.S., but ultimately when they want to deliver  
10:23:15 20 the payout in the destination corridor, which  
21 would be Mexico in that example, they would look  
22 for the payout to be in Mexican peso.

23 And so what ODL does is allow the U.S.  
24 dollars to move to an originating exchange to be  
10:23:30 25 swapped into XRP. The XRP is then sent across

10:23:34 1 border to what we call the destination exchange.  
2 In Mexico that's Bitso. And then in Mexico on  
3 Bitso, that XRP is swapped into local currency,  
4 Mexican peso in that example.

10:23:48 5 And so liquidity is necessary on that  
6 exchange for XRP in order for that payment flow  
7 I just described to function successfully.

8 Q. Thank you.

9 In the context of the bonus that you  
10:24:00 10 might receive if you build liquidity, is the  
11 measure of liquidity of XRP vis-a-vis the U.S.  
12 dollar, vis-a-vis the U.S. -- the Mexican peso  
13 or anything else? What is the -- what is the  
14 liquidity measured based on?

10:24:15 15 A. Can I ask you to please clarify your  
16 question?

17 Q. Sure.

18 I think you said -- I'm  
19 paraphrasing -- your bonus might be based, at  
10:24:21 20 least in part, on building liquidity. And I  
21 asked you, you know, building liquidity of what  
22 and you talked about ODL. You also mentioned  
23 two tranches.

24 A. Right.

10:24:30 25 Q. So to the extent that your bonus might

10:24:32 1 be based on building liquidity, can you explain  
2 which of the tranches in the ODL platform you're  
3 measuring in terms of building liquidity?

4 A. Sure. So all components of building  
10:24:42 5 liquidity on the ODL platform are relevant for  
6 what I'm focused on.

7 Q. Okay. And are they relevant --

8 THE COURT REPORTER: I can't hear  
9 you, ma'am. So all components of building  
10:24:43 10 liquidity on...?

11 A. The ODL platform are part of my  
12 responsibility.

13 Q. And is your bonus based on all  
14 components of the ODL platform?

10:25:02 15 A. Yes, broadly defined, it's building  
16 healthy liquidity for XRP.

17 Q. Have you been paid a bonus since you  
18 began working at Ripple?

19 A. I have.

10:25:13 20 Q. How many times?

21 A. [REDACTED]

22 Q. And how much have you received in  
23 bonus?

24 A. I don't know the exact numbers, but in  
10:25:21 25 my first year, between [REDACTED] bonus and

10:25:26 1 [REDACTED] bonus, it was around [REDACTED] worth of  
2 U.S. dollars, predominantly paid in XRP. And  
3 then more recently [REDACTED] around this  
4 year I think about [REDACTED]

10:25:46 5 Q. And what did you do with the XRP that  
6 you received as a bonus?

7 A. I sold it.

8 Q. Where did you sell it?

9 A. On Coinbase.

10:25:58 10 THE REPORTER: I can't hear you.

11 On Point B?

12 A. On Coinbase. Maybe I'll move this a  
13 little higher.

14 Q. That microphone doesn't -- doesn't  
10:26:02 15 speak to her.

16 A. Oh, sorry. Okay. Maybe I'll pull it  
17 a little closer.

18 MR. ANELLO: Yeah, that's  
19 probably a good idea.

10:26:06 20 THE WITNESS: If I'm not messing  
21 up anybody else's wires. Okay. Maybe  
22 this will help. Sorry.

23 So my answer was on Coinbase,  
24 C-O-I-N-B-A-S-E.

10:26:23 25 BY MR. TENREIRO:



10:26:24 1 Q. Did you sell all of the XRP,  
2 Ms. Madigan?

3 A. Yes.

4 Q. Okay. All right. I think you said  
10:26:29 5 you reported -- or, well, your manager is  
6 Ms. Long?

7 A. Correct.

8 Q. Does anyone report to you?

9 A. Yes.

10:26:35 10 Q. Who does?

11 A. [REDACTED]

12 [REDACTED] and [REDACTED]

13 MR. TENREIRO: Madam Court

14 Reporter, we can send you those spellings  
10:26:53 15 after.

16 Q. What about Mr. Dinuka? I'm not going  
17 to say his last name, but --

18 A. Samarasinghe. Yes, he formerly  
19 reported to me.

10:27:01 20 Q. Okay. When did he stop reporting to  
21 you?

22 A. When he left the company.

23 Q. Which was when?

24 A. I don't recall the exact month.

10:27:06 25 Q. Okay. Was it in 2020?

10:27:09 1 A. I -- yes.

2 Q. How is it that you came to work for  
3 Ripple?

4 A. I was recruited by Ripple, first by  
10:27:14 5 Miguel Vias and then [REDACTED]

6 Q. Where were you working at the time?

7 A. At [REDACTED]

8 Q. Who did you interview with when --  
9 before you came to Ripple?

10:27:26 10 A. Ron Will, [REDACTED]  
11 [REDACTED], Miguel Vias, Brad Garlinghouse. Those  
12 are all that I remember. It might not be a  
13 complete list, but I think that's everybody.

14 Q. That's a lot.

10:27:42 15 What -- what did -- what did these  
16 individuals tell you your job at Ripple would  
17 be?

18 A. Focused on building liquidity in XRP.

19 Q. What did you do for [REDACTED]

10:27:54 20 A. I was the head of institutional sales  
21 and strategy.

22 Q. How long were you there?

23 A. A little over a year.

24 Q. What were you do -- what did you do  
10:28:02 25 before [REDACTED]?

10:28:03

1

A. I worked at [REDACTED]

2

Q. For how long?

3

A. Almost 15 years.

4

Q. What was your last title at [REDACTED]

10:28:08

5

[REDACTED]?

6

A. I was the head of the institutional  
wealth services business.

8

Q. What were your responsibilities as the  
head of the institutional wealth services  
business?

10:28:16

10

11

A. I was responsible for building a  
business dedicated to family offices,  
high-net-worth family offices, who were  
interested in predominantly private side  
transactions. So early stage investing in  
Fintech and other related companies.

10:28:29

15

16

17

Q. Did you have any professional  
experience dealing with digital assets before  
you worked with [REDACTED]?

18

19

10:28:42

20

21

A. No. I just became intrigued by it  
because some of the clients I was covering were  
really interested in the space.

22

23

Q. And "the clients," you mean the  
[REDACTED] clients?

24

10:28:50

25

A. Yes.

10:28:50 1 Q. Did you have any experience with  
2 Blockchain technology before you worked at  
3 [REDACTED]?

4 A. No, just research and personal  
10:28:58 5 interest.

6 Q. And in terms of helping build  
7 liquidity, what experience did you have prior to  
8 joining Ripple?

9 A. So in my time at [REDACTED] I was  
10:29:08 10 in a number of different roles. Early on I  
11 started in the money market sales business,  
12 where I spent a couple of years covering asset  
13 manager clients, large banks, et cetera. They  
14 were predominantly investing in front-end  
10:29:28 15 products.

16 And then I moved over to the repo  
17 trading desk to build a hedge fund financing  
18 business. And there we covered clients for repo  
19 investing. And so they would --

10:29:42 20 THE COURT REPORTER: For what  
21 investing?

22 THE WITNESS: Repo. R-E-P-O.

23 THE COURT REPORTER: I didn't  
24 hear you, that's why.

10:29:50 25 THE WITNESS: No problem.

10:29:52 1 A. And then I also worked in a couple  
2 other roles there, partly as the head of -- the  
3 COO for global assets business. So in all those  
4 roles, there was components of liquidity  
10:30:06 5 involved in the markets.

6 Q. Can you briefly describe your  
7 educational background?

8 A. Sure. I grew up in Stamford,  
9 Connecticut and attended public school there for  
10:30:15 10 elementary, middle and high school, and then I  
11 went to St. Lawrence University in Canton, New  
12 York, where I majored in economics.

13 Q. Okay. I think you -- I think you gave  
14 me your title at Ripple. Can you explain a  
10:30:31 15 little more, what -- what exactly are your  
16 responsibilities at Ripple --

17 A. Sure.

18 Q. -- on a day-to-day basis or --

19 A. Sure. So I think about the -- the  
10:30:40 20 team's mandate in a few core buckets. One is  
21 market data and analytics. And that is  
22 predominantly better understanding what's going  
23 on in the crypto markets using publicly  
24 available data sources and then any network we  
10:30:58 25 have with other market participants.

10:31:04 1 And then the second is liquidity  
2 broadly defined. And there's sort of two sub  
3 buckets. So liquidity broadly defined in the  
4 liquidity partnerships team is really focusing  
10:31:13 5 on engaging with market participants, like --  
6 like exchanges or lenders or prime brokers  
7 around XRP liquidity broadly speaking.

8 And then, specifically, the third  
9 bucket is around explicit ODL liquidity, which  
10:31:29 10 is something we alluded to earlier around the  
11 payment workflow with ODL and ensuring  
12 sufficient liquidity in the -- in the corridors  
13 where ODL is active.

14 Q. Is there sufficient liquidity between  
10:31:41 15 the Mexican peso and XRP without -- is there  
16 sufficient liquidity for the ODL product to  
17 function?

18 A. So today there -- the product has not  
19 had any payment failures in Mexico because of  
10:31:56 20 the fact that there is sufficient liquidity on  
21 Bitso.

22 Q. And how is the liquidity on Bitso  
23 provided? Who provides the liquidity?

24 A. So it's a combination --

10:32:11 25 MS. ZORNBERG: Objection.

10:32:15 1 A. So --

2 THE REPORTER: I'm sorry, what  
3 was that?

4 MS. ZORNBERG: Zornberg.

10:32:15 5 Objection.

6 A. Do I continue or no?

7 Q. Yes, please continue.

8 A. Okay. So -- so, yes. The liquidity  
9 is provided in multiple ways. So on any  
10:32:26 10 exchange, individuals who choose to make markets  
11 can onboard themselves to an exchange and become  
12 an independent marker maker.

13 There are also market makers that  
14 Ripple works with, a -- a couple flagship  
10:32:41 15 partners in particular, who also provide  
16 explicit XRP liquidity related to the ODL  
17 product.

18 Q. On the Bitso exchange, what percentage  
19 of the liquidity is provided by the market  
10:32:52 20 makers that Ripple works with?

21 A. I don't know the numbers offhand.

22 Q. How -- how would you find out?

23 A. I would probably go to the data team  
24 and ask them to look at the trade reports of  
10:33:05 25 what -- what trades we send, meaning Ripple,



10:33:10 1 through the ODL platform and then match that up  
2 versus a trade report that we would get from the  
3 market makers that we employ and look at those  
4 against each other and match up what percentage  
10:33:21 5 of that flow was managed by the market makers  
6 that Ripple works with versus other market  
7 participants that Ripple doesn't work with.

8 Q. Before Ripple worked with the market  
9 makers, was -- did you -- in the context of your  
10:33:36 10 job and building liquidity for ODL and XRP, did  
11 you have an understanding as to what the  
12 liquidity was for the Mexican peso XRP, you  
13 know, trade?

14 A. No. So just to clarify your question,  
10:33:49 15 you mentioned before we worked with the market  
16 makers with respect to liquidity for ODL. When  
17 I came in, the team was already engaged with the  
18 market makers around ODL liquidity provision.

19 Q. But you didn't find out just in the  
10:34:03 20 context of your employment what the liquidity  
21 was for the peso XRP trade, you know, even  
22 before the team got engaged?

23 A. I know the team looked at that. I  
24 don't recall what it was --

10:34:12 25 Q. Okay.



10:34:13 1 A. -- like before I joined.

2 Q. Okay. Let's get back to that later.

3 MS. ZORNBERG: Just one moment.

4 MR. TENREIRO: Yes.

10:34:17 5 MS. ZORNBERG: I meant to put on  
6 the record at the beginning, and do it now  
7 for -- just for clarity, that counsel for  
8 Ripple, Mr. Larsen and Mr. Garlinghouse  
9 have agreed that an objection stated by  
10:34:29 10 one defense counsel preserves the  
11 objection for all three defendants.

12 MR. TENREIRO: Yes. Thank you,  
13 Lisa. Thank you. All right.

14 BY MR. TENREIRO:

10:34:39 15 Q. Let's -- let's get back to your role,  
16 Ms. Madigan.

17 Do you have weekly meetings with your  
18 team?

19 A. Yes.

10:34:50 20 Q. Who attends --

21 THE REPORTER: Repeat. I can't  
22 hear you. Did you what?

23 Q. Did you have weekly meetings with your  
24 team?

10:34:50 25 A. And the answer was yes.

10:34:54 1 Q. Who attends the meetings?

2 A. So there are two different weekly  
3 meetings. One is my core team, who I mentioned  
4 earlier, the people who directly report to me.

10:35:03 5 And then for a long time we had a standing  
6 weekly Friday meeting which involved Brad,  
7 sometimes Chris, and other members of -- of the  
8 leadership team.

9 Q. What was the Friday meeting -- what  
10:35:15 10 was the purpose of the Friday meeting?

11 A. The purpose of the Friday meeting was  
12 a general update on what's going on in crypto  
13 markets, what's going on in XRP, updates on  
14 liquidity with respect to ODL, and any other  
10:35:29 15 topical issues in the market.

16 Q. You said you had those meetings for a  
17 period of time.

18 A. Uh-huh.

19 Q. Does that mean you don't have them  
10:35:37 20 anymore?

21 A. We don't have them anymore.

22 Q. What was the period of time, if you  
23 can, you know, estimate when -- when that was,  
24 when you were having these Friday meetings?

10:35:43 25 A. Yes. It was from the day I arrived.

10:35:45 1 They had been prestanding. And then a couple  
2 months ago they were paused. I don't recall  
3 exactly when.

4 Q. A couple months ago you said?

10:35:55 5 A. Yes.

6 Q. And amongst the attendees were  
7 Mr. Garlinghouse and Mr. Larsen sometimes?

8 A. Yes. So Brad was there pretty much  
9 every week. Chris was there every week in the  
10:36:07 10 beginning for about the first year or so and  
11 then would attend periodically. Other members  
12 that I can recall, our -- our -- our former CFO,  
13 Ron Will, was my boss for a while. [REDACTED]  
14 [REDACTED] our general counsel. More recently  
10:36:27 15 Monica, when she took over the team. Sometimes  
16 [REDACTED] et cetera.

17 Q. Why did Monica -- you mean Monica  
18 Long?

19 A. Yes.

10:36:36 20 Q. Why did Monica take over the team?

21 A. Ron Will left and so the team was  
22 reallocated under Monica when she became the GM  
23 of the team RippleX.

24 Q. The what? I'm sorry.

10:36:48 25 A. GM, sorry. General manager.

10:36:51 1 Q. GM.

2 A. Uh-huh.

3 Q. You said amongst the things you might  
4 have discussed at the Friday meetings when they  
10:36:55 5 occurred were what's going on in the crypto  
6 market, XRP.

7 When -- did you discuss the price of  
8 XRP at those meetings?

9 A. Sometimes. Yeah, amongst other  
10:37:06 10 things.

11 Q. Okay. Was the price of XRP important  
12 to Ripple at those meetings?

13 A. So it wasn't a focus. I think we  
14 consider price as well as volume, spread, a  
10:37:18 15 number of metrics, all important components of  
16 liquidity overall in assessing market health.  
17 So it was one metric we would track in those  
18 meetings.

19 Q. But my question was: Was the price of  
10:37:29 20 XRP important? Not whether it was a focus, but  
21 was it important?

22 MS. ZORNBERG: Objection.

23 A. Important to whom and --

24 Q. To Ripple.

10:37:37 25 A. I can't speak on behalf of Ripple in

10:37:39 1 that regard.

2 Q. Was it important to Mr. Garlinghouse?

3 A. Presumably.

4 MR. BAMBERGER: Objection.

10:37:49 5 THE REPORTER: Who said that?

6 Who said the objection?

7 MR. BAMBERGER: It was Nowell

8 Bamberger for Mr. Garlinghouse.

9 MR. TENREIRO: What's the

10:37:55 10 basis --

11 THE REPORTER: Answer.

12 MR. TENREIRO: What's the basis  
13 of your objection, Mr. Bamberger, for the  
14 record, please?

10:37:59 15 MR. BAMBERGER: Yes. You're  
16 asking the witness to speak about  
17 something that's not within her personal  
18 knowledge.

19 BY MR. TENREIRO:

10:38:03 20 Q. Did Mr. Garlinghouse ever speak to you  
21 about the price of XRP at the weekly meetings on  
22 Friday?

23 A. The price of XRP was one thing that  
24 was tracked in addition to a number of other  
10:38:15 25 liquidity health metrics.

10:38:16 1 Q. Why was the price of XRP tracked?

2 A. As I mentioned, liquidity is -- has a  
3 lot of components that are important to assess  
4 the health of liquidity. Price is one, spreads  
10:38:26 5 are another, overall volume, volatility, et  
6 cetera.

7 Q. All right. Let's -- when you  
8 interviewed with Mr. Garlinghouse for your  
9 employment, what did he tell you your job was  
10:38:36 10 going to be at Ripple?

11 A. He told me that my job was going to be  
12 the head of institutional markets.

13 Q. What did he tell you your goals were  
14 going to be? What did he want to you to do?

10:38:45 15 A. He wanted to help get the ODL product  
16 launched and scaled and ensure that XRP  
17 liquidity was functioning healthfully and  
18 smoothly.

19 Q. Why did he want that?

10:38:58 20 A. When I joined, it was at the start of  
21 --

22 MR. BAMBERGER: Objection.

23 A. I'm sorry.

24 Q. Did he tell you why he wanted that?

10:39:05 25 THE COURT REPORTER: Excuse me.

10:39:05 1 Who said the objection there?

2 MR. BAMBERGER: Sorry. I don't  
3 know if you're able to -- I assume you're  
4 able to see me. This is Nowell --

10:39:50 5 THE COURT REPORTER: Hold on.  
6 Okay. Okay.

7 (Whereupon, the record was read  
8 back.)

9 Q. Yeah. Let me go back. Sorry.

10:40:08 10 A. Sorry. No problem.

11 Q. We were discussing what  
12 Mr. Garlinghouse might have told you during his  
13 interview of your for your job. You said, "He  
14 wanted to help get the ODL product launched and  
10:40:23 15 scaled and ensure the XRP liquidity was  
16 functioning healthfully, fully and smoothly."

17 And did he -- my question is, did he  
18 tell you why he wanted that?

19 A. I don't recall.

10:40:43 20 Q. Okay. We've been discussing -- we've  
21 used the word "liquidity" a number of times this  
22 morning. So just so that we're on the same  
23 page, can you please explain for the record,  
24 what does the term "liquidity" mean for you?

10:40:52 25 A. Yes. So "liquidity" is a broad term

10:40:54 1 that reflects the overall health of the way a  
2 given aspect is trading. So there are many  
3 aspects of liquidity. One is volumes, breadth  
4 of the market, meaning how -- you know, where is  
10:41:09 5 it traded? On a lot of platforms or few -- very  
6 few platforms? What type of spreads is it  
7 trading at? Meaning, you know, the distance  
8 between the bid and the ask, is it narrow? Is  
9 it wide? Volatility. So how -- how much does  
10:41:22 10 the -- does the asset move in a given window of  
11 time?

12 There are a lot of different  
13 components to understanding liquidity in the  
14 markets.

10:41:32 15 Q. So you mentioned volume, breadth,  
16 spreads, volatility. Any other -- any other  
17 that come to mind?

18 A. Yeah. So you would look at price as  
19 it relates to some of those. So spread, for  
10:41:43 20 example, that I mentioned is the distance  
21 between the price for the bid and the price for  
22 the ask. And so the difference between those  
23 two prices is an indicator of liquidity health  
24 or lack thereof as well.

10:41:55 25 Q. Generally speaking, does the -- does



10:41:57 1 liquidity involve the ease with which you could  
2 buy or sell an asset?

3 A. Yeah.

4 Q. Does it -- does it involve the effects  
10:42:04 5 that selling or buying the asset might have on  
6 the price?

7 A. Yes.

8 Q. So if an asset is more liquid, some  
9 buys or sells might have less effect on the  
10:42:14 10 price, is that correct? Generally speaking.

11 A. Generally speaking.

12 Q. Just from your experience?

13 A. I think that's fair. Okay.

14 Q. Is another way to think about  
10:42:21 15 liquidity in addition to the things you've  
16 mentioned, you know, the existence of ready and  
17 willing buyers and ready and willing sellers?

18 A. I think that's fair.

19 Q. Okay. Does -- is liquidity something  
10:42:33 20 that you've wanted to achieve with respect to  
21 the XRP market?

22 A. Yes.

23 Q. Why?

24 A. Mainly focused on ensuring the smooth  
10:42:45 25 operation of the ODL product that we've

10:42:47 1 discussed.

2 Q. And when it was not mainly, for what  
3 other reasons?

4 A. No, it was really that.

10:42:54 5 Q. That was the only reason --

6 A. Yeah.

7 Q. -- the ODL -- the ODL's smooth  
8 operation?

9 A. The ODL platform was a primary focus.

10:43:01 10 Q. So what was -- if there was a focus  
11 that was not the primary focus, can you tell me  
12 what that was, please?

13 A. So liquidity overall is impacted by,  
14 as I mentioned, you know, the breadth and the  
10:43:14 15 number of platforms it's traded on. So an  
16 example would be if there -- if there was an  
17 exchange where XRP is traded, but it's not an  
18 explicit ODL exchange, even though it's not  
19 necessarily involved in a given ODL transaction,  
10:43:27 20 XRP's liquidities on that exchange impacts XRP's  
21 liquidity overall. And so where it's not as  
22 explicit, the relationship between the ODL and  
23 the given exchange --

24 Q. So -- so, in other words, I'm just  
10:43:38 25 paraphrasing, you might want to have XRP in

10:43:40 1 another exchange that doesn't do ODL because  
2 that affects the liquidity --

3 THE COURT REPORTER: Excuse me.

4 You're going to have to slow down. So, in  
10:43:46 5 other words?

6 Q. So, in other words, I'm going to  
7 paraphrase, but you might want to have -- is it  
8 fair to say that to achieve your -- you know, to  
9 carry out your duties, you might want to have  
10:43:55 10 XRP listed on an exchange even if it's not an  
11 ODL exchange because that might positively  
12 impact the liquidity of XRP?

13 A. That's fair.

14 Q. And you -- just to be clear, you  
10:44:06 15 wanted there to be more liquidity for XRP in the  
16 market. Is that fair?

17 A. Bet -- better liquidity for XRP in the  
18 market would ensure smoother operations for ODL.

19 Q. So you wanted there to be more  
10:44:16 20 liquidity for XRP in the market. Is that fair?

21 A. Fair.

22 Q. Okay. If the market -- in your  
23 experience, if the market for an asset is  
24 illiquid, does that potentially affect its price  
10:44:25 25 in a negative way?

10:44:28 1 THE COURT REPORTER: Repeat.

2 Q. In your experience, if the -- if the  
3 market for an asset is illiquid, does that  
4 affect the price of the asset in a negative way?

10:44:39 5 A. So liquidity can be impacted whether  
6 the price is going up or the price is going  
7 down. It's not really correlated to the  
8 direction. A lack of liquidity means, you know,  
9 for example, if on an order book there was a  
10:44:51 10 drastic movement up or down and people pulled  
11 their bids and offers and there isn't deep  
12 liquidity on the order book -- meaning  
13 significant buyers, significant sellers -- that  
14 would be an example of where liquidity can dry  
10:45:01 15 up, but it's not tied to one direction of price  
16 movement.

17 Q. All right. So we've mentioned XRP a  
18 number of times and I want to have just a  
19 foundation and a clear record.

10:45:11 20 What is XRP?

21 A. XRP is a digital asset used as a  
22 bridge currency in cross-border payments.

23 Q. How does XRP --

24 THE COURT REPORTER: Repeat.

10:45:20 25 THE WITNESS: The question or the

10:45:25 1 answer? I'm sorry.

2 THE COURT REPORTER: The answer.

3 THE WITNESS: Sure. XRP is a  
4 digital asset used as a bridge currency.

10:45:31 5 BY MR. TENREIRO:

6 Q. How does XRP fit into Ripple's  
7 business model?

8 A. XRP is used as the bridge currency  
9 between the two fiat currencies' legs in the ODL  
10:45:45 10 transaction. The example I described earlier  
11 with Mexico is a good example of how something  
12 originating perhaps in the U.S., as U.S.  
13 dollars, would be swapped into XRP as that  
14 bridge currency is then sent cross border and  
10:45:58 15 then it is swapped into the local currency, the  
16 destination currency, where the payout occurs.

17 Q. In addition to that description, does  
18 Ripple -- when you arrived at Ripple in -- I'm  
19 sorry, you arrived at Ripple when?

10:46:10 20 A. In May of '19.

21 Q. Okay. When you arrived in Ripple in  
22 May of '19 --

23 THE COURT REPORTER: I'm sorry.

24 I only heard in May of '19.

10:46:15 25 THE WITNESS: That was when I

10:46:18 1 arrived at Ripple.

2 THE COURT REPORTER: I only  
3 heard in May of '19.

4 MR. TENREIRO: That's all she  
10:46:27 5 said.

6 THE COURT REPORTER: Do you mean  
7 2019?

8 THE WITNESS: Yes.

9 MR. TENREIRO: That's all she  
10:46:27 10 said.

11 THE COURT REPORTER: Thank you.

12 BY MR. TENREIRO:

13 Q. Ms. Madigan, when you arrived in  
14 Ripple in May of 2019, did Ripple sell XRP into  
10:46:35 15 the market?

16 A. Yes.

17 Q. Did Ripple sell XRP in May of 2019 to  
18 ODL customers?

19 A. I don't recall. I don't think so  
10:46:48 20 because it was just getting launched as I was  
21 arriving.

22 Q. And why did Ripple sell XRP into the  
23 market in May of 2019?

24 A. When I arrived, there were something  
10:46:58 25 called programmatic sales.

10:47:00 1 Q. Can you please explain what are  
2 programmatic sales?

3 A. Yes. So programmatic sales are where  
4 Ripple worked with market makers to sell XRP  
10:47:10 5 into the market on exchanges and other  
6 platforms.

7 Q. What involvement, if any, did you have  
8 with Ripple's programmatic sales?

9 A. Not very much except that -- because  
10:47:21 10 it was already in existence when I joined. But  
11 I do recall a meeting where we were -- me and my  
12 team were involved in looking at different  
13 volume benchmarks that were available to the  
14 industry with respect to overall crypto trading  
10:47:37 15 volumes and looking for a reliable -- the most  
16 reliable available source of volume data, which  
17 at the time was [REDACTED] or crypto  
18 from [REDACTED] to [REDACTED].

19 THE COURT REPORTER: I -- repeat  
10:47:56 20 the last part.

21 THE WITNESS: Sure. We were -- I  
22 was involved in looking for a -- the most  
23 reliable source of industry -- crypto  
24 industry volume data, which was -- we were  
10:48:07 25 assessing [REDACTED] and [REDACTED]

10:48:09 1

2 BY MR. TENREIRO:

3 Q. Ms. Madigan, at the time you arrived  
4 at Ripple in May of 2019, what were Ripple's  
10:48:21 5 revenues from the ODL product?

6 A. I do not know.

7 Q. Did you know back then?

8 A. No.

9 Q. Okay. Do you know now?

10:48:30 10 A. I do not know.

11 Q. At the time you arrived at Ripple in  
12 May of 2019, where did Ripple get the money to  
13 fund its operations?

14 A. I -- I know that XRP sales were a part  
10:48:43 15 of that, but I don't have the intri --  
16 intricacies of the financial, an accounting of  
17 the company.

18 Q. Well, I don't think we need an  
19 accounting, but did you -- you know, in May of  
10:48:54 20 2019 or before you started at Ripple, did you  
21 discuss with anyone, you know, how does this  
22 company pay for the business that it runs?

23 A. My understanding was that XRP sales  
24 were a part of that, but as I said, I don't know  
10:49:05 25 the intricacies of what other sources of funding



10:49:08 1 the company had other than I know that they had  
2 raised capital on the open markets in some  
3 capacity as well.

4 Q. And to the extent that your  
10:49:15 5 understanding was that XRP sales were a part of  
6 that, how did you derive that understanding?

7 A. My boss at the time was Ron Will. I  
8 believe he shared that with me.

9 Q. Have you -- in -- in the context of  
10:49:30 10 programmatic sales that we were discussing a  
11 moment ago, who buys XRP from Ripple?

12 And I apologize for my voice being so  
13 loud. I just want to make sure she hears it.

14 A. No problem. I understand.

10:49:40 15 Q. I really apologize.

16 A. That's okay.

17 Q. Who buys XRP from Ripple in the  
18 context of programmatic sales?

19 A. So to be clear, because Ripple doesn't  
10:49:48 20 have --

21 MS. ZORNBERG: Just one second.

22 Objection to the use to the use of present  
23 tense.

24 THE COURT REPORTER: "Objection  
10:49:57 25 to the use of"? I can't hear you.

10:49:57 1 MS. ZORNBERG: Present tense.

2 Zornberg.

3 BY MR. TENREIRO:

4 Q. Let me start again. Thank you.

10:50:00 5 When you arrived at Ripple, when you  
6 arrived at Ripple, to the extent you knew about  
7 programmatic sales, who was buying XRP from  
8 Ripple in programmatic sales?

9 A. Sure. So the one point of  
10:50:12 10 clarification I wanted to make is that Ripple  
11 does not have a trading desk and so Ripple  
12 relies on third parties for its programmatic  
13 sales; namely, market makers. And, in  
14 particular, my recollection is that GSR and  
10:50:27 15 [REDACTED] were both managing those sales of  
16 XRP.

17 Q. GSR and [REDACTED] were serving as  
18 intermediaries between Ripple and the market, is  
19 that correct?

10:50:37 20 A. I think that's a fair term, although I  
21 don't know what -- yeah, what you'd call them,  
22 but they managed the sales of the XRP because  
23 Ripple couldn't sell directly.

24 Q. Okay. And who did GSR and  
10:50:49 25 [REDACTED] sell the XRP to?

10:50:53 1 A. I believe they sold it on a number of  
2 exchanges, but I don't know the names of those  
3 or how or which ones.

4 Q. Okay. And do you know who they sold  
10:50:59 5 them to on these exchanges?

6 A. Are you -- are you asking who the  
7 exchange's clients were?

8 Q. Yeah. Who bought the XRP?

9 A. I do not know.

10:51:07 10 Q. Okay. Did you hear of any  
11 restrictions that Ripple imposed on GSR or  
12 [REDACTED] in terms of the identities of the  
13 people to whom they might sell XRP on behalf of  
14 Ripple to?

10:51:20 15 A. None that I'm aware of.

16 Q. Okay. Have you heard of a term --  
17 have you heard of the term "OTC sales"?

18 A. I've heard of the term.

19 Q. What does that term mean to you in the  
10:51:30 20 context of your employment at Ripple?

21 A. Not very much because it was done  
22 before my time with the exception of one client,

23 [REDACTED]

24 Q. What's [REDACTED] -- what or who is [REDACTED]?

10:51:43 25 A. Yeah. So I -- I don't know them

10:51:45 1 intimately, but I can -- they are a company  
2 based in Asia. I know that they were an  
3 investor in Ripple, I believe in the Series B,  
4 and they had a long-standing relationship with  
10:52:00 5 Ripple -- have a long-standing relationship with  
6 Ripple to my knowledge. And there was an  
7 outstanding contract that was executed long  
8 before I joined that still was maintained after  
9 my join date around OTC sales.

10:52:14 10 Q. And you had some involvement --

11 THE COURT REPORTER: "After my  
12 join date"? I can't -- you're dropping  
13 your voice at the end. I can't hear it.

14 A. That [REDACTED] contract for OTC sales was  
10:52:27 15 maintained after I joined.

16 Q. And what involvement, if any, did you  
17 have with [REDACTED] contract?

18 A. So none in the originating contract,  
19 which, as I mentioned, was executed before my  
10:52:44 20 time. I don't know if it was years before or  
21 when before, but I did have involvement when --  
22 when it was brought to my attention that part of  
23 this legacy contract entailed very large  
24 quantities of XRP being delivered to [REDACTED], who  
10:53:02 25 was then apparently immediately selling it.

10:53:15 1 Q. Okay. Did you have any other  
2 involvement with OTC sales other than [REDACTED]

3 A. No.

4 Q. Okay.

10:53:19 5 A. None that I recall.

6 Q. All right. We'll get back to that.

7 So in the context of -- I think you  
8 mentioned that Mr. Will told you that, you know,  
9 Ripple in part funded its operations, at least  
10 in part, by selling XRP, is that correct?

11 A. Yes.

12 Q. Do you recall in what context he told  
13 you that?

14 A. No.

10:53:49 15 Q. In the context of Ripple selling XRP  
16 to fund its operations, does a higher price of  
17 XRP benefit Ripple?

18 THE COURT REPORTER: Repeat that,  
19 please. You're talking too fast.

10:53:58 20 Q. In the context of Ripple selling XRP  
21 to fund its operations, does a higher price of  
22 XRP benefit Ripple?

23 A. In the context you described, I  
24 suppose a higher price could be helpful if it's  
10:54:13 25 funding operations.

10:54:15 1 Q. Okay. Was it part of your job at  
2 Ripple to try to lower the volatility of the  
3 X -- of the price of XRP?

4 A. There was -- there wasn't an attempt  
10:54:25 5 to control the volatility, if that's what you  
6 mean, but -- but if you're talking about  
7 liquidity --

8 Q. I'm sorry.

9 A. Okay.

10:54:30 10 Q. Did you say there was or there was  
11 not?

12 A. There was not.

13 Q. There was not. Okay. Go on.

14 A. But we would -- but we would measure,  
10:54:36 15 as I mentioned earlier, many attributes of  
16 liquidity and volatility as one of those in  
17 addition to a number that we've discussed in the  
18 past.

19 Q. Thank you. And I didn't mean to say  
10:54:46 20 "control." If I did, I apologize.

21 My question was more, you know, was it  
22 something you desired, to have less volatility  
23 in the price of XRP?

24 A. Not necessarily, no.

10:54:56 25 Q. Why not?



10:54:57 1 A. There -- there were no specific  
2 objectives around volatility. It was something  
3 that we would observe as part of our assessment  
4 of overall liquidity and health of XRP.

10:55:07 5 Q. Was it part of your job to try to  
6 improve the price of XRP in the market?

7 A. No.

8 Q. Why not?

9 A. That was never an objective. We were  
10:55:15 10 focused on liquidity.

11 Q. Okay. How much XRP was in circulation  
12 when you began working at Ripple?

13 A. I don't recall exactly.

14 Q. How much XRP existed at the time you  
10:55:33 15 joined Ripple?

16 A. Well, 100 billion at inception, so  
17 something less than that because there was some  
18 small burn. But, yeah, I don't know the exact  
19 numbers.

10:55:46 20 Q. So approximately 100 billion?

21 A. Something slightly less than that.

22 Q. Who holds most of the XRP today?

23 A. I don't know exactly Ripple's  
24 holdings, but roughly half and then the rest is  
10:55:59 25 in the market, various holders.

10:56:02 1 Q. Does that include the -- when you say  
2 "the rest is in the market," are you including  
3 amounts held by certain of Ripple's founders?

4 A. I don't know the exact holdings of  
10:56:11 5 individuals. So I -- there are many market  
6 participants who hold XRP outside of Ripple.

7 Q. I just wanted to -- thank you. I just  
8 wanted to clarify. When you said "roughly  
9 half," are you -- when you say "roughly half,"  
10:56:24 10 are you just talking about Ripple's holdings or  
11 are you including the founders of that number?  
12 In which of the two buckets are you including  
13 whatever the founders own?

14 A. I'm talking about -- again, I don't  
10:56:35 15 know the exact numbers, but roughly my  
16 understanding is Ripple has about half of the  
17 XRP outstanding.

18 Q. Okay. And just to see if I can get an  
19 answer. When you said "Ripple" in that answer,  
10:56:45 20 does that include Ripple's founders or just  
21 Ripple the company?

22 A. I don't believe it includes the  
23 founders, but I'm not sure.

24 Q. Okay.

10:56:50 25 MR. TENREIRO: Can we start with



10:57:00 1 Exhibit 1, please? So we've premarked the  
2 exhibit, as I think counsel knows, since  
3 the court reporter isn't here.

4 (Whereupon, exhibit is presented  
10:57:08 5 and marked SEC Madigan Exhibit 1 for  
6 identification.)

7 MR. TENREIRO: So here's a copy  
8 for Ms. Madigan --

9 THE WITNESS: Thank you.

10:57:11 10 MR. TENREIRO: -- and one for  
11 counsel. And we have three more. And I  
12 believe Dugan, I believe, is going to  
13 e-mail. Ladan is also sharing them.

14 BY MR. TENREIRO:

10:57:28 15 Q. So for the record this has been  
16 premarked as BM-1. The Bates number is RPLI\_SEC  
17 312351. It's a two-page e-mail. Please take a  
18 chance to read -- please take a moment to read  
19 the e-mail.

10:58:10 20 (Pause)

21 Q. Have you had a chance to look at the  
22 e-mail, Ms. Madigan?

23 A. I have.

24 Q. Okay. Do you see -- do you have any  
10:58:14 25 reason to believe you did not send the e-mails

10:58:16 1 reflected here?

2 A. No.

3 Q. There is a reference in the subject  
4 line to "Xpring." Could you please say how you  
10:58:23 5 pronounce "Xpring"?

6 A. Spring.

7 Q. Okay.

8 MR. TENREIRO: So just for the  
9 court reporter, this might be challenging,  
10:58:30 10 but, you know, we're going to be saying  
11 "spring," but they actually spell it  
12 "Xpring" to be clear for the record.

13 Q. Ms. Madigan, who is Ethan -- is it  
14 Beard?

10:58:40 15 A. Beard.

16 Q. Who is he?

17 A. Ethan is a former employee who ran the  
18 group called Xpring.

19 Q. And what was Xpring --

10:58:46 20 A. Xpring --

21 Q. -- or what is Xpring?

22 A. Yeah. Xpring was primarily focused  
23 on -- again, I -- I should clarify that I  
24 obviously don't run that team and am not  
10:58:56 25 intimately aware of Ethan's mandate, but broadly

10:58:59 1 my understanding is that Ethan's team is focused  
2 on working on new use cases, supporting  
3 companies that were looking at new use cases, et  
4 cetera.

10:59:11 5 Q. To the extent you know, how does --  
6 how does -- I'm sorry.

7 Is -- is Xpring something that still  
8 exists or that no longer exists?

9 A. So after Ron Will and Ethan left  
10:59:21 10 around the same time, both the former Xpring  
11 team and the markets team were moved under  
12 Monica Long in a newly formed group called  
13 RippleX.

14 Q. So let's focus on Xpring then before  
10:59:39 15 RippleX.

16 How did Xpring support companies that  
17 were looking at new use cases? I assume you  
18 mean new cases for XRP?

19 A. Correct.

10:59:47 20 Q. How did -- how did the group do that?

21 A. Again, I'm not intimately familiar,  
22 but I can give you my broad understanding --

23 Q. Sure.

24 A. -- which is that they -- that they  
10:59:56 25 worked with -- I know there was, for example,

10:59:58 1 like a company that was using XRP for I think  
2 music sales. There was a company that was using  
3 XRP for gaming and what have you. And I believe  
4 that our employees of Xpring were working with  
11:00:12 5 those companies. I don't know exactly in what  
6 capacity or how.

7 Q. Did the support for these companies  
8 include giving XRP or selling or getting XRP to  
9 these companies?

11:00:26 10 A. So that -- when I -- when I read this  
11 e-mail, it refreshes my memory that I was under  
12 the impression that they were using XRP or had  
13 the potential to use XRP as part of their  
14 mandate.

11:00:36 15 Q. Was that impression incorrect?

16 A. No, I believe it's correct.

17 Q. Okay.

18 A. Yeah.

19 Q. So the e-mail on July 10th, 2019, you  
11:00:46 20 write to Ethan, the second sentence, you say  
21 "XRP" market -- "markets team are looking to  
22 streamline Ripple's distribution of XRP into the  
23 markets as best as possible."

24 Can you explain what you mean by

11:00:58 25 "looking to streamline Ripple's distribution of

11:01:01 1 XRP" --

2 A. Yes.

3 Q. -- in that context?

4 A. Yes. So when I came in, I remember  
11:01:08 5 trying to get a handle on where XRP was being  
6 used, how, by what groups, because obviously, as  
7 you can tell, there's different business units  
8 within Ripple and I'm not intimately familiar  
9 with what each group is doing.

11:01:20 10 But as we talked about with the  
11 mandate of helping support XRP liquidity and  
12 ensuring that ODL would function smoothly, I  
13 thought it was important to understand what  
14 other groups within Ripple, to the best of my  
11:01:32 15 ability, were using XRP and how so that we had a  
16 big -- a more complete picture.

17 Q. And did you arrive at that complete --  
18 at that picture?

19 A. Not exactly.

11:01:41 20 THE COURT REPORTER: Repeat.

21 Repeat the question.

22 Q. Did you arrive at that more complete  
23 picture?

24 A. Not exactly. I don't think I'd call  
11:01:50 25 it a complete picture, but in talking to Ethan,

11:01:54 1 I learned a little bit more about what his group  
2 was doing. And sometimes their -- my  
3 understanding was that sometimes their  
4 partnerships with these companies would involve  
11:02:04 5 leveraging XRP.

6 Q. What do you mean by "leveraging XRP"?

7 A. So it could have been in a loan form.  
8 It could have been in a sale form. Again, I'm  
9 not intimately familiar.

11:02:14 10 Q. Who is familiar with that?

11 A. Probably Ethan and perhaps others.

12 Q. Okay. Did the leveraging of XRP  
13 include the ability of these companies to sell  
14 XRP?

11:02:28 15 A. Potentially, yes, which is why it was  
16 interesting to understand how much was being  
17 used and in what capacity and if they were  
18 selling it or using it in their platforms in  
19 different ways.

11:02:38 20 Q. And why -- why did you care about that  
21 from the perspective of your job?

22 A. So as I mentioned, when we look at  
23 liquidity, there's -- if there's large order  
24 flow in one direction or another, buy or sell,  
11:02:50 25 that can sometimes disrupt liquidity. And

11:02:52 1 when -- if people take large orders and sell it  
2 all at once, it can, you know, end up resulting  
3 in dried-up liquidity on the order books.

4 Q. Can you please explain? How does --  
11:03:02 5 how does -- how does that work?

6 A. Sure. So when there's large movements  
7 in one direction, up or down, I talked about,  
8 you know, spreads and depth of order book. And  
9 that -- that refers to how -- how many buyers,  
11:03:17 10 how many sellers. You know, at what -- you  
11 know, for example, you could say there's --  
12 there's ten buyers, there's ten sellers, but  
13 maybe the ten sellers might have -- be willing  
14 to sell five million; the buyers might be  
11:03:31 15 willing to sell -- willing to buy 100 million.

16 When there's -- when there's good  
17 balance in the order book in terms of buys/sells  
18 and there's tighter spreads, that tends to be  
19 helpful for liquidity overall generally  
11:03:43 20 speaking. And so when you see very large  
21 one-directional trades, sometimes market makers  
22 will pull bids and offers because they want to  
23 wait to see where the market settles and that  
24 can disrupt liquidity specifically in the  
11:03:57 25 example I mentioned earlier around ODL. So if

11:03:59 1 liquidity dried up, for example, on Bitso  
2 abruptly, that could risk a payment failure for  
3 ODL.

4 Q. The market makers that Ripple engaged  
11:04:06 5 for ODL were providing liquidity for ODL, were  
6 they not?

7 A. They were.

8 Q. Okay. You talked about large  
9 movements in one direction up or down at the  
11:04:16 10 beginning of your answer.

11 Can you explain what you mean by that?

12 A. Yes. So if there's a very large sell  
13 order or a very large buy order, it can move the  
14 market in one direction or another.

11:04:27 15 Q. Do you mean the price of the -- of the  
16 asset?

17 A. Yes.

18 Q. And how does that affect liquidity?

19 A. So in the way that I just described.

11:04:32 20 So if -- if the -- if there's a large trade in  
21 one direction or another, it can dry up  
22 liquidity more quickly.

23 Q. So to the extent that there was a  
24 large trade in one direction or another, part of  
11:04:45 25 your -- part of your objectives were to avoid



11:04:48 1 that?

2 A. I wouldn't say an objective was to  
3 avoid that, but I wanted to be aware of what  
4 supply was being introduced and how so that it  
11:04:55 5 would help me understand market dynamics better.

6 Q. And were you concerned that a lot of  
7 sell orders in the market would depress the  
8 price of XRP?

9 A. I wasn't concerned about the effect on  
11:05:09 10 the price of XRP. I was concerned about the  
11 effect of liquidity in XRP.

12 Q. Were you -- were you concerned about  
13 the volatility in the market?

14 A. It was something we monitored.

11:05:19 15 Q. Were you concerned about the  
16 volatility when you monitored it?

17 A. I wouldn't say concerned, no. I would  
18 say we monitored it.

19 Q. For what purpose?

11:05:27 20 A. As I mentioned, volatility is just one  
21 of many metrics that you track in order to  
22 better understand liquidity and overall market  
23 health in a given asset.

24 Q. Okay. You -- going back to the e-mail  
11:05:36 25 which is Exhibit 1, you say, "As you are likely

11:05:42 1 aware, we currently leverage a few market makers  
2 partners" -- I'm going to skip through it -- "to  
3 manage our programmatic liquidation." And then  
4 at the end it says "essentially, slowly selling  
11:05:53 5 XRP as a fixed percentage of overall market  
6 volumes to minimize our impact on the market."

7 A. Uh-huh.

8 Q. What did you mean by "impact on the  
9 market"?

11:06:02 10 A. So, again, this -- this is referring  
11 to programmatic sales and programmatic sales  
12 were designed -- again, before my time, but the  
13 general gist was to sell a small amount over a  
14 period of time and to -- and the objective was  
11:06:21 15 that -- that the -- there wouldn't be -- we'd  
16 minimize the amount of market impact on -- by  
17 doing so.

18 Q. But market impact -- can you be more  
19 specific on what you mean by "market impact"?

11:06:32 20 What measure are you -- are you looking at?

21 A. Well, we're looking at liquidity  
22 overall. So market impact, we've talked about  
23 many metrics. You look at price. You look at  
24 volatility. You look at volumes. You look at  
11:06:45 25 how it's trading. So there's many different

11:06:47 1 things you would look at to assess market  
2 impact.

3 Q. And it was your understanding or  
4 belief that if Ripple sold more XRP, that would  
11:06:52 5 hurt the liquidity of the market?

6 A. Potentially.

7 Q. How -- how could it potentially?

8 A. If there's a large quantity in one  
9 direction, buy or sell, that tends to be  
11:07:00 10 disruptive to liquidity.

11 Q. And this is because of what again?

12 A. Okay. So maybe I can use the order  
13 book example again if that's helpful.

14 Q. Yeah.

11:07:11 15 A. Yeah. So when -- an order book is  
16 made up of a series of buys and sell orders and  
17 a number of market participants typically. So  
18 when there is a significant movement in one  
19 direction, up or down, in an asset, it can --  
11:07:30 20 sometimes market makers or market participants  
21 on the order book will get spooked or decide to  
22 pull because they want to see -- "pull" meaning  
23 pull out their bids and their offers -- because  
24 they want to see what happens when the market  
11:07:42 25 settles in.

11:07:43 1           So another thing that people talk  
2           about when thinking about liquidity overall is  
3           the concept of resiliency, which is like --

4                   THE COURT REPORTER: Excuse me.

11:07:50 5           Please slow down. You're talking too  
6           fast.

7                   THE WITNESS: Sorry.

8           A. Another thing that people talk about  
9           is market resiliency as part of measuring  
11:07:58 10          overall liquidity health. And that really  
11          refers to, you know, if you have a market shock  
12          event, for example, how quickly does the order  
13          book normalize? You know, if you have something  
14          dramatic happen, you know, you talk about like a  
11:08:11 15          Black Thursday or whatever, "resiliency" is a  
16          term you'll often hear people looking at in the  
17          market. And that reflects how quickly after a  
18          market shock or a significant one-way move does  
19          the market order book return to normal?

11:08:23 20          Q. Did you -- so here -- is it fair to  
21          say -- okay.

22                   So is it fair to say that you wanted  
23          to sell the XRP in a way that minimized any  
24          impact on the liquidity of the markets?

11:08:35 25          A. So here, if you're referring to the

11:08:37 1 e-mail --

2 Q. Yes.

3 A. Yeah. So what I was trying to do was  
4 better understand how the XRP was being used  
11:08:44 5 with Ethan and his organization.

6 Q. And was one of the reasons for that so  
7 that you could make sure that XRP's use in that  
8 context minimized -- you know, the impact of  
9 its -- minimized the impact in the market?

11:09:00 10 A. My objective was primarily to  
11 understand how Ripple was leveraging its XRP  
12 across the organization and then to synthesize  
13 that information to better understand where it  
14 was being used and how and then think about that  
11:09:14 15 in the context of our goals around liquidity  
16 management.

17 Q. The next line says that you wanted to  
18 "explore the idea of offering programmatic  
19 liquidation as part of the XRP you/your team use  
11:09:25 20 to make investments in ecosystem port co's,"  
21 which I assume means portfolio companies, is  
22 that correct?

23 A. Yes.

24 Q. Okay. Can you explain -- is it fair  
11:09:36 25 to say that you were thinking about perhaps

11:09:40 1 having the market makers, such as GSR that you  
2 used for programmatic liquidation, assist the  
3 portfolio companies in Mr. Beard's, you know,  
4 ecosystem sell their XRP?

11:09:55 5 A. So one of the things that I wanted to  
6 --

7 MS. ZORNBERG: Objection to form.

8 A. Okay. One of the things --

9 THE COURT REPORTER: Who was  
11:10:08 10 that? Who was that?

11 MS. ZORNBERG: Zornberg.

12 A. One of the things that I wanted to  
13 understand in this proposed conversation with  
14 Ethan was how are the related companies that  
11:10:14 15 he's working with using or managing the XRP?

16 So, for example, are they -- are they  
17 using it within their platforms? I mentioned,  
18 you know, top of line, but I don't remember the  
19 exact names, say gaming or, you know, music or  
11:10:27 20 whatever these's apps were they were developing,  
21 were they using the XRP within the app or were  
22 they just taking the XRP and selling it to fund  
23 their operations? I was trying to figure out  
24 how it was being used and in what capacity.

11:10:39 25 Q. Did you come to learn whether any of

11:10:42 1 these companies were selling their XRPs to fund  
2 their operation?

3 A. I don't recall specifically.

4 Q. And where -- where would I have to  
11:10:49 5 look to sort of refresh your memory as to  
6 whether you came to learn that?

7 A. Probably Ethan or somebody in Xpring.

8 Q. Did you -- okay.

9 Did you come to have any concerns that  
11:10:59 10 companies that Xpring was working with were  
11 selling XRP into the market?

12 A. I recall relaying to Ethan generally  
13 that if there were companies whose intention it  
14 was to sell large quantities of XRP, that we  
11:11:12 15 should have a discussion around it because it  
16 could be disruptive to market liquidity.

17 Q. And did you ever learn that any  
18 company --

19 A. I don't recall ever making these types  
11:11:22 20 of introductions. I think we had this -- I  
21 remember we had this introductory call where I  
22 explained where I was coming from, but I don't  
23 remember if there was explicit introductions  
24 made with any of the portfolio companies or  
11:11:33 25 otherwise.

11:11:34 1 Q. Did any of the Xpring companies sell  
2 large amounts of XRP into the market?

3 A. I'm not sure.

4 Q. That -- that wouldn't have been  
11:11:43 5 something that you learned in the context of you  
6 managing the liquidity of the market?

7 A. Well, I didn't manage the liquidity of  
8 the market --

9 Q. Fair enough.

11:11:49 10 A. -- just to be clear.

11 Q. Fair enough.

12 That -- that is not something you  
13 would have learned in the context of knowing  
14 about the liquidity of the market?

11:11:55 15 A. So my interest, as I mentioned in even  
16 having this outreach, was to better understand  
17 what those companies that Ethan was engaging  
18 with were doing with the XRP.

19 Q. Right.

11:12:07 20 And so my question was, did -- in that  
21 context, did you -- did any of -- can you tell  
22 me if any of the companies, the Xpring  
23 companies, sold large amounts of XRP into the  
24 market?

11:12:17 25 A. Right. So I -- I don't recall



11:12:18 1 offhand.

2 Q. Okay. So who -- who would know the  
3 answer to that question or where is the answer?

4 A. Like -- likely Ethan.

11:12:28 5 Q. Okay. Did you ever have the market  
6 making partners that Ripple used for its  
7 programmatic liquidation sort of partner up with  
8 the Xpring companies to help them manage their  
9 own liquidation of XRP to the extent they did  
11:12:41 10 that?

11 A. Yes. I remember --

12 MS. ZORNBERG: Objection.

13 Objection to the term "Xpring companies."

14 Go ahead.

11:12:47 15 THE WITNESS: Okay.

16 MS. ZORNBERG: That was Zornberg.

17 A. I -- I remember discussing this idea  
18 with Ethan, that if there were companies who  
19 were going to sell large amounts or weren't  
11:13:01 20 using it within the platform, that this was  
21 something that we could explore, but I don't  
22 recall ever making any direct introductions to  
23 market makers for Xpring companies.

24 Q. Other than making direct  
11:13:12 25 introductions, did you ever come to learn that

11:13:14 1 the market makers might or might not be working  
2 with, you know, the companies that Mr. Beard  
3 worked with?

4 A. I'm not sure if the market makers were  
11:13:22 5 working with them or not.

6 Q. Okay. Was it ever a concern for you  
7 that Ripple's programmatic sales might impact  
8 XRP's price in a negative way? In other words,  
9 might cause it to go down.

11:13:37 10 A. Any sales/buys in the market are all  
11 relative to the rest of the sales and buys in  
12 the market. So it just depends on what's going  
13 on in the market in a given day as to whether  
14 one specific transaction will move the market or  
11:13:48 15 not.

16 Q. Right.

17 But my question was, was it ever a  
18 concern for you whether Ripple's programmatic  
19 sales might negatively impact XRP's price?

11:13:56 20 A. No.

21 Q. Okay. Now, does -- in -- in your  
22 experience, did XRP's price follow liquidity?

23 A. No.

24 Q. So if there was less liquidity, did  
11:14:10 25 you find that that might depress the price?

11:14:12 1 A. No. There's not a direct correlation  
2 between price and liquidity. Liquidity is one  
3 specific component amongst -- sorry, price is  
4 one specific component amongst many that impacts  
11:14:21 5 overall liquidity.

6 Q. Okay. So -- so I think you mentioned  
7 [REDACTED]?

8 A. Yes.

9 Q. You've heard of them?

11:14:30 10 A. I have heard of them.

11 Q. What is it? What is your knowledge of  
12 what that is?

13 A. So a market data reference website  
14 that I recall we used to pull market data from.

11:14:40 15 Q. What sort of market data?

16 A. Exchange volumes, overall crypto  
17 market data where things were trading. You  
18 know, all sorts of market metrics.

19 Q. Did [REDACTED] -- information from  
11:14:54 20 [REDACTED] ever play a role with respect to  
21 Ripple's programmatic sales?

22 A. I recall it did, which is where I  
23 mentioned earlier when you asked about my role  
24 within programmatic sales. So as I mentioned,  
11:15:07 25 that -- it was designed prior to my arrival.

11:15:09 1 However, right around the time of my arrival, I  
2 don't remember the exact date, there was some  
3 attention around [REDACTED] potentially  
4 having inaccurate volume data for the industry.

11:15:20 5 And so one of the things I remember  
6 Ron asking us to do was to take a look at what  
7 other industry sources were available around  
8 market data analytics that might be potentially  
9 more reliable so we could get as accurate a  
11:15:34 10 picture of market volumes as possible.

11 Q. And what role, if any, did the quality  
12 of data play with respect to Ripple's  
13 programmatic sales at that point?

14 A. Yes. So my recollection is that the  
11:15:48 15 amount of programmatic sales was based off of  
16 overall market volumes.

17 Q. And did you ever stop using -- did  
18 Ripple ever stop using [REDACTED]  
19 information, volume information, with respect to  
11:16:02 20 its, you know, programmatic sales as you've just  
21 described?

22 A. Yes. I recall a move from

23 [REDACTED] to [REDACTED].

24 Q. [REDACTED]?

11:16:15 25 A. I know it's a mouthful. Sorry to the

11:16:17 1 court reporter.

2 Q. Who made that -- who made the decision  
3 that Ripple would switch to [REDACTED] to  
4 [REDACTED]?

11:16:25 5 A. There were a number of people  
6 involved, including the accounting team, the tax  
7 team, the legal team, et cetera, and just in  
8 vetting the quality of the -- of the data and in  
9 making the decision that it seemed from all  
11:16:37 10 available sources that that seemed to have more  
11 reliable market data than -- than [REDACTED]  
12 did.

13 Q. Did the info -- did the data that --  
14 is it fair to call it [REDACTED]?

11:16:48 15 A. It is. That would be helpful.

16 Q. Is it fair to say that [REDACTED]  
17 reported -- well, did they report less volume or  
18 more volume for XRP than [REDACTED]?

19 A. You know, I don't recall specifically  
11:17:02 20 for XRP, but I do recall -- in terms of up, down  
21 or whatever way, but I do recall that they went  
22 through a rigorous process of analyzing all the  
23 exchanges -- and that was one thing I remember  
24 being impressed by -- and looking at the quality  
11:17:14 25 of the teams, the quality of their reporting,

11:17:18 1 the reliability of their data.

2 And it just seemed like a more --  
3 the -- the team themselves that was running that  
4 platform and the -- and the process they went  
11:17:26 5 through to vet volumes ensuring that the volume  
6 data was real seemed more reliable than what our  
7 impression was at the time of [REDACTED].

8 Q. Okay. And was Mr. Garlinghouse  
9 involved in the decision to switch from [REDACTED] --  
11:17:41 10 [REDACTED] --

11 A. Yeah.

12 Q. -- to [REDACTED]?

13 A. Yes. So that was a topic that we  
14 would have discussed, for example, in one of  
11:17:53 15 those Friday meetings. So Brad would have  
16 attended, yes.

17 Q. Well, did he express to you -- to the  
18 extent he expressed it to you, what was his view  
19 as to whether it would be a good idea to switch?

11:18:02 20 A. Again, I don't remember exact words  
21 is, but the general gist was that we should  
22 always be working with high-integrity  
23 counterparts and -- and use the most reliable  
24 data available.

11:18:11 25 Q. Was Mr. Larsen involved in the



11:18:12 1 decision to switch from [REDACTED] to [REDACTED]?

2 A. I don't recall offhand if he was in  
3 the meeting where we discussed that decision.

4 Q. Were there notes of these meetings,  
11:18:25 5 these weekly Friday meetings?

6 A. Sometimes. Sometimes we'd send -- if  
7 there was anything that was needed for  
8 follow-up, for example, we would send an e-mail  
9 saying, you know, these are the three things we  
11:18:36 10 agreed to do or these are the three things we  
11 agreed to follow up on. And if there were no  
12 follow-ups, then not -- there wouldn't always be  
13 meeting minutes sent around.

14 Q. What about handwritten notes? Would  
11:18:47 15 anyone take handwritten notes at the Friday  
16 meetings?

17 A. None that I recall.

18 Q. Okay.

19 A. But I can't say -- speak for everybody  
11:18:51 20 at the meetings. They were audio --

21 THE COURT REPORTER: I didn't  
22 hear the last part.

23 A. None that I recall, but I -- they were  
24 audio meetings, Zoom meetings. So I don't know  
11:19:01 25 what people were doing in their individual homes

11:19:03 1 dialed in.

2 Q. All right. Let's skip around and go  
3 to Exhibit 74. I mean, these are premarked so  
4 I'm just going to be not in numerical order.

11:19:12 5 (Whereupon, exhibit is presented  
6 and marked SEC Madigan Exhibit 74 for  
7 identification.)

8 MR. TENREIRO: Let's go off the  
9 record, please.

11:19:26 10 THE VIDEOGRAPHER: The time right  
11 now is 11:20 a.m. We are off the record.

12 (Whereupon, a recess is taken.)

13 THE VIDEOGRAPHER: The time right  
14 now is 11:34 a.m. We are back on the  
11:34:41 15 record.

16 BY MR. TENREIRO:

17 Q. Ms. Madigan, is it fair to say that  
18 throughout the course of your employment at  
19 Ripple, you wanted the XRP market to be more  
11:34:50 20 liquid?

21 A. A focus of my job was, yes, XRP  
22 liquidity.

23 Q. Right.

24 Is it fair to say that you wanted  
11:34:59 25 liquidity in the XRP market?



11:35:01 1 A. Yes.

2 Q. Okay. Did you have an understanding  
3 as to whether there were individuals holding XRP  
4 in the market for speculative purposes?

11:35:09 5 A. Yes.

6 Q. And what was your understanding?

7 A. That people -- speculative trading to  
8 me is just people speculating on the view. They  
9 buy, they sell. They're people who participate  
10 in most markets.

11:35:23 10  
11 Q. And so did you have an understanding  
12 that there were people who were speculating in  
13 the XRP market?

14 A. Yes.

11:35:31 15 Q. For speculators in markets, do they  
16 want there to be -- do they want -- do they like  
17 a liquid market or an illiquid market in your  
18 experience?

19 MS. ZORNBERG: Object to form.

11:35:43 20 A. I can't speak on behalf of all  
21 speculators in markets.

22 Q. Right. I'm not asking you to.

23 I'm asking you, in your experience,  
24 you know, do you have an understanding as to

11:35:48 25 whether market participants like there to be

11:35:50 1 liquidity in the market?

2 A. I suppose it depends what their  
3 objective is or what their view is on the  
4 market, depending upon how they're expressing  
11:35:57 5 their trading view. More liquid -- liquidity  
6 could be good, less liquidity could be better,  
7 depending upon their view, how they're trading,  
8 et cetera.

9 Q. Can you give me an example of a  
11:36:06 10 trading view where less liquidity could be  
11 better?

12 A. So, let's see. So if, for example,  
13 a -- somebody -- we talked about an order book  
14 earlier, right? So let's say that there's  
11:36:25 15 buyers at, you know, five and sellers at ten and  
16 all of a sudden there's a huge buyer who comes  
17 in and buys a ton at a higher price. So let's  
18 say all of the sudden there was a huge buyer  
19 that came in and bought a bunch of 15 in that  
11:36:42 20 example. Right?

21 If you are somebody who is in that  
22 order book with your offer at 10, you wouldn't  
23 want to keep that offer in because you just  
24 realized now you can sell it at 15. So why  
11:36:55 25 would you want -- why would you want to keep

11:36:57 1 that -- that offer in the book when the market  
2 just got higher, right?

3 So if you're -- depending upon what  
4 your view is and what your position is in the  
11:37:03 5 book, sometimes I suppose there can be scenarios  
6 where less liquidity can be good, too.

7 Q. So in that scenario the seller would  
8 sell for more than what they had offered for,  
9 right, 15 instead of 10?

11:37:15 10 A. But they wouldn't if they still had  
11 the 10 in the book.

12 Q. Okay. And to the ex -- to the extent  
13 that a trader in the XRP market wanted there to  
14 be liquidity in the XRP market, was that  
11:37:28 15 trader's desires aligned with Ripple's desires  
16 with respect to the liquidity of the XRP market?

17 MS. ZORNBERG: Object to form.

18 A. Yeah. Your -- can you clarify the  
19 question, who you're asking me to speak on  
11:37:40 20 behalf of?

21 Q. On behalf of Ripple.

22 A. Okay. On behalf of Ripple. And  
23 what's the question?

24 Q. Yeah. If there was a trader or a  
11:37:46 25 participant in the XRP market that desired

11:37:49 1 liquidity in that market, was that person's  
2 desire aligned with what Ripple desired with  
3 respect to the liquidity of the XRP markets?

4 MS. ZORNBERG: Object to form.

11:38:01 5 A. Okay. I think -- I think we're -- I  
6 think it's a little complicated what you're  
7 asking me to opine on, but what I can say is for  
8 Ripple we were focused on developing liquidity  
9 in the XRP markets. For me to speculate what  
11:38:11 10 speculators in the market wanted or whether that  
11 was aligned is not something I can do.

12 Q. Okay. But don't speculate.

13 Do you have an understanding as to  
14 whether speculators in the market wanted there  
11:38:22 15 -- in the XRP market wanted there to be  
16 liquidity or not?

17 A. I can't speak for overall market  
18 speculators.

19 Q. Okay. And in your experience sort of  
11:38:30 20 dealing with markets and liquidity, do you have  
21 an understanding as to whether speculators in  
22 markets want there to be more liquidity or not?

23 A. In general I think more liquidity is  
24 good.

11:38:40 25 Q. Okay. Do you have any reason to

11:38:41 1 believe that your general understanding of the  
2 markets does not apply to the XRP market?

3 A. Do I -- sorry, repeat the question.

4 Q. Do you have any reason to believe that  
11:38:49 5 your general understanding of markets does --  
6 did not apply to the XRP market?

7 A. No.

8 Q. Did there ever come a time where --  
9 when you expressed concern about the number of  
11:39:02 10 sell orders in the book for the XRP market?

11 A. None that I recall.

12 Q. Did there ever come a time when you  
13 tried to, you know, manage the number of sells  
14 in the market for XRP?

11:39:13 15 A. No.

16 Q. Okay. What about sales by, you know,  
17 individuals other than Ripple, such as, for  
18 example, [REDACTED]? Did there ever come a time when  
19 you were concerned about the number of -- you  
11:39:25 20 know, of sales by [REDACTED]?

21 A. Yes.

22 Q. And why were you?

23 A. Because [REDACTED] -- as I mentioned, there  
24 is a lengthy contract that predated me. But  
11:39:36 25 what I understood of the contract was that it

11:39:38 1 entailed large quantities of XRP being delivered  
2 to [REDACTED]. And when I was made aware that they  
3 were selling very large quantities in -- in  
4 single trades, that can have a negative impact  
11:39:49 5 on liquidity.

6 Q. Okay. And did there ever come a time  
7 when you became concerned about large quantities  
8 of buys of XRP in the market?

9 A. Not -- none specifically that I  
11:40:05 10 recall.

11 Q. What about generally?

12 A. As I mentioned, large one-sided flow  
13 in either direction can impact liquidity.

14 Q. Right.

11:40:13 15 But my question was, did you ever --  
16 did there ever come a time when you became  
17 concerned about specific large quantities of  
18 buys in the XRP market?

19 A. None that I recall.

11:40:25 20 Q. Did Mr. Will attend your weekly Friday  
21 meetings?

22 A. Yes.

23 Q. And your other weekly meeting, was  
24 that on Wednesdays?

11:40:31 25 A. No. It was typically on Mondays or

11:40:33 1 Tuesdays.

2 Q. Did he attend those?

3 A. No.

4 Q. What role did he play in the Friday  
11:40:38 5 meetings that he attended?

6 A. He was one of the contributors to the  
7 weekly deck.

8 Q. So the -- "contributors" meaning  
9 someone who might provide content for the weekly  
11:40:48 10 deck?

11 A. Yeah.

12 Q. What was the purpose of the weekly  
13 deck?

14 A. So it was a general meeting around  
11:40:53 15 what's going on in the markets, what's going on  
16 with XRP. Just kind of an assessment. And then  
17 any initiatives around ODL or liquidity, et  
18 cetera.

19 Q. All right. Let's take a look at  
11:41:05 20 Exhibit 74, which I handed --

21 MR. TENREIRO: Did you hand  
22 them copies -- I think the copy -- no.  
23 Sorry.

24 A. That's okay.

11:41:12 25 Q. Here's your copy, Ms. Madigan.

11:41:14 1 A. Okay.

2 Q. If you can reach.

3 MR. TENREIRO: Here, Counsel. I  
4 have four extras.

11:41:20 5 So do you want all four, Lisa,  
6 or --

7 MS. ZORNBERG: I'll ask you to  
8 pass one down.

9 THE WITNESS: Oh, sorry.

11:42:08 10 (Pause)

11 BY MR. TENREIRO:

12 Q. Have you had a chance to look at this  
13 exhibit, Ms. Madigan?

14 A. Yes, I just did.

11:42:30 15 Q. Who is [REDACTED] or [REDACTED]  
16 (pronunciation)?

17 A. [REDACTED].

18 Q. Who is he?

19 A. He is the CEO of GSR.

11:42:35 20 Q. And GSR, again, just for the record?

21 A. Sure. They're a market maker.

22 Q. And their relationship with Ripple  
23 generally?

24 A. Yes. They work with Ripple in a  
11:42:45 25 number of capacities. They were on the



11:42:47 1 programmatic sales program, also ODL, and  
2 potentially others.

3 Q. Okay. Do you see on June 26, 2019,  
4 you say "BTW - I made some progress with Ron and  
11:43:04 5 Brad on the topic of maybe managing more of  
6 Xpring's XRP flow through the programmatic  
7 channel... will be a WIP" -- work in progress,  
8 is that what that means?

9 A. Looks like it.

11:43:14 10 Q. -- "but something I want to explore  
11 with you."

12 Do you see that?

13 A. Yes.

14 Q. Okay. Does that refresh your memory  
11:43:19 15 about the conversation we were having earlier  
16 about involvement you might have had in terms  
17 of, I'll just use the word "marrying" Xpring  
18 and -- and programmat -- and -- and market  
19 makers like GSR?

11:43:29 20 A. Yeah. I wouldn't use that phrase of  
21 "marrying" the two, but, yes, I do see the  
22 connection here. I'm not sure of the date of  
23 the prior e-mail that you -- we were discussing,  
24 if that was before or after this.

11:43:39 25 Q. Do you not have it there?

11:43:40 1 A. I'm sorry. I just don't -- oh, okay.

2 Q. Yeah. So for the record --

3 A. July 10.

4 Q. -- Exhibit 1, the date is July 10,  
11:43:47 5 2019, and this exhibit, this e-mail, is June 26,  
6 2019.

7 A. Got it.

8 Q. Also, I forgot to state for the record  
9 this e-mail is Bates GSR 407158. Two pages.

11:44:01 10 A. Yeah.

11 Q. So go ahead.

12 A. Okay.

13 Q. My question is -- my question is, what  
14 else can you tell me about efforts you might  
11:44:08 15 have made to sort of put together or -- I don't  
16 mean to use any particular word -- put together  
17 the Xpring team with the GSR team?

18 A. Sure. So this was probably the extent  
19 of it. I remember a conversation with GSR  
11:44:21 20 around wanting to better understand -- they  
21 wanted to better understand what -- what Xpring  
22 was doing and also offered that if they could be  
23 helpful, we could make introductions, which I  
24 think is what prompted my outreach to...

11:44:35 25 Q. Mm-hmm.

11:44:35 1 Do you see, further down, where you  
2 say "I'd love to start thinking about a weekly  
3 comment you guys can share with us - on any  
4 color you're seeing in XRP and gut on the  
11:44:46 5 market, et cetera - maybe on Thursdays? We need  
6 to get a better handle on total supply, key  
7 market drivers, et cetera, to help inform our  
8 liquidation strategies (starting with lowering  
9 our sales numbers ASAP, IMO!)"

11:45:00 10 I assume you mean in my opinion?

11 A. IMO, yes.

12 Q. Yeah.

13 A. In my opinion.

14 Q. Okay. Why did you need to lower --  
11:45:09 15 why was it your opinion that you needed to lower  
16 your sales numbers ASAP?

17 A. So this -- I had just joined. And as  
18 I mentioned earlier, part of what I wanted to do  
19 when I first got in was to better understand how  
11:45:21 20 XRP was being used across the company to get a  
21 better handle on where and how XRP was being  
22 introduced in the market.

23 Q. Okay. But my question was, why did  
24 you have the opinion that you needed to lower  
11:45:35 25 your sells -- sales numbers ASAP?

11:45:38 1 A. My general view is -- with respect to  
2 liquidity, as we discussed before, is that if  
3 there are large quantities of one-directional  
4 flow, that can be a hindrance to healthy  
11:45:46 5 liquidity development.

6 Q. Was there ever -- did -- did -- did  
7 it, in fact, happen that Ripple lowered its  
8 sales numbers with respect to XRP after you came  
9 to this opinion?

11:45:59 10 A. I know that programmatic sales were  
11 stopped. I don't recall exactly when.

12 Q. And was that in part because of your  
13 opinion of starting with lowering sales?

14 A. There were many people involved in the  
11:46:11 15 decision around programmatic sales: Our general  
16 counsel, our head of finance, et cetera. So  
17 there -- there were many people involved in that  
18 discussion.

19 Q. Were you one of those people?

11:46:20 20 A. I was one of those people.

21 Q. Okay. Who was the ultimate  
22 decision-maker?

23 A. Probably Brad and Ron.

24 Q. Okay. And what was the reason for the  
11:46:28 25 decision?

11:46:31 1 MS. ZORNBERG: Without disclosure  
2 of any privileged information or  
3 conversations.

4 MR. TENREIRO: Yes.

11:46:36 5 THE WITNESS: Sure.

6 MS. ZORNBERG: If you can answer  
7 that question without disclosing  
8 privileged communications.

9 THE WITNESS: Yeah.

11:46:45 10 A. I don't know. I was just informed  
11 that that was the decision.

12 Q. By whom?

13 A. It probably did involve our lawyer so  
14 I don't know if that makes it privileged.

11:46:58 15 Q. Well, did someone inform you --  
16 someone informed you the decision was made?

17 A. Right.

18 Q. Okay.

19 MR. TENREIRO: Are you claiming  
11:47:04 20 privilege over someone informing her that  
21 the decision was made to stop programmatic  
22 sales?

23 MS. ZORNBERG: No. I haven't  
24 asserted a privilege.

11:47:11 25 MR. TENREIRO: All right.

11:47:11 1 BY MR. TENREIRO:

2 Q. So can you answer, please? Who -- who  
3 informed you?

4 A. I don't recall exactly, but there  
11:47:14 5 was -- this was a topic that would have been  
6 discussed in one of those meetings where [REDACTED] was  
7 present, Brad was present, Ron was present,  
8 so...

9 Q. Are these the Friday meetings?

11:47:23 10 A. Yes.

11 Q. Okay. Did you ever -- okay.

12 So just to make sure I understand,  
13 your opinion here relates to a potential large  
14 number of sell orders in the -- in the book that  
11:47:42 15 might disrupt liquidity, is that correct?

16 A. No. When you say "in the book," first  
17 of all, I don't know which book you're  
18 referencing.

19 Q. Well, you referenced "the book," but  
11:47:50 20 you're right, there is no book.

21 A. I was talking about a hypothetical  
22 order book on a random exchange.

23 Q. Right.

24 A. But I don't know which book that --

11:47:56 25 Q. Well, let's talk about, you know, too

11:47:58 1 many sales in the market.

2 A. Right. So --

3 Q. Meaning on a potential exchange, for  
4 example.

11:48:03 5 So your -- is your opinion here is  
6 based on the potential existence of too many  
7 sell orders in the market for XRP?

8 A. Not too many sell orders, but, again,  
9 going back to the original point I was making  
11:48:12 10 around the negative impact that outsized  
11 one-directional flow can have on liquidity.

12 Q. Right.

13 And did you ever -- was there ever an  
14 occasion where you became concerned -- so --  
11:48:24 15 sorry, let me strike that.

16 You were -- you know, there was an  
17 issue or an idea that one directional --  
18 outsized one-directional flow can have a  
19 negative impact on liquidity. And in this case,  
11:48:38 20 that directional flow was sales, correct?

21 MS. ZORNBERG: Object as to form.

22 A. Yes. If -- if there's significant  
23 one-directional flow, it can impact liquidity  
24 negatively.

11:48:51 25 Q. What are the directions?

11:48:52 1 A. It can be sales or buys.

2 Q. And in the context of the e-mail we're  
3 looking at, it's sales, correct?

4 A. Correct.

11:48:58 5 Q. Did you ever have occasion to be  
6 concerned that one-directional flow sales -- I'm  
7 sorry, purchases could have a negative impact on  
8 liquidity?

9 A. They -- they would -- they could  
11:49:16 10 depend --

11 THE COURT REPORTER: "Negative  
12 impact on the"? I can't hear you.

13 A. What was the question?

14 THE COURT REPORTER: I couldn't  
11:49:16 15 hear the end of your question, Jorge.

16 MR. TENREIRO: Liquidity.

17 Negative impact on liquidity. Sorry.

18 THE COURT REPORTER: Thank you.

19 A. I'm sorry. What was the question?

11:49:21 20 Q. Let me repeat the question.

21 A. Yeah.

22 Q. Did you ever have occasion to be  
23 concerned that one-directional flow of purchases  
24 could have a negative impact on the liquidity of  
11:49:28 25 XRP?



11:49:30 1 A. So as I mentioned, one-directional  
2 flow in either way, buys or sells, can have  
3 disruptive effects on liquidity in an order  
4 book. And so I don't recall offhand specific  
11:49:42 5 large purchases that I was concerned about.

6 Q. With respect to the ODL product, who  
7 provides the XRP to, say, MoneyGram when they're  
8 using ODL?

9 A. So the XRP -- originally -- in the  
11:50:00 10 original order flow of ODL, MoneyGram would take  
11 their dollars and it would be sent to what was  
12 called an originating exchange where the dollars  
13 would be sold for XRP and then that XRP would be  
14 sent cross border where it would be sold. The  
11:50:16 15 destination exchange, in the example I gave  
16 earlier, that could be Bitso where the XRP would  
17 be then sold for Mexican peso.

18 Q. In the originating exchange, did the  
19 market maker in that original order flow have a  
11:50:30 20 role in providing the XRP to MoneyGram in the  
21 example you just provided?

22 A. So whomever -- it depends who was  
23 making markets on that originating exchange at  
24 the time as to where they received their XRP.  
11:50:44 25 It was -- it was from the order book of the

11:50:45 1 originating exchange.

2 Q. Right.

3 But my question was, in the  
4 originating exchange, did the market maker have  
11:50:51 5 a role in providing the XRP to, say, MoneyGram?

6 A. I think in that example, in the early  
7 flow, it was Bitstamp, the originating exchange,  
8 and I don't think we had the market -- I think  
9 the market makers were primarily focused on the  
11:51:05 10 destination exchanges, but I'm not a hundred  
11 percent certain whether they were on the order  
12 book in the Bitstamp as well.

13 THE COURT REPORTER: You're going  
14 to have to -- you're losing the end of  
11:51:14 15 your sentence.

16 THE WITNESS: Sorry.

17 A. So the question was around were the  
18 market makers on the originating exchange as  
19 well. And I don't recall if they were on the  
11:51:24 20 Bitstamp in that example as well or just the  
21 destination exchanges.

22 Q. All right. So in the originating  
23 exchange, then, is it fair to say that the MGI,  
24 you know, the MoneyGram in the example, needs to  
11:51:39 25 buy XRP?

11:51:41 1 A. They would sell their dollars to buy  
2 XRP in that order flow, yes.

3 Q. And in that order flow, they needed  
4 someone to sell them their XRP, correct?

11:51:49 5 A. Correct.

6 Q. Okay. Did you ever come to be  
7 concerned that the people relying on the ODL  
8 platform such as MGI might be placing too many  
9 buy orders for XRP that might disrupt the  
11:52:06 10 liquidity of the market?

11 MS. ZORNBERG: Objection.

12 A. I -- I didn't have a view on the  
13 individual flows of MGI on the originating  
14 exchange.

11:52:18 15 Q. Let's not limit it to MGI. I  
16 apologize for that.

17 But to the extent that, you know,  
18 companies might be using the ODL platform and  
19 they have to buy XRP in the originating  
11:52:27 20 exchange, did you ever come to be concerned that  
21 there were too many buy orders because of ODL  
22 such that they might disrupt the liquidity of  
23 the XRP market?

24 A. No. Well, the workflow I described  
11:52:39 25 earlier around ODL, there was a -- a buy leg and

11:52:41 1 a sell leg. So they would offset each other.

2 Q. But the buy leg was XRP vis-a-vis one  
3 currency, right?

4 A. Correct.

11:52:51 5 Q. And the sell leg was XRP -- well,  
6 typically vis-a-vis -- well, strike that.

7 And the sell leg was XRP vis-a-vis  
8 a -- a different currency, correct?

9 A. Yes.

11:53:02 10 Q. And you're saying those would offset  
11 each other?

12 A. In terms of the XRP equivalent, the  
13 dollar equivalent of XRP, yes.

14 Q. So the liquidity -- a buy order -- I  
11:53:13 15 just want to make sure I understand your  
16 testimony.

17 A buy order in that example, a buy  
18 order in the XRP U.S. dollar tranche offsets for  
19 liquidity purposes a sell order in the XRP  
11:53:25 20 Mexican peso tranche? Is that your testimony?

21 A. So the dollar equivalent of XRP on the  
22 originating exchange would then be sent cross  
23 border and then that same quantity of XRP, but  
24 denominated against the Mexican peso in that  
11:53:43 25 example, would be the sell side.

11:53:44 1 Q. I understand that.

2 A. Yeah.

3 Q. And my question is, does the buy order  
4 on the XRP U.S. dollar side offset for liquidity  
11:53:53 5 purposes the sell order in the XRP Mexican peso  
6 side?

7 A. There is an offset of a buy and a sell  
8 of the XRP. There's -- you can look at  
9 liquidity of U.S. dollar XRP, you can look at  
11:54:06 10 liquidity of MXN XRP. There -- there are  
11 different liquidity metrics. But in terms of  
12 the XRP denominated liquidity, yes.

13 Q. Okay. And -- all right. So let's  
14 look at Exhibit 50.

11:54:17 15 A. Is that what we have or --

16 Q. Not yet.

17 A. No.

18 MR. TENREIRO: For the record,  
19 while we're getting that, it's a two page  
11:54:32 20 e-mail, RPLI\_SEC 0503813.

21 THE WITNESS: Oh, sorry.

22 (Whereupon, exhibit is presented  
23 and marked SEC Madigan Exhibit 50 for  
24 identification.)

11:55:22 25 (Pause)

11:55:22 1 BY MR. TENREIRO:

2 Q. Have you had a chance to look at it,  
3 Ms. Madigan?

4 A. Yeah.

11:55:29 5 Q. Okay. Who's [REDACTED]?

6 A. He's a member of my team.

7 Q. Okay.

8 MS. LINSENMAYER: Jorge, this is  
9 Robin Linsenmayer. We don't have the  
11:55:36 10 exhibit yet from Dugan. So can you please  
11 hold your questioning until that comes  
12 through?

13 MR. TENREIRO: Sure. It's on the  
14 screen, though.

11:55:45 15 MS. LINSENMAYER: I know. I  
16 can't scroll through it. Okay. It's  
17 arrived. Thanks.

18 BY MR. TENREIRO:

19 Q. And he is e-mailing an individual at

11:55:56 20 [REDACTED]  
21 Do you see that?

22 A. Yeah. It appears so.

23 Q. What is [REDACTED]?

24 A. [REDACTED] is a company -- I don't know a  
11:56:06 25 ton about them, but it's a company that

11:56:07 1 provides, I think, FX services and crypto  
2 services and ability to buy and sell them.

3 Q. And it seems like -- he says "Dear  
4 [REDACTED]: We wanted to give you an update on the  
11:56:23 5 XRP selling pause before year end."

6 Do you know what he refers -- is  
7 referring to when he says "XRP selling pause"?

8 A. I don't recall exactly, but apparently  
9 a selling pause.

11:56:31 10 Q. Then he says "According to the latest  
11 feedback from our legal department, any XRP  
12 sales to yourselves need to be on pause still."

13 Do you see that? It's underlined.

14 A. Mm-hmm.

11:56:41 15 Q. Is that a yes or no?

16 A. I do see that, yeah.

17 Q. Okay. And why does there need to be a  
18 pause in XRP sales at this point?

19 A. I don't recall why.

11:56:51 20 Q. Is this the same as programmatic  
21 pauses on programmatic sales or something else?

22 A. Well, again, I -- A, I'm not the  
23 author of this e-mail and I don't recall it  
24 offhand. But with that caveat, if I'm reading  
11:57:02 25 it now, it looks to be different than

11:57:05 1 programmatic in that [REDACTED] was not engaged in  
2 programmatic sales. I mentioned we leveraged  
3 third-party market makers.

4 Q. You mentioned what?

11:57:17 5 THE COURT REPORTER: "I  
6 mentioned"?

7 A. We -- we leveraged third-party market  
8 makers for programmatic sales.

9 Q. So what kind of XRP sales was [REDACTED]  
11:57:22 10 involved in?

11 A. So I don't recall [REDACTED] engaging in  
12 XRP sales, but maybe it was a holdover OTC.  
13 Remember I mentioned we -- there was OTC before  
14 I came and it pretty much was paused with the  
11:57:35 15 exception of [REDACTED]

16 Q. All right. Let's -- let's move on to  
17 something else.

18 MR. TENREIRO: Can we please have  
19 Exhibit 62?

11:57:45 20 (Whereupon, exhibit is presented  
21 and marked SEC Madigan Exhibit 62 for  
22 identification.)

23 MR. TENREIRO: For the record,  
24 this is a three-page e-mail beginning at  
11:57:56 25 RPLI\_SEC 223624. There's three for you.



12:00:09 1 (Pause)

2 BY MR. TENREIRO:

3 Q. Have you had a chance to look at the  
4 e-mails?

12:00:11 5 A. Yes.

6 Q. On the second page, on May 23rd, 2019,  
7 Ms. Madigan, you do you see Mr. Samarasinghe --  
8 did I say that right? Mr. Samarsinghe e-mails  
9 Brad Garlinghouse and at some point he says

12:00:25 10 "Please find follow-ups from today's meeting  
11 below."

12 Do you see that?

13 A. Yes.

14 Q. Is that an example of when you had  
12:00:33 15 explained that sometimes there might be e-mails  
16 that follow up certain meetings with action  
17 items?

18 A. Yep.

19 Q. Okay. And in the front page of the  
12:00:43 20 e-mail, if you had a chance to look at it, it  
21 seems like Mr. Garlinghouse asked you to sort of  
22 nudge on these follow-up items at some point.  
23 And you said, you know, you were on it.

24 Is that fair?

-12:00:54 25 A. Mm-hmm.

12:00:55 1 Q. Yes or no, please.

2 A. Yes.

3 Q. Okay. Sorry.

4 In terms of the follow-ups, the first  
12:01:01 5 bullet point says "Get clearer idea of what [REDACTED]  
6 is doing, and how/if their purchases are hitting  
7 the market."

8 Do you see that?

9 A. Yes.

12:01:09 10 Q. Why did you want to get a clear idea  
11 of what [REDACTED] was doing and how/if their purchases  
12 are hitting the market?

13 A. To be fair, this was an ask from Brad  
14 to Dinuka. So I'm -- this wasn't my ask.

12:01:23 15 Q. No, I understand.

16 But why did -- why did  
17 Mr. Garlinghouse want to find that out?

18 A. I can't speculate on what Brad wanted  
19 and why.

12:01:30 20 MS. ZORNBERG: Object to form.

21 Q. Did he say at the meeting why he  
22 wanted to find that out?

23 A. This was probably a couple days into  
24 the job so I don't recall the specifics of this  
12:01:37 25 meeting.

12:01:41 1 Q. Okay. You said in the other -- in a  
2 follow-up e-mail that you were going to be on  
3 tracking down the responses.

4 Did you -- did you do anything to  
12:01:48 5 track down the responses to these follow-up  
6 items?

7 A. I don't remember this specific chain,  
8 but I would have normally followed up my CEO's  
9 request to get answers from one of our employees  
12:01:58 10 if that's what he asked of me. Yes, absolutely.

11 Q. What answers did you get?

12 A. I don't recall offhand.

13 Q. Okay. The fourth bullet point says  
14 "Signal to the market that we will not be  
12:02:06 15 following previous quarters' trend for XRP  
16 sales."

17 Do you see that?

18 A. Yep.

19 Q. Did you follow up on that point with  
12:02:15 20 Mr. Samarasinghe?

21 A. Again, I don't recall the specifics of  
22 this engagement, but I would normally follow the  
23 CEO's request to follow up with members of my  
24 team on things that he was looking for.

12:02:27 25 Q. And if you -- even -- do you re -- I'm

12:02:28 1 sorry. Let me start again.

2 To the extent that you might have  
3 followed up, what did Mr. Samarasinghe tell you  
4 about this point?

12:02:37 5 MS. ZORNBERG: Objection.

6 A. I don't remember what Dinuka would  
7 have followed up with me on specifically around  
8 this exact topic.

9 Q. Why did Mr. Garlinghouse want to  
12:02:48 10 signal to the market that Ripple will not be  
11 following previous quarterly trends for XRP  
12 sales?

13 A. I'm not going to speculate on Brad's  
14 rationale.

12:02:58 15 Q. Did he say the rationale at the  
16 meeting?

17 A. Not that I recall.

18 Q. Did you discuss the rationale with him  
19 to the extent you followed up with

12:03:03 20 Mr. Samarasinghe and then reported back to  
21 Mr. Garlinghouse?

22 A. Not that I recall offhand.

23 Q. Did you want to signal to the market  
24 that Ripple will not be following previous  
12:03:10 25 quarters' trend for XRP sales?

12:03:13 1 A. Not that I recall offhand.

2 Q. At any time did you want to signal to  
3 the market that Ripple will not be following  
4 previous quarters' trends for XRP sales?

12:03:26 5 A. So we used the XRP markets report to  
6 communicate to the market what was going on with  
7 respect to XRP. That was the channel that we  
8 would use to communicate around anything related  
9 to XRP.

12:03:35 10 Q. And why would the market want to know  
11 what was going on with XRP?

12 A. So Ripple is obviously a large holder  
13 of XRP. And Ripple chose, before my time, to  
14 voluntarily provide information to the market  
12:03:47 15 regarding its holdings of XRP and any activity  
16 around it.

17 Q. Would that include -- who at -- who at  
18 Ripple was involved in deciding what information  
19 to include in these XRP market reports?

12:03:58 20 A. A number of people. So --

21 Q. Were you?

22 A. -- the markets team, the regulatory  
23 team, the legal team, the Xpring team.

24 Q. Were you -- so were you involved?

12:04:13 25 A. Yes.

12:04:14 1 Q. Okay. Did -- why did Ripple want to  
2 provide information to the market? I think you  
3 mentioned obviously a large hold -- holder of  
4 XRP. Was there any other reason?

12:04:24 5 A. The view -- again, this was developed  
6 before my team, but the view was generally that  
7 Ripple had an interest in sharing as much  
8 transparently about its holdings of XRP as  
9 possible.

12:04:34 10 Q. Why?

11 A. To help the market understand XRP and  
12 what Ripple was doing with its holdings.

13 Q. Why would the market care about that?

14 A. More information tends to be better  
12:04:46 15 than less when people are learning about a  
16 market.

17 Q. And what market participants are we  
18 talking about here that you were providing  
19 information to?

12:04:54 20 A. Anybody who was publicly interested in  
21 receiving it.

22 Q. Would that include people who might  
23 hold XRP for speculative purposes?

24 A. I'm sure.

12:05:01 25 Q. I'm sorry?

12:05:01 1 A. I said, yeah, I'm sure. Whoever  
2 wanted it, it was available publicly on -- on  
3 the website.

4 Q. And sitting here today, why would  
12:05:09 5 Ripple then -- going back to my question, why  
6 would Ripple want to signal to the market that  
7 it was not going to be following previous  
8 quarters' trends for XRP sales?

9 MS. ZORNBERG: Objection as to  
12:05:18 10 form.

11 A. So I'll just repeat that the  
12 objective of the markets report was to  
13 communicate clearly to the market what Ripple  
14 was doing with its XRP holdings. So if there  
12:05:27 15 was a change, that's a venue that we would use  
16 to communicate anything around XRP.

17 Q. Would you -- would you communicate in  
18 these market reports any change with respect to  
19 Ripple's, you know, sales of XRP?

12:05:41 20 MS. ZORNBERG: Objection.

21 A. The --

22 MS. ZORNBERG: And who's "you"?

23 MR. TENREIRO: Ripple.

24 A. So --

12:05:48 25 MR. TENREIRO: Thank you.

12:05:49 1 Q. Let me just start again. I apologize,  
2 Ms. Madigan.

3 Would Ripple communicate in these  
4 market reports any change with respect to  
12:05:55 5 Ripple's sales of XRP?

6 A. Yes.

7 Q. And so any time there was a -- a  
8 change in Ripple's sales of XRP, that would be  
9 reflected in the market reports?

12:06:04 10 A. That -- again, I -- it started before  
11 my time so I don't want to speak inclusively for  
12 every report that's out there. But, yes, during  
13 my time, whenever there was a change in XRP  
14 sales, that -- that change was reported in the  
12:06:17 15 quarterly markets report.

16 Q. What about buys of XRP by Ripple?

17 A. That was also disclosed in the markets  
18 report.

19 Q. Okay. Do -- do you have an  
12:06:32 20 understanding as to whether a large number of  
21 sales in the market for XRP could lower the  
22 price for XRP?

23 A. So as with all markets, if there's  
24 larger sell orders than buy orders, it tends to  
12:06:45 25 have a negative impact on price. And the -- the



12:06:46 1 opposite is true as well.

2 Q. Did you observe that specifically with  
3 respect to Ripple's price -- I'm sorry, XRP's  
4 price?

12:06:52 5 A. Observe what specifically? Sorry.

6 Q. That, you know, prices would go down  
7 if there were more sales than buys?

8 A. Yeah. I would observe that with all  
9 markets. But, yes, with XPR, the same is true:

12:07:01 10 If there's more sellers than buyers, there tends  
11 to be downward price --

12 THE COURT REPORTER: Excuse me.

13 Slow down, please. Repeat.

14 THE WITNESS: Sure.

12:07:07 15 A. As with all market assets, if there's  
16 more sellers than buyers, that tends to have --  
17 a greater quantity of sellers and buyers, it  
18 tends to have a negative impact on the price.

19 And the opposite is true: If there's more  
12:07:20 20 buyers than sellers, it tends to have a positive  
21 impact on price.

22 Q. Do you have an understanding as to  
23 whether participants in the XRP market would be  
24 interested to know that there might be future  
12:07:33 25 sales -- future -- fewer future sales of XRP?

12:07:38 1 MS. ZORNBERG: Object as to form.

2 A. Can you repeat the question? Sorry.

3 Q. Yes.

4 Do you have an understanding as to

12:07:45 5 whether participants in the XRP market would be

6 interesting -- interested to know that there

7 might be fewer future sales of XRPs?

8 A. In general, I think more information

9 is helpful around any market.

12:07:56 10 Q. But more specifically with respect to

11 information that there might be fewer future

12 sales, do you have a -- an understanding as to

13 whether participants in the XRP market might

14 want to know that?

12:08:05 15 A. So Ripple is one party that can sell

16 or buy XRP. What Ripple does is one piece of

17 what happens to XRP. There's many other buyers

18 and sellers. So it's just one piece of

19 information that might be interesting, but

12:08:19 20 there's no -- there's plenty of other market

21 participants and they weren't reported on in the

22 XRP markets report.

23 Q. Right.

24 And why -- why might it be

12:08:27 25 interesting -- interesting to market

12:08:29 1 participants whether Ripple was going to buy  
2 or -- you know, sell less XRP in the future?

3 A. I'm not going to speculate as to  
4 individual market participants' views on XRP and  
12:08:40 5 Ripple.

6 Q. No, I'm not asking you to. I'm asking  
7 you, you know, to tell me, based on your  
8 experience with markets and your role as the  
9 head of institutional markets, why it might be  
12:08:50 10 interesting to market to participants whether  
11 Ripple was going to sell XRP in the future.

12 A. So more information around anticipated  
13 activity in a market is -- is helpful.

14 Q. So is it helpful that people who hold  
12:09:05 15 XRP for whatever reason have more information?

16 A. If they hold it, if they don't hold  
17 it, if they want to look at holding it, more  
18 information is better.

19 Q. More information is better for people  
12:09:14 20 who might think of buying XRP?

21 A. Potentially.

22 Q. More information is better for people  
23 who already buy -- who already have XRP in their  
24 holdings?

12:09:20 25 A. Potentially if they -- yeah.

12:09:22 1 Q. Well, is there a -- you say  
2 "potentially."

3 Is there a situation where less  
4 information is better for those people?

12:09:26 5 A. It depends if they sought it out.

6 MS. ZORNBERG: Objection.

7 MR. TENREIRO: All right. Let's  
8 look at Exhibit 7.

9 THE COURT REPORTER: Did you say

12:09:45 10 7 or 70?

11 MR. TENREIRO: Seven.

12 THE COURT REPORTER: Thank you.

13 MR. TENREIRO: 007.

14 Do you need a break?

12:09:45 15 THE WITNESS: No.

16 MR. TENREIRO: All right. This  
17 is a two page e-mail, RPLI\_SEC 435043.

18 (Whereupon, exhibit is presented  
19 and marked SEC Madigan Exhibit 7 for  
12:09:54 20 identification.)

21 BY MR. TENREIRO:

22 Q. If you don't mind, please let me know  
23 when you've read it. Thank you.

24 A. Sure.

12:10:28 25 (Pause)

12:12:02 1 A. Okay.

2 Q. Who is [REDACTED]

3 A. [REDACTED] is an employee of Ripple now in, I  
4 think, the core strategy role.

12:12:17 5 THE WITNESS: Sorry, am I not  
6 talking loud?

7 THE COURT REPORTER: No.

8 A. [REDACTED] is an employee of Ripple. I don't  
9 know her exact role now.

12:12:25 10 Q. Okay. What relationship did she  
11 have -- what role did she play with respect to  
12 Ripple's relationship with [REDACTED], if any?

13 A. Yes. She was a key relationship  
14 manager for [REDACTED]

12:12:48 15 Q. Now, the e-mail we looked at a minute  
16 ago as Exhibit 62 was an e-mail around May the  
17 20th, 2019. This series of e-mails is May 30  
18 and May 31.

19 Does this refresh your memory as to  
12:12:59 20 things you might have -- conversations you might  
21 have had as a follow-up to Mr. Garlinghouse's  
22 request that you "Get a clearer idea of what [REDACTED]  
23 is doing, and how/if their purchases are hitting  
24 the market"? I just read that from Exhibit 62.

12:13:13 25 A. Yes, this does refresh my memory.

12:13:16 1 Q. Okay. So what did you do?

2 A. What did I do with what? Sorry. Can  
3 you clarify the question?

4 Q. Yeah. What did you do to get a clear  
12:13:21 5 idea of what [REDACTED] was doing and how/if their  
6 purchases are hitting the market?

7 A. We asked for clarification through [REDACTED]  
8 and [REDACTED] who helped manage the relationship with  
9 [REDACTED]

12:13:33 10 Q. And what did you find out about what  
11 [REDACTED] was doing? Were their purchases hitting the  
12 market?

13 A. My recollection is that they were  
14 selling -- the information we got was that they  
12:13:43 15 were selling a lot of volume, almost all of it,  
16 pretty instantaneously.

17 Q. And why was that a concern, if at all?

18 A. Because -- for the reasons we've  
19 spoken about before around liquidity: Large  
12:13:57 20 one-directional flow can have negative impacts  
21 on liquidity.

22 Q. Was that -- the liquidity concern with  
23 respect to large sales, was that your concern or  
24 was that the same concern that others at Ripple  
12:14:09 25 had that were involved with the [REDACTED] issue?

12:14:11 1 A. Others at Ripple as well.

2 Q. Others at Ripple.

3 Did that include Mr. Garlinghouse?

4 A. Yes.

12:14:15 5 Q. Okay. Can you point me to where the  
6 liquidity concern is expressed in this e-mail?

7 A. I'll reread it and see if it's  
8 explicitly called out.

9 Q. Okay.

12:14:43 10 (Pause)

11 A. Yeah. So there's a sentence where --  
12 I don't know who the author is -- is this one

13 [REDACTED] Where [REDACTED] references that Brad was  
14 concerned about the impact that [REDACTED] active  
12:14:51 15 selling was having.

16 Q. Just so we're clear --

17 THE COURT REPORTER: "The impact"  
18 -- repeat.

19 Q. So, Ms. Madigan, let me see if I can  
12:15:04 20 do it this way.

21 THE COURT REPORTER: I'm sorry.

22 I needed the witness to repeat the end of  
23 her answer.

24 A. I was just pointing to a sentence in  
12:15:09 25 the e-mail that starts with "Anyway, since Brad



12:15:15 1 seems to be under the impression that [REDACTED]  
2 active selling is impacting the market to some  
3 extent, we asked if we could potentially modify  
4 the existing contract."

12:15:27 5 Q. So is it your testimony that -- is it  
6 your testimony that when [REDACTED] spoke of  
7 Brad's impression about active selling impacting  
8 the market, that's an impact in liquidity?

9 A. Correct.

12:15:40 10 Q. And what is that impression based  
11 upon?

12 A. Discussions that I recall having at  
13 the time.

14 Q. Does -- does the impression that [REDACTED]  
12:15:49 15 activity, sell -- selling activity, impact the  
16 market also have to do with impacting the market  
17 price for XRP?

18 A. So as we've spoken about, price is one  
19 component of liquidity as are volatilities,  
12:16:02 20 spreads, depth, resiliency. There are a lot of  
21 attributes to liquidity. Price is one of those.

22 Q. But my question is -- is slightly  
23 different, so let me try to rephrase it.

24 Did Mr. Garlinghouse have the  
12:16:13 25 impression that [REDACTED] active selling might be



12:16:17 1 impacting the market price of XRP negatively?

2 A. I don't know -- I'm not going to speak  
3 for Brad's views here other than my recollection  
4 of our conversations, which was that [REDACTED]

12:16:30 5 selling was having negative impacts on  
6 liquidity.

7 Q. Right. So you just told me about  
8 Mr. Garlinghouse's impression about -- a minute  
9 ago about your understanding of his  
12:16:40 10 impression --

11 A. Uh-huh.

12 Q. -- with respect to what's happening  
13 with [REDACTED] sales as to liquidity.

14 A. Right.

12:16:45 15 Q. So now you're telling me that you  
16 don't have any idea whether he was also  
17 concerned about the price, is that correct?

18 MS. ZORNBERG: Objection;  
19 mischaracterizes the witness's prior  
12:16:53 20 testimony.

21 A. So I mentioned that price is one  
22 factor that is -- plays into liquidity. Price,  
23 volume, spreads, breadth, resiliency. These are  
24 a number of attributes we've talked about a lot  
12:17:09 25 this morning regarding overall liquidity. So

12:17:11 1 price is one of those.

2 Q. So is it fair to say that to the  
3 extent Mr. Garlinghouse was concerned about  
4 [REDACTED] active selling impacting the liquidity of  
12:17:21 5 the XRP market, he was in part concerned about  
6 XRP's price?

7 A. I would repeat --

8 MS. ZORNBERG: Objection to the  
9 form.

12:17:28 10 A. I would repeat the same answer I just  
11 gave, which is that price is a component of  
12 liquidity.

13 Q. So is that a yes?

14 A. That's not a yes. I'm repeating my  
12:17:37 15 statement from before.

16 Q. Okay. But I'm trying -- I'm just  
17 asking you, if you can tell me yes or no, or you  
18 can answer however you'd like, but is -- if  
19 price is a component of liquidity, would you  
12:17:47 20 agree that with me that if you're concerned with  
21 liquidity, one of the things you're concerned  
22 about is the price of XRP?

23 A. The price is one component of XRP's  
24 liquidity. Absolutely.

12:17:55 25 Q. Okay. Did you -- did anyone at Ripple

12:18:02 1 ever express to you that you should not  
2 explicitly discuss XRP's price?

3 A. Not that I recall.

4 Q. Okay. Did you ever hear anyone say  
12:18:09 5 that to anybody else?

6 A. Not that I recall.

7 Q. Did you ever ask somebody else not to  
8 explicitly discuss XRP's price?

9 A. Not that I recall.

12:18:16 10 MR. TENREIRO: All right. Let's  
11 go to Exhibit 63, please, which will be --  
12 which will come in a second -- oh, three.  
13 I think it's a three-page e-mail. This is  
14 for the witness. Just two? Oh, okay.  
12:18:40 15 Two and two.

16 MS. ZORNBERG: Thank you very  
17 much.

18 MR. TENREIRO: RPLI\_SEC 435051.

19 (Whereupon, exhibit is presented  
12:18:48 20 and marked SEC Madigan Exhibit 63 for  
21 identification.)

22 MR. TENREIRO: Okay. At least  
23 you don't have to mark the exhibits,  
24 right, Bridget?

12:19:02 25 (Pause)

12:20:04 1 A. Okay.

2 Q. All right. Have you had a chance to  
3 look at these e-mails?

4 A. I have.

12:20:07 5 Q. Okay. And they're also a series of  
6 e-mails on May 30, 2019. And is it fair to say  
7 that, at least in part, they -- well, are  
8 discussing [REDACTED] at least in some part of the  
9 e-mail?

12:20:19 10 A. Yes.

11 Q. Okay. Do you see where you write on  
12 May 30th, "Hi, thanks all. So to confirm - it  
13 looks like there is a minimum buy of 30M per  
14 quarter (per second amendment doc attached  
15 here)."

16 Do you see that?

17 A. Yes.

18 Q. Is it fair to say that that's where  
19 you're sort of trying to get up to speed on the  
12:20:40 20 contract between Ripple and [REDACTED]?

21 A. Yes.

22 Q. Okay. And then you say "Am I correct  
23 that we would need to renegotiate the contract  
24 if we want to now limit ('throttle') that amount  
12:20:50 25 going forward?"

12:20:52 1 Do you see that?

2 A. I do.

3 Q. What does "throttle" mean there?

4 A. It looks like I'm repeating what Brad  
12:20:57 5 wrote in the e-mail shortly prior.

6 Q. So is it -- in the e-mail shortly  
7 prior, he wrote "throttle (slow) the volume they  
8 were purchasing"?

9 A. I believe that's what he meant.

12:21:10 10 Q. Okay. Is that what you meant?

11 A. I don't recall the specific e-mail but  
12 I believe that's...

13 Q. Did you come to understand that  
14 Mr. Garlinghouse was asking you to figure out a  
12:21:17 15 way to slow the volume that [REDACTED] was purchasing  
16 from Ripple and thereby selling into the market?

17 A. I recall that we were asked to look at  
18 what [REDACTED] was doing. And, again, we spoke about  
19 this a little bit earlier, but in the context of  
12:21:34 20 very large quantities of XRP being delivered to  
21 them and the perception that we had, what we  
22 were asked to look into is whether they were  
23 immediately selling the entire quantity they  
24 were receiving.

12:21:45 25 Q. And you came to the conclusion that

12:21:46 1 they were, in fact, right? Correct?

2 A. Correct.

3 Q. And do you see Mr. Will says, "Yes,  
4 what has become clear is that they are selling  
12:21:54 5 the XRP immediately," right?

6 A. I see that.

7 Q. Okay. And the concern there, again,  
8 was, just to be clear, the liquidity issue that  
9 that would cause?

12:22:01 10 A. Correct.

11 Q. Any other concern?

12 A. No.

13 Q. Any concern that, you know, [REDACTED] should  
14 be holding XRP for a while for regulatory  
12:22:09 15 reasons?

16 A. Not that I recall.

17 Q. Okay. So was [REDACTED] interacting or  
18 interfacing in any way that you know of with the  
19 ODL -- ODL platform?

12:22:23 20 A. I'm not sure.

21 Q. It could be yes, it could be no, you  
22 just don't know?

23 A. Correct, I don't know if they were --

24 Q. Okay.

12:22:27 25 A. -- using the ODL platform.



12:22:30 1 Q. Okay. To the extent that you came to  
2 understand the agreement between [REDACTED] and Ripple,  
3 what understanding, if any, did you derive as to  
4 why Ripple had entered into this agreement with

12:22:40 5 [REDACTED]

6 A. I don't recall the details. It was  
7 done before my time.

8 Q. Well, let -- let's look at the e-mail  
9 where it says -- you know, above your e-mail --

12:22:50 10 A. Okay.

11 Q. -- [REDACTED] says "In exchange for  
12 allowing this" -- it's in the middle.

13 A. Okay.

14 Q. -- "we asked them to increase the  
12:22:57 15 minimum purchase amount from 10 million to 30  
16 million per Ron's suggestion and I negotiated  
17 it. (Back then we viewed it as a positive since  
18 we could get higher guaranteed (i.e.  
19 predictable) purchase from a trusted partner,  
12:23:11 20 versus programmatic sales, which is less  
21 predictable)."

22 Do you see that?

23 A. I do see that.

24 Q. Okay. Did Ripple enter into the  
12:23:18 25 agreement with [REDACTED] at least in part so that they

12:23:20 1 could sell their XRP to [REDACTED]?

2 A. Well, as I noted, I wasn't around when  
3 they executed the contract and I don't know the  
4 motivations of the contract.

12:23:27 5 Q. Well, I understand you were not around  
6 when the contract was executed, but from your  
7 sort of educating yourself on the terms of the  
8 contract, did you come to learn that Ripple had  
9 entered into the contract in part to sell their  
12:23:39 10 XRP to [REDACTED]?

11 MS. ZORNBERG: Objection.

12 A. I know that XRP sales were a part of  
13 the contract. I don't know the intricacies of  
14 the contract itself.

12:23:49 15 Q. And when you say "XRP sales," that's  
16 from Ripple to [REDACTED]?

17 A. Correct.

18 Q. Okay. And those are OTC sales as we  
19 discussed earlier?

12:23:56 20 A. Yes. I think they were categorized as  
21 OTC, right.

22 Q. Okay. It says here "Back then we  
23 viewed it as a positive."

24 So is it fair to say that Ripple  
12:24:09 25 viewed as a good thing that they were selling



12:24:13 1 XRP to [REDACTED]

2 A. Well, again, I wasn't around at the  
3 time that this contract was created,  
4 contemplated. I don't know what it entailed  
12:24:22 5 other than what was specifically relayed to me  
6 around the purchases. So it's hard for me to  
7 speculate as to the motivations that were around  
8 the contract that I was not privy to.

9 Q. Well, what about -- what changed  
12:24:33 10 between the back then and what's happening in  
11 this e-mail that you are copied on and the work  
12 that you were doing?

13 A. I'm sure a lot had happened. This was  
14 about a week after I joined, so I don't know  
12:24:44 15 what happened --

16 Q. Okay.

17 A. -- in that time period.

18 Q. And did you discuss with  
19 Mr. Garlinghouse why he wanted to throttle or  
12:24:51 20 slow the volume that [REDACTED] was selling into the  
21 market?

22 A. I don't recall the specifics of our  
23 conversation, but, again, the big takeaway that  
24 I recall was that we were asked to look into  
12:25:06 25 this contract because of the sense that there

12:25:07 1 were large quantities, very large quantities, of  
2 XRP that were being instantaneously sold into  
3 the market and the potential for that to have a  
4 negative impact on the liquidity of XRP.

12:25:18 5 Q. Did that also -- did it worry you that  
6 it could depress the price of XRP?

7 A. As I mentioned, price is one component  
8 of liquidity. We were focused on liquidity. So  
9 we would observe price, spreads, volumes, and a  
12:25:28 10 whole bunch of metrics around XRP's liquidity.

11 Q. So that -- so you're saying that  
12 liquidity would affect the price?

13 A. There -- price is one component of  
14 something that we would measure with respect to  
12:25:40 15 overall liquidity health.

16 Q. Right. But I'd like you to answer my  
17 question.

18 Is the -- are you saying that  
19 liquidity could affect the price?

12:25:49 20 A. I don't know that it would have a  
21 direct impact, a cause and effect, no.

22 Q. Okay. So let's go back, then, to my  
23 original question.

24 A. Mm-hmm.

12:25:57 25 Q. Did it worry you that sales by [REDACTED] of

12:25:59 1 XRP could depress the price of XRP?

2 A. The impact that sales have on price,  
3 on volumes, on spreads are all things that we  
4 would look at relative to XRP's liquidity  
12:26:11 5 health.

6 Q. So price was one of them?

7 A. Price is one thing that you would  
8 consider, absolutely, as part of assessing  
9 liquidity health.

12:26:16 10 Q. If the price of XRP dropped, would  
11 that worry you in part of -- as part of your job  
12 at Ripple?

13 A. No. We -- we weren't selling for  
14 price, but -- but specific one-way directional  
12:26:27 15 flow, as I mentioned many times, in an order  
16 book, as an example, can have a negative impact  
17 on liquidity in that buyers and sellers can pull  
18 out of the order book when there's significant  
19 movements in one way or another.

12:26:39 20 Q. When you said price was one thing that  
21 you would consider, "absolutely, as part of  
22 assessing liquidity health," how would you  
23 consider the price as part of assessing  
24 liquidity health?

12:26:47 25 A. So movements in price, whether they

12:26:49 1 were moving dramatically in one direction or  
2 another or they were moving slowly in one  
3 direction or another; differences in prices  
4 across exchanges. You would look at, you know,  
12:26:58 5 the difference between the bid and the ask on a  
6 given order book. There are many attributes  
7 around price and liquidity and order book health  
8 and other things that impact your view on  
9 liquidity.

12:27:08 10 Q. Okay. Whether the price is moving  
11 dramatically, isn't that volatility?

12 THE COURT REPORTER: Repeat.

13 Q. Whether the price were moving  
14 dramatically in one direction or another, isn't  
12:27:19 15 that another word for volatility?

16 A. Yes.

17 Q. And whether -- the difference between  
18 the bid and ask on a given order book, isn't  
19 that called "spread"?

12:27:26 20 A. It is.

21 Q. Okay. My question is the price  
22 itself, not the movements in the price or the  
23 spreads in the price, the price itself. How  
24 would you look at the price itself, if at all,  
12:27:35 25 in assessing the liquidity health of a market?

12:27:39 1 A. So we would generally look at the  
2 difference between the bid and the ask, the  
3 spread you alluded to before, which there's a  
4 price on the bid and there's a price on the ask.  
12:27:48 5 And what we would care more about is looking at  
6 that spread. If that spread widens a lot,  
7 that's a signal of drying up liquidity. If that  
8 spread is tighter, the distance between the bid  
9 and the ask, that's a --

12:28:05 10 THE COURT REPORTER: Excuse me.  
11 You're going to. You both are going to  
12 have to slow down.

13 "What we would care more about  
14 is looking at that spread. If that  
12:28:05 15 spread widens a lot..."

16 A. Yes. That can have a negative impact  
17 on liquidity, whereas if that spread -- the  
18 difference between the bid price and the offer  
19 price -- narrows, that is generally indicative  
12:28:20 20 of a healthier, more liquid, market.

21 Q. And can you explain without -- if  
22 there's anything other than the spread that you  
23 assess with respect to the price in determining  
24 if the market is healthy from a liquidity  
12:28:36 25 perspective?

12:28:39 1 A. Say that again.

2 Q. Yes.

3 Is there anything other than the  
4 spread that you assess with respect to price in  
12:28:45 5 determining if the market is healthy from a  
6 liquidity perspective?

7 A. Yes. All the other metrics I  
8 discussed.

9 Q. Okay. So -- but price, the actual  
12:28:57 10 price, as opposed to the movements in the price,  
11 the actual price is something you determined in  
12 considering whether a market is healthy from a  
13 liquidity perspective?

14 MS. ZORNBERG: Objection as to  
12:29:05 15 form.

16 A. I feel like we've asked the same  
17 question many times, but I've given the answer,  
18 I think. So should I repeat the same answer or  
19 --

12:29:14 20 Q. Yes.

21 A. Okay. So the question is if there was  
22 anything -- actually, I'll ask you to repeat it  
23 again. I'm sorry.

24 Q. Let's move on to Exhibit 8.

12:29:22 25 A. Okay.

12:29:23 1 (Whereupon, exhibit is presented and  
2 marked SEC Madigan Exhibit 8 for  
3 identification.)

4 MR. TENREIRO: Exhibit 8 is a  
12:29:31 5 three-page e-mail, RPLI\_SEC 182614.

6 A. I'm sorry, where is this starting? It  
7 looks like it's a compilation of things. Are  
8 you looking at --

9 Q. I'm focusing on the e-mails. It seems  
12:29:58 10 like in the back there's some sort of chat. And  
11 obviously you're free to read it, but it appears  
12 to me like the chat is between [REDACTED] and  
13 Mr. Samarasinghe so I'm not going to ask you  
14 about that.

12:30:06 15 A. Okay. But maybe I'll read that for  
16 context.

17 Q. Yes, please do.

18 A. Since it's attached, I would like to.  
19 Thank you.

12:30:12 20 Q. Please do.

21 (Pause)

22 Q. Have you had a chance to look at the  
23 e-mail and the chat?

24 A. Yes.

12:33:04 25 Q. Okay.



12:33:04 1 A. Thank you.

2 Q. Yes.

3 Ms. Madigan, do you see where  
4 Mr. Samarasinghe says to [REDACTED] "I  
12:33:12 5 wanted to start an e-mail thread with you and cc  
6 Breanne regarding the SBI VC purchases. The XRP  
7 markets team is very concerned about this deal  
8 as it has the potential to add up to [REDACTED]  
9 dollars of XRP supply into the market."

12:33:27 10 Do you see that?

11 A. I do.

12 Q. Was the market team, in fact,  
13 concerned as he describes here?

14 A. I do recall having questions --  
12:33:35 15 conversations around [REDACTED] market activity and  
16 the XRP around it.

17 Q. And why were you concerned about  
18 adding [REDACTED] dollars of supply into the  
19 market?

12:33:44 20 A. So as we've spoken about before, large  
21 one-directional flow in single orders can have a  
22 negative impact on liquidity.

23 Q. Does more supply of an asset have a  
24 negative impact on liquidity?

12:33:58 25 A. It depends how -- how the asset's



12:34:00 1 trading, but if it's being introduced in large  
2 one-directional trades, yes, it tends to have a  
3 negative impact on liquidity.

4 Q. Is Mr. -- are you -- is the market  
12:34:07 5 team's concern, here at least, about how the  
6 asset is introduced into the market? It's  
7 talking about supply.

8 A. Yes, supply being introduced into the  
9 market.

12:34:19 10 THE COURT REPORTER: Supply? I  
11 can't hear you.

12 A. Supply being introduced into the  
13 market.

14 Q. All things being equal, in your  
12:34:27 15 experience, does more supply of a asset in the  
16 market make it more or less liquid?

17 A. So more supply -- if it's -- it  
18 depends how it's introduced and how it's  
19 trading. So supply, if there's, you know, deep  
12:34:44 20 order books and two-way flow, it tends to have a  
21 liquid market. If there isn't two-way flow,  
22 then more supplies can have a negative impact on  
23 liquidity.

24 Q. Wasn't more supply of XRP something  
12:34:58 25 that you would want to make sure that the ODL

12:35:01 1 product -- product worked, functioned?

2 MS. ZORNBERG: Objection.

3 A. So the ODL to function needed  
4 sufficient XRP liquidity for the exchanges and  
12:35:17 5 corridors that the product was live in.

6 Q. Well, did it need more supply?

7 A. Well, supply is a part of the  
8 considerations, but looking at the -- we talked  
9 a lot about how -- how the order book is

12:35:29 10 structured is something that matters, obviously,  
11 and most importantly for XRP liquidity.

12 Q. For XRP?

13 A. Liquidity.

14 Q. Again, though, a person -- you know, a  
12:35:40 15 company that's on the ODL platform needs to buy  
16 XRP to initiate the transfer, correct, the  
17 cross-border transfer?

18 A. So --

19 Q. Needs to obtain it at least somehow.

12:35:53 20 A. Yes, so in the --

21 THE COURT REPORTER: I didn't  
22 hear the last part.

23 Q. Needs to obtain it at least somehow.

24 Is that correct?

12:36:00 25 A. So in the initial ODL flow, there is a

12:36:04 1 buy of XRP and a sell of XRP.

2 Q. So they need to -- so they need to buy  
3 it from somebody, right? They need someone to  
4 sell it to them?

12:36:13 5 A. Yeah. Yeah. So they need to buy the  
6 XRP to send it cross border and then sell it.

7 Q. At this point in time in June 2015 --  
8 2019, when Ripple is trying to throttle [REDACTED]  
9 sales of XRP into the market, is there enough  
10 liquidity for the ODL platform to function?

11 A. What month was this? Sorry.

12 Q. June of 2019.

13 A. That would have been right at the  
14 start of ODL. I joined in May and they were  
12:36:37 15 about to launch. So I don't recall the specific  
16 liquidity attributes of XRP at that exact point  
17 in time, but I know that was early days in ODL.

18 Q. When did ODL launch?

19 A. So it was shortly after I joined. I  
12:36:53 20 don't recall the exact date.

21 Q. Okay. Further up in the e-mail chain,  
22 you know, [REDACTED] suggests "a call  
23 tomorrow."

24 Then he says "I think we should have a  
12:37:02 25 call soon" -- sorry. Dinuka says "I think we

12:37:06 1 should have a call soon, as XRP performance has  
2 been dire so far in 2019."

3 Do you see that?

4 A. Uh-huh.

12:37:12 5 Q. What -- "performance has been dire,"  
6 what does that mean?

7 A. I don't know what he means by that.

8 Q. Did you ask him?

9 A. I did not.

12:37:18 10 Q. You read the e-mail, right?

11 A. I don't recall this e-mail, but I  
12 probably did since I received it.

13 Q. Reading it today, what does it mean to  
14 you?

12:37:26 15 A. He could be talking about XRP in terms  
16 of liquidity. He could be talking about in  
17 terms of -- I don't know what he's referencing.

18 Q. How do you measure whether liquidity  
19 performance has been dire in 2019? What measure  
12:37:38 20 do you use?

21 A. He's prob -- we, as a team, track many  
22 metrics around liquidity, as I mentioned. So  
23 price, spreads, how widely it's traded, the  
24 depth of the order book, et cetera. All of  
12:37:50 25 those things are attributes of liquidity that

12:37:54 1 our team would track.

2 Q. And where in this e-mail is the  
3 concern about liquidity expressed other than  
4 "performance has been dire so far"?

12:38:03 5 MS. ZORNBERG: Objection.

6 A. I -- I don't know. I can reread it  
7 and see if he specifically calls out liquidity.

8 Q. Let's --

9 MS. ZORNBERG: Is that -- is that  
12:38:14 10 the idea? Do you want her to --

11 Q. Go ahead.

12 MS. ZORNBERG: -- read the entire  
13 e-mail?

14 Q. If you -- do you recall from having  
12:38:21 15 just read it whether he calls out liquidity  
16 specifically?

17 A. I don't -- I didn't notice it.

18 Q. Okay.

19 A. I'm happy to reread it.

12:38:27 20 Q. That's okay. We can go to the next  
21 exhibit. Thank you.

22 A. Uh-huh.

23 Q. Let's go to 79, please.

24 (Whereupon, exhibit is presented and  
12:38:34 25 marked SEC Madigan Exhibit 79 for

12:38:34 1 identification.)

2 THE WITNESS: What time is it, by  
3 the way? What time is it?

4 MR. TENREIRO: Why don't we --

12:38:45 5 MR. ANELLO: We've been going an  
6 hour. Do you want to break now?

7 THE COURT REPORTER: I can't hear  
8 you.

9 MR. ANELLO: We're talking about  
12:38:56 10 a break.

11 THE COURT REPORTER: I know, but  
12 we didn't go off the record.

13 THE WITNESS: What time are we  
14 planning to break for lunch?

12:38:59 15 MR. TENREIRO: Let's go off the  
16 record for one second, please. Let's go  
17 off the record.

18 THE VIDEOGRAPHER: The time right  
19 now is 12:39 p.m. We are off the record.

12:39:05 20 (Whereupon, a luncheon recess is  
21 taken.)

22

23

24

25

12:39:05 1 A F T E R N O O N S E S S I O N  
2 (Record notes Mr. Reid Figel is  
3 now present.)  
4 THE VIDEOGRAPHER: The time right  
13:22:10 5 now is 1:22 p.m. We are back on the  
6 record.  
7 BY MR. TENREIRO:  
8 Q. Okay. Ms. Madigan, can I ask you to  
9 please look at Exhibit 79? You have it there.  
13:22:17 10 A. No, actually, real quick, before we go  
11 to 79 --  
12 Q. Oh, sorry.  
13 A. No, it's fine. Right before we broke,  
14 we were looking at an exhibit. I think this one  
13:22:24 15 is it. Hold on. Let me make sure I'm looking  
16 at the right thing. Yes, Exhibit 8 --  
17 Q. Uh-huh.  
18 A. -- if that's the exhibit on the top.  
19 Right? Yeah. And you had asked a question  
13:22:34 20 around whether there was other references to  
21 liquidity in the document.  
22 Q. Okay.  
23 A. And so I just wanted to point out that  
24 there is reference to specifically the fact that  
13:22:47 25 there was the potential for up to [REDACTED]

13:22:49 1 dollars of XRP supply into the market. So  
2 supply being another component that we talked  
3 about related to liquidity.

4 Q. So the -- you're saying that -- when  
13:22:57 5 you're referencing "supply," you're talking  
6 about liquidity?

7 A. Supply is one thing you would measure  
8 in terms of -- amongst many other things we've  
9 talked about today as part of the liquidity.

13:23:11 10 Q. Is there a reason why you don't use  
11 the word "liquidity" in these e-mails?

12 THE COURT REPORTER: I can't  
13 hear you.

14 Q. Is there a reason why you don't use  
13:23:14 15 the word "liquidity" in these e-mails?

16 MS. ZORNBERG: Objection.

17 MR. ANELLO: I don't think she  
18 said she wrote --

19 MS. ZORNBERG: This isn't her  
13:23:17 20 e-mail.

21 MR. TENREIRO: She's -- she wrote  
22 part of the e-mail, the e-mail above.

23 BY MR. TENREIRO:

24 Q. Right?

13:23:23 25 Let me ask you this: Did you ever



13:23:24 1 instruct members of your markets team not to use  
2 the word "liquidity"?

3 A. No.

4 Q. Did you ever receive any instruction  
13:23:29 5 like that from somebody else?

6 A. No.

7 Q. Okay. So now can we please look at  
8 Exhibit -- sorry -- 79?

9 A. Do I have that?

13:23:44 10 Q. No, not yet.

11 MR. TENREIRO: This will be  
12 RPLI\_SEC 464643.

13 Of course, my binder just went  
14 to hell. Seventy -- what did I say?  
13:23:47 15 Seventy-nine.

16 (Pause)

17 A. Okay.

18 Q. Have you had a chance to look at this?  
19 I guess it seems like a thread of comments to a  
13:25:21 20 document. Is that fair?

21 A. It does seem like that, yes.

22 Q. And it says -- the subject is  
23 "Institutional Markets Board Slides."

24 Does that tell you -- what does that  
13:25:32 25 mean?

13:25:32 1 A. Yes, although I don't recall  
2 specifically -- what's the date? July 9th. It  
3 looks like it probably is related to board  
4 slides that were being prepared.

13:25:40 5 Q. Board slides that were being prepared,  
6 is that what you said?

7 A. Yes.

8 Q. "Board" meaning Ripple's board?

9 A. I presume so, although I don't recall  
13:25:48 10 this exact exchange.

11 Q. And just before we dive into this  
12 exhibit, I just want to make sure I understand.  
13 Is it -- is it fair to say that if more  
14 exchanges -- if you could trade XRP on more  
13:26:12 15 exchanges, that is better for the liquidity of  
16 XRP?

17 THE COURT REPORTER: I can't  
18 understand you, Jorge.

19 Q. Is it fair to say that if more  
13:26:14 20 exchanges -- that if you can trade XRP on more  
21 exchanges, that's better for the liquidity of  
22 XRPs -- of XRP or the XRP market?

23 A. I would categorize it as maybe  
24 slightly differently. Not just number of  
13:26:22 25 exchanges, but, in general, when you're thinking

13:26:24 1 about liquidity, having breadth and depth of  
2 market is something we talked about. And  
3 breadth can be reflective of where -- trading on  
4 a number of different exchanges, a number of  
13:26:34 5 different venues, so that there are many on  
6 ramps, off ramps, et cetera, points of ability  
7 to trade.

8 Q. And does breadth or depth also include  
9 more buys and more sell orders?

13:26:45 10 A. So breadth and depth refer to -- so  
11 "depth" meaning depth in the order book. So, I  
12 mean, I know I keep going back to the order book  
13 example, but for illustrative purposes, an order  
14 book is made up of a series of both size and  
13:26:59 15 price at which a specific buyer or seller is  
16 willing to buy and -- and a price and size at  
17 which a specific buyer or seller is willing to  
18 sell.

19 And so "depth of order book" would be  
13:27:10 20 a phrase to reference that there's a lot of  
21 people that are -- a lot of people or parties  
22 that are stacked up in the order book. Many  
23 people willing to buy; many people willing to  
24 sell. That would be a deep order book that has  
13:27:21 25 a lot of breadth.

13:27:22 1 Q. And so depth means more liquidity?

2 A. Well, I think liquidity is -- has a  
3 lot of attributes that we've talked about. So  
4 price, spreads, depth, resiliency. A lot of  
13:27:35 5 those things that we talked about all impact  
6 liquidity.

7 Q. All things being equal, more depth  
8 means more liquidity all other factors being  
9 equal?

13:27:43 10 A. All thing -- all other attributes of  
11 liquidity being equal, does depth mean better  
12 liquidity?

13 Q. More depth.

14 A. More depth. Yeah, I'd say, in  
13:27:54 15 general, that's true.

16 Q. Okay. And not in general?

17 MR. ANELLO: I'm sorry, is that a  
18 question?

19 MR. TENREIRO: Yes.

13:28:02 20 Q. When it's -- when it's not in general,  
21 is that not true?

22 MS. ZORNBERG: Objection.

23 Q. Is there a specific example when  
24 that's not true?

13:28:08 25 A. Where having deeper liquid -- where

13:28:09 1 having deeper order books would be adverse  
2 liquidity? No, I can't really think about an  
3 example offhand.

4 Q. Okay. All right. Back to Exhibit 79.  
13:28:17 5 So is it -- is it fair to say you were  
6 involved in making comments to potential slides  
7 that might be presented to Ripple's board around  
8 the time of this e-mail?

9 A. Yes. I don't recall ever creating  
13:28:30 10 slides for a board, but I do -- but -- but I do  
11 recall being asked to review various documents  
12 and it looks like this was one of them.

13 Q. Okay. There's a -- in the middle  
14 there's a sentence that says "The relationship  
13:28:51 15 between XRP performance and sales percentage  
16 remains noisy, but the" -- "but the further  
17 divergence of reported volume from reliable  
18 volume suggests that we either recalibrate more  
19 frequently or change benchmarks to something  
13:29:06 20 that more closely approximates" -- "approximates  
21 reliable volume."

22 Do you see that?

23 A. I do.

24 Q. And do you see above where it says  
13:29:13 25 "Performance"?

13:29:17 1 A. Above where?

2 Q. Just below "Comments" it says  
3 "Performance"?

4 A. Yes.

13:29:21 5 Q. Okay. And you say "This one may get  
6 some pushback. I am not sure how much of a  
7 focus Brad will want on the" -- "on the  
8 underperformance of his asset for this  
9 audience."

13:29:31 10 Do you see that?

11 A. Yes.

12 Q. What asset are you referring to here  
13 when you say "his asset"?

14 A. That looks to be -- again, I should  
13:29:38 15 start by saying I don't recall this specific  
16 comment or this specific document, but that  
17 looks to me, reading it today, as a typo with  
18 missing the letter "t." This asset.

19 Q. What is this asset?

13:29:49 20 A. I presume it would be XRP.

21 Q. And what do you mean by  
22 "underperformance of XRP"?

23 A. Again, we've talked about this before.  
24 When we talk about XRP, we talk about XRP's

13:29:58 25 liquidity. We look at a number of different

13:30:01 1 metrics to look at XRP and how it's performing  
2 in the market. How its order books are, its  
3 spreads, depth, resiliency, breadth, price. We  
4 look at a whole bunch of different metrics to  
13:30:14 5 determine the overall liquidity health of XRP.

6 Q. When you talk about  
7 "underperformance," underperformance, you know,  
8 relative to what?

9 A. I'm not sure what -- what I was  
13:30:23 10 specifically referencing here. I don't recall  
11 this specific document.

12 Q. And when you're measuring performance  
13 of XRP from a liquidity perspective, is there  
14 like a -- you know, like a quote you can pull up  
13:30:34 15 that says liquidity and that you could compare  
16 it to or how do you do that?

17 A. There isn't a quote for liquidity, no,  
18 because as we've talked about, liquidity is very  
19 multifaceted and there's a lot of different  
13:30:44 20 components that you would look at to inform your  
21 view on liquidity generally speaking. But in  
22 terms of things you would look at, you know, you  
23 might look at how other assets are performing  
24 within crypto, Bitcoin, for example, et cetera.

13:30:56 25 Q. So you mean the price of bit --

13:30:58 1 Bitcoin?

2 A. You'd be looking --

3 MS. ZORNBERG: Objection.

4 A. So, no. I mean looking at the health  
13:31:04 5 of many market metrics that we've continuously  
6 spoken about this morning.

7 Q. Yeah. So, for example, breadth? Is  
8 there's a quote you pull up for breadth or how  
9 do you look at whether XRP is underperforming --

13:31:14 10 THE COURT REPORTER: I'm sorry.  
11 I can't hear you.

12 Q. With respect to breadth, is there a  
13 quote you could pull up or how do you determine  
14 if XRP is underperforming when it comes to  
13:31:21 15 breadth with respect to other assets?

16 A. So breadth I would -- would refer to  
17 it generally as how -- how many exchanges it may  
18 be traded on, how widely accessible it is. And  
19 so that would be something you could look at --  
13:31:34 20 how many exchanges XRP is traded on versus how  
21 many exchanges Bitcoin is traded on, for  
22 example.

23 Q. And did you do that? Did you look --  
24 when you were considering underperformance of  
13:31:43 25 XRP, would that mean that XRP was trading on



13:31:46 1 fewer exchanges than Bitcoin, for example?

2 A. So we looked at a lot of different  
3 metrics. So I mentioned a lot of them and  
4 I'll -- I'll continue to --

13:31:54 5 Q. That's right, but I'm -- I'm -- right  
6 now I'm just focused on breadth.

7 A. Mm-hmm.

8 Q. So --

9 A. Yeah. So we did absolutely look at  
13:31:59 10 what -- how many exchanges XRP is trading on as  
11 well as how many exchanges Bitcoin is trading  
12 on, how many exchanges Ethereum is trading on.  
13 We looked at --

14 THE COURT REPORTER: Which one?

13:32:10 15 THE WITNESS: Ethereum.

16 MR. TENREIRO: E-T-H-E-R-E-U-M.

17 Q. So if -- at least from the perspective  
18 of breadth, if XRP was trading on fewer  
19 exchanges than other assets you might look at,  
13:32:23 20 would you consider that to be underperformance?  
21 I'm just focused on breadth. I know there's  
22 other factors.

23 A. Right. Yeah. And by the way, breadth  
24 is broadly defined. I gave you an example of  
13:32:31 25 number of exchanges that something is traded on.

13:32:31 1 That's an indicator of breadth, right? Like --

2 THE COURT REPORTER: Excuse me.

3 Excuse me. You have to slow down. I  
4 cannot take 300 words a minute.

13:32:43 5 THE WITNESS: Okay. Sorry.

6 A. Regarding breadth, I was explaining  
7 that the number of exchanges that an asset is  
8 traded on is illustrative of a given asset's  
9 breadth, but it is not the only thing that you  
13:32:57 10 can look at to understand the breadth of the  
11 market.

12 So, for example, you could look at how  
13 many exchanges it's traded on; the geography of  
14 those exchanges. You can look at volumes on  
13:33:09 15 different exchanges relative to each other.  
16 There's a whole bunch of different things that  
17 you can look at in terms of breadth. So number  
18 of exchanges is not the only metric you look at  
19 for breadth.

13:33:20 20 Q. Did you, in fact, look at the  
21 geography of the exchanges when you were  
22 considering whether XRP had underperformed with  
23 respect to other assets in the digital assets  
24 space?

13:33:29 25 A. We looked at a whole bunch of

13:33:31 1 different metrics. I don't know in this  
2 specific instance. I don't even recall these  
3 slides, so I don't know what exactly we looked  
4 at in this instance.

13:33:36 5 Q. Yeah, I'm not asking about in this  
6 instance. I'm asking in general.

7 Did you look at the geographic  
8 exchange -- the geography of the exchanges?

9 A. Yes.

13:33:43 10 Q. And where did you present that  
11 information?

12 A. I recall discussing that in some of  
13 our weekly meetings. So it probably would have  
14 been in some of those decks.

13:33:51 15 Q. In the -- in the weekly meeting decks,  
16 you would have put the geography of the  
17 exchanges?

18 A. Yeah. I recall discussing it in at  
19 least one of those meetings. So I presume it's  
13:34:00 20 in one of those decks although I don't recall  
21 offhand exactly where.

22 Q. And to the extent that you're looking  
23 at the depth variable that affects liquidity, is  
24 there a quote that you put -- that you pull up  
13:34:10 25 or how do you measure whether XRP is

13:34:12 1 underperforming just with respect to the depth  
2 variable?

3 A. Sure. Depth is, again, when you look  
4 at an order book as an example, you look at the  
13:34:23 5 size of the trades at a given bid and offer  
6 price. Right? So an order book will have,  
7 again, you know, bid side of the market, offer  
8 side of the market, and the number of  
9 participants who may be making markets at  
13:34:35 10 various price points and for various sizes at  
11 those various price points.

12 And so absolutely you would look at  
13 what the depth for XRP looked like versus what  
14 the depth, say, for Bitcoin looked like and  
13:34:47 15 other comparable assets to understand if the  
16 depth for XRP's order book liquidity was similar  
17 to/less than bitcoin and Ethereum as one  
18 example.

19 Q. Right. And I just want to make sure  
13:35:00 20 I -- I understand you. I -- I'm not -- I  
21 appreciate what you would look at, but I want to  
22 ask you did you look at that?

23 A. Yes.

24 Q. Okay. And where would that be  
13:35:09 25 reported?

13:35:10 1 A. That was in conversations in our  
2 meetings. Primarily members of my team would  
3 look at that through contacting exchanges and  
4 our data team that could extract information  
13:35:22 5 around an order book from an exchange.

6 Q. And would you keep sort of a, you  
7 know, written record of your comparisons of, you  
8 know, the depth variable of XRP versus others?

9 A. I'm not sure if there was a written --  
13:35:35 10 I know we have a data team that kept composites  
11 of tons of data, but I don't know where it was  
12 kept.

13 Q. Okay. But it was in conversations?

14 A. Yes.

13:35:43 15 Q. Yes. Okay.

16 And in terms of the price variable  
17 component of liquidity, how would you do that?  
18 Were there quotes you could pull up for that?

19 A. Yeah. We had publicly available  
13:35:51 20 market data sources. We mentioned some before  
21 like [REDACTED], order books,  
22 reports of trades related to ODL, et cetera.

23 Q. Okay. And so to the extent that you  
24 might determine whether XRP was underperforming  
13:36:04 25 with respect to the price variable, you would

13:36:06 1 just compare the price of one to the other,  
2 whether it, you know -- the change in price,  
3 rather? Is that what you would look at to  
4 determine performance?

13:36:15 5 A. That's one thing we would look at.

6 Q. With respect to price only, what would  
7 be another thing you would look at?

8 A. How XRP would perform relative to  
9 other digital assets.

13:36:24 10 Q. Okay. So relative price?

11 A. Yep.

12 Q. Okay. And just to go -- to tie this  
13 back to this exhibit, when you're talking about,  
14 you know, "I am not sure how much of a focus

13:36:39 15 Brad will want on the underperformance of this  
16 asset," what was the basis for that belief that  
17 you were not sure or that uncertainty that he  
18 would want to focus on the underperformance of  
19 this asset?

13:36:51 20 A. I don't even know what I'm referencing  
21 in this specific comment here. I don't recall  
22 this deck so it's hard for me to make  
23 assumptions.

24 Q. Okay.

13:36:58 25 MR. TENREIRO: Let's look at

13:36:58 1 Exhibit 10, please.

2 (Whereupon, exhibit is presented  
3 and marked SEC Madigan Exhibit 10 for  
4 identification.)

13:37:06 5 MR. TENREIRO: That's going to be  
6 two pages, RPLI\_SEC 295506.

7 Thank you, Ladan.

8 THE WITNESS: Thank you.

9 MR. TENREIRO: Here you go, Lisa.

13:37:15 10 MS. ZORNBERG: Thank you very  
11 much.

12 MR. TENREIRO: No problem.

13 THE WITNESS: It's a little fuzzy  
14 but I think I can --

13:37:30 15 MR. TENREIRO: Sorry.

16 THE WITNESS: Yeah. I think I  
17 can work out what it's saying.

18 (Pause)

19 BY MR. TENREIRO:

13:40:04 20 Q. Have you had a chance to look at this,  
21 Ms. Madigan?

22 A. Yes.

23 Q. Do you see that there's some comments  
24 that you're making to some document called

13:40:10 25 "Responsible Stewards of XRP"?

13:40:12 1 A. Mm-hmm. It appears that way, yes.

2 Q. What -- what do you mean by  
3 "Responsible Stewards of XRP"? And if you  
4 didn't draft it, what was meant at Ripple by  
13:40:21 5 "Responsible Stewards of XRP"?

6 A. Yes. I recall Brad had asked the --  
7 somebody named [REDACTED] from the cross-functional  
8 team as well as the markets team to -- and a  
9 couple others -- tax, legal, et cetera -- to  
13:40:37 10 look at everything that Ripple was doing with  
11 respect to its XRP. So we talked about this a  
12 little bit earlier, but kind of getting a better  
13 handle across the company because there were  
14 multiple groups that were dealing with XRP and  
13:40:51 15 better understanding how it was being used, for  
16 what purposes, et cetera.

17 And so that -- I think this was in  
18 reference to that initiative that Brad had asked  
19 for.

13:41:11 20 Q. But what does it mean to be a  
21 responsible --

22 THE COURT REPORTER: The last  
23 part I didn't hear. "This was in  
24 reference to that initiative" what?

13:41:11 25 THE WITNESS: That Brad had



13:41:11 1 requested.

2 Q. What does "Responsible Stewards of  
3 XRP" mean?

4 A. So I think -- I think being helpful to  
13:41:25 5 XRP's liquidity development is how I would view  
6 our mandate within the company as a responsible  
7 steward of XRP.

8 Q. Why would that make you responsible?  
9 A responsible steward rather. Why would it --  
13:41:40 10 being helpful to XRP's liquidity development  
11 make you a responsible steward?

12 A. I think that was part of how I viewed  
13 my mandate at the company in terms of building  
14 healthy liquidity. And so although responsible  
13:41:56 15 stewards were not my choice, that's how I would  
16 read that today.

17 Q. Right. So, no, I understand how you  
18 viewed your mandate.

19 My question is, why would being  
13:42:05 20 helpful to XRP's liquidity development make you  
21 a responsible steward of XRP?

22 A. Maybe it wouldn't because, again,  
23 those weren't my choice of words, "responsible  
24 steward," but how I view my responsibility and  
13:42:17 25 any related comments I would have made that

13:42:19 1 related to my responsibility and my role.

2 Q. All right. Let's set this one to the  
3 side. I'm going to come back to it.

4 A. Sure.

13:42:26 5 Q. Let's look at Exhibit 65, please.

6 A. Okay.

7 (Whereupon, exhibit is presented and  
8 marked SEC Madigan Exhibit 65 for  
9 identification.)

13:42:44 10 MR. TENREIRO: I'm sorry.

11 Okay. So this is a four --  
12 five-page e-mail, RPLI\_SEC 463382.

13 (Pause)

14 BY MR. TENREIRO:

13:46:16 15 Q. Ms. Madigan, at the back of the e-mail  
16 chain, on September 10th, 2019, at 10:02 a.m.,  
17 you write [REDACTED] and to [REDACTED], who's, I  
18 believe, [REDACTED].

19 A. Mm-hmm.

13:46:31 20 Q. You write "Hope you're both well.  
21 After last night's meeting, we thought we would  
22 take a stab at putting together some prelim  
23 materials covering a few of the below items,"  
24 and the rest of the e-mail you've read.

13:46:43 25 Is this related to sort of

13:46:44 1 conversations you were having either with or  
2 about the [REDACTED] relationship?

3 A. Yeah. Although I don't recall this  
4 specific e-mail offhand, it looks to be  
13:46:53 5 referencing [REDACTED]

6 Q. Okay. When you say you're going to  
7 put together some items, including, one, "Recent  
8 and historical XRP performance," what are you  
9 referring to with XR -- what are you referring  
13:47:04 10 to as "XRP performance" there?

11 A. Again, I don't know the specifics we  
12 pulled together here, but consistent with, you  
13 know, prior discussions we've had around XRP  
14 performance, we tended to look at things like  
13:47:17 15 volumes, spreads, exchanges, breadth, depth of  
16 order book, et cetera.

17 Q. Price as well?

18 A. Price would be a part of it.

19 Q. Okay. Then you say "our role as  
13:47:28 20 stewards of the asset."

21 What did you mean by "stewards of the  
22 asset"?

23 A. Again, I don't recall in this specific  
24 instant, but -- instance, but I do recall that  
13:47:34 25 Brad had asked us to put together that working

13:47:37 1 group led by [REDACTED] around whatever he called it  
2 in the last thing, "Responsible Stewards of  
3 XRP."

4 Q. Okay. But what is -- so what is your  
13:47:40 5 understanding of what a steward --

6 THE COURT REPORTER: Could you  
7 repeat? You broke up a little there.

8 THE WITNESS: Sure. Me?

9 THE COURT REPORTER: Excuse me.  
13:47:40 10 Repeat the answer --

11 THE WITNESS: Me?

12 THE COURT REPORTER: -- you were  
13 saying there.

14 BY MR. TENREIRO:

13:47:40 15 Q. "Whatever he called it..."

16 THE COURT REPORTER: Yes.

17 A. Yes. The -- the -- the working group  
18 that -- that Brad had asked us to create, he  
19 called it the "Responsible Stewards of XRP."

13:48:02 20 Q. And what do you mean -- what do you  
21 mean by the word "stewards" of the asset when  
22 you write those words here?

23 A. Yeah. I think if I were to interpret  
24 it today -- because I don't recall exactly at  
13:48:13 25 the time given whenever this was, a couple years

13:48:15 1 ago. If I were to interpret this today, I would  
2 think about it as Ripple is a large holder of  
3 XRP. Ripple cares about XRP's liquidity health  
4 and development and so Ripple cares to see that  
13:48:27 5 XRP has deep liquidity to support the scaling of  
6 our flagship ODL product.

7 Q. Okay. Do you have an understanding  
8 sitting here today whether XRP holders in the  
9 market care about XRP's liquidity health and  
13:48:44 10 development?

11 A. I can't speak for other XRP holders in  
12 the market but I presume they would.

13 Q. You received XRP as compensation,  
14 right?

13:48:52 15 A. I did.

16 Q. Okay. As someone who received XRP as  
17 compensation, would you want there to be healthy  
18 liquidity for the XRP market so that you can  
19 sell it? You sold it all, right?

13:49:00 20 A. I did sell it, right.

21 Q. Okay. So would you want there to be  
22 healthy XRP liquidity so that you could sell it?

23 A. Yes.

24 Q. Okay. When you talk in the front page  
13:49:08 25 about "position ourselves as responsible market

13:49:11 1 leaders by addressing this volumes problem head  
2 on," what do you mean by "responsible market  
3 leaders"?

4 A. Similar to what I mentioned before  
13:49:24 5 around setting a good example in the crypto  
6 industry. We consider ourselves a company that  
7 takes our -- our job seriously. We want to have  
8 credible resources. This is referencing  
9 [REDACTED], which we spoke about  
13:49:40 10 earlier, too.

11 Q. Yeah.

12 Well, what is an example of being a  
13 responsible market leader in this context?

14 A. So I reference the [REDACTED]  
13:49:51 15 [REDACTED] as one example because we realized through  
16 public reports that [REDACTED] -- there was allegations  
17 that [REDACTED] had bad volume data that may have been  
18 falsified or had questionable sources. And so  
19 that was when I was asked to help look at  
13:50:07 20 alternative data sources in the market to ensure  
21 that we were using reliable data, working with  
22 credible partners, and setting an example as --  
23 as an industry leader.

24 Q. And when you say "position ourselves,"  
13:50:20 25 in front of who? Position yourselves in front



13:50:22 1 of who?

2 A. Sorry? Where and what are you  
3 referencing?

4 Q. Just the very -- the very front where  
13:50:26 5 you say "This is why I wanted that the third  
6 topic - i.e. frame the problem (generically, and  
7 objectively - not specific to [REDACTED]; explain our  
8 role as stewards (which they should in theory  
9 share); position ourselves as responsible market  
13:50:44 10 leaders by addressing this volumes problem head  
11 on."

12 "Position ourselves" in front of whom?

13 A. So I mentioned earlier we have this  
14 quarterly XRP markets report and that was the  
13:50:55 15 primary method by which you would communicate to  
16 the market.

17 Q. So positioning yourself -- position  
18 Ripple to the market at large as responsible  
19 market leaders? Is that what you meant?

13:51:06 20 A. Yeah. Let me reread exactly what I  
21 said. Yeah, position -- right. Responsible  
22 market leaders, yeah.

23 Q. Okay. And when you say "explain our  
24 role as stewards (which they should in theory  
13:51:16 25 share,)" what do you mean? Is "they" referring

13:51:18 1 to [REDACTED]?

2 A. Let me reread it to make sure I'm  
3 clear.

4 Q. Please.

13:51:24 5 A. It looks like I'm referencing [REDACTED]  
6 there.

7 Q. Okay. Why -- why would -- why are you  
8 saying "which they should in theory share"?

9 A. So [REDACTED], as I mentioned, is a party  
13:51:36 10 that had a legacy contract that was a  
11 long-standing relationship with Ripple. And I  
12 know that they were a big investor in our Series  
13 B, so...

14 So presumptively they would care or  
13:51:56 15 have similar views to Ripple, but that's me  
16 being presumptive.

17 Q. So you were presuming that [REDACTED] would  
18 have -- their interest would be aligned with  
19 Ripple's?

13:52:06 20 A. It depends on what issue you're  
21 talking about.

22 Q. With respect to being stewards.

23 A. I don't know what -- whether they did  
24 or did not share that view.

13:52:20 25 Q. Right.



13:52:20 1 My question was whether that was your  
2 view, that they should in theory want to also be  
3 stewards like Ripple?

4 A. The way that the sentence reads  
13:52:29 5 implies, but I'm not clear on -- this is two  
6 years old. I don't remember what we were --  
7 what I was thinking exactly at that time.

8 Q. Later in that paragraph, you say "and  
9 then pointing" out the -- "pointed out that, in  
13:52:42 10 fact, we are going so far as to pause  
11 programmatic sales altogether on our end."

12 Do you see that?

13 A. I do.

14 Q. Why would pointing that out to [REDACTED]  
13:52:51 15 be -- why would you want to do that? Why would  
16 you want to point that out to [REDACTED]?

17 A. So, again, I don't remember at this  
18 exact time the context, but looking at it right  
19 now, what I think makes sense in this context is  
13:53:02 20 that -- that this -- we had -- we seem to be  
21 referencing the problem in market data around  
22 [REDACTED] and [REDACTED] and the  
23 differences there.

24 And [REDACTED] was falsely  
13:53:19 25 inflating -- at least through allegations, we,

13:53:21 1 understood they were falsely inflating volume  
2 numbers. And so that would have led to higher  
3 programmatic sales as a percentage of overall  
4 market volumes if we were using bad data.

13:53:33 5 Q. And you're saying that you paused  
6 programmatic sales because you thought you were  
7 relying on bad data for the sales?


8 A. As I mentioned earlier, I think we  
9 received instruction to pause programmatic  
13:53:43 10 sales. There was a number of parties involved  
11 in that decision, including our general counsel.  
12 So I don't know -- I don't recall offhand  
13 exactly if there was one or many considerations.  
14 I'm sure there were many considerations at the  
13:53:54 15 time as to that decision.

16 Q. Okay. Back to the one that I started  
17 with earlier, which was Exhibit 10, I think you  
18 still have it there, hopefully.

19 A. It's stuck to my little bag here.

13:54:17 20 Q. Okay. So in Exhibit 10, you have a  
21 comment to this "Responsible Stewards of XRP"  
22 document --

23 A. Mm-hmm.

24 Q. -- at the back, please, that says  
13:54:26 25 "Also re the first comment, I realize 

13:54:31 1 was hard no but heard from Dinuka today and I  
2 think [REDACTED] sees a window."

3 What do you mean by that? What are  
4 you talking about? Hard no on what? Window for  
13:54:38 5 what? Can you please explain?

6 A. Yeah. Again, I'll just add the  
7 context that I don't remember this offhand, but  
8 reading it today and interpreting what I think  
9 was meant. So [REDACTED] is someone at [REDACTED]. I  
13:54:52 10 wonder what that noise was.

11 Q. Low battery. We're okay.

12 A. Oh, okay. So [REDACTED] is somebody  
13 at -- the senior guy, I don't know if he's the  
14 CEO, but somebody senior at [REDACTED]. [REDACTED] is the --  
13:55:06 15 is the person who I mentioned, one of the people  
16 who managed the relationship with [REDACTED]. And  
17 presumably this is in reference to conversations  
18 we've talked about earlier around concerns with  
19 the large volume of one-directional flow that we  
13:55:25 20 were observing from [REDACTED] with respect to XRP.

21 Q. And you think [REDACTED] -- you say "I think  
22 [REDACTED] sees a window."

23 A window for what?

24 A. Potentially to renegotiate the  
13:55:42 25 contract.

13:55:42 1 Q. And is it fair to say -- we can go  
2 through the contract if you need to refresh --  
3 refresh your recollection, but based on your  
4 memory sitting here today, is it fair to say  
13:55:51 5 that at least the original contract -- I'm not  
6 going to get into every specifics, but generally  
7 [REDACTED] would buy XRP at a discount, a certain  
8 amount of XRP at a discount, from Ripple and  
9 then what you found out was that they were then  
13:56:05 10 selling it?

11 A. Yeah. I don't recall the specifics of  
12 the contract. And, again, I wasn't there when  
13 they originally -- the main recollection I have  
14 around the contract was just that they were  
13:56:13 15 receiving a lot of quantity of XRP. I don't  
16 remember at a discount, what discount, if a  
17 discount. And then they were selling a lot of  
18 XRP. And so the thing I remember focusing on  
19 was that's a lot of XRP supply.

13:56:26 20 Q. And do you recall having -- floating  
21 suggestions in terms of renegotiating the  
22 contract or one suggestion was let's just sort  
23 of pay them out the benefit that they would make  
24 in the contract in a way that reduces the XRP  
13:56:38 25 supply that they might put out there?



13:56:40 1 MS. ZORNBERG: Objection.

2 A. I don't recall the specifics of the  
3 ideas that were thrown out there. I do recall  
4 we had a number of conversations with Chris  
13:56:48 5 Larsen, [REDACTED] people who had been involved  
6 in the original contract, and there were a lot  
7 of ideas that were being discussed.

8 Q. Okay. We'll get to those.

9 In the next line you say "Not sure we  
13:56:58 10 can override CL, though."

11 Who is -- what is -- who or what is  
12 "CL" there?

13 A. Chris Larsen.

14 Q. Why were you not sure if you could  
13:57:07 15 override him? What does that mean?

16 A. Just probably what it says there,  
17 which is that I wasn't sure if we could override  
18 Chris Larsen.

19 Q. With respect to what?

13:57:14 20 A. I don't recall what specifically it  
21 was that he wanted.

22 Q. Why would you need to override him?

23 A. If -- if we had an interest in doing  
24 something that was different than what Chris  
13:57:23 25 wanted, but I don't recall what that

13:57:24 1 specifically was in reference to here.

2 Q. And why -- why couldn't you override  
3 him?

4 A. I said I'm not sure if we can. So I  
13:57:31 5 don't know. Maybe we could.

6 Q. Okay. Then you say "We have to focus  
7 on finding a way to get the supply back. V  
8 worried about XRP at .20 and lower otherwise."

9 What do you mean there?

13:57:49 10 A. So, again, sig -- significant concern  
11 around very large quantities of supply being  
12 introduced all in one direction in single large  
13 transactions has negative impact on liquidity.

14 Q. Does "V worried" mean very worried?

13:58:04 15 A. I'm not sure. Wait. Where are you  
16 now? This is in the last page, right?

17 Q. Yes.

18 A. Okay. "V worried." Yeah, probably  
19 very. Very.

13:58:14 20 Q. And when you say "about XRP at .20,"  
21 are you referring to the price of XRP?

22 A. I am. I appear to be referring to the  
23 price of XRP, yes.

24 Q. Okay. When you say "I dread Q3  
13:58:26 25 report," why do you -- are you referring to the

13:58:28 1 third quarter market report for XRP there?

2 A. It looks that way.

3 Q. Why do you dread it if you "don't take  
4 swift, creative action now"?

13:58:38 5 A. Because, again, the market --  
6 receiving a report that there's a very large  
7 supply hitting the market and then observing  
8 one-directional flow is not a good -- it's not  
9 helpful for liquidity.

13:58:49 10 Q. Uh-huh. And so I'm curious again.  
11 We've talked about liquidity a lot. We've  
12 probably said it 500 times. I still haven't  
13 seen it in these documents.

14 So I'm trying to ask you, why didn't  
13:58:59 15 you just use the word "liquidity" when you're  
16 worried about liquidity?

17 MS. ZORNBERG: Objection.

18 MR. ANELLO: Yeah, I'm going to  
19 object --

13:59:09 20 THE COURT REPORTER: I'm sorry.  
21 If somebody is talking right now, I can't  
22 hear that person.

23 MR. ANELLO: Yeah. I -- I  
24 believe your statement's inaccurate.

13:59:19 25 MR. TENREIRO: Okay.

13:59:19 1 THE COURT REPORTER: I can't hear  
2 you, sir.

3 MR. ANELLO: I said I believe the  
4 statement was inaccurate.

13:59:19 5 THE COURT REPORTER: And is this  
6 Mr. Anello?

7 MR. ANELLO: It is.

8 THE COURT REPORTER: Thank you.

9 BY MR. TENREIRO:

13:59:28 10 Q. Ms. Madigan?

11 A. Yes?

12 Q. The answer, please? Why don't you use  
13 the word "liquidity"?

14 A. Oh, the -- we do use the word  
13:59:32 15 "liquidity."

16 Q. Why is it not in this document?

17 A. I don't recall why that specific -- I  
18 mean, I actually haven't read it for the word  
19 "liquidity," so I could do that as well right  
13:59:42 20 now. It could have been used here. If it  
21 wasn't used, I don't know why.

22 Q. Well, when -- when we've talked about  
23 liquidity, you've given me, you know, a robust  
24 answer of several -- several factors that go  
13:59:52 25 into liquidity.



13:59:53 1 Do you recall doing that today?

2 A. I do, many times.

3 Q. Okay. Many times. It's sort of a --

4 A. I'm sure you all do, too, and are sick

13:59:59 5 of it.

6 Q. And -- and it's sort of -- there's a

7 lot of components to it, right?

8 A. Yes.

9 Q. So would you agree with me that it's

14:00:05 10 faster to just say liquidity? Just save some --

11 saves some words, right?

12 MS. ZORNBERG: Objection.

13 A. No. No.

14 Q. No. Okay.

14:00:14 15 Why not?

16 A. Because liquidity has many components

17 that contribute to it.

18 Q. And so is it fair to say, then, when

19 you refer specifically to -- to one of the

14:00:25 20 components, you're more worried about that

21 particular component at that particular time?

22 MS. ZORNBERG: Objection.

23 A. It depends on the context.

24 Q. So, for example, here price? For

14:00:32 25 example, here the price?

14:00:34 1 A. For example, here the price? What's  
2 the question around my reference to the price  
3 there?

4 Q. Is it fair to say that when you call  
14:00:39 5 out a particular component such as the price,  
6 you might be more concerned about the price at  
7 that particular moment?

8 A. I'm not going to speculate as to  
9 concern. I -- it's clear that I was referencing  
14:00:50 10 price here. Again, I don't know that that means  
11 that I was more concerned or less concerned.

12 Q. Okay.

13 A. That's just one attribute I called  
14 out.

14:00:59 15 Q. At the front of this exhibit, it says  
16 "All upcoming XRP deals must be approved by the  
17 markets team and fit into a specific framework.  
18 Introduction of any XRP must fit into an XRP  
19 inflation framework where XRP inflation of  
14:01:13 20 circulating supply must be decreasingly  
21 inflationary."

22 Can you please explain what you mean  
23 by "decreasingly inflationary"?

24 A. Yeah. Well, first, I'll say I  
14:01:22 25 think -- I don't recall writing this. I think

14:01:24 1 this was a proposal put together by [REDACTED] So  
2 I'll start with that. But I will read -- I am  
3 happy to read it now and try to interpret  
4 what -- so the question is decrease -- what  
14:01:35 5 decreasingly inflationary means?

6 Q. Yes.

7 A. Okay. Hold on.

8 So decreasingly inflationary would  
9 mean as you introduce excess supply, the  
14:01:46 10 inflation rate goes up. So introducing less  
11 supply would have an offset on increasing  
12 inflation.

13 Q. The inflation of what?

14 A. So inflation measures the introduction  
14:02:02 15 of supply and overall price on that, on a given  
16 asset.

17 Q. Sorry. The -- "inflation measures the  
18 introduction supply and overall price on that"?  
19 I don't understand. Can you explain what you  
14:02:18 20 mean?

21 A. So here we're talking about, it seems,  
22 that -- the rate of XRP inflation relative to  
23 other assets. So -- with the -- yeah. So -- so  
24 it looks like we're referencing it relative to  
14:02:37 25 Bitcoin. So looking at the rate of introduction

14:02:39 1 of supply of Bitcoin relative to the rate of  
2 introduction of supply of XRP.

3 Q. And your goal was to get the rate of  
4 introduction of XRP supply below Bitcoin's?

14:02:49 5 A. Okay. So I'm just going to remind you  
6 that I didn't write this so I wouldn't call this  
7 my goal. But if I read this sentence again,  
8 "Introduction of any XRP must fit into an XRP  
9 inflation" -- yeah. It looks like we are again  
14:03:03 10 looking at the rate of XRP's inflation relative  
11 to Bitcoin's inflation.

12 Q. When you say "we" in that answer,  
13 who's "we"?

14 A. The many people that were involved in  
14:03:13 15 this document.

16 Q. Okay. So I apologize for "you." When  
17 I mean "you," I just mean the people that are  
18 involved, not specifically, but I'll try to be  
19 clear --

14:03:22 20 A. Yes.

21 Q. -- because I want to make sure I  
22 understand what the company's goal is, not  
23 Breanne Madigan's necessarily.

24 A. Right.

14:03:27 25 Q. So here is it fair to say that the

14:03:29 1 team's goal as being described in this document  
2 was to get the rate of inflation below  
3 Bitcoin's?

4 A. No. I think this was a document that  
14:03:36 5 was created to float a bunch of ideas. Again, I  
6 think [REDACTED] had put this together, if I recall  
7 correctly, and these were some ideas that were  
8 floated, many of which I don't think were --  
9 were eventually followed through on.

14:03:53 10 But, again, when I -- my memory when  
11 Brad asked us to look at this was let's look at  
12 everything that Ripple's doing with XRP and  
13 let's think about, you know, getting that  
14 information together, having a better  
14:04:03 15 understanding about how Ripple is introducing  
16 XRP to supply to the market, and ensuring that  
17 we are behaving in ways that are helpful to  
18 healthy XRP liquidity development.

19 Q. And it -- thank you.

14:04:17 20 Is it fair to say, just to pick up  
21 something from earlier, that you, meaning  
22 Ripple, came to learn around this time, you  
23 know, if not before, but that [REDACTED] was  
24 immediately selling the XRP it received into the  
14:04:33 25 market?

14:04:33 1 A. I do not recall the date upon which we  
2 learned of that [REDACTED] news relative to this  
3 document.

4 Q. Is it fair to say that you learned  
14:04:41 5 that news at some point?

6 A. Around -- sorry. Clarify the  
7 question.

8 Q. Yeah.

9 Is it fair to say that at any point,  
14:04:47 10 you know -- let's just talk about Breanne  
11 Madigan -- you came to learn that [REDACTED] was  
12 selling the XRP that it received into the  
13 market?

14 A. I did learn that, yes.

14:04:55 15 Q. And do you know either way whether  
16 Mr. Garlinghouse learned that?

17 A. Yes.

18 Q. Did he learn that?

19 A. He did learn that.

14:05:01 20 Q. And how do you know that?

21 A. I just recall conversations. I don't  
22 recall exactly when, but there were  
23 conversations on the matter.

24 Q. You recall conversations on the  
14:05:09 25 matter?

14:05:10 1 A. Correct.

2 Q. Did Mr. Larsen learn that?

3 A. Yes.

4 Q. And how do you know that?

14:05:14 5 A. I don't know who informed him.

6 Q. I'm sorry?

7 A. I don't recall who informed him.

8 Q. Okay. Let's take a look at Exhibit

9 10, please. We're at -- oh, sorry, we're at 10

14:05:28 10 now. Eleven, please.

11 A. Do I have that here?

12 Q. No, not yet.

13 (Whereupon, exhibit is presented and

14 marked SEC Madigan Exhibit 11 for

14:05:32 15 identification.)

16 A. Yeah. I should just call out --

17 Q. Yes.

18 A. So on this prior e-mail that you were

19 referencing on that [REDACTED] the

14:06:10 20 subject line was "[REDACTED] follow-up and next steps"

21 in the e-mail --

22 Q. I'm sorry. Wait. Exhibit 10 is

23 responsible stewards.

24 Are you talking about 65, [REDACTED]

14:06:23 25 follow-up and next steps"?



14:06:24 1 A. I forget -- yeah, that one. Yeah.

2 Q. Okay.

3 A. So there's a couple instances here  
4 where the word "liquidity" is used. I just  
14:06:30 5 wanted to call them out.

6 Q. Okay.

7 A. So there is -- at the bottom of the  
8 second page, just going in the order of where  
9 they're presented, there's a bullet that starts  
14:06:41 10 with "[REDACTED].." Right?

11 Q. Uh-huh.

12 A. And in the second or third from bottom  
13 line in the right-hand corner, "XRP liquidity"  
14 is there.

14:06:51 15 Q. Sorry. I just -- I -- I want to hear  
16 all of them, but this is --

17 A. Sure.

18 Q. -- this is referring to giving [REDACTED] the  
19 necessary liquidity, right?

14:06:59 20 A. So it says "So I think that we should  
21 acknowledge (and appreciate) their efforts and  
22 mention that we would cooperate with them to  
23 ensure they have necessary XRP liquidity."

24 Q. Mm-hmm.

14:07:07 25 A. Yep. So that's one.



14:07:08 1 Q. I'm sorry, but I just want to make  
2 sure I understand.

3 Is this referring to helping [REDACTED] have  
4 XRP liquidity?

14:07:17 5 A. This is -- this is giving examples of  
6 where the word "liquidity" is included in  
7 communications, which you just previously said  
8 it wasn't. I just wanted to give you examples  
9 of where XRP liquidity is, in fact, referenced  
14:07:26 10 in our team's communications.

11 Q. Okay.

12 A. So that's one example.

13 And then if you flip to the next page,  
14 there's a bullet -- the second bullet starts  
14:07:32 15 with "They care about flexibility..."

16 Q. Mm-hmm.

17 A. There also is the word "liquidity."

18 Q. Mm-hmm.

19 A. So XRP liquidity. Just -- just to  
14:07:37 20 help give some examples around that word's use  
21 in -- in the communication as well.

22 Q. Right. It seems like I was unclear.  
23 I'm -- I'm sure the word "liquidity" is used.

24 My question, though, was, can you  
14:07:48 25 point me to an example where you used the word

14:07:50 1 "liquidity" in the context of your concerns  
2 about XRP's market liquidity? How --

3 THE COURT REPORTER: I can't hear  
4 you.

14:07:55 5 Q. Can you give me an example? Can you  
6 point me to where you use the word "liquidity"  
7 in the context of your concerns about the  
8 liquidity of XRP's markets? Are you saying that  
9 these are two examples of that?

14:08:08 10 MS. ZORNBERG: Objection. If you  
11 want to show documents -- you're now  
12 asking the witness to just come up in the  
13 whole environment of her work with some  
14 document to show you? That's not how  
14:08:20 15 depositions work.

16 MR. TENREIRO: Okay. Thank you,  
17 Lisa.

18 BY MR. TENREIRO:

19 Q. Can you answer, please?

14:08:23 20 MR. ANELLO: What's the question?

21 A. What's the question?

22 Q. The question is, are you saying these  
23 two examples where you're pointing out the word  
24 "liquidity" are examples of you using the word  
14:08:30 25 "liquidity" to express your concern about the

14:08:33 1 liquidity of -- of the XRP market?

2 A. If you look through the document where  
3 I just pointed out, it looks like the author of  
4 those -- that e-mail was [REDACTED]

14:08:42 5 Q. Mm-hmm. So the answer is no?

6 MS. ZORNBERG: Objection.

7 MR. ANELLO: She gave an answer.

8 Don't -- please don't be rude to her.

9 MR. TENREIRO: I'm just -- I just

14:08:51 10 want an answer to the question.

11 BY MR. TENREIRO:

12 Q. Is this an example of --

13 MR. ANELLO: She gave you an  
14 answer. You don't like the answer, but  
14:08:54 15 she gave an answer.

16 Q. Is this an example of people at Ripple  
17 expressing a concern over the liquidity of the  
18 XRP market in your mind when you read it?

19 A. This is an --

14:09:04 20 MS. ZORNBERG: Objection.

21 A. Okay. This is an example of an  
22 employee at Ripple using the word "liquidity" in  
23 the context of discussions around the XRP  
24 market.

14:09:14 25 Q. Okay. And is it an example of an

14:09:17 1 employee at Ripple expressing concern over the  
2 liquidity of the XRP market?

3 MS. ZORNBERG: Objection.

4 A. I don't know if I'd call it concern.  
14:09:35 5 It's talking about ensuring necessary XRP  
6 liquidity and caring about flexibility and  
7 accessing XRP liquidity. So these are all  
8 things that are, you know, similar to what we  
9 discussed before in terms of liquidity has many  
14:09:49 10 components, right, and accessibility, many --  
11 you know, having many exchanges traded, et  
12 cetera, are all parts of a healthy liquid  
13 market.

14 Q. Okay. Let's go to Exhibit 11.

14:10:01 15 A. Sure.

16 Q. Which is 463443 and it's a two-page  
17 document. I don't know if you've had a chance  
18 to look at it.

19 A. I haven't.

14:10:09 20 Q. Okay.

21 A. So if you don't mind waiting, I'd like  
22 to.

23 (Pause)

24 A. Okay.

14:11:06 25 Q. Ms. Madigan, Mr. Samar -- Samarasinghe

14:11:07 1 here is writing you about "[REDACTED] talking points  
2 for Brad," is that correct?

3 A. It looks that way based on the subject  
4 line in the e-mail.

14:11:16 5 Q. Is it fair to say that these are  
6 points that your team is drafting so that  
7 Mr. Garlinghouse can talk to [REDACTED] about the  
8 situation we've been discussing with the  
9 contract with Ripple?

14:11:28 10 A. I don't know what the -- the specific  
11 e-mail is referencing besides the fact that it's  
12 clearly [REDACTED]. I don't know what the intention  
13 from Brad's -- if he was having a conversation  
14 or otherwise.

14:11:39 15 Q. Well, were there occasions just  
16 generally where you might help Mr. Garlinghouse  
17 sort of come up with talking points that he  
18 might use for conversations with, you know,  
19 Ripple's business partners or anything like  
14:11:48 20 that?

21 A. I don't recall doing that very often,  
22 if at all, but this suggests talking points.  
23 I'm not sure what it was -- what it was being  
24 used for.

14:11:59 25 Q. Okay. Fair enough.

14:12:00 1 And so Mr. Samarasinghe says "Given  
2 XRP" as at -- "is at multiyear lows..."

3 Multiyear lows with respect to what?

4 A. It looks like he's talking about  
14:12:12 5 price.

6 Q. Okay. "And sentiment is poor," what  
7 does that mean? When you read that, what do you  
8 understand that to mean?

9 A. Again, these are his words, not mine.  
14:12:22 10 But when I read that, he -- he's probably  
11 talking about market sentiment overall.

12 Q. Can you explain what you mean by  
13 "market sentiment"?

14 A. Sure. So "sentiment" is often used to  
14:12:33 15 describe markets across the world. So if people  
16 are generally feeling positive about market --  
17 about the markets, they'll say sentiment is  
18 positive; if people are feeling negative, they  
19 might say sentiment is poor.

14:12:47 20 Q. And is it fair that Ripple wanted  
21 there to be positive -- positive market  
22 sentiment with respect to the XRP market?

23 A. I think that's reasonable.

24 Q. Okay. And then he says "The problem  
14:12:59 25 here is existential because it is a vicious

14:13:02 1 cycle." He talks through [REDACTED] purchases. Then  
2 he says "As [REDACTED] sells, they drive the price  
3 lower."

4 Do you see that?

14:13:13 5 A. So S -- yeah, I do see that.

6 Q. Is it fair to say that one of the  
7 concerns the market team -- the markets team had  
8 at Ripple with [REDACTED] sales was that they could  
9 drive the price of [REDACTED] lower?

14:13:28 10 A. So the focus is and has been on  
11 liquidity, but price definitely impacts  
12 liquidity. And at lower price points, the  
13 liquidity impact can be greater.

14 Q. And then he says "This can turn  
14:13:47 15 parabolic and go to zero very quickly."

16 Do you see that?

17 A. Yes.

18 Q. When you read that, did you understand  
19 "go to zero very quickly" to be referencing the  
14:13:52 20 price of XRP going to zero?

21 A. I'm not sure what he was referencing.

22 MR. ANELLO: You skipped several  
23 lines in between.

24 Q. Oh, go ahead and read them. I'm --  
14:13:58 25 and I'm not asking you what he's referring to.



14:14:00 1 I just want to understand, when you read it,  
2 what did you understand?

3 A. Yeah. I don't recall at the time. He  
4 may be referencing price.

14:14:15 5 Q. Do you understand it to be -- it's --  
6 I really don't want you to tell me what he's  
7 referencing because we can ask him.

8 When you read it, even sitting here  
9 today, you know, just as someone who's his  
14:14:24 10 coworker and who talked to him, when you read  
11 it, what do you understand?

12 MS. ZORNBERG: Objection; asked  
13 and answered.

14 A. I've already given an answer.

14:14:38 15 Q. Can you please answer?

16 A. Yes. I -- I don't know what he meant  
17 by this.

18 Q. Okay. I'm going to -- I'm going to  
19 keep asking you, though. What -- I don't want  
14:14:45 20 to know what he meant. I want to know what you  
21 understand.

22 When you read this, what does this  
23 mean to you? Is it a reference to price or to  
24 something else?

14:14:51 25 A. It could be price. It could be



14:14:53 1 something else. I don't know.

2 Q. What something else could it be?

3 MS. ZORNBERG: Objection. Asked  
4 and answered several times now.

14:14:58 5 MR. TENREIRO: It's not answered.  
6 We're going to keep going.

7 MS. ZORNBERG: She answered. You  
8 just don't like the answer.

9 MR. TENREIRO: We still have --  
14:15:07 10 how -- how much time do we have?

11 THE VIDEOGRAPHER: We've been on  
12 the record 2 hours and 59 minutes.

13 MR. TENREIRO: All right.

14 BY MR. TENREIRO:

14:15:12 15 Q. So what do you understand "go to zero  
16 very quickly" to mean? I think you said it  
17 could be price; it could be something else.  
18 What something else could it be in your  
19 understanding? Please don't speak to what he is  
14:15:20 20 saying. I can ask him.

21 MS. ZORNBERG: Objection.

22 MR. ANELLO: Yeah, I'm not --  
23 you're really arguing with her and I  
24 assume you don't mean to --

14:15:29 25 THE COURT REPORTER: I cannot

14:15:29 1 hear you, Mr. Anello. You're going to  
2 have to come toward the microphone.

3 MR. ANELLO: Okay. You're --  
4 you're arguing with her. You may be  
14:15:34 5 frustrated and I understand that, but  
6 please don't argue with her. Just ask  
7 your question politely because she's  
8 answering politely. That's the way we're  
9 going to continue to do it.

14:15:45 10 MR. TENREIRO: Okay.

11 BY MR. TENREIRO:

12 Q. Ms. Madigan, your answer, please.

13 MR. ANELLO: Why don't we read  
14 the question back.

14:15:50 15 MR. TENREIRO: Yes.

16 Q. From your perspective, when you read  
17 these -- when you read these words, is it a  
18 reference to price or something else? You said  
19 it could be price; it could be something else.  
14:15:59 20 What is the something else from your  
21 perspective?

22 A. I'm not sure. It could be referring  
23 to inflation. It could be referring to price.  
24 I'm not sure what was referenced here.

14:16:06 25 Q. Okay. I think this is a natural --

14:16:10 1 well, let's keep going. Let's keep going. All  
2 right. We can set this aside. Thank you.

3 MR. TENREIRO: Let's look at  
4 Exhibit 15, please.

14:16:28 5 (Whereupon, exhibit is presented  
6 and marked SEC Madigan Exhibit 15 for  
7 identification.)

8 MR. TENREIRO: And 15 is going to  
9 be RPLI\_SEC 200768. Yeah.

14:17:41 10 BY MR. TENREIRO:

11 Q. Ms. Madigan, is it -- so you mentioned  
12 you have some involvement at times with perhaps  
13 making comments related to the market reports.  
14 Is that fair?

14:17:50 15 A. Yes. So it was typically drafted by a  
16 combination of multiple teams and then I would  
17 typically read through and provide edits as and  
18 if necessary.

19 Q. What were the teams that might have  
14:18:00 20 drafted it?

21 A. So there was contributions from the  
22 legal team, the markets team, the regulatory  
23 team, the Xpring team, maybe biz dev from time  
24 to time.

14:18:27 25 Q. Biz dev?

14:18:27 1 A. Yeah.

2 THE COURT REPORTER: I'm sorry.

3 Maybe what? I didn't hear that. Maybe  
4 what from time to time?

14:18:27 5 THE WITNESS: Biz -- sorry,  
6 business development?

7 Q. Who at the markets team would be  
8 involved with the drafting, if anyone?

9 A. So depending upon the quarter, it  
14:18:38 10 could be [REDACTED] It could be Dinuka.  
11 It could be [REDACTED] There are a number --  
12 [REDACTED] other members of the team. Depending on  
13 the topic and who was available at the time.

14 Q. And is it fair to say, as we've  
14:18:52 15 discussed, the markets report -- the markets  
16 reports were sort of information that Ripple  
17 gave to the market? So outward-facing  
18 communications, is that fair?

19 A. Yes.

14:19:02 20 Q. And is it fair to say that there were  
21 other outward-facing communications that Ripple  
22 might engage in such as, you know, tweets or  
23 videos or -- or posts on the website?

24 A. Yes.

14:19:12 25 Q. And did your team have involvement

14:19:14 1 from time to time, generally speaking, with  
2 those as well?

3 A. So from time to time, there might be  
4 examples of Insights posts, for example, yes.

14:19:26 5 Q. Insights?

6 A. Yes.

7 Q. Okay. But is it fair to say that from  
8 time to time your team had involvement with  
9 those Insights -- Insights posts?

14:19:37 10 A. Insights posts were drafted and  
11 created by our comms team. And then similar to  
12 with the example I was just given with the XRP  
13 markets report, we would be invited to edit or  
14 comment as and if necessary.

14:19:50 15 Q. And do I recall correctly that  
16 you're -- you're saying that your team is now  
17 under Ms. Monica Long?

18 A. That's correct.

19 Q. And she's a communications person?

14:19:58 20 A. She was running marketing  
21 communications and now she is the GM of RippleX.

22 Q. Okay. Got it.

23 All right. So focusing on Exhibit 15  
24 for a second, please, it says -- the draft

14:20:12 25 report says "In addition, the team announced it

14:20:15 1 has invested [REDACTED] in over 20-plus  
2 companies and is building developer platform to  
3 offer resources, such as tools, libraries and  
4 services, to make it easy to build on the XRP  
14:20:26 5 ledger and utilize interledger protocols."

6 Do you see that?

7 A. I do see that.

8 Q. And then you say "This could be seen  
9 as a negative to the market, given the signif  
14:20:36 10 quantity of XRP supply hitting market. I might  
11 prefer that we do not reference Xpring in this  
12 report."

13 Do you see that?

14 A. I do see that.

14:20:43 15 Q. Why would this information be seen as  
16 a negative to the market?

17 A. So we spoke earlier about the negative  
18 impact that significant quantity of supply,  
19 especially in one direction, can have on the  
14:20:57 20 market. And communicating large quantities of  
21 XRP hitting the market could have the impact of  
22 drying up liquidity.

23 Q. Well -- okay. So is it fair to say  
24 based on this comment that not all information  
14:21:12 25 about potential XRP hitting the market was

14:21:21 1 necessarily voluntarily disclosed by Ripple in  
2 the context of these reports?

3 A. I don't recall whether or not this was  
4 disclosed in that report.

14:21:29 5 Q. Okay. But we'll get to the report.  
6 My question, though, is -- you're sort of making  
7 a comment about why you don't think it's a good  
8 idea to mention that in the report.

9 So my question is, given that you were  
14:21:41 10 making that comment, is it fair to say that  
11 Ripple wasn't always going to disclose all the  
12 information it had about XRP hitting the market?

13 MS. ZORNBERG: Objection. And  
14 also mischaracterizes the witness's prior  
14:21:53 15 testimony.

16 Q. Please answer.

17 A. Can you repeat the question, please?

18 Q. Yes. I'm simply asking given -- given  
19 that you're making this comment, is it fair  
14:22:03 20 to -- is it fair for me to understand that there  
21 might be situations where, you know, sort of in  
22 the internal process, you decided this is not  
23 information about XRP hitting the market that we  
24 want to put out there because it might be  
14:22:14 25 negative?

14:22:15 1 A. I'm not so sure because I don't recall  
2 whether or not we did or did not include that in  
3 the markets report.

4 Q. Okay. Well, let's just look at it.

14:22:23 5 MR. TENREIRO: Can you please  
6 pull Exhibit 56?

7 (Whereupon, exhibit is presented  
8 and marked SEC Madigan Exhibit 56 for  
9 identification.)

14:22:27 10 Q. And I just want to -- as she pulls it  
11 out, I just want to refer you to the fact that  
12 here it says "Draft Q2 2019 Markets Report." So  
13 I'm going to pull it and show you that one.

14 A. Sure.

14:22:37 15 MR. TENREIRO: And that's -- I  
16 don't have a Bates for it, I think it's  
17 pulled off the website, but it's Exhibit  
18 56.

19 MS. ZORNBERG: Oh, thank you.

14:22:57 20 Q. And just -- do you have it yet? Yeah.

21 Also, to help you -- you can read the  
22 whole report, obviously -- but in your comment  
23 on Exhibit 15, it says "I might prefer that we  
24 do not reference Xpring in this report."

14:23:12 25 Do you see that?



14:23:15 1 A. Are you talking about Exhibit 15?

2 Q. Yes.

3 A. Yes, I do see that.

4 Q. Okay. So -- and it talks about a  
14:23:22 5 comment: "In addition, the team announced it  
6 has invested [REDACTED] in over 20-plus companies."  
7 That's the comment in Exhibit 15.

8 Do you see that?

9 A. I do see that.

14:23:30 10 Q. Okay. Are you on page 5 of the  
11 report, Ms. Madigan --

12 A. I am.

13 Q. -- where it says "Xpring"? Okay.

14 (Pause)

14:24:28 15 A. Okay.

16 Q. So I guess my question is, did Ripple  
17 end up disclosing, in this report at least, that  
18 it had announced -- that Xpring had announced --  
19 invested [REDACTED] in over 20-plus companies?

14:25:19 20 MS. ZORNBERG: Objection to form.

21 A. I don't see it in the "Xpring"  
22 section, I -- but I'm still scanning the whole  
23 document.

24 Q. Okay.

14:25:26 25 (Pause)

14:25:58 1 A. I don't see it in the report.

2 Q. Okay. Is one of the reasons it's not  
3 in the report because of the concern about how  
4 it could be seen as a negative to the market  
14:26:07 5 given the significant quantity of XRP supply  
6 hitting the market?

7 A. So as we've spoken about, the  
8 one-directional flow in the market can have a  
9 negative impact on liquidity. And sometimes  
14:26:21 10 statements around something like that could be  
11 taken -- misinterpreted by the market as, for  
12 example, [REDACTED] hitting sup -- being one  
13 way sold immediately into market. And so  
14 that -- that would be misinterpreted.

14:26:34 15 Q. Okay. Is it fair -- sorry. Are you  
16 finished? Yep? Okay.

17 Is it fair to say that Ripple might,  
18 from time to time, have information about XRP  
19 supply that's hitting the market, such as the  
14:26:49 20 example in Exhibit 15, that was not disclosed,  
21 at least not in the market reports, for -- for  
22 reasons such as the one you explained?

23 A. Well, I want to clarify an assertion  
24 you made in the statement which is incorrect,  
14:27:02 25 which is that even if -- which, by the way, I'm

14:27:04 1 not sure if [REDACTED] is true that they were  
2 investing in companies, that doesn't mean that  
3 that [REDACTED] in supply hit the market. And  
4 so when you said [REDACTED] in supply hitting  
14:27:15 5 the market, if these companies were taking that  
6 XRP and using it in their platform without  
7 trading it, it wouldn't hit the mark.

8 Q. Right. I was just -- I was just using  
9 your words, but that -- but that's okay. We can  
14:27:23 10 say, you know, let's -- let's rephrase the  
11 question.

12 Is it fair to say that there might  
13 have, from time to time, been an occasion where  
14 Ripple had information about investments it had  
14:27:35 15 made in companies, such as the ones described in  
16 the draft report, that it might have chosen, for  
17 whatever reason, not to include in the ultimate  
18 report that was published?

19 A. It looks to be that this is a  
14:27:48 20 potential example. However, the reason I'm  
21 clarifying hitting the market is that the -- the  
22 perception with a headline like "[REDACTED] in  
23 20 companies" could be read by the market as,  
24 oh, that's [REDACTED] of supply Ripple dumping,  
14:28:01 25 which, in actual fact, wouldn't have been the

14:28:03 1 case here if these companies are taking the XRP  
2 and using it in a way that's driving utility.

3 So the -- the potential for  
4 misinterpreting that headline is the reason that  
14:28:12 5 something like that can be extracted.

6 Q. Right. Right.

7 But when you say looks to be that this  
8 is a potential example, I just want to make  
9 sure. This is a potential example of certain  
14:28:22 10 information not making it at least in the market  
11 reports for reasons such as the ones you  
12 described?

13 MS. ZORNBERG: Objection.

14 A. I don't know. I don't even know if  
14:28:30 15 [REDACTED] is the correct number. I don't -- I  
16 can't validate the 20 companies, et cetera. So  
17 I don't know if -- I don't know enough about  
18 what happened with this XRP, et cetera. But,  
19 yes, if -- is this an example of where something  
14:28:46 20 around XRP was discussed that didn't make it  
21 into the markets report? Yes.

22 Q. Would -- would it be discussed  
23 somewhere else, for example? What -- where  
24 would be the other places that I might look to  
14:28:54 25 that it might be discussed? I'm not asking you

14:28:56 1 to tell me what it was.

2 A. Probably in something specific to  
3 Xpring.

4 Q. So, like, for example, the website or  
14:29:01 5 the Twitter feed or what -- where would I, you  
6 know --

7 A. Yeah. For example, this actually  
8 references the team announced --

9 Q. Mm-hmm.

14:29:06 10 A. -- it has invested. So it appears as  
11 though there was an announcement already made to  
12 the public around that activity.

13 Q. Okay. Announcements of this sort  
14 would be, again, on the website, on a YouTube  
14:29:17 15 video, Twitter, or --

16 A. Could be all of the above. I don't --

17 Q. Okay.

18 A. -- I don't know where they made this  
19 specific announcement, but I do recall something  
14:29:24 20 being publicly shared around the topic.

21 Q. Okay. And just a moment ago you  
22 said -- and I'm just going to read what was  
23 transcribed -- "However, the reason I'm  
24 clarifying hitting the market is that the

14:29:36 25 perception with a headline like ' [REDACTED] and



14:29:38 1 20 companies'" -- excuse me -- "'could be read  
2 by the market as, oh, that's [REDACTED] supply  
3 of Ripple dumping." Why -- "which, in actual  
4 fact, wouldn't be the case here if the companies  
14:29:51 5 were taking the XRP and using it in a way that's  
6 driving utility."

7 A. Uh-huh.

8 Q. Would the market perceiving Rimple --  
9 Ripple dumping XRP be something that, you know,  
14:30:03 10 the markets team -- the markets team did not  
11 want to occur?

12 A. So the markets team is focused on  
13 developing healthy liquid markets for XRP. As I  
14 mentioned, if there's large one-directional  
14:30:14 15 flow, it's not helpful to liquidity. It tends  
16 to be hurtful to liquidity. And so with one  
17 headline, as that example gave, there is  
18 potential for the market to misinterpret a  
19 statement like that as supply that's directly  
14:30:28 20 hitting the market when, in actual fact, it  
21 likely wasn't hitting the mark.

22 Q. Let me just try to make sure I  
23 understand.

24 If the market perceives, however  
14:30:37 25 correctly or incorrectly, that there's going to

14:30:39 1 be more supply hitting the market such as  
2 one-directional flow, how could that  
3 perception -- not the actual flow, right,  
4 because now I'm talking about the perception --  
14:30:48 5 how would the perception affect the liquidity?

6 A. So perception in all markets  
7 influences people's decision around assets and  
8 it's something that moves markets one way or  
9 another.

14:30:59 10 Q. So -- but to be specific about my  
11 question, would it be -- would it affect  
12 liquidity by people, like, pulling buy orders or  
13 how would it affect liquidity?

14 A. It's hard for me to say what people  
14:31:07 15 will do based on a headline. They make their  
16 own independent decisions around the news that  
17 they're reading.

18 Q. Right.

19 I'm just trying to understand. To the  
14:31:16 20 extent you think that it might be negative  
21 because it affects liquidity, like, can you tell  
22 me in your head how the negative perception, you  
23 know -- what -- what are the steps between the  
24 negative perception and the, you know, bad  
14:31:26 25 liquidity effect?

14:31:26 1 A. As I mentioned, the goal of the  
2 markets report was to communicate transparently  
3 around what was happening. And a headline like  
4 that being misinterpreted is not actually  
14:31:34 5 promoting transparency around XRP supply.

6 Q. Okay.

7 MR. ANELLO: Could we take a  
8 break?

9 MR. TENREIRO: Sure.

14:31:40 10 THE VIDEOGRAPHER: The time right  
11 now is 2:31 p.m. We're off the record.

12 (Whereupon, a recess is taken.)

13 THE VIDEOGRAPHER: The time right  
14 now is 2:48 p.m. We're back on the  
14:47:56 15 record.

16 BY MR. TENREIRO:

17 Q. Ms. Madigan, at some point today, I  
18 think you told me that Mr. Larsen attended the  
19 weekly meetings that your team had, at least for  
14:48:04 20 the first year or so that you were at Ripple, is  
21 that correct?

22 A. Yeah. Just to clarify, the -- when  
23 you say your team meetings, my team meetings  
24 were separate from the Friday meetings. The  
14:48:16 25 Friday meetings had a group of attendees that



14:48:19 1 included many people including Mr. Larsen.

2 Q. And what was his role at those  
3 meetings?

4 A. He didn't have an active role. He  
14:48:29 5 would usually listen in and occasionally ask a  
6 question.

7 Q. Did he -- did you update him as to  
8 information that was happening at the company  
9 and -- or with your team at those meetings?

14:48:37 10 A. He received the same information that  
11 everybody at the meeting received.

12 Q. And were you delivering information to  
13 participants at the meeting, at those meetings?

14 A. Yes. I was one of the people that  
14:48:50 15 would deliver information at those meetings,  
16 yes.

17 Q. And who else was delivering  
18 information?

19 A. It depended on the week. It could be  
14:48:55 20 Ron. It could be Ethan. It could be Brad.

21 Q. You said Ron, Ethan and Brad -- and  
22 who?

23 A. It could be Brad. There were a number  
24 of speakers depending upon the topics of the  
14:49:04 25 week.

14:49:10 1 Q. Okay. Were decisions presented to  
2 management at any of those meetings generally?

3 A. I just want to clarify. So when you  
4 say "decisions presented," no.

14:49:20 5 Q. Sorry.  
6 Were -- were issues presented for  
7 decisions such as, okay, well, here's these two  
8 course of actions we're thinking. You know,  
9 what do people think?

14:49:28 10 MS. ZORNBERG: Objection as to  
11 form.

12 A. Can you clarify your question?

13 Q. Yes.

14 At these Friday meetings, generally  
14:49:35 15 speaking, would they include asking, you know,  
16 Mr. Garlinghouse, Mr. Larsen or other people  
17 that you consider management to make decisions  
18 about potential courses of action?

19 A. Potentially.

14:49:47 20 MS. LINSENMAYER: Objection to  
21 form.

22 Q. You said "potentially"?

23 A. Potentially.

24 Q. Okay. Let me -- let me move on from  
14:50:00 25 that.

14:50:00 1 Did Ripple sell XRP to speculative  
2 investors?

3 A. So Ripple sold XRP through market  
4 makers who then sold on exchanges. And  
14:50:14 5 speculators I'm sure were part of the people who  
6 were buying the XRP through those exchanges.

7 Q. When you -- and, you know, in  
8 connection with your employment at Ripple, do  
9 you, Ms. Madigan, understand that XRPs sold on  
14:50:33 10 behalf of Ripple by market makers could be sold  
11 to speculators on these exchanges?

12 A. I'm sorry. Can you say that one more  
13 time?

14 Q. Yes.

14:50:41 15 Do you, Ms. Madigan, have an  
16 understanding that XRP sold on behalf of Ripple  
17 by market makers could be sold to speculators?

18 A. Yes.

19 Q. Did Mr. Garlinghouse -- does  
14:50:50 20 Mr. Garlinghouse have that understanding?

21 A. I can't --

22 MS. ZORNBERG: Objection.

23 A. -- speak to Mr. Garlinghouse's  
24 understandings.

14:50:55 25 Q. Have you ever discussed with him, you

14:50:57 1 know, the subject of who -- who are these people  
2 buying XRP on these exchanges?

3 A. I remember broad discussions around  
4 that. More around geographies and -- and -- and  
14:51:10 5 volumes on exchanges and general, sort of, data  
6 around where it was being traded.

7 Q. So more -- more geographies and  
8 volumes than maybe like the identities of the  
9 purchasers?

14:51:22 10 A. Right. So we --

11 MS. ZORNBERG: Objection.

12 A. We don't -- wouldn't -- so as I  
13 mentioned before, we use -- we leveraged market  
14 makers who would handle the selling of XRP on  
14:51:32 15 our behalf. Typically those market makers would  
16 sell on exchanges and we would not be privy to  
17 client data information on behalf of the  
18 exchanges' clients.

19 Q. Right.

14:51:42 20 So -- but beyond -- is it -- do you  
21 think in your experience working for Ripple, you  
22 could derive an understanding of who's  
23 purchasing XRP at these exchanges from sources  
24 other than, you know, the client data  
14:52:03 25 information?

14:52:04 1 A. It would be hard to get that  
2 information without having access to the  
3 exchanges' client base.

4 Q. So the exchanges' client base is the  
14:52:16 5 only way you think that -- well, the  
6 exchanges' -- is the -- is the exchange client  
7 base data the only way to sort of identify  
8 whether purchases of XRP are speculative  
9 investors or something else?

14:52:30 10 MS. ZORNBERG: Objection.

11 A. There's probably other ways to gather  
12 general market information. Publicly available  
13 sources; you know, websites that report on  
14 market moves; talking to other market  
14:52:49 15 participants for color, et cetera. But given  
16 Ripple doesn't have a trading desk, we don't  
17 have direct relationships with the purchasers.

18 Q. With who?

19 A. The people who were purchasing through  
14:53:00 20 the exchanges. It was done through the third  
21 parties, the market makers.

22 Q. Right.

23 But is -- is it fair to say that -- I  
24 mean, wasn't understanding the XRP markets  
14:53:11 25 important to you all at Ripple?

14:53:14 1 MS. ZORNBERG: Objection.

2 A. I did -- I did attempt to understand  
3 XRP markets, crypto markets, absolutely.

4 Q. Did you ask -- for example, to try to  
14:53:24 5 understand the XRP markets, did you ask the  
6 market makers to give you sort of information  
7 about the markets?

8 A. Yes. We regularly asked market  
9 participants at their OTC desks for what we call  
14:53:36 10 color, market color, regarding what they're  
11 observing in the markets.

12 Q. And in the context of these or other  
13 conversations that you might have had to  
14 understand the markets, it sounds like that's  
14:53:46 15 the context in which you came to understand that  
16 there could be speculators in the market as  
17 well?

18 A. Yeah. I mean, in general -- I don't  
19 know if it was through any one source. There  
14:53:53 20 was a number of sources we used to understand  
21 whatever market dynamics we could around XRP and  
22 around crypto markets broadly.

23 Q. Okay. So it -- it was through maybe a  
24 number of sources that you, Ms. Madigan,  
14:54:07 25 personally came to understand that there were

14:54:09 1 speculators in the XRP market.

2 A. Yes.

3 Q. Okay. And so now my question is, did  
4 you ever convey any of that information to

14:54:16 5 Mr. Garlinghouse such that you might have  
6 conveyed to Mr. Garlinghouse and say, look, you  
7 know, my understanding of the market is there  
8 are some are speculators in the XRP market? Did  
9 you ever convey anything like that to him in sum  
14:54:27 10 or substance?

11 A. I don't recall anything specifically.  
12 My sense is that it's widely understood that the  
13 crypto markets are actively traded by  
14 speculators.

14:54:35 15 Q. And what's your sense based off --  
16 based on?

17 A. Again, those -- the many sources of  
18 information.

19 Q. Okay. And when you say your sense is  
14:54:43 20 that it's "widely understood," widely understood  
21 you mean at Ripple or widely you understood in  
22 the world?

23 A. In the world.

24 Q. Okay. Does that include Ripple?

14:54:50 25 A. Yes.

14:54:51 1 Q. Okay. Is it your sense that it's  
2 widely understood at Ripple that the XRP market  
3 is actively traded by speculators?

4 A. I don't know how many employees at  
14:55:00 5 Ripple, you know, are focused on markets  
6 specifically. Certainly within the markets  
7 team.

8 Q. Okay. So is it -- is it your sense  
9 that it's widely understood at Ripple's markets  
14:55:11 10 team that the XRP market is actively traded by  
11 speculators?

12 A. Yes.

13 Q. Is it --

14 THE COURT REPORTER: Actively  
14:55:22 15 traded by? I can't hear you.

16 MR. TENREIRO: Speculators.

17 Q. Answer again, please.

18 A. Yes.

19 Q. Okay. Is it your sense that it's  
14:55:25 20 widely understood by, say, Ripple's leadership  
21 that the XRP market is actively traded by  
22 speculators?

23 MS. ZORNBERG: Objection.

24 A. Yeah, I can't comment on speculating  
14:55:34 25 around individual members of leadership teams'



14:55:37 1 view on the markets.

2 Q. Well, have you ever, you know, given  
3 information to, for example, Ripple's board that  
4 might convey in sum or substance that the XRP  
14:55:46 5 market is actively traded by speculators?

6 A. So I never gave information to  
7 Ripple's board.

8 Q. Well, did you prepare -- did you help  
9 prepare documents that might have been presented  
14:55:54 10 to Ripple's board?

11 A. So I recall -- I actually didn't even  
12 recall, but -- except that you showed me a  
13 document earlier where we were commenting on a  
14 document that looked like it was for the board,  
14:56:03 15 but I don't recall in particular --

16 Q. Okay. Let me --

17 A. -- commenting on documents regularly.

18 Q. I'm sorry?

19 A. I don't recall --

14:56:09 20 THE COURT REPORTER: I didn't  
21 hear that.

22 A. Sorry. I don't recall frequently  
23 working on documents for the board. A document  
24 that was presented to me earlier refreshed my  
14:56:18 25 memory that I must have commented on something

14:56:20 1 for the board, but I don't recall that document  
2 offhand.

3 Q. Was -- did the markets team at Ripple  
4 have a view as to whether the fact that the XRP  
14:56:35 5 market is actively traded by speculators is good  
6 or bad for the XRP market?

7 A. No.

8 Q. No view either way?

9 A. No.

14:56:48 10 Q. Is the -- is active trading by  
11 speculators something that Ripple's market team  
12 desires?

13 A. We didn't have a view on good, bad or  
14 otherwise. That was just sort of a reality we  
14:56:58 15 observed.

16 Q. Did you ever take any steps to  
17 encourage trading by speculators in the XRP  
18 markets?

19 A. No.

14:57:07 20 Q. And I'm talking about the markets  
21 team.

22 A. No, none that I recall. And, again,  
23 actually, if I can ask you to clarify, I don't  
24 want to speak on behalf of an entire team, but I  
14:57:14 25 can speak to me.

14:57:18 1 Q. Yeah. Absolutely only speak on behalf  
2 of your knowledge of the team. Well, I'm asking  
3 you a little broader than "you," just as --  
4 as -- in your role as the head of

14:57:24 5 the institutional markets --

6 A. Sure.

7 Q. -- team.

8 A. Sure.

9 Q. But only whatever you know.

14:57:27 10 So as far as you know, did the XRP  
11 markets team, you know, take steps to encourage  
12 speculative trading in the XRP market?

13 A. No.

14 Q. And, again, only as far as you know,  
14:57:39 15 did anyone else at Ripple take steps aimed at  
16 encouraging speculative trading in the XRP  
17 market?

18 A. No.

19 Q. If there were speculative trading in  
14:57:48 20 the XRP market, would that affect the liquidity  
21 of the XRP market?

22 A. Any trading of an asset impacts its  
23 liquidity.

24 Q. Okay. So how would trading by  
14:58:01 25 speculators impact the liquidity?

14:58:04 1 A. It could help liquidity if there was  
2 more frequently traded volumes of XRP. It  
3 depends what they were doing, how -- in those  
4 trades. I mean, there's a lot of factors that  
14:58:14 5 would impact XRP's liquidity.

6 Q. So I guess if specula -- speculators  
7 are trading in one direction, that would not  
8 help the liquidity?

9 A. No. Well, it's -- speculators can  
14:58:28 10 trade in many directions. The one comment I  
11 made previously, which I'll reiterate, is that  
12 if there is significant one-sided flow in a  
13 market, it can --

14 MR. TENREIRO: Bless you.

14:58:38 15 A. -- impact liquidity --

16 THE WITNESS: Bless you.

17 A. -- negatively.

18 Q. Okay. Fair enough.

19 Does that apply, though, to speculated  
14:58:44 20 -- speculative flow? If it's, you know,  
21 significant one-sided flow by speculators --

22 A. Yeah.

23 Q. -- can that impact liquidity  
24 negatively?

14:58:54 25 A. Yeah.

14:58:55 1 Q. And does that apply to significant  
2 one-sided purchase flow, by flow?

3 A. Yeah.

4 Q. Does that impact liquidity negatively?

14:59:03 5 A. It can, yes.

6 Q. Okay.

7 A. Any one -- any significantly sized  
8 one-directional flow tends to have a -- a  
9 significant impact on liquidity.

14:59:10 10 Q. And did Ripple's markets team, as far  
11 as you're aware, ever take steps to try to sort  
12 of make sure there wasn't too much, you know,  
13 one-sided purchase flow by speculators in the  
14 XRP market?

14:59:24 15 A. No.

16 Q. Okay. Did anyone else at Ripple ever  
17 make those efforts as far as you're aware of?

18 A. Not that I'm aware of.

19 Q. Okay.

14:59:32 20 THE WITNESS: Let's look at  
21 Exhibit 2.

22 (Whereupon, exhibit is presented  
23 and marked SEC Madigan Exhibit 2 for  
24 identification.)

14:59:35 25 MR. TENREIRO: And this will be

14:59:40 1 RPLI\_SEC 181347. It's three pages.

2 Sorry.

3 (Pause)

4 BY MR. TENREIRO:

15:01:25 5 Q. Ms. Madigan, who is [REDACTED] or

6 [REDACTED]

7 A. I think he worked in the  
8 accounting and ops team. I can't recall  
9 exactly.

15:01:38 10 THE COURT REPORTER: In the  
11 accounting what?

12 A. Oh, it says here "Revenue Operations  
13 Manager," but I -- I can't recall exactly his  
14 function.

15:01:46 15 Q. Okay. Do you see he references a BD  
16 deal with [REDACTED]?

17 A. I do.

18 Q. What is [REDACTED]?

19 A. [REDACTED] is a company that, again, I  
15:01:56 20 don't know a ton about, but I know that they  
21 offer -- I believe they offer FX services and  
22 crypto services.

23 Q. And do you see a reference to "our CTS  
24 program"?

15:02:10 25 A. Yes.

15:02:11 1 Q. Sitting here today, do -- what do you  
2 understand him to be referring to?

3 A. So "CTS" was a term that was used  
4 before I joined. You can see here they're  
15:02:21 5 talking about last December. And I forget what  
6 it stands for, but I know it was related to the  
7 over-the-counter -- the OTC business, which, as  
8 I mentioned, wrapped up pretty much when we --  
9 when I joined.

15:02:33 10 Q. Over-the-counter sales of XRP?

11 A. Right.

12 Q. Okay. He says "As part of that deal,  
13 they intended to source the XRP sold through  
14 their mobile app to mom and pop crypto investors  
15:02:50 15 through our CTS program."

16 Do you see that?

17 A. I do see that.

18 Q. And what did -- what did you  
19 understand that to mean, that [REDACTED] was going  
15:02:57 20 to -- "intended to source the XRP sold through  
21 their mobile app to mom and pop crypto  
22 investors"?

23 A. So I don't recall -- this was two  
24 years ago at the time -- but I can attempt now  
15:03:08 25 to interpret it.

15:03:22 1           Okay. Reading it now, it looks to be  
2           referencing that -- that [REDACTED] was seeking to  
3           source the XRP from Ripple that they wanted to  
4           use in their app.

15:03:33 5           Q. And they wanted to sole -- sell it in  
6           their app to mom and pop crypto investors?

7           A. It looks that way.

8           Q. Why would Ripple want to partner with  
9           someone that was seeking to sell XRP to mom and  
15:03:48 10          pop crypto investors?

11          A. Well, this was done before my time, so  
12          I'm not sure what -- why or how they came to  
13          work with [REDACTED] in that regard.

14          Q. Does this refresh your memory as to  
15:03:59 15          whether Ripple took steps to get XRP into the  
16          hands of mom and pop crypto investors?

17          A. Again, this was done before my time,  
18          so I'm not going to speculate around what Ripple  
19          did or didn't do before when I was there.

15:04:12 20          Q. And so just to be clear, "mom and pop  
21          crypto investors," what -- what does that mean?  
22          You know, what -- that seems like a term that  
23          perhaps someone with your experience can  
24          explain.

15:04:19 25                       MS. ZORNBERG: Objection.



15:04:20 1 A. Yeah. I didn't write this and I don't  
2 know -- I couldn't recall, as you heard me say,  
3 which function [REDACTED] had. So I don't know what  
4 he's referencing here.

15:04:28 5 Q. No, I understand you don't know what  
6 he's referencing. My question is, when you read  
7 it, what do you understand?

8 A. "Mom and pop" to mean a -- a mom and a  
9 dad.

15:04:39 10 Q. So, for example, like retail  
11 investors?

12 A. Perhaps.

13 MS. ZORNBERG: Objection.

14 A. I don't know.

15:04:44 15 Q. Speculative investors? Would that  
16 cover that?

17 A. I -- I --

18 Q. What your understanding is.

19 A. I do not know.

15:04:49 20 Q. You don't know what your understanding  
21 is?

22 MS. ZORNBERG: Objection.

23 A. No, I do not know what was meant here  
24 because I did not write this e-mail.

15:04:56 25 Q. Okay. And in the front page it

15:04:58 1 says -- [REDACTED] says "Sure, it might make  
2 sense to loop [REDACTED] in this call as well  
3 given he's probably closest to them with overall  
4 relationship and CTS as part of a broader deal."

15:05:11 5 Who is [REDACTED]?

6 A. [REDACTED] is a former employee of  
7 Ripple who worked on the business development  
8 team.

9 Q. He did -- did he -- he did not work in  
15:05:23 10 the -- in your team, in the market sales team?

11 A. No, he worked in the business  
12 development team.

13 Q. And what was their role or what is  
14 their role?

15:05:33 15 A. Well, I don't --

16 MS. ZORNBERG: I'm sorry, what's  
17 the question?

18 MR. TENREIRO: What is -- what is  
19 [REDACTED] role?

15:05:36 20 MS. ZORNBERG: Today?

21 MR. TENREIRO: No. What was his  
22 role?

23 A. So I -- I -- I did not run the  
24 business development team, so I won't pretend to  
15:05:44 25 know their -- their mandate in any level of

15:05:46 1 detail. But I know that [REDACTED] was --  
2 managed some clients of ODL.

3 Q. Okay. Let's move to Exhibit 3.

4 (Whereupon, exhibit is presented and  
15:06:06 5 marked SEC Madigan Exhibit 3 for  
6 identification.)

7 (Pause)

8 A. Okay.

9 Q. Ms. Madigan, do you see this seems  
15:07:13 10 to -- sorry.

11 MR. TENREIRO: Did I read for the  
12 record? It's RPLI\_SEC 478900.

13 Q. This seems to reflect notes --

14 MS. LINSSENMAYER: Excuse me.  
15:07:21 15 This is Robin. Can you hold your  
16 questioning, please, until the exhibit  
17 comes through from Dugan?

18 MR. TENREIRO: Sure.

19 MS. LINSSENMAYER: Thank you.

15:07:47 20 MR. TENREIRO: It's on the  
21 screen, Robin. It's just that.

22 MS. LINSSENMAYER: Oh, it's just  
23 that small part. Okay.

24 BY MR. TENREIRO:

15:07:53 25 Q. All right. Ms. Madigan, would you

15:07:54 1 agree this appears to be minutes from some  
2 meeting that was had between the comms team and  
3 the markets team?

4 A. It does appear to be the case.

15:08:02 5 Q. Okay. In the last asterisk,  
6 Mr. Samarasinghe writes "The markets team  
7 believes that communications should lead towards  
8 the building of credibility with sophisticated  
9 digital asset speculators."

15:08:15 10 Do you see that?

11 A. I do see that.

12 Q. Do you have any reason to -- do you  
13 have any reason to doubt that that accurately  
14 reflects the markets team's belief at the time?

15:08:25 15 A. So this was obviously authored by  
16 Dinuka. And while he stated it was a statement  
17 on behalf of the markets team, it's potentially  
18 just his view. And I don't recall the markets  
19 team's view in May of 2020 with respect to this  
15:08:40 20 specific topic.

21 Q. At any time did the markets team have  
22 the view that communications should lead towards  
23 the building of credibility with sophisticated  
24 digital assets --

15:08:49 25 THE COURT REPORTER: I'm sorry.

15:08:49 1 Repeat. I can't hear you, sir.

2 Q. At any time did the markets team have  
3 a view that communications should lead towards  
4 the building of credibility with sophisticate --  
15:08:58 5 sophisticated digital asset speculators?

6 A. So I mentioned Ripple's general view  
7 was that we wanted to be a responsible -- a  
8 responsible company in the crypto space. We  
9 offered -- we offered transparency through those  
15:09:23 10 markets reports and we always wanted to set an  
11 example of credibility and working with credible  
12 counterparts.

13 Q. And why -- why -- why specifically,  
14 though, credibility with sophisticated digital  
15:09:35 15 asset speculators? Why with them specifically?

16 A. I don't know why he specifically chose  
17 that subset in that specific bullet.

18 Q. And what do you understand by  
19 "sophisticated digital asset speculators"? Not  
15:09:48 20 what did he mean. What did you understand?

21 A. Yeah. This looks to be referencing a  
22 conversation around an article that had some  
23 incorrect data on XRP. So if you read through  
24 it, it looks to be an attempt to correct some  
15:10:01 25 mistakes that were in a publicly available

15:10:04 1 article.

2 Q. And why -- why would Ripple want to do  
3 that?

4 A. Because Ripple was interested in  
15:10:09 5 sharing as much transparency as possible around  
6 XRP. And it looks like it's referencing a  
7 mistake by -- I'm sorry, that was publicly  
8 available.

9 Q. And why was Ripple interested in  
15:10:21 10 sharing as much transparency as possible around  
11 XRP?

12 A. For many of the reasons we've  
13 discussed, which is we care about XRP. We have  
14 a lot of XRP. It's critical to the function of  
15:10:32 15 our ODL product and ensuring sufficient  
16 liquidity, and healthy orderly markets is  
17 something that we were focused on.

18 Q. How is sharing as much information as  
19 possible around XRP helpful to the functioning  
15:10:44 20 of your ODL products?

21 A. So, in general, as with traditional  
22 markets, transparency in markets is helpful to  
23 help people form a view on the markets.

24 Q. When you said "traditional markets,"  
15:10:57 25 what did you mean by "traditional markets"?

15:11:00 1 A. Traditional financial markets.

2 Q. Okay. "Transparency in markets is  
3 helpful to help people form a view on the  
4 markets"? Is that what you said?

15:11:11 5 A. I believe. I don't recall exactly  
6 what words I just used.

7 Q. Wouldn't transparency in markets be  
8 helpful to help people form a view in the  
9 markets?

15:11:21 10 A. Transparency is helpful in all  
11 markets, yes.

12 Q. Okay. And to the extent it's helpful  
13 in helping people form a view, how would  
14 transparency help people form a view? A view as  
15:11:31 15 to what?

16 MS. ZORNBERG: Objection.

17 A. A view on the market.

18 Q. A view about what aspect of the  
19 market?

15:11:43 20 A. Any aspect that's being contemplated.  
21 Here it looks like escrow.

22 Q. Can I please ask you to take a look at  
23 Exhibit 24, which is a five-page e-mail,  
24 RPLI\_SEC 478676.

15:12:12 25 MR. TENREIRO: Thank you. Here



15:12:12 1           you go.

2                   MS. ZORNBERG: Thank you.

3                   MR. TENREIRO: All right.

4                   (Whereupon, exhibit is presented  
15:12:13 5           and marked SEC Madigan Exhibit 24 for  
6           identification.)

7 BY MR. TENREIRO:

8           Q. And as you review, you know, there's a  
9           number of subheadings. Here I'm interested in  
15:12:38 10          what [REDACTED] wrote in "Infrastructure  
11          Listings/Integrations," but take as much time as  
12          you need --

13                  A. Thank you.

14                  Q. -- to review the e-mail, please.

15:12:47 15               A. I will.

16                  (Pause)

17                  A. Okay. Sorry. Can you remind me what  
18          you said you wanted to focus on?

19                  Q. Yes. Just the first part,  
15:14:31 20          "Infrastructure Listings/Integrations."

21                  A. Sure.

22                  Q. You see there's -- there appears to be  
23          a table. It lists mostly exchanges, also at  
24          least one custodian, at least on the first page  
15:14:42 25          where it says "Top 10."



15:14:44 1 Do you see that?

2 A. I do.

3 Q. Is this conversation that you're  
4 having with members of your team related to what  
15:14:52 5 we discussed at some point earlier that there  
6 might have been efforts by the team to get XRP  
7 listed on the exchanges?

8 MS. ZORNBERG: Object as to form.

9 A. So we talked earlier about the  
15:15:08 10 liquidity partnerships team which is -- [REDACTED]  
11 leads, and their primary focus was to build  
12 relationships with infrastructure partners  
13 across the board and to understand whether XRP  
14 was either already listed or had plans to be  
15:15:25 15 listed and to just kind of keep in touch with  
16 them so that we had a sense of what was  
17 happening in the markets and what their plans  
18 were with respect to XRP.

19 Q. As far as you know, did Ripple engage  
15:15:41 20 in efforts to persuade exchanges to list XRP?

21 A. When you say "persuade" --

22 THE COURT REPORTER: Repeat.

23 Repeat, please.

24 Q. As far as you know, did Ripple engage  
15:15:52 25 in efforts to persuade exchanges to list XRP?

15:15:52 1 THE COURT REPORTER: I'm sorry,  
2 to what XRP?

3 MR. TENREIRO: List, L-I-S-T.

4 THE COURT REPORTER: Thank you.

15:15:52 5 A. So I'd say Ripple in general is  
6 interested in seeing XRP trade on more  
7 exchanges, not less. In the interests of  
8 liquidity we've talked about before, sort of  
9 breadth of the market, many access points to XRP  
15:16:06 10 would be generally viewed as helpful for  
11 liquidity. And so Ripple does care to see that  
12 XRP is trading on many platforms.

13 Q. Okay. But my question was, did Ripple  
14 engage in efforts to persuade exchanges to list  
15:16:21 15 XRP?

16 A. I don't know --

17 MS. ZORNBERG: Objection as to  
18 form.

19 A. Yeah, "persuade"? I don't think I'd  
15:16:26 20 use that word. What we did do was engage with  
21 -- I shouldn't say "we." [REDACTED] and [REDACTED] in  
22 particular, did have these conversations with  
23 exchanges to understand what they -- whether XRP  
24 is already listed, if it would -- if not, would  
15:16:38 25 it be listed. Sometimes exchanges would ask for

15:16:43 1 information around XRP. We might provide  
2 helpful information around XRP and things like  
3 that. But I don't know if I'd call it  
4 persuading.

15:16:51 5 Q. Okay. To the extent that there were  
6 these conversations or interactions, perhaps  
7 providing information, what would you call it?  
8 Would you call it aiding or what would you call  
9 it?

15:17:02 10 A. Yeah, I -- I looked at this as sort of  
11 relationship management. That was the primary  
12 focus. Like, build relationships with these  
13 platforms and -- and make sure that we know  
14 where it's listed, if it's listed. Is it  
15:17:15 15 listed, you know, against one cross? many  
16 crosses? What sort of activities are happening?  
17 Whatever. So we can get a better sense of  
18 what's going on on those exchanges and whether  
19 they had intentions to -- to list XRP.

15:17:28 20 Q. And when you say "cross," is that, for  
21 example, XRP to U.S. dollar? XRP to some  
22 other asset?

23 A. Yes, that's what I meant.

24 Q. Okay. And so -- and you wanted to  
15:17:37 25 make sure that you knew where it's listed, if

15:17:40 1 it's listed, if it's listed, you know, against  
2 one cross, many crosses? Is that correct?

3 A. That is correct.

4 Q. And did you want to know the liquidity  
15:17:47 5 of those crosses as well?

6 A. Yes. Liquidity is always of interest  
7 to us.

8 Q. And did you come to find out  
9 information about liquidities of those various  
15:17:55 10 crosses?

11 A. Where -- where exchanges were  
12 comfortable sharing information, they would  
13 generally do it in broad strokes because they're  
14 not typically permitted to share really granular  
15:18:06 15 data.

16 Q. In the first one, it says "[REDACTED]  
17 Exchange. Goal: List cash-settled XRP future  
18 and options."

19 Do you see that?

15:18:15 20 A. I do.

21 Q. What is [REDACTED]

22 A. It's an exchange.

23 Q. Okay. Where is it located?

24 [REDACTED]  
15:18:25 25

15:18:26 1 A. Yeah.

2 Q. It says "Met with Brad/[REDACTED] in May,  
3 unlikely to happen b4 SEC clarity on XRP."

4 Do you see that?

15:18:37 5 A. I do.

6 Q. What do -- what does that mean, "SEC  
7 clarity on XRP"?

8 A. Again, I didn't write this, but if  
9 you're asking me to read it now and interpret  
15:18:45 10 it, it looks like they were the feedback from  
11 the [REDACTED] when the team met -- which looks like it  
12 was Brad and [REDACTED]. The feedback was that they  
13 were unlikely to list XRP until they had clarity  
14 from the SEC on XRP status.

15:19:01 15 Q. XRP status. What do you mean, "XRP  
16 status"?

17 A. I assume they mean security versus  
18 non.

19 Q. Okay. Did you come to learn that  
15:19:11 20 there were other such potential partners for  
21 Ripple that wanted to know the SEC's view on  
22 XRP?

23 A. I remember it came up in one other  
24 conversation which was [REDACTED]. There may have  
15:19:29 25 been others, but I don't recall specifics.



15:19:31 1

Q. Which was [REDACTED]

2

A. [REDACTED]

3

Q. Can you spell that?

4

A. [REDACTED]

15:19:38 5

Q. They also wanted to know the SEC's

6

view? You remember that came up?

7

A. Mm-hmm.

8

Q. Okay. And any other occasions where a

9

potential partner wanted to know the SEC's view?

15:19:46 10

A. As I said, I -- I'm sure that came up.

11

It may have come up in more than just those two

12

examples, but I just -- I don't recall specifics

13

offhand.

14

Q. What, if anything, did Ripple tell

15:19:56 15

those potential partners about the SEC's view of

16

XRP?

17

A. Well, I wasn't in --

18

Q. To the extent you know, obviously.

19

A. Excuse me?

15:20:02 20

Q. To the extent you know.

21

A. Yeah. So I -- as indicates with the

22

[REDACTED] line right here, this meeting happened

23

before I joined, so I don't know -- and I was

24

not an attendee so I don't know what was

15:20:11 25

discussed or communicated.

15:20:13 1 Q. I'm sorry, based on what?

2 A. Brad and [REDACTED] met with them before I  
3 joined.

4 Q. You mean because it says May?

15:20:20 5 A. Oh, well, it says that there, yes,  
6 but, also, I just remember that it was before I  
7 joined.

8 Q. Okay. But to the extent that, you  
9 know, [REDACTED] might have asked or other partners  
15:20:30 10 might have asked, what was Ripple telling them?

11 A. Understood. That that's your view.  
12 No problem.

13 Q. Did you provide them any information  
14 about the SEC's view on XRP?

15:20:41 15 A. I did not.

16 MS. ZORNBERG: Objection.

17 Q. Did you hear anyone at Ripple doing  
18 that?

19 A. I do not know.

15:20:47 20 Q. Did you have discussions with anyone  
21 at Ripple about the status of XRP under the  
22 securities laws?

23 A. I received --

24 MS. ZORNBERG: Hold on one  
15:20:55 25 second. Just -- and, again, anything you

15:20:56 1 answer should not disclose any legal  
2 advice.

3 THE WITNESS: Oh. Well --

4 MS. ZORNBERG: So if it's -- if  
15:21:03 5 it involves legal advice --

6 THE COURT REPORTER: I can't hear  
7 you.

8 MS. ZORNBERG: I said that the  
9 witness should not disclose anything --  
15:21:06 10 any communications with her that involved  
11 legal advice.

12 MR. TENREIRO: So let me try this  
13 way because I believe she's right.

14 BY MR. TENREIRO:

15:21:15 15 Q. So, you know, did you have  
16 conversations with your coworkers outside of  
17 lawyers, like, oh, I wonder what the status --  
18 you know, what the SEC thinks of XRP? Something  
19 like that?

15:21:23 20 A. No. We received guidance from our  
21 legal team regarding XRP status.

22 Q. Okay. And are you talking about  
23 before you received -- you received -- before  
24 the SEC filed a lawsuit?

15:21:35 25 A. I don't recall -- it was soon after I



15:21:37 1 joined that the legal team made me aware of the  
2 fact that the SEC was looking into this issue.

3 Q. Okay. And I want -- okay. Let's move  
4 on.

15:21:45 5 And when you say "the legal team," are  
6 you talking about Ripple's in -- in-house  
7 lawyers or some -- some other lawyers?

8 A. Ripple's in-house lawyers. Our  
9 general counsel and deputy general counsel.

15:21:55 10 Q. Okay. Other -- and just to be clear,  
11 I think, just other than the guidance you might  
12 have received from the legal team, did you have  
13 conversations about that topic with anyone else  
14 at Ripple?

15:22:12 15 A. When you say "that topic," what do --

16 Q. What the SEC thinks of XRP.

17 A. No. The general references were just  
18 broad in nature. That we were given guidance  
19 that XRP is nonsecurities --

15:22:26 20 Q. Don't tell me what the guidance was.

21 A. Sorry.

22 Q. Just -- so let me just do it  
23 carefully.

24 You -- you said you "received guidance  
15:22:33 25 from our legal team regarding XRP status." I

15:22:35 1 don't -- thank you. I don't want to know what  
2 the guidance was.

3 Separate from the guidance you might  
4 have received, did you have any conversations  
15:22:41 5 with your coworkers about the -- the status of  
6 XRP vis-a-vis the SEC?

7 A. No. Just the -- the extent of it  
8 would have been we know that that's still  
9 outstanding --

15:22:52 10 Q. Mm-hmm.

11 A. -- legally.

12 Q. Right.

13 A. And so, like, when [REDACTED] for example,  
14 that one's top of mind, because I remember them  
15:23:00 15 saying "We wouldn't be comfortable listing that  
16 asset until we have that clarity." That type of  
17 thing might have come up, but otherwise, no.

18 Q. In the context of conversations such  
19 as [REDACTED] did Ripple express its views about the  
15:23:12 20 status of XRP, you know, vis-a-vis the SEC?

21 A. Did Ripple?

22 Q. Yes.

23 A. As a company?

24 Q. Well, you know, a Ripple employee,  
15:23:20 25 you, did you hear of someone? I'm simply asking

15:23:23 1 for your knowledge of what a Ripple  
2 representative might have expressed, if  
3 anything, you know, when that question came up.

4 A. I mean, that's super broad --

15:23:29 5 MS. ZORNBERG: Objection.

6 (Indiscernible cross talk; reporter  
7 requests one speaker.)

8 A. Sorry. I thought -- that question  
9 seemed broad. So you're saying specific to

15:23:39 10 [REDACTED]?

11 Q. Well, yeah. Let's start with [REDACTED].

12 A. Okay.

13 Q. Did you hear anyone --

14 MR. ANELLO: The question, as I  
15:23:45 15 understand it, is what someone in Ripple  
16 might have communicated to [REDACTED]. Not  
17 within Ripple, but to [REDACTED].

18 A. Okay. So I was not on that call, so I  
19 wouldn't be able to tell you what they said back  
15:23:59 20 to [REDACTED].

21 Q. Well, did you hear -- you know, did  
22 you hear somebody summarize the call in a way  
23 that you might know what happened in the call?

24 A. No. Just that we understood they were  
15:24:07 25 uncomfortable and were pending clarity. And

15:24:09 1 then when we would get clarity, we could  
2 reengage.

3 Q. More generally, beyond [REDACTED] if there  
4 were questions that any potential partner asked,  
15:24:20 5 was there sort of like a script that you were to  
6 supposed to give them of like --

7 A. No.

8 Q. -- here's Ripple's --

9 A. No.

15:24:23 10 MS. ZORNBERG: Objection.

11 THE WITNESS: Sorry.

12 THE COURT REPORTER: Excuse me.

13 Let each other finish. It's fast enough.

14 MS. ZORNBERG: Zornberg.

15:24:30 15 Objection.

16 MR. TENREIRO: I hadn't even  
17 finished, but okay.

18 So this is Jorge again.

19 BY MR. TENREIRO:

15:24:37 20 Q. More -- more generally beyond [REDACTED]  
21 was there some sort of script or answer you were  
22 supposed to give about Ripple's views as to the  
23 question of XRP status vis-a-vis the SEC if a  
24 potential partner asked?

15:25:04 25 MS. ZORNBERG: Objection.

15:25:12 1 A. No.

2 THE COURT REPORTER: If a  
3 potential? I can't hear you.

4 MR. TENREIRO: A potential  
15:25:12 5 partner asked. Ms. Zornberg objected.  
6 Ms. Madigan said no.

7 THE COURT REPORTER: I'm sorry.  
8 A potential partner ask?

9 MR. TENREIRO: Asked, A-S-K-E-D.

15:25:12 10 THE COURT REPORTER: Thank you.

11 MR. TENREIRO: You got the  
12 objection and the answer also?

13 THE COURT REPORTER: Yes -- no,  
14 not the answer.

15:25:12 15 A. The answer was no.

16 Q. Okay. Let's move on. Sorry.

17 Did -- did the markets team try to  
18 influence the XRP derivatives market in any way?

19 A. So what do you mean by "influence"?

15:25:31 20 Q. Well, did you take any steps with  
21 respect to the creation of an XRP derivatives  
22 market, for example?

23 A. So the markets team, in the way that I  
24 was just describing previously, built  
15:25:41 25 relationships with exchanges to better

15:25:44 1 understand what their plans were regarding XRP  
2 market development initiatives.

3 So, for example, we might talk to an  
4 exchange and they might say, "Hey, we list XRP  
15:25:58 5 now." And we might ask, "Do you have any  
6 intentions of trading in the derivatives market,  
7 creating a derivatives product?" Et cetera.

8 Q. And why would you ask those questions?

9 A. Because it's helpful to know about  
15:26:09 10 developments in the XRP markets and crypto  
11 markets broadly.

12 Q. For what purpose is it helpful to  
13 know?

14 A. Just to better understand upcoming  
15:26:18 15 market developments.

16 Q. Ms. Madigan, you have a Twitter  
17 account?

18 A. I do.

19 Q. Okay. And did there come times when  
15:26:27 20 you tweeted tweets that might have been  
21 suggested by Ripple's communications team?

22 A. Yes.

23 Q. Okay.

24 MR. TENREIRO: Let's look at  
15:26:36 25 Exhibit 69, please, which is a tweet of



15:26:39 1           October 25th, 2019.

2                       (Whereupon, exhibit is presented  
3                       and marked SEC Madigan Exhibit 69 for  
4                       identification.)

15:27:19 5                       MR. TENREIRO: One -- a couple  
6                       here. Three for Lisa. Oops. I'm so bad  
7                       at that. 69. 69.

8 BY MR. TENREIRO:

9           Q.    Okay. Is that your Twitter account?

15:27:33 10           A.   That is my Twitter account.

11           Q.    Okay. I just -- did -- is this a  
12           tweet that you sort of made on your own or was  
13           this suggested by the Ripple's communication  
14           team?

15:27:40 15           A.   I made on my own.

16           Q.    Okay. And it says "Oh hello, Friday  
17           rally."

18                       Do you see that?

19           A.    Mm-hmm.

15:27:46 20           Q.    What do you mean by "rally"?

21           A.    I am talking about what I thought  
22           would happen in the overall crypto market based  
23           upon [REDACTED] tweet.

24           Q.    Based on whose tweet?

15:27:59 25                       THE COURT REPORTER: Based upon?

15:27:59 1 I'm sorry, based upon what?

2 THE WITNESS: The -- the author

3 is [REDACTED]

4 Q. And what did you think would happen on  
15:28:05 5 the overall crypto market based upon [REDACTED]  
6 tweet?

7 A. That China -- there was comments that  
8 China was going all in on Blockchain tech across  
9 their entire economy. So I thought there was  
15:28:19 10 going to be -- it would generate interest in  
11 crypto broadly.

12 Q. Does "rally" mean interest -- increase  
13 in price?

14 A. Well, it -- it can reference price,  
15:28:28 15 yeah.

16 Q. Yeah, I know, but I'm asking what you  
17 meant in this tweet since you tweeted it.

18 A. Yeah, I expected new participants to  
19 come into the market on the back of China making  
15:28:36 20 that announcement.

21 Q. And did you expect that to increase  
22 the prices in the crypto market?

23 A. Potentially.

24 Q. Okay. Why is that something you  
15:28:44 25 wanted to tweet about?



15:28:45 1 A. I was excited about new entrants  
2 coming into crypto.

3 Q. Okay. Let's -- one second.

4 MR. TENREIRO: Yeah. Let's look  
15:29:01 5 at Exhibit 67, please, which is a  
6 three-page e-mail, RPLI\_SEC 200554.

7 (Whereupon, exhibit is presented  
8 and marked SEC Madigan Exhibit 67 for  
9 identification.)

15:29:31 10 MR. TENREIRO: Here you go.

11 (Pause)

12 BY MR. TENREIRO:

13 Q. Ms. Madigan, this series of e-mails  
14 around July 17, 2019, what are they about?

15:31:05 15 A. It looks like this may be tied into  
16 the previous markets report discussions that you  
17 had raised.

18 Q. And do you see there's a reference to  
19 a tweet by [REDACTED]?

15:31:17 20 A. Yes.

21 Q. Who is that?

22 A. I forget where -- I think he worked at  
23 [REDACTED], but I'm not certain.

24 Q. What's [REDACTED]?

15:31:28 25 A. It's a crypto research platform.

15:31:30 1 Q. Okay. When you write on the first  
2 page "Totally agree on the messaging. This  
3 report is a big opportunity for us to shift the  
4 narrative here and sentiment moves markets,"

15:31:37 5 what did you mean by "sentiment moves markets"?

6 A. I'm sorry, where are you? I'm look --  
7 at the beginning part of the e-mail or where --

8 Q. At the front page.

9 A. Okay. Sorry. Let me read it. Okay.

15:31:59 10 Excuse me.

11 Q. No problem.

12 A. And -- sorry, repeat the question.

13 Q. Yes.

14 What did you mean by "sentiment moves  
15:32:02 15 markets"?

16 A. We talked about this before a little  
17 bit and "sentiment" is just a word used to kind  
18 of characterize how people feel about the  
19 market.

15:32:12 20 Q. If people feel good about the market,  
21 how does that move the market?

22 A. Well, it depends if they want to buy,  
23 if they want to sell. You know, not -- you  
24 can't -- I can't generalize for how individuals  
15:32:25 25 react across the entire market.

15:32:31 1 Q. You say here "sentiment moves  
2 markets." So you're not talking about the  
3 entire market there?

4 A. Sent -- so --

15:32:37 5 MS. ZORNBERG: Objection.

6 A. Yeah. No, I'm not talking about the  
7 entire -- I mean, sentiment is something that  
8 can have an impact on how people trade in the  
9 markets.

15:32:46 10 Q. Okay. When you -- when you say "moves  
11 markets," are you talking about the price in the  
12 market or what -- or something else?

13 A. Could be how they trade, what they  
14 trade, what they choose to trade, how they --  
15:32:56 15 how they choose to trade.

16 Q. Okay. But can you -- you just give me  
17 examples of how, in your view, sentiment moves  
18 markets? So what -- you know, an example with  
19 good sentiment, an example of bad sentiment, how  
15:33:10 20 the market might move?

21 A. Yeah. So good sentiment might make  
22 people want to buy. Good sentiment might make  
23 want to people shift into different assets.  
24 Good -- bad sentiment might make me want to  
15:33:22 25 sell. There's -- there's many different ways to

15:33:23 1 interpret that.

2 Q. Okay. Is it fair to say that you  
3 wanted to shift the narrative with the report  
4 that you're discussing in these e-mails?

15:33:30 5 A. So I don't recall this specific  
6 e-mail, but I do recall that [REDACTED] -- or  
7 however you say his name -- would often issue  
8 statements and reports around XRPs, some of  
9 which had misinformation.

15:33:44 10 Q. And is it fair to say that you wanted  
11 to -- Ripple wanted to correct that  
12 misinformation to the extent it was out there by  
13 miss -- you know, by [REDACTED]?

14 A. Yes.

15:33:55 15 THE COURT REPORTER: Cannot hear  
16 you.

17 Q. I said is it fair to say that you  
18 wanted -- that Ripple wanted to correct that  
19 misinformation to the extent it was out there  
15:34:03 20 by -- put out there by [REDACTED]?

21 And the answer?

22 A. Yes. In general, Ripple is focused on  
23 having transparency around XRP in the market.

24 Q. Okay. In the second page of the  
15:34:19 25 e-mail, it says -- you say "Worth highlighting

15:34:26 1 that we haven't contemplated incorporating any  
2 commentary re: insiders' selling, which [REDACTED]  
3 spends" a bit -- "a fair bit of time on (and my  
4 view is that we should not.) LMK" -- I assume  
15:34:39 5 that means let me know -- "if differing opinions  
6 here."

7 Do you see that?

8 A. Mm-hmm.

9 Q. Okay. Yes or no, please. Sorry.

15:34:46 10 Just --

11 A. Yes.

12 Q. Okay.

13 A. I see that.

14 Q. Why was it your view that you should  
15:34:49 15 not spend time on commentary re: insiders'  
16 selling?

17 A. I'm not -- I don't remember what this  
18 specific [REDACTED] linked comment here ref --  
19 referenced.

15:35:03 20 MR. TENREIRO: Let's pull up  
21 Exhibit 68, please. See if she remembers.  
22 (Whereupon, exhibit is presented  
23 and marked SEC Madigan Exhibit 68 for  
24 identification.)

15:35:07 25 BY MR. TENREIRO:

15:35:07 1 Q. Exhibit 68 is going to be a tweet of  
2 July 17th, 2019. And you can verify that the  
3 link is the same one included in the e-mail  
4 chain that we're discussing in Exhibit 68.

15:36:29 5 (Pause)

6 Q. Ms. Madigan, is it fair to say  
7 generally that the tweet in question refers to  
8 his deep dive on XRP circulating supply?

9 A. It appears to focus on that, yes.

15:36:41 10 Q. Okay. So going back to the exhibit  
11 and with the tweet for context, can you please  
12 explain why it was your view that you should not  
13 spend time incorporating commentary on insiders'  
14 selling?

15:37:00 15 A. I don't recall why at that point in  
16 time I wrote this. However, if I look at it  
17 today, when I read the -- this thread from  
18 [REDACTED], it seems like these are individuals,  
19 not -- not Ripple. And -- and our general  
15:37:14 20 approach was to comment on what Ripple was doing  
21 with its stake.

22 Q. And why is that? Why was that,  
23 rather?

24 A. Why was what? Sorry. Clarify the  
15:37:23 25 question.

15:37:23 1 Q. Yeah. Why was it your general  
2 approach to comment on what Ripple was doing  
3 with its stake, not the individuals?

4 A. Because I'm an employee of Ripple and  
15:37:32 5 focused on the mandate of my job, which was  
6 focusing on Ripple's XRP supply.

7 Q. And did Ripple have information about  
8 what individuals were doing with their XRP?

9 A. I did not, but others may have.

15:37:43 10 Q. Okay. And but -- so I'm trying to  
11 understand. I think earlier you mentioned  
12 transparency is good for markets and -- and I  
13 think you also said generally that Ripple wanted  
14 to encourage transparency in these markets. I  
15:37:54 15 think you even said it might help your ODL  
16 product.

17 So to the extent that you had  
18 information about individuals' activities with  
19 respect to XRP, why was it your view that you  
15:38:04 20 should not discuss that information?

21 MS. ZORNBERG: Objection.

22 A. Again, I viewed my focus and my role  
23 as communicating around Ripple's stake of XRP  
24 and different initiatives and activities related  
15:38:19 25 to that.



15:38:20 1 Q. Would transparency about individuals'  
2 activities with respect to XRP be helpful or  
3 hurtful to the XRP market in your view?

4 A. I -- it depends on what that activity  
15:38:30 5 is and I was not privy to that activity.

6 Q. And so when you said your view -- your  
7 -- it -- "and my view is that we should not,"  
8 the reason for that was because you thought  
9 Ripple shouldn't comment on what other people  
15:38:44 10 were doing with their XRP, in other words?

11 A. Again, my focus was on Ripple's stake  
12 of XRP and the activities around that. And so  
13 that's what I was focused on.

14 Q. If there was -- oh, never mind.

15:39:09 15 Okay. Let's -- one second. Let's  
16 look at 70, please.

17 MR. BAMBERGER: Jorge, before we  
18 go on to Exhibit 70, can we get Exhibit 68  
19 circulated?

15:39:26 20 MR. TENREIRO: Dugan, did you get  
21 68 circulated?

22 MR. BLISS: This is Dugan. Yes.  
23 I'm sorry. I had a network problem. It  
24 shut down for a couple of minutes. But  
15:39:37 25 they're being circulated right now, 68 and



15:39:38 1 70.

2 MR. TENREIRO: Thank you. Thank  
3 you, Nowell. Thank you, Daphna.

4 (Whereupon, exhibit is presented  
15:39:55 5 and marked SEC Madigan Exhibit 70 for  
6 identification.)

7 A. Okay.

8 Q. Oh, sorry.

9 MR. TENREIRO: Okay. For the  
15:40:30 10 record, Exhibit 70 is RPLI\_SEC 261522, a  
11 two-page document.

12 Q. Ms. Madigan, do you see a reference to  
13 FUD, F-U-D, in this e-mail?

14 A. Yes.

15:40:44 15 MS. LINSSENMAYER: Jorge, please  
16 hold your questioning until we receive the  
17 e-mail from Dugan.

18 MR. TENREIRO: It's on the  
19 screen, but okay.

15:40:49 20 MS. LINSSENMAYER: Yeah, it's  
21 multiple pages and it's not really  
22 feasible to scroll through it.

23 Okay. It arrived. Thank you.

24 MR. TENREIRO: Great.

15:40:56 25 BY MR. TENREIRO:

15:40:56 1 Q. Ms. Madigan, for the record, what does  
2 "FUD" refer to, F-U-D?

3 A. Fear, uncertainty and doubt.

4 Q. Okay. There's an e-mail from  
15:41:09 5 Mr. Garlinghouse on August 15, 2019, copying you  
6 and others. He says "Team, I will not be on the  
7 call this morning - but I'm curious." You  
8 know, I'm skipping a little bit, but -- well,  
9 let me just read. "I'm curious (in light of  
15:41:24 10 what appears" to be -- "what appears to me to be  
11 an increasingly level of FUD and generally false  
12 narratives about Ripple and XRP) whether this  
13 group has done (or can do) some brainstorming  
14 about whether we should proactively correct the  
15:41:38 15 record on critical points that seem to be  
16 persisting. I would assert that our silence  
17 isn't good for anyone in the XRP system."

18 Do you see that?

19 A. I do.

15:41:47 20 Q. Do you agree with Mr. Garlinghouse's  
21 assertion that Ripple's silence isn't good for  
22 anyone in the XRP ecosystem?

23 A. I -- my view is that transparency with  
24 respect to XRP and Ripple's activity with XRP  
15:42:09 25 is -- is helpful to the market and that if

15:42:11 1 there's misinformation in the market, it's  
2 helpful to correct it.

3 Q. Does that view apply, though, with  
4 respect to activities by individuals that hold  
15:42:20 5 XRP that are not Ripple?

6 THE COURT REPORTER: Repeat the  
7 last part. I can't understand that.

8 Q. Does that view apply, though, with  
9 respect to activities by individuals that are  
15:42:31 10 not Ripple that hold XRP?

11 A. Excuse me. I do not feel -- did not  
12 have appropriate information nor did I feel in  
13 any way responsible for commenting on  
14 individuals' stakes and what they were doing  
15:42:47 15 outside of Ripple.

16 Q. Then Mr. Will asks you, it seems, "Any  
17 sense of FUD of what he's talking about?"

18 Do you see that?

19 A. I do see that.

15:42:56 20 Q. And you respond "Some of" the art --  
21 "some of those articles Dinuka linked in the  
22 deck. Twitter verse doesn't like hearing about  
23 another 1bn XRP on Coil either. It's the same  
24 narrative about us 'dumping' XRP on the market."

15:43:09 25 Do you see that?

15:43:09 1 A. I do. Excuse me.

2 Q. What does "Twitter verse" mean?

3 A. So there's -- it refers to comments on  
4 Twitter.

15:43:16 5 Q. Okay. And you say here "Twitter verse  
6 doesn't like hearing about another 1 billion XRP  
7 on Coil either."

8 What do you mean there?

9 A. So I don't recall exactly what the  
15:43:27 10 "Coil" reference is, but -- but the general  
11 sentiment in reading it right now is that in  
12 linking Brad's e-mail to my response, it appears  
13 to be that there's a -- a narrative in the  
14 Twittersphere that Ripple's dumping and it  
15:43:49 15 seemed like it was incorrect information.

16 Q. Okay. And what's the basis for your  
17 assertion that the narrative on Twitter is that  
18 they don't like Ripple's dumping of XRP?

19 A. I don't recall, you know, what I  
15:44:02 20 looked at at that point in time, two years ago,  
21 but in general, as -- as Brad's e-mail notes,  
22 false narratives are not helpful and we -- we  
23 tended to take an opportunity to correct false  
24 information where possible.

15:44:15 25 Q. Why?

15:44:18 1 A. Because Ripple believes that  
2 transparency around XRP and our activities with  
3 XRP is good, responsible behavior.

4 Q. And why would the Twitter verse not  
15:44:31 5 like dumping of XRP on the market?

6 A. So we talked earlier about how large  
7 one-sided trades can be disruptive to liquidity.  
8 And so if there's misinformation about large  
9 one-sided trades, that would not be helpful to  
15:44:47 10 liquidity and it would not be helpful to the ODL  
11 product.

12 Q. Have you heard of the term "whale" in  
13 the context of crypto markets?

14 A. I have heard the term.

15:44:55 15 Q. What does it mean?

16 A. Well, I've never used it, but I --  
17 I've seen it used and I think it references  
18 people who are large holders of -- of crypto.

19 Q. Have you ever seen the Twitter verse  
15:45:08 20 not liking hearing about large unidirectional  
21 buys of XRP in the market?

22 A. I do not know.

23 Q. Have you ever had occasion to express  
24 to your coworkers that, you know, you're con --  
15:45:18 25 that you've seen a concern on Twitter because

15:45:22 1 there's just too many buys in one direction in  
2 the XRP market?

3 A. I don't recall.

4 Q. And here you were talking about --  
15:45:32 5 did -- did Ripple take any steps to, you know,  
6 talk about false narratives with respect to 1  
7 billion XRP on Coil?

8 A. I don't remember in specific reference  
9 to Coil, but I know that over the past two-plus  
15:45:49 10 years I've been at Ripple, we have in some  
11 instances taken the opportunity to correct false  
12 information.

13 Q. But who's Coil or what is Coil?

14 A. Coil is a company. I don't recall  
15:45:59 15 exactly what they do, but I know they were  
16 affiliated with Xpring.

17 Q. And what information was false in this  
18 context?

19 A. I don't recall because I don't recall  
15:46:06 20 this specific example.

21 Q. Okay. But if -- so in your -- in your  
22 employment at Ripple, if there was false  
23 information or what you perceived to be false  
24 information with respect to Ripple's activities,  
15:46:18 25 you felt like that needed to be addressed.

15:46:21 1 Is that fair?

2 MS. ZORNBERG: Objection as to  
3 form.

4 A. Yeah. Here --

15:46:27 5 Q. Yeah, I'm taking a step away from the  
6 e-mail for one second.

7 A. Sure.

8 Q. I'm just asking generally.

9 If -- if -- if you saw or perceived in  
15:46:33 10 the market what you perceived to be false  
11 information about Ripple's activities, that's  
12 something that you might consider addressing?

13 A. Yeah. The comms team might consider  
14 addressing.

15:46:43 15 Q. And is it fair to say that sometimes  
16 you might be involved in, you know, how to  
17 address those -- those issues?

18 MS. ZORNBERG: Objection. "You"  
19 is unclear. And you're asking it as an  
15:46:55 20 "if" question, as a hypothetical?

21 MR. TENREIRO: No.

22 Q. Is it fair to say that sometimes you  
23 were, in fact, involved -- you, Ms. Madigan,  
24 specifically were, you know, involved with the  
15:47:03 25 comms team's considerations of possible ways to

15:47:06 1 address misinformation in the market about  
2 Ripple's activities?

3 A. I would not say that I was involved  
4 with the ways to correct misinformation.  
15:47:13 5 However, periodically the comms team might reach  
6 out and say, This looks false. Is this correct  
7 or -- is it correct or incorrect? Can you  
8 check, you know, XYZ data point? And we --  
9 somebody on my team might assess the data and  
15:47:26 10 respond.

11 Q. So almost like providing them the data  
12 to respond?

13 THE COURT REPORTER: Repeat.

14 Q. Almost like providing them the data to  
15:47:32 15 respond?

16 MS. ZORNBERG: Object to form.

17 A. Not necessarily, no. It was -- we  
18 would answer the question that they would pose.  
19 So it's not providing the data per se. The  
15:47:43 20 comms team would make the decisions around if  
21 they wanted to reach out and correct the record.

22 Q. Okay. And with respect to activities  
23 by Coil, would you consider that to be  
24 activities by Ripple or activities by somebody  
15:47:55 25 else?



15:47:55 1 MS. ZORNBERG: Objection.

2 A. I don't know Ripple's relationship  
3 with Coil.

4 Q. Well, to the extent that you're  
15:48:02 5 talking about Coil here, you -- I think you said  
6 you believed they were related to Xpring, right?

7 A. Yeah. That's my vague recollection,  
8 but I don't recall specifically what Coil did or  
9 what the relationship was between Ripple and  
15:48:15 10 Coil.

11 Q. And do you recall -- or we can go back  
12 to the exhibit -- where there was a comment to  
13 the market report about announcements of [REDACTED]  
14 [REDACTED] deals with 20 companies on Xpring.

15:48:26 15 Do you recall that generally?

16 A. I do.

17 Q. And that was with respect to Xpring,  
18 right?

19 A. That was, yes.

15:48:30 20 Q. Okay. So when you were considering  
21 information in the market, the Xpring companies,  
22 would you consider those part of Ripple's  
23 activities or separate activities?

24 MS. ZORNBERG: Objection.

15:48:42 25 A. I'm not familiar enough with -- with

15:48:44 1 Xpring in any granular detail to comment on  
2 their relationships with these external  
3 companies.

4 Q. Okay.

15:48:50 5 THE COURT REPORTER: I'm sorry.  
6 "With Xpring in any granular detail" --  
7 repeat.

8 A. Okay. I'm not familiar enough with  
9 Xpring's relationships with any of these other  
15:48:59 10 companies to comment.

11 Q. And the term "FUD" -- fear,  
12 uncertainty and doubt -- does that include  
13 misinformation?

14 A. I -- well, I -- "FUD" is a term that I  
15:49:18 15 heard through Brad. I don't know how it's  
16 legally defined.

17 Q. What does it mean to you? is the  
18 question.

19 A. Yeah, some -- sometimes it could be  
15:49:28 20 coupled with misinformation.

21 MR. TENREIRO: Let's look at  
22 Exhibit 71.

23 (Whereupon, exhibit is presented  
24 and marked SEC Madigan Exhibit 71 for  
15:49:32 25 identification.)

15:49:32 1 THE WITNESS: I would like to go  
2 to the bathroom.

3 MR. ANELLO: After this exhibit,  
4 we'll --

15:49:44 5 THE WITNESS: Yeah, that's fine.

6 MR. TENREIRO: Seventy-one is two  
7 pages, 181671.

8 THE WITNESS: Okay. Where are  
9 we?

15:50:46 10 (Pause)

11 A. Okay.

12 Q. All right. So the first e-mail at the  
13 back references: "Hi, Breanne: Following the  
14 thread with Brad on MGI progress and potential  
15:50:56 15 tweets that could help combat FUD, we drafted  
16 the below for you to tweet out."

17 Do you see that?

18 A. I do.

19 Q. Does "MGI" there refer to --

15:51:04 20 MS. LINSENMAYER: Jorge, can you  
21 please hold your questioning until we  
22 receive the exhibit from Dugan?

23 MR. TENREIRO: So the second part  
24 is -- can you put the second part of the  
15:51:09 25 screen, please, the second page, Ladan?

15:51:12 1           There. There you go.

2       BY MR. TENREIRO:

3           Q.    Is "MGI" referring to MoneyGram there?

4           A.    Yes.

15:51:17 5           Q.    Okay. Do you recall --

6                       MR. BAMBERGER: Stop. Jorge,  
7                       stop. You're not asking questions about  
8                       the document until it's circulated. It's  
9                       a multipage document.

15:51:27 10           MR. TENREIRO: Let's go off the  
11                       record. The witness wants to go to the  
12                       rest room. It's a good time. We can  
13                       leave the document.

14                       THE VIDEOGRAPHER: The time right  
15:51:34 15           now is 3:51 p.m. We are off the record.

16                       (Whereupon, a recess is taken.)

17                       THE VIDEOGRAPHER: The time right  
18                       now is 4:05 p.m. We're back on the  
19                       record.

16:04:46 20           MR. TENREIRO: Robin?

21                       MS. LINSENMAYER: Jorge, this is  
22                       Robin. Hopefully the tech problems are  
23                       resolved at this point, but to the extent  
24                       that there is a delay in our receiving the  
16:04:56 25           documents by e-mail, you need to wait and

16:04:59 1 pause your questioning unless the document  
2 is small enough to fit on the screen. We  
3 cannot meaningfully participate in the  
4 depos if we are not in a position to  
16:05:10 5 review the entire document.

6 So I'd ask that you please wait.  
7 This was your choice. You could have  
8 sent us these documents in advance and  
9 you chose not to. It needs to come out  
16:05:18 10 of your deposition time.

11 MR. TENREIRO: Okay.

12 BY MR. TENREIRO:

13 Q. Ms. Madigan, referring back to Exhibit  
14 71, do you see we were discussing a potential  
16:05:30 15 tweet that could help combat FUD.

16 Do you see that?

17 A. Yeah. Sorry.

18 Q. On the back part.

19 A. On the back part.

16:05:34 20 Q. Mm-hmm.

21 A. Yes.

22 Q. Did you make this tweet?

23 A. I don't recall, but I -- some -- some  
24 version of this I remember.

16:05:42 25 Q. Now, reading the tweet as it's

16:05:44 1 suggested here, what -- what type of FUD, what  
2 specific type FUD, would this tweet be  
3 combating?

4 A. I don't recall specifically.

16:05:54 5 Q. Would you have discussed with the  
6 team, you know, to the extent you're making --  
7 you're asking me -- suggesting that I tweet  
8 something, what -- you know, are we trying to  
9 accomplish here?

16:06:02 10 A. I'm sorry, could you repeat the  
11 question?

12 Q. To the extent that the team was  
13 suggesting to you that you make a tweet or  
14 asking you to --

16:06:08 15 A. Uh-huh.

16 Q. -- would you discuss with them, Hey,  
17 okay, it sounds good, but, you know, what are we  
18 trying to accomplish here?

19 MS. ZORNBERG: Object to form.

16:06:15 20 A. It -- it depends on the occasion and  
21 the specific topic, et cetera, whether I was  
22 familiar, et cetera.

23 Q. At the front of it, do you see -- at  
24 the front of the -- the front page --

16:06:25 25 A. Sure.

16:06:25 1 Q. -- where you see "Agree CL is more  
2 important."

3 Is that a reference to Mr. Larsen?

4 A. Usually when I used "CL" it was Chris,  
16:06:33 5 yeah.

6 Q. Okay. What do you mean by "CL is more  
7 important"? Is it it's more important what he  
8 tweets? Is that what you're talking about?

9 A. No. No, he must have been -- [REDACTED]  
16:06:43 10 must have been working on something for Chris,  
11 but I don't recall what it was.

12 Q. Okay. And going back to the actual  
13 tweet, you know, the -- it says "recommend you  
14 initiate the tweet given it falls within your  
16:06:57 15 focus area."

16 A. Mm-hmm.

17 Q. Then it says "MGI plus XRP volumes" --

18 A. Uh-huh.

19 Q. -- "new (and notable) data shows that  
16:07:03 20 although overall crypto trading volume was down  
21 nearly 65 percent, XRP/MXN volumes on Bitso were  
22 not more than 25 percent - during the same" time  
23 period -- sorry, "during the same period of time  
24 that MoneyGram payments into Mexico using XRP  
16:07:18 25 went live. A real use case driving real

16:07:21 1 volume."

2 Do you see that?

3 A. I do see that.

4 Q. Okay. Why would the market care about  
16:07:26 5 a real use case driving real value? The XRP  
6 market.

7 A. So, in general, assets that have  
8 utility such as XRP in the cross-border payments  
9 world and showing that -- demonstrating that  
16:07:49 10 there's a real use case that XRP is solving is  
11 something that excited me in general about  
12 coming into crypto to begin with, derive --

13 THE COURT REPORTER: Please slow  
14 down and speak up.

16:07:59 15 THE WITNESS: Sorry.

16 A. Is something that excited me about  
17 coming into crypto and -- and Ripple in  
18 particular, the opportunity to use digital  
19 assets to solve real-world problems. In this  
16:08:09 20 case, cross-border payments.

21 Q. And my question: Why would the market  
22 care about a real use case driving real value?  
23 Why would the XRP market care?

24 A. Because it's a --

16:08:20 25 MS. ZORNBERG: Objection. You



16:08:21 1 said real value. The --

2 MR. TENREIRO: Sorry, real  
3 volume.

4 A. Yeah. So as I mentioned, we track, as  
16:08:29 5 do many market participants, multiple attributes  
6 of XRP as well as crypto overall, including  
7 volume, spreads, price, a whole bunch of  
8 different metrics that are interesting to market  
9 participants.

16:08:43 10 Q. Is having a real use case for XRP  
11 something that Ripple is interested in?

12 A. So ODL, the flagship software  
13 platform, is the use case that Ripple's focused  
14 on and that we use XRP in for cross-border  
16:08:57 15 payments.

16 Q. Okay.

17 A. So, yes, Ripple cares about XRP as  
18 a -- having utility in that capacity.

19 Q. And this is the -- the -- the product  
16:09:05 20 you explained was launched a few months after --  
21 a couple months after you started?

22 A. Yeah. I can't remember exactly when,  
23 but right around the time I started.

24 Q. Mm-hmm. Does -- do you have -- does  
16:09:15 25 the XRP market care about having a use case for

16:09:18 1 XRP?

2 A. I can't speak for -- when you say "the  
3 XRP market," who do you -- and what do you mean  
4 by that?

16:09:25 5 Q. Market participants. You know, to the  
6 extent you've formed and expressed views in  
7 e-mails, for example, about what the Twitter  
8 verse is saying or FUD, you know, your -- your  
9 perception of the XRP market.

16:09:35 10 Do they care about XRP having a use  
11 case?

12 A. Well, I can't speak on behalf of a  
13 broadly defined XRP market, but -- but I --  
14 having a use case is interesting to me.

16:09:49 15 Q. Why would a -- a use case drive the  
16 volume?

17 A. Well, if -- if the -- in the example  
18 of ODL, the platform is delivering value to the  
19 end users, say MoneyGram in that example. And  
16:10:02 20 so if it's delivering -- solving a problem to  
21 them, delivering value to them, they may want to  
22 use it more.

23 Q. And using it more means more volume?

24 A. Yeah.

16:10:12 25 Q. And more volume is a good thing?

16:10:13 1 A. Or they could use it more often with  
2 less volume. It doesn't necessarily mean more  
3 volume. I should clarify.

4 Q. In this context, is more volume a good  
16:10:21 5 thing for the XRP market?

6 A. Well, what do you mean by "a good  
7 thing" for the market?

8 Q. Promote -- you know, promotes a  
9 healthier market as the term -- you've been  
16:10:29 10 using the term "healthier market"?

11 A. Yes. So -- so volume, spread, all  
12 those things that we talked about is -- that  
13 impact liquidity are measures that are  
14 considered in aggregate as you think about  
16:10:40 15 assessing the overall health and liquidity.

16 Q. And when you -- when the ODL product  
17 launched, you know, in the months following your  
18 arrival at Ripple --

19 A. Mm-hmm.

16:10:48 20 Q. -- were there market makers providing  
21 XRP/MXN liquidity?

22 THE COURT REPORTER: XRP and XM?

23 I'm not --

24 MR. TENREIRO: MRP -- MXN,

16:11:01 25 Mexican peso. MXN.

16:11:05 1 A. Okay. So, sorry, can you repeat the  
2 question?

3 Q. Yes.

4 A. In the time what?

16:11:08 5 Q. Yeah. You know, in the -- when the  
6 ODL product launched --

7 A. Yes.

8 Q. -- were there market makers providing  
9 XRP and MXN liquidity?

16:11:21 10 A. Yes.

11 Q. And were those market makers -- you  
12 know, did they have a relationship to Ripple?

13 A. Yes.

14 Q. What was the relationship?

16:11:29 15 A. So I know at least [REDACTED] and  
16 GSR I believe were both on -- on Bitso, which is  
17 the exchange in Mexico, providing markets for  
18 ODL.

19 Q. What was the relationships to Ripple  
16:11:46 20 of [REDACTED] and GSR?

21 A. They served as market makers for  
22 Ripple to support ODL.

23 Q. There was an agreement of some sort  
24 between Ripple and these two?

16:11:54 25 A. Yes.

16:11:54 1 Q. Payments -- did Ripple make payments  
2 to these two with respect to their market-making  
3 activities specifically on the Bitso exchange?

4 A. Yes.

16:12:02 5 Q. Okay. And were the market make --  
6 what were the market-making activities that GSR  
7 or [REDACTED] provided on Bitso? Just I'm  
8 talking about the Bitso side for now.

9 A. Sure. They provided bids and offers  
16:12:17 10 in the order book. We were talking earlier  
11 about healthy liquidity. In order for the ODL  
12 payments to successfully complete the  
13 transaction from the originating leg through the  
14 cross-border flow and then into the destination  
16:12:30 15 corridor -- Mexico in this example -- it's  
16 imperative that there's enough volume and  
17 liquidity on the -- on the destination  
18 exchange -- Bitso in that example -- in order  
19 for the trade to settle. And so the market  
16:12:44 20 makers would provide markets on Bitso.

21 Q. And so just to give a -- I want to  
22 simplify an example so -- to see if we can get  
23 on the same page.

24 In -- in this context, I'm here. I  
16:12:54 25 want to send money to Mexico.

16:12:56 1 A. Mm-hmm.

2 Q. I have dollars. My mother in Mexico  
3 wants pesos. So is -- is that -- and the -- and  
4 ODL is meant to sort of facilitate that  
16:13:05 5 transfer? Is that generally speaking -- I'll  
6 get into the details, but is that generally  
7 speaking the purpose?

8 A. Sort of. So when you said you're here  
9 and your mom is in Mexico, just to be clear, it  
16:13:15 10 was enterprise clients, like MoneyGram. Their  
11 end users might be an example like you cited,  
12 but they wouldn't directly face Ripple in the  
13 ODL --

14 Q. Understood.

16:13:22 15 A. -- workflow.

16 Q. That's right. So -- thank you.  
17 So the -- the enterprise client like  
18 MoneyGram faces Ripple, but MoneyGram's clients  
19 would be, just, say, me and my mom in the  
16:13:33 20 example?

21 A. Could be. Absolutely.

22 Q. And so I have what we call fiat  
23 dollars and the person in Mexico that's  
24 MoneyGram's ultimate client wants fiat pesos,  
16:13:38 25 correct?

16:13:42 1 A. Correct.

2 Q. Okay. And those fiat pesos come from  
3 where when the XRP is sold in the Bitso  
4 platform?

16:13:51 5 A. So the -- when the XRP is sold on the  
6 destination exchange, it's sold for Mexican  
7 pesos.

8 Q. So somebody buys the XRP in exchange  
9 for Mexican pesos?

16:14:02 10 A. So the -- right. The -- the  
11 transaction, depending on which side you're on,  
12 one person's buying and one person's selling it.

13 Q. And the market makers in the example,  
14 what were they doing in the Bitso platform?

16:14:15 15 A. They were providing two-sided markets  
16 for XRP/MXN.

17 Q. Two-sided markets?

18 A. Meaning bid/ask.

19 Q. Excuse me.

16:14:23 20 Were they buying XRP for Mexican  
21 pesos?

22 A. So in that workflow, the market makers  
23 would be buying Mexican -- buying Mexican pesos  
24 and selling XRP. Or at least -- actually, let

16:14:37 25 me -- let me correct that. The market makers

16:14:40 1 were making the market on the trade but I don't  
2 know if they -- they could have been actually  
3 taken out on either side. They could have  
4 been -- their bid could be lifted -- their offer  
16:14:50 5 could be lifted, their bid could be hit. So it  
6 could have been two-directional flow.

7 Q. The -- the pesos that the money --  
8 that MoneyGram's customers receive comes from  
9 the purchase of XRP for pesos, correct?

16:15:02 10 A. Correct.

11 Q. So whoever purchased the XRP for  
12 pesos, that's the money that then MoneyGram  
13 routes to its customer, right?

14 A. Right.

16:15:09 15 Q. And to -- is it fair to say that the  
16 market makers with whom Ripple contracted to  
17 provide liquidity on Bitso were partners --  
18 sometimes the persons buying the XRP in exchange  
19 for pesos?

16:15:24 20 A. Yeah. I don't actually know enough to  
21 answer that completely only because I know that  
22 they're making markets on the exchange. I know  
23 that have -- they -- they were making two-sided  
24 markets, but I don't know if they were actually  
16:15:34 25 buying on behalf of the clients or if



16:15:39 1 MoneyGram's -- MoneyGram has, like, direct API  
2 connectivity into the platform and they would  
3 direct the flow. From my understanding, the  
4 market makers are just responsible for ensuring  
16:15:49 5 there's both bids and offers.

6 So I don't know how the API  
7 connectivity from, say, MoneyGram went through  
8 the platform and if it was MoneyGram acting on  
9 its own behalf or how that workflow actually  
16:16:00 10 played out.

11 Q. And who would know?

12 A. Probably Asheesh, who's head of the  
13 project.

14 Q. Anybody else that might know?

16:16:09 15 A. He'd probably be the person that you  
16 could ask. I'm not sure.

17 Q. So it's -- so it -- I just want to  
18 make clear. You don't know exactly what role  
19 the market makers --

16:16:19 20 A. I know that they made markets, bid and  
21 ask, on both the originating, in some instances,  
22 and the destination exchange to ensure that  
23 there was sufficient liquidity. I don't know --  
24 when you mentioned did they take the payout and  
16:16:33 25 then transfer it or -- or did MoneyGram in that

16:16:37 1 example through their direct connectivity to the  
2 platform have, like, representations? I'm not  
3 exactly sure how that flow went.

4 Q. Well, would MoneyGram have pesos on  
16:16:47 5 the ODL platform?

6 A. So MoneyGram wanted to deliver out  
7 pesos in Mexico. So -- so MoneyGram would need  
8 to receive in an account pesos in order to play  
9 out -- pay out in that platform. So I'm not  
16:16:59 10 sure exactly how that peso -- the actual pesos  
11 got into the MoneyGram account in that instance.

12 Q. Wouldn't it be by MoneyGram selling  
13 the XRP's for pesos?

14 A. Yes. But you were talking about, I  
16:17:14 15 thought, were the market makers doing that  
16 payout for them. I think it's MoneyGram doing  
17 that for themselves, but the market makers are  
18 the ones making the bid and the offer on the  
19 exchange.

16:17:23 20 Q. For -- on the --

21 A. Bitso.

22 Q. -- peso/XRP cross?

23 A. Correct.

24 Q. Okay.

16:17:26 25 THE COURT REPORTER: Wait, wait,

16:17:26 1 wait. You talked over one another. For  
2 the -- on the -- repeat.

3 THE WITNESS: Sure.

4 MR. TENREIRO: I think I said for  
16:17:37 5 the peso/XRP cross and I believe she said  
6 sure or yes.

7 A. Yes.

8 Q. Okay. So to the extent the market  
9 makers might be buying the XRP for pesos, where  
16:17:55 10 was [REDACTED] or GSR getting pesos from?

11 A. So I don't know how they source the  
12 local funding. They manage that themselves.

13 Q. Okay. Do you know if they're Mexican  
14 companies, GSR and [REDACTED]

16:18:12 15 A. I don't know the legal entity setup  
16 they have.

17 Q. Okay. So we did 71, so let's move on.

18 MR. TENREIRO: Let's move on to  
19 72.

16:18:19 20 (Whereupon, exhibit is presented  
21 and marked SEC Madigan Exhibit 72 for  
22 identification.)

23 MR. TENREIRO: Dugan, are you  
24 there and able to e-mail?

16:18:31 25 MR. BLISS: Yes. It's going out.

16:18:32 1 MR. TENREIRO: Okay. So it's a  
2 two-page e-mail, 463519. And we're going  
3 to circulate it here now.

4 MR. ANELLO: Thank you.

16:18:40 5 MS. ZORNBERG: Thank you.

6 MR. TENREIRO: Thank you. Thank  
7 you.

8 (Pause)

9 A. Okay.

16:20:47 10 Q. Ms. Madigan, this appears to be with  
11 respect to an article in Bloomberg titled  
12 "Third-Biggest Cryptocurrency Barely Causes a  
13 Ripple Amid Rally."

14 Do you see that?

16:20:58 15 A. Yes. Excuse me.

16 Q. Do you see that?

17 A. Yes. Excuse me. I'm sorry.

18 Q. Okay. And, you know, I don't want to  
19 spend time on every one of the lines, but is it  
16:21:05 20 fair to say that there was a desire to sort of  
21 respond to some of the statements in that  
22 article?

23 MS. ZORNBERG: Object to form.

24 A. So I was not -- I've just read this  
16:21:21 25 now, but I didn't write this e-mail. It seems

16:21:25 1 I'm cc'd here.

2 Q. You're cc'd by [REDACTED]?

3 A. Yeah, it appears that way.

4 Q. And who is that?

16:21:33 5 A. Unless it was [REDACTED]? I'm not sure  
6 who.

7 [REDACTED] was in comms and now -- I  
8 don't -- her role has changed somewhat, but I  
9 don't know -- people -- something else now.

16:21:49 10 Q. She was in comms you said? I'm sorry.

11 A. Yes.

12 Q. Okay. Well, why would you be copied?  
13 Why -- you know, why would you be copied on an  
14 e-mail from comms?

16:21:59 15 A. I'm not sure.

16 Q. Did you ask, Why did you copy me?

17 A. I don't see that I've asked that here,  
18 no.

19 Q. Well, I mean just, like, in person,  
16:22:05 20 you know, or might you have called her and said,  
21 Hey, I saw your e-mail, what's up?

22 MS. ZORNBERG: Objection.

23 Q. Did you -- did you ask her in another  
24 context that's not the e-mail?

16:22:14 25 A. No, not that I recall.

16:22:15 1 Q. Mm-hmm. And did she copy you on comms  
2 e-mails frequently?

3 A. [REDACTED]?

4 Q. Uh-huh.

16:22:21 5 A. No.

6 Q. What about Ms. Long, Monica Long?

7 A. No.

8 Q. Okay. And is this the kind of, you  
9 know, statements in the market that Ripple  
16:22:30 10 wanted to respond to in -- you know, in your  
11 experience there?

12 A. I don't even know what the article's  
13 referencing, so it's hard for me to say.

14 MR. TENREIRO: Let's pull Exhibit  
16:22:38 15 73, which is a Bloomberg article August  
16 23, 2019.

17 (Whereupon, exhibit is presented  
18 and marked SEC Madigan Exhibit 73 for  
19 identification.)

16:24:24 20 (Pause)

21 A. Okay.

22 Q. Okay, Ms. Madigan. Having --

23 A. I've scanned that.

24 Q. Sorry?

16:24:58 25 A. I was saying, okay, I've scanned that

16:25:00 1 now.

2 Q. Okay. Having scanned the Bloomberg  
3 article --

4 A. Yes.

16:25:03 5 Q. -- is it fair to say from your scan  
6 that it, you know, generally speaking talks  
7 about Ripple's XRP selling -- sorry, Ripple's  
8 selling of XRP weighs on price and compares the  
9 price movement of XRP up to that point in 2019  
16:25:21 10 to the price movement of other digital assets up  
11 to that point in 2019?

12 MS. ZORNBERG: Objection.

13 A. It talks about a lot more than that.

14 Q. Is it fair to say those -- that's one  
16:25:34 15 of the things it talks about?

16 A. I see that as a topic that's covered.

17 Q. Okay. And it notes that all the  
18 other nine -- nine of the top ten crypto coins  
19 in 2019 have gained in price while XRP is the  
16:25:44 20 only one that's gone down in price? Do you see  
21 that on the front page graph?

22 A. Yes.

23 Q. Okay. Why would Ripple want to  
24 respond or make a statement in response to an  
16:25:59 25 article like this?

16:26:00 1 A. It appears --

2 MS. ZORNBERG: I'd just object.

3 Objection to the extent you're

4 characterizing this other exhibit.

16:26:08 5 MR. TENREIRO: Okay.

6 A. Okay. So, first of all, it's hard for

7 me to speak on behalf of the company. I didn't

8 originate or comment on this e-mail. But from

9 reading -- scanning that article and then

16:26:26 10 reading this exchange that you've shared with

11 me, it looks like the attempt was to correct

12 some incorrect statements that appeared in the

13 article.

14 Q. What was the incorrect statement?

16:26:40 15 A. I can read it in more detail, but --

16 MS. ZORNBERG: Objection. She's

17 already said she has no personal

18 knowledge.

19 MR. TENREIRO: Personal knowledge

16:27:02 20 is what --

21 THE COURT REPORTER: I can't hear

22 that.

23 MR. TENREIRO: No, no. I just

24 was --

16:27:11 25 THE WITNESS: Okay. Yeah.



16:27:11 1 MR. TENREIRO: We're not saying  
2 anything right now. We're just waiting  
3 for the witness.  
4 A. Okay. So your question is what again?  
16:27:16 5 Q. My question was, what is the  
6 misstatement in the article that the  
7 conversation is about?  
8 A. So, for example, Monica says clearing  
9 up misinfo --  
16:27:37 10 MS. ZORNBERG: I'm going to  
11 object to the extent she's already told  
12 you she doesn't know and wasn't involved  
13 and you're asking her factual questions  
14 just to read from an e-mail.  
16:27:46 15 MR. TENREIRO: I'm asking her for  
16 her understanding, but, thank you. The  
17 objection is noted.  
18 THE WITNESS: So can we move on  
19 or is this --  
16:27:52 20 MR. ANELLO: Do you --  
21 THE WITNESS: Oh.  
22 MR. ANELLO: Do you have the  
23 question in mind?  
24 BY MR. TENREIRO:  
16:27:55 25 Q. The question is, what is the

16:27:56 1 misstatement in the article that  
2 this conversation is about --

3 A. Yeah, I --

4 Q. -- as far as you can tell?

16:28:01 5 A. I'm not sure, but it looks to be that  
6 a few of the people commenting in this e-mail  
7 thread are suggesting that there's  
8 misinformation in this article. Again, I just  
9 scanned this article. I don't know exactly  
16:28:09 10 where it lies, but clearly the attempt, from  
11 what I can read in this e-mail, is that they're  
12 attempting to address misinformation in the  
13 market.

14 Q. And -- okay. It's -- addressing  
16:28:20 15 misinformation in the market, I think you've  
16 said, is one of the things that Ripple has  
17 wanted to do when you've been there as an  
18 employee, correct?

19 A. So as I've said, we --

16:28:31 20 MR. ANELLO: Please answer his  
21 question.

22 THE WITNESS: Okay.

23 THE COURT REPORTER: I'm sorry,  
24 did somebody say something?

16:28:33 25 MR. ANELLO: Yes. I said please

16:28:35 1 just answer his question.

2 A. Yes.

3 Q. Have you been involved in  
4 conversations where it might suggest that your  
16:28:44 5 comms -- that Ripple's communications efforts to  
6 the market might be devoted to amplifying  
7 positive news for Ripple and trying to minimize  
8 negative news for Ripple?

9 A. No.

16:28:57 10 MS. ZORNBERG: Objection.

11 Q. Okay.

12 MR. TENREIRO: Let's look at  
13 Exhibit 75.

14 (Whereupon, exhibit is presented  
16:29:02 15 and marked SEC Madigan Exhibit 75 for  
16 identification.)

17 (Pause)

18 BY MR. TENREIRO:

19 Q. Ms. Madigan, I don't know if I read it  
16:31:46 20 for the record, but this is a two-page e-mail.  
21 463291 is the Bates. At the top, around  
22 September 7th, 2019, you say "The markets team  
23 is coordinating with comms for a comprehensive  
24 strategy here."

16:32:00 25 What -- strategy for what?

16:32:02 1 A. Okay. I don't recall this specific  
2 e-mail. It was over -- about two years ago.  
3 But I -- I just read this. So it looks like  
4 Brad is asking for more proactive -- more  
16:32:20 5 proactive reactions when there's misinformation  
6 in the market.

7 Q. Did you ask him why he wanted more  
8 proactive reactions when there was negative  
9 information in the market -- sorry, when there  
16:32:29 10 was misinformation in the market?

11 A. Yeah. He generally wanted  
12 transparency and for misstatements that were  
13 publicly out there to be corrected.

14 Q. What do you mean -- you said  
16:32:45 15 "transparency." Just can I understand what you  
16 mean by "transparency" just because you've said  
17 it a couple of times?

18 A. Yeah. So I gave an example of the  
19 markets report as one -- one medium we used to  
16:32:57 20 communicate to the market about the way that  
21 Ripple manages its XRP supply.

22 Q. Transparency. Is "transparency"  
23 another word for providing information?

24 A. I don't know that I would define  
16:33:12 25 transparency as providing information, but

16:33:14 1 it's -- Ripple providing information around its  
2 holdings of XRP was the focus of the markets  
3 team and the markets report was the way we used  
4 that.

16:33:26 5 Q. Other than the markets -- well, let me  
6 ask this: Was the markets team involved in  
7 deciding what information was important to  
8 provide and what information was not necessarily  
9 important to provide in these reports?

16:33:38 10 A. Most of the reports had similar  
11 content. It was pretty consistent. So all  
12 sorts of market data and analytics. And then I  
13 mentioned, you know, a bunch of other teams  
14 would opine depending on what was topical at the  
16:33:51 15 time.

16 Q. Who at Ripple had a role in deciding  
17 what information was, you know, to be provided  
18 in market re -- in the market reports?

19 A. So a number of teams would contribute:  
16:34:03 20 Legal, markets, finance, accounting, Xpring,  
21 sometimes BD.

22 Q. Okay. And was -- you said all the  
23 reports -- you said most of the reports had  
24 similar content.

16:34:26 25 Did all of the reports when you were

16:34:27 1 at the company discuss increases in XRP supply?

2 A. So I don't recall if there was  
3 increases in XRP supply in all the reports when  
4 I was there. Depended upon if there was an  
16:34:43 5 increase, it probably would have been covered.  
6 If there wasn't, it probably wouldn't have been.

7 Q. Okay. And when you say that you're  
8 going to "coordinate with comms on all responses  
9 as we address," that's in your e-mail --

16:34:53 10 A. Uh-huh.

11 Q. -- what did you mean by that? Did  
12 you, in fact -- sorry.

13 My question is, did you, in fact,  
14 coordinate with communications on all responses?

16:34:59 15 A. I -- no, not on all responses.

16 Q. So on which ones did you coordinate?

17 A. I don't recall offhand. As I  
18 mentioned earlier, periodically comms would  
19 reach out to us if they found something. I  
16:35:11 20 think in this, or one of the recent ones we  
21 looked at, there was an example of where comms  
22 reached out and said, hey, this is -- this is  
23 wrong and we want to correct it.

24 Q. And when you say "We have set up  
16:35:23 25 alerts for a number of accounts that are typical

16:35:25 1 culprits," alerts, what does that mean?

2 A. So there's a -- a team within the  
3 communications team that did something called  
4 social monitoring. So they would receive alerts  
16:35:41 5 when there was keywords that would arise in, you  
6 know, in the Twittersphere or other social  
7 platforms.

8 Q. What were the keywords?

9 A. I don't know what they set up. The  
16:35:54 10 comms team did it, but...

11 Q. When you say "typical culprits," what  
12 do you mean by that?

13 A. Hold on. I have to read what it was  
14 in context on.

16:36:02 15 Is this in my -- the top e-mail?

16 Q. Yes.

17 A. Okay. So I can't recall exactly at  
18 the time, but reading it now, it's probably  
19 people who were publicly spreading  
16:36:26 20 misinformation on a more-than-once occasion.

21 Q. Okay.

22 MR. TENREIRO: Let's take a look  
23 at Exhibit 83, which is a one-page e-mail,  
24 RPLI\_SEC 479392.

16:36:38 25 (Whereupon, exhibit is presented

16:36:38 1 and marked SEC Madigan Exhibit 83 for  
2 identification.)

3 MS. ZORNBERG: Thank you.

4 BY MR. TENREIRO:

16:37:14 5 Q. And just for the record I'll note this  
6 is an e-mail from you to Monica Long, copying  
7 Ron Will, on June -- oh, sorry -- yeah, June  
8 3rd, 2021.

9 (Pause)

16:37:56 10 A. Okay.

11 Q. The first line you reference "Brad's  
12 recent comments." What comments are you talking  
13 about?

14 A. I don't recall offhand.

16:38:05 15 Q. Okay. Then you say "Adjusted  
16 framework for the weekly deck so that it  
17 incorporates a more XRP-centric update. Few  
18 quick points to highlight: You'll notice a  
19 higher focus on sentiment, and our proactive  
16:38:17 20 plans related to them."

21 Excuse me. "Sentiment," are you  
22 referring to market sentiment there or something  
23 else?

24 A. It appears to be market sentiment.

16:38:27 25 Q. Okay. What were the proactive plans



16:38:29 1 related to "a higher focus on sentiment"?

2 A. I don't recall.

3 Q. The next bullet talks about "I've also  
4 instituted a weekly Wed meeting" -- "Wed,"

16:38:39 5 Wednesday?

6 A. Looks like it.

7 Q. -- "with some members of  
8 markets/comms/marketing teams, to get ahead each  
9 week, aligning on key issues and document action

16:38:50 10 plans in time for Friday meeting - re: What is  
11 trending and what we are doing about it - i.e.  
12 if positive, let's amplify; if negative, let's  
13 combat more aggressively, et cetera."

14 Do I see -- do you see that?

16:39:03 15 A. I do.

16 Q. What did you mean by that, "if  
17 positive, let's amplify; if negative, let's  
18 combat more aggressively"?

19 A. Brad repeatedly had requested that we  
16:39:07 20 focus on being more aggressive in responding to  
21 misinformation in the market and not just let  
22 misinformation linger.

23 Q. So you're saying that the word  
24 "negative" here is synonymous with  
16:39:20 25 misinformation?

16:39:20 1 A. Correct.

2 Q. Okay. And the word "positive" is --  
3 is what?

4 A. With correct information.

16:39:26 5 Q. So the -- what you're saying here is  
6 you wanted to amplify correct information but  
7 you wanted to combat misinformation? That's  
8 what you meant here?

9 A. Yes. I believe. That's how I'm  
16:39:38 10 reading it here now.

11 Q. Okay.

12 MR. TENREIRO: Let's look at  
13 Exhibit -- one second -- 82.

14 (Whereupon, exhibit is presented  
16:39:48 15 and marked SEC Madigan Exhibit 82 for  
16 identification.)

17 MR. TENREIRO: Eighty-two is a  
18 one-page document, RPLI\_SEC 367128.  
19 Here's a copy. Also one page, yes.

16:40:54 20 (Pause)

21 A. Okay.

22 Q. Ms. Madigan, does this -- this appears  
23 to reference comments to the 2020 First Quarter  
24 XRP Markets Report, is that correct?

16:41:04 25 A. It looks like that, yes.

16:41:05 1 Q. Okay. And you made comments, is that  
2 right?

3 A. It looks like it.

4 Q. Okay. The -- at the bottom, one  
16:41:13 5 comment is "XRP circulating supply increase."

6 [REDACTED] asks "We didn't have it last quarter, but  
7 we did in Q3? Should we add it?"

8 You say "I'm thinking maybe not given  
9 the spike at the very end of Q4. It will draw  
16:41:29 10 negative attention."

11 Do you see that?

12 A. Mm-hmm.

13 Q. What did you mean by that? What would  
14 draw negative attention?

16:41:35 15 A. So I don't recall exactly what  
16 happened at the end of Q4. I do recall, given  
17 this is around circulating supply, we were  
18 looking at -- at making sure that we had  
19 accurate information on supply and there were  
16:41:47 20 some conversations around supply at time,  
21 ensuring we had accurate supply information into  
22 the market.

23 Q. Why would a spike at the very end of  
24 Q4 draw negative attention?

16:41:58 25 A. I'm not sure what that spike was. I

16:41:58 1 don't recall offhand.

2 Q. Was this an example of you trying to  
3 make sure that there was transparency in the  
4 market reports?

16:42:03 5 A. Yes, because I remember us focusing on  
6 supply actually with -- really [REDACTED] was leading  
7 the charge there, but -- the advisory team, but  
8 we were doing a deep dive on supply at the time  
9 and trying to figure out the accurate -- most  
16:42:16 10 accurate way to report that information to the  
11 market.

12 Q. But was it accurate that there had  
13 been an XRP circulating supply increase at the  
14 end of Q4?

16:42:24 15 A. I don't remember what happened at the  
16 end of Q4, but I do remember that we were  
17 looking at how we introduce supply to the market  
18 and the most accurate way at the time that we  
19 could communicate it to the market.

16:42:36 20 Q. And -- and did you communicate that  
21 your concern was the accuracy or the spike in  
22 this e-mail?

23 A. I -- I recall being concerned around  
24 the accuracy and ensuring that we figured out  
16:42:45 25 that analysis on supply increase before we would

16:42:48 1 comment on it.

2 Q. To whom did you communicate your  
3 concern about the accuracy of the supply  
4 increase, if anyone?

16:42:53 5 A. To Brad, to [REDACTED] -- again, [REDACTED] was  
6 leading that effort. But I -- but I remember  
7 there was a lot of ongoing conversation around  
8 supply.

9 Q. And via what medium did you  
16:43:04 10 communicate to Mr. Garlinghouse or [REDACTED] your  
11 concerns about the accuracy of supply numbers --

12 A. I'm not sure. Internally we used a  
13 lot of e-mail and Slack in most of our  
14 communications.

16:43:31 15 Q. Do you recall specifically communi --  
16 THE COURT REPORTER: I'm sorry,  
17 e-mail and what?

18 THE WITNESS: Slack.

19 Q. Do you recall what spec --

16:43:31 20 THE COURT REPORTER: I don't know  
21 what you're saying.

22 MR. TENREIRO: Slack. S-L- --

23 THE WITNESS: It's S-L-A-C-K.

24 MR. TENREIRO: Sorry.

16:43:31 25 THE COURT REPORTER: Thank you.

16:43:31 1 BY MR. TENREIRO:

2 Q. Do you remember using Slack to  
3 communicate to Mr. Garlinghouse or to [REDACTED] your  
4 concerns about accuracy of supply increase at  
16:43:38 5 the end of Q4?

6 A. I do not recall what mediums we  
7 communicated on on that topic.

8 Q. Did you come to a conclusion as to  
9 whether you had accurate or inaccurate  
16:43:47 10 information about XRP supply increase at the end  
11 of Q4?

12 A. I don't recall specifically at the end  
13 of Q4, but I do recall that there was a deep  
14 dive on figuring out how we could communicate  
16:43:59 15 more effectively the supply in the market.

16 Q. And did you come to a -- what you  
17 believed to be an accurate, you know, set of  
18 information about changes in supply for XRP?

19 A. I don't know if we ever concluded that  
16:44:13 20 work. I know it was ongoing and [REDACTED] was leading  
21 it. I don't know where it shook out.

22 Q. You don't know where -- where the work  
23 shook out?

24 A. Right. I don't know -- I don't -- I  
16:44:22 25 don't know where that issue was resolved. I



16:44:25 1 don't recall offhand.

2 Q. So did Ripple discuss the XRP  
3 circulating supply increase in the first quarter  
4 2020 markets report?

16:44:35 5 A. I don't recall offhand.

6 Q. Okay. Is this an example -- so let me  
7 take a step back.

8 Were there occasions where you might  
9 have felt that the information -- that if  
16:44:49 10 information was going to draw negative  
11 information, you didn't want it in the market  
12 reports other than this?

13 A. No. So I'll clarify that my objective  
14 was to make sure that there was as transparent  
16:44:59 15 as possible information in the market. And so  
16 if there was misinformation in the market,  
17 myself, Ripple in general, wanted to make sure  
18 we took the opportunity to correct that.

19 Q. Right.

16:45:09 20 If Ripple put in a number, though, in  
21 the XRP report, say for 2020 Q1, about increased  
22 circulating supply, how would the market know  
23 that that information is inaccurate?

24 MS. ZORNBERG: Objection.

16:45:23 25 A. I'm not sure what the question is.

16:45:24 1 Q. Yeah. How -- how -- how would it be  
2 known to be inaccurate? How would people be  
3 able to know that it's inaccurate?

4 MS. ZORNBERG: Objection.

16:45:31 5 A. How would people know if the  
6 information that we put in the report would be  
7 inaccurate?

8 Q. Yeah.

9 A. We wouldn't put inaccurate information  
16:45:38 10 in the report.

11 Q. Okay. So why would it draw  
12 negative -- negative attention if it were in  
13 there?

14 A. So an example would be there's  
16:45:46 15 different ways that XRP gets introduced in the  
16 market. It can be -- it can be through sales or  
17 loans, for example. Sometimes market -- like  
18 that guy [REDACTED] you referenced earlier. He  
19 might see Rip -- he right see XRP leave Ripple  
16:46:01 20 and all of the sudden the headline one would be,  
21 like, XRP is being sold by aggressively by  
22 Ripple even if it was a loan, for example.

23 So there are different ways that XRP  
24 can leave Ripple and come back to Ripple that  
16:46:12 25 have different treatments and it doesn't



16:46:13 1 necessarily imply that XRP is being sold just  
2 because it's left the Ripple wallet.

3 Q. Right. But how would that have a  
4 negative -- how would it -- how would it draw  
16:46:22 5 negative attention, though?

6 A. Well, I don't think it's necessarily  
7 negative attention, but inaccurate information  
8 is not what we want to be communicating to the  
9 market. So if the market, for example, in that  
16:46:31 10 example I just cited would interpret that as XRP  
11 being sold when, in fact, it wasn't being sold,  
12 that's misinformation.

13 Q. Right. And so --

14 THE COURT REPORTER: Excuse me.

16:46:40 15 Please slow down.

16 A. I'm sorry.

17 Q. It's okay.

18 But to the extent that you referenced  
19 negative attention here, then what did you mean?

16:46:48 20 A. So, to me, misinformation is not  
21 helpful. So accurate information was our  
22 objective.

23 Q. Okay.

24 MR. TENREIRO: Let's look at

16:47:08 25 Exhibit 25, please.

16:47:09 1 (Whereupon, exhibit is presented  
2 and marked SEC Madigan Exhibit 25 for  
3 identification.)

4 MR. TENREIRO: 25 is a one-page  
16:47:19 5 e-mail, RPLI\_SEC 478596.

6 (Pause)

7 A. Okay.

8 Q. Ms. Madigan, what is this e-mail about  
9 that you wrote to Mr. Will on January 7, 2020?

16:48:26 10 A. So this is an e-mail that was  
11 originally drafted by [REDACTED] regarding his work  
12 with Binance, an exchange, around a new listing.

13 Q. And how -- how do you know that part?

14 A. How do I know what part?

16:48:38 15 Q. That it was drafted by [REDACTED]

16 A. Because I remember that finance --  
17 that -- that [REDACTED] sent me this --

18 Q. Okay.

19 A. -- in draft form because I wasn't  
16:48:46 20 involved in the conversations.

21 Q. All right. And what is the -- what is  
22 the draft about?

23 A. It's about a new listing of a XRP/USDT  
24 perpetual swap contract.

16:48:56 25 Q. Okay. And was this -- what was the

16:48:58 1 purpose of this draft e-mail? Was this some  
2 report that was going to be publicized, you  
3 know, that was going to be made public or --

4 A. Ron asked that we put together a recap  
16:49:09 5 because he wanted to share it with Brad, I  
6 believe.

7 Q. A recap of what?

8 A. Of the engagement with Binance and the  
9 listing.

16:49:18 10 Q. And "XRP surged plus 10 percent on the  
11 back of the news," what is that a reference to?  
12 The price of XRP?

13 A. Well, I can't see the -- the linked  
14 article, but perhaps.

16:49:29 15 Q. What else could it be a reference to?

16 A. It could be volumes. It could be  
17 other metrics that are tracked as well.

18 Q. Okay. And why would you want to know  
19 if XRP surged plus -- why would Brad want to  
16:49:41 20 know if XRP surged plus 10 percent on the back  
21 of the news?

22 A. I don't know if Brad would want to  
23 know that.

24 Q. Well, why -- why would -- you know,  
16:49:48 25 you sent this e-mail to Mr. Will. Why did you

16:49:51 1 put that in the e-mail?

2 MR. ANELLO: Why -- I'm sorry.

3 Why did you put what in the e-mail?

4 MR. TENREIRO: "XRP surged plus

16:49:56 5 10 percent on the back of the news."

6 A. I don't know why.

7 Q. You don't -- you don't know why you  
8 put that in the e-mail?

9 A. Well, I actually didn't put it in  
16:50:05 10 there. I -- I forwarded on a message from

11 [REDACTED].

12 Q. Okay. Did you read it before you  
13 forwarded it on?

14 A. Yes.

16:50:11 15 Q. Did you discuss it with [REDACTED]?

16 A. I don't recall discussing it with him.

17 Q. Okay. And is it something you  
18 typically reported to Mr. Garlinghouse,  
19 something about the surge of XRP on the back of  
16:50:26 20 news?

21 A. No.

22 Q. No?

23 A. No. This was a unique e-mail.

24 Q. In the weekly meetings, did you  
16:50:32 25 cover -- the weekly market teams meetings, did

16:50:37 1 you cover the change in price of XRP?

2 A. Yeah, in the weekly markets meetings,  
3 we would tend to cover a lot of things about XRP  
4 as well as crypto broadly. So we covered price,  
16:50:47 5 volumes, exchanges listing, new products, moves  
6 in the market overall, trends. Many topical --  
7 many things that were topical around the markets  
8 at the time.

9 Q. Was the price change in the last week  
16:51:01 10 typically the first thing you covered in your  
11 decks?

12 A. I don't know where in the deck we  
13 talked about the price specifically.

14 Q. Okay. Further down in the e-mail, it  
16:51:09 15 says "The XRP/USDT perpetual contract on Binance  
16 reflects an important product listing in the  
17 evolution of XRP trading instruments. Perpetual  
18 swaps are the most liquid and heavily traded  
19 instruments in crypto, allowing speculators, as  
16:51:27 20 well as hedgers alike, an efficient form to  
21 trade."

22 What is meant here by "speculators"?

23 A. People speculating on the market.

24 Q. On the XRP market?

16:51:35 25 A. On crypto generally.

16:51:37 1 Q. Okay. And why would Ripple want  
2 people speculating on crypto generally to be  
3 able to have an efficient form to trade?

4 A. Our general view on the market was  
16:51:48 5 that as this crypto market matures, having more  
6 instruments, akin to similar -- you know, the  
7 traditional finance market, allows people who  
8 want to trade the market to express their views  
9 in different ways.

16:52:09 10 Q. Okay. Let -- let's set this aside.  
11 So going back to the ODL product that  
12 we've discussed a little bit, did -- did part of  
13 the contractor relationship between Ripple and  
14 the market makers, GSR and [REDACTED] did part of that  
16:52:24 15 relationship include a loan of dollars by Ripple  
16 to these market makers?

17 A. It included a loan. I think most of  
18 the loan was in XRP from memory, but I don't  
19 recall. There may have been portions of dollars  
16:52:38 20 and XRP.

21 Q. What was the purpose of the loan?

22 A. To provide working capital so that  
23 they had capital to use in the capacity that  
24 they were performing market-making activities on  
16:52:51 25 those ODL exchanges for.

16:52:53 1 Q. Would that include working capital to  
2 buy local currencies such as Mexican pesos in  
3 the example we've been discussing?

4 A. I'm not sure if it was loans from  
16:53:02 5 Ripple that supported that or if that was their  
6 own capital or how that was done.

7 Q. Did the -- did the market makers  
8 purchase Mexican pesos as part of their support  
9 of the ODL product to Ripple?

16:53:16 10 A. I -- I believe so.

11 Q. Okay. And what -- you know, did they  
12 purchase those pesos using traditional SWIFT  
13 systems?

14 A. I'm not sure.

16:53:25 15 Q. Do you know what I mean by -- when I  
16 say "SWIFT"?

17 A. I know that that's something in the  
18 traditional banking rails, but I don't know how  
19 those wires work or that system works and  
16:53:35 20 what -- what rails the market makers use.

21 Q. To the extent the market makers  
22 purchased local fiat, such as pesos, did they  
23 buy it using XRP?

24 A. I do not know.

16:53:45 25 Q. Did they buy it using traditional fiat

16:53:47 1 currencies like U.S. dollars?

2 A. I do not know.

3 Q. Okay. Who knows?

4 A. Probably the market makers.

16:53:52 5 Q. Anyone at Ripple who knows?

6 A. I'm not sure.

7 Q. All right. Now -- one second.

8 Does Ripple subsidize costs incurred  
9 by ODL customers such as MoneyGram?

16:54:33 10 A. I'm not aware of how the subsidies  
11 work with clients of ODL. That was not  
12 something that my team is involved with.

13 Q. Well, I first -- thank you. But first  
14 I was asking you about the existence of  
16:54:45 15 subsidize -- of, you know, subsidizing costs.  
16 So not necessarily how they work, but did they  
17 exist?

18 MS. ZORNBERG: Object to form.

19 Do you want to put it in a point  
16:54:55 20 in time?

21 MR. TENREIRO: Yeah, at the begin

22 --

23 MS. ZORNBERG: First you asked  
24 about MoneyGram today, which is a --

16:55:01 25 MR. TENREIRO: Yeah.



16:55:02 1 BY MR. TENREIRO:

2 Q. So when ODL sort of launched a few  
3 months or whatever time right after you started,  
4 were there subsidies paid to people like

16:55:11 5 MoneyGram --

6 A. I --

7 Q. -- with respect to the ODL product?

8 A. I recall hearing about them, but,  
9 again, I don't know any little detail around  
16:55:17 10 subsidies.

11 Q. And did Ripple -- does --

12 THE COURT REPORTER: I'm sorry.

13 Could you please repeat your answer,  
14 please? I cannot hear.

16:55:17 15 THE WITNESS: Sure. I said I  
16 recall hearing about subsidies, but I am  
17 not privy to any little detail on them.

18 BY MR. TENREIRO:

19 Q. Does Ripple earn revenues from ODL?

16:55:34 20 A. I do not know.

21 Q. And who knows at Ripple?

22 A. Probably our CFO.

23 Q. Who is that?

24 A. It was Ron Will. A new CFO was just  
16:55:43 25 recently hired and I don't know her name.

16:55:49 1 Q. Okay. Does Ripple still engage in  
2 programmatic sales today?

3 A. Not that I'm aware.

4 Q. Does Ripple engage in OTC sales today?

16:55:59 5 A. [REDACTED]

6 Q. Anything else that you're aware of?

7 A. Nothing else that I'm aware of.

8 Q. Does Ripple today generate revenue  
9 from ODL?

16:56:08 10 A. I'm not aware.

11 Q. So you don't know either way?

12 A. I don't know either way.

13 Q. Okay. Are you aware -- well, as part  
14 of the relationship between Ripple and the  
16:56:32 15 market maker that facilitated the ODL product,  
16 is there -- does Ripple lease XRP to the market  
17 maker?

18 A. I'm sorry, can you repeat the  
19 question?

16:56:43 20 Q. Yes.

21 As part of the relationship between  
22 Ripple and the market maker that facilitated the  
23 ODL program, does Ripple lease XRP to the market  
24 maker?

16:56:52 25 A. Yes.

16:56:52 1 Q. And what is the purpose of the lease?

2 A. Working capital.

3 Q. How does the market maker use the  
4 leased XRP?

16:57:01 5 A. So they require the use of XRP to  
6 provide the market making services that we spoke  
7 about with ODL.

8 Q. So they sell the XRP to obtain working  
9 fiat?

16:57:11 10 A. My understanding is they need both XRP  
11 and fiat. I don't know what bounds they -- how  
12 they manage their own accounting.

13 Q. Did you negotiate any of the contracts  
14 between Ripple and the market makers?

16:57:22 15 A. I was involved in some of the  
16 negotiations. So when I came in, V1 was pretty  
17 much done, but --

18 Q. I'm sorry, what? I didn't hear. V1?

19 A. Yes. The first version was pretty  
16:57:36 20 much done, like almost done being negotiated,  
21 and then there were future versions as well over  
22 my time here.

23 Q. What was your role in the -- in terms  
24 of negotiating these?

16:57:46 25 A. So when I arrived, as I mentioned,

16:57:50 1 most of the terms for V1 were pretty baked but I  
2 don't think the contracts were signed yet. For  
3 V2, [REDACTED] and her team were actively involved  
4 in those negotiations and took the lead on

16:58:04 5 those. And then in V3, more recently, I was  
6 involved along with the advisory team.

7 Q. [REDACTED] can you please -- her last name  
8 for the record, please.

9 A. [REDACTED]

16:58:14 10 Q. And what team is she in?

11 A. She's a senior advisor to Brad at  
12 Ripple.

13 Q. So just to make sure I understand, the  
14 first version of the agreements were pretty much  
16:58:25 15 done when you started --

16 A. Right.

17 Q. -- is that correct?

18 A. Yes.

19 Q. Version 2, [REDACTED] and her team were more  
16:58:31 20 actively involved, but were you involved at all  
21 in Version 2?

22 A. I was somewhat involved, but [REDACTED] and  
23 her team were kind of taking the lead.

24 Q. And is it fair to say you were more  
16:58:40 25 involved in Version 3 then?

16:58:42 1 A. Yeah, but also closely working with  
2 the advisory team, [REDACTED] and [REDACTED] who were  
3 still left after [REDACTED] left.

4 Q. [REDACTED]?

16:58:52 5 A. [REDACTED] and [REDACTED]

6 Q. [REDACTED] Okay.

7 And what -- what are the differences  
8 between Version 1, Version 2 or Version 3?  
9 What -- what are you talking about when you say  
16:59:00 10 those versions?

11 A. Sure. The versions are just  
12 referencing each of the contracts had a certain  
13 start and end date. And when the contract would  
14 approach expiry, you'd go to Version 2. And so  
16:59:12 15 they have a -- a fixed fee and a variable fee  
16 component. Those came down from V1 to V2. And  
17 then in V2 there was an option introduced as  
18 well.

19 Q. What -- what was the option?

16:59:26 20 A. I'm not very familiar with the option  
21 because that was [REDACTED] team.

22 Q. Okay. Was there something else  
23 introduced between V2 and V3? Or changed,  
24 rather, not just introduced.

16:59:37 25 A. No, just the rates continually came

16:59:40 1 down as the market became more mature and -- and  
2 developed. The rates paid came down.

3 Q. Okay. So in -- in the context of your  
4 negotiating or participating in the negotiations  
16:59:50 5 for the V3 contracts, did you come to, you know,  
6 understand how the ODL product functioned?

7 A. Broadly.

8 Q. Okay.

9 MR. TENREIRO: Let's look at  
17:00:13 10 Exhibit 66, please.

11 (Whereupon, exhibit is presented  
12 and marked SEC Madigan Exhibit 66 for  
13 identification.)

14 MR. TENREIRO: This will be --  
17:00:26 15 it's a six-page e-mail thread that starts  
16 at Ripple -- it's RPLI\_SEC 223540.

17 (Pause)

18 A. Okay.

19 Q. So, Ms. Madigan --

17:02:09 20 A. Yes.

21 Q. -- it's a thread on or around July  
22 30th, 2019.

23 Do you recall a discussion with  
24 Coinbase about a potential deal with respect to  
17:02:18 25 ODL?

17:02:20 1 A. Yes. Vaguely.

2 Q. What was your involvement?

3 A. So the head of business development,  
4 [REDACTED], at the time also ran the -- the  
17:02:35 5 markets team and she asked both teams if anybody  
6 happened to know anybody at Coinbase. And the  
7 only reason that I was looped in here is because  
8 Coinbase actually -- I happened to -- Coinbase  
9 was recruiting me and I happened to have met  
17:02:51 10 this guy [REDACTED]. So I offered to make a warm intro  
11 for [REDACTED] so that he could meet [REDACTED]  
12 face-to-face.

13 Q. And did you?

14 A. I did. I made the introduction.

17:03:02 15 Q. Did the deal between Coinbase and  
16 Ripple happen with respect to ODL?

17 A. I don't know. I didn't -- as you can  
18 see, I wasn't involved in any of -- if any, of  
19 the back-and-forth.

17:03:15 20 Q. And [REDACTED] who was he again?

21 A. [REDACTED] works in -- well, used to work  
22 in business development.

23 Q. Who did he report to? Do you now?

24 A. [REDACTED]

17:03:24 25 Q. Okay. And is it -- from reading this



17:03:27 1 e-mail -- from reading this e-mail is it fair to  
2 say that there were conversations with Coinbase  
3 about, you know, potential incentives that  
4 Ripple might pay Coinbase to help out with ODL?

17:03:38 5 A. You know what? I -- I -- I'll read it  
6 more carefully, but I -- I literally made the  
7 introduction and then switched off on this. So  
8 I wasn't paying attention to the flow because I  
9 wasn't -- I'm not in the weeds on this stuff,  
17:03:48 10 but I can read it for that.

11 Q. Oh. That's okay. We can move on  
12 unless you'd like to.

13 A. No.

14 Q. We can move on.

17:03:54 15 A. Okay.

16 Q. Okay. Now, so based on your  
17 understanding of the ODL product or your, you  
18 know, negotiations of the V3 contract, would the  
19 market makers provide liquidity in the, you  
17:04:10 20 know, for example, MXN/XRP cross absent being  
21 paid by Ripple to do so?

22 THE COURT REPORTER: I'm sorry.

23 Can't get that. Pick it up from where --

24 "would the market makers provide liquidity  
17:04:29 25 in the, you know, for example" --



17:04:29 1 MR. TENREIRO: For example,  
2 MXN/XRP cross absent being paid by Ripple  
3 to do so.

4 A. So the question is would the market  
17:04:34 5 makers be making those markets?

6 Q. Yes.

7 A. It's -- it's hard to say. If they had  
8 interest in making those markets independent of  
9 Ripple, they absolutely could.

17:04:44 10 Q. Before Ripple to enter agreements with  
11 GSR and [REDACTED] do you know of other participants  
12 making markets in, you know, MXN XRP?

13 A. I don't recall offhand what the  
14 liquidity was then.

17:05:06 15 Q. Okay. How much do the market maker  
16 contracts with respect to ODL cost Ripple?

17 A. I don't remember all the numbers, but  
18 broadly there was -- there was a variable fee  
19 component and a fixed fee component. I think  
17:05:29 20 the variable fee was, like, [REDACTED] something basis  
21 points but I don't recall specifics.

22 Q. How -- what are the total costs to  
23 Ripple of the ODL product incentives that it  
24 pays? So not just the market makers but, for  
17:05:42 25 example -- well, let's establish -- I mean, does

17:05:45 1 Ripple pay, for example, MoneyGram, or when  
2 MoneyGram was on board with ODL, did Ripple pay  
3 incentives to MoneyGram?

4 A. You asked me that earlier, but I'm not  
17:05:53 5 sure. I'm not privy to that.

6 Q. You're not privy to that part. You're  
7 only privy between the relationship between the  
8 market maker and Ripple?

9 A. Correct.

17:06:01 10 Q. Are you privy to any other payments  
11 that Ripple might provide with respect to ODL?

12 A. Not that I know of.

13 Q. Okay. And I did ask you this, but I'm  
14 going to have to ask you again because I forgot.

17:06:13 15 A. Okay.

16 Q. What revenues does Ripple make from  
17 ODL?

18 A. I'm not aware. I don't know.

19 Q. Okay. Do you know whether it -- do  
17:06:19 20 you know whether it's sufficient revenues to  
21 sort of turn a profit on these payments that  
22 they make with respect to ODL?

23 A. I'm not aware.

24 Q. So you don't know either way?

17:06:30 25 A. I do not know.

17:06:31 1 Q. Okay. Does -- in terms of disclosure  
2 and transparency, does Ripple disclose the  
3 nature of its relationship with market makers  
4 that provide ODL liquidity?

17:06:41 5 A. I don't think we've named them  
6 explicitly. When you say "does Ripple" --  
7 sorry, the question was is Ripple transparent?

8 Q. No. Does Rip --

9 A. Is that what --

17:06:54 10 Q. No. Does Ripple provide information  
11 to the market about its relationship with the  
12 market makers in the context of their ODL  
13 relationship with Ripple?

14 A. I'm not sure I can think of an example  
17:07:04 15 of where they're cited, but it's possible. I  
16 don't know.

17 Q. Is -- is that information that, in  
18 your estimation, the market would want to know?

19 MS. ZORNBERG: Objection.

17:07:17 20 A. Hard to say.

21 Q. Why is it hard to say?

22 THE COURT REPORTER: Repeat.

23 A. I just don't know why it's relevant.

24 Q. I'm sorry, you don't know why it's  
17:07:28 25 relevant to the market? Is that what you mean?

17:07:31 1 A. A private relationship with an  
2 individual market maker is -- I don't know -- I  
3 wouldn't view that as something that is  
4 necessary to communicate. But, again, Ripple  
17:07:43 5 may very well have. I just don't recall if  
6 they've shared that or not.

7 Q. Have you been involved in efforts to  
8 share that information?

9 A. Not that I recall.

17:07:50 10 Q. Is it -- is it your view that O -- the  
11 existence of the ODL platform provides liquidity  
12 for the XRP market?

13 A. Is it -- sorry, repeat the question.

14 Q. Yes.

17:08:04 15 Does the ODL platform provide  
16 liquidity for the XRP market?

17 A. Yes.

18 Q. Okay. To the extent that -- is it  
19 your view that the market wants to know about  
17:08:14 20 things that might provide liquidity to the XRP  
21 market?

22 A. Say -- repeat the question.

23 Q. Is it your view that the market would  
24 want to know about things that might provide  
17:08:24 25 liquidity to the XRP market?

17:08:27 1 MS. ZORNBERG: Object to form.

2 A. Yeah. I mean, they want to understand  
3 market liquidity overall.

4 Q. Yeah, but -- okay.

17:08:39 5 Does Ripple provide information, for  
6 example, about the payments that it makes to  
7 market makers to provide ODL liquidity as far as  
8 you know?

9 A. I saw no attempts to, like, hide that  
17:08:50 10 at all. I just don't think that it -- I don't  
11 recall it being publicly disclosed, like in a  
12 markets report, for example.

13 Q. Right.

14 But separate from attempts to hide it,  
17:08:59 15 which I'm not discussing, why was it not  
16 publicly disclosed in the markets report to the  
17 extent it was not?

18 A. Private relationships with individual  
19 market makers doesn't seem like something that  
17:09:15 20 would be appropriate to be shared in a public  
21 report.

22 Q. Okay. Can the O -- can the ODL  
23 platform function without liquidity provided by  
24 market makers on the receiving exchange?

17:09:30 25 A. It's something that would be tested,

17:09:31 1 and I think over time, yes. So, for example, I  
2 remember in the early days looking at volume on,  
3 say, Bitso before we started the MGI flow. And  
4 looking at those traded volumes at that time,  
17:09:47 5 they were insufficient to be able to support the  
6 liquidity that we needed in order to make, say,  
7 MGI's payments go through. But --

8 Q. I'm sorry, they were insufficient?

9 A. Right.

17:09:57 10 Q. Okay.

11 A. And so that was the reason for needing  
12 market makers support on developing liquidity on  
13 those platforms. But also over time, as crypto  
14 matures and exchanges mature and volumes  
17:10:09 15 increases and liquidity increases, we would  
16 expect less reliance on market makers. And  
17 depending upon the individual corridor,  
18 that's -- you know, more or less support may be  
19 required in order to ensure the payments go  
17:10:24 20 through.

21 Q. The individual corridors, can you  
22 explain what -- what corridors are you talking  
23 about?

24 A. Excuse me. So ODL is active in a  
17:10:33 25 number of corridors. Some examples are Mexico,

17:10:37 1 the Philippines. There's a few others, too.

2 Q. Okay. And the ones you know, the --  
3 the -- there's market makers actually on behalf  
4 of Ripple to create a market in those corridors  
17:10:50 5 on the receiving end?

6 A. When you say "create a market," I  
7 disagree with that statement, but there are  
8 market makers that are on those exchanges, on  
9 those order books, creating two-sided markets.

17:11:01 10 Q. And creating liquidity?

11 A. Yeah. Liquidity is created through  
12 market making.

13 Q. Okay. And so today -- I understand  
14 your view about over time as crypto matures.

17:11:15 15 Today, without the market makers providing  
16 liquidity, can ODL function?

17 A. So, again, it depends on the  
18 individual corridor. And I don't know the  
19 numbers offhand, but, you know, something like,  
17:11:26 20 you know, when we started if you said 30 percent  
21 of the flow could have been supported by natural  
22 liquidity, that -- those number -- the natural  
23 liquidity support increased over time meaning  
24 that there's less reliance on the market makers  
17:11:40 25 over time.

17:11:41 1 Q. Right. But I'm just asking today, not  
2 over time.

3 Today, which of these corridors could  
4 function without the market makers --

17:11:45 5 A. I don't know the numbers offhand --  
6 (Indiscernible cross talk; reporter  
7 requests one speaker.)

8 THE COURT REPORTER: Today, which  
9 of these corridors --

17:11:51 10 BY THE COURT REPORTER:

11 Q. -- could function without market  
12 makers providing liquidity on the receiving end?

13 A. Yeah, I don't know offhand.

14 Q. Okay. With respect -- and how would  
17:12:00 15 you -- if you wanted to know, how would you find  
16 out? What would you look at or who would you  
17 talk to?

18 A. So we would look at reports that the  
19 market makers provide to our data team regarding  
17:12:11 20 what trade flow that they've executed on the  
21 exchange and compare that to the ODL trade  
22 information that the product team would provide  
23 to us regarding what trades were sent to that  
24 exchange for ODL and then compare those two and  
17:12:27 25 see what percentage of the flow that was sent



17:12:31 1 from OD -- from Ripple through ODL onto that  
2 given exchange and what percentage of that total  
3 flow was executed through market makers versus  
4 other market participants.

17:12:40 5 Q. And so you say the data team and the  
6 product team. Can you tell me the individuals  
7 at those teams that might have that -- those --  
8 that data or those --

9 A. Excuse me.

17:12:51 10 Q. -- reports?

11 A. So the -- the product team is run by  
12 Asheesh Birla and the data team, [REDACTED]

13 Q. Okay. What is the size of the  
14 remittance market between the United States and  
17:13:04 15 Mexico?

16 A. I don't know offhand.

17 Q. Okay. What is the size of the  
18 remittance market between Mexico and the United  
19 States?

17:13:10 20 A. I don't know offhand.

21 Q. Does someone -- do you know if  
22 somebody at Ripple knows that information?

23 A. I would imagine so.

24 Q. Okay. Who would that be?

17:13:18 25 A. Perhaps the data team.

17:13:19 1 Q. Okay. Do you know whether the  
2 U.S.-Mexico sort of flow is -- how it compares  
3 with the size of Mexico-U.S. flow of funds?

4 A. I don't.

17:13:33 5 Q. Okay. And does Ripple disclose ODL  
6 volume?

7 A. I can't recall offhand. If we could  
8 check a markets report, that could be validated.

9 Q. You can't recall -- you can't recall  
17:13:47 10 either way if it's disclosed or not?

11 A. I don't know if it's disclosed in the  
12 markets report.

13 Q. Would you -- I think you called it  
14 Ripple's flagship product at some point, ODL?

17:13:56 15 A. Yes.

16 Q. Okay. So is -- isn't information  
17 about that product important if it's the  
18 flagship product?

19 A. I would say yeah.

17:14:00 20 THE COURT REPORTER: Could you  
21 repeat? Repeat.

22 Q. So isn't information about that  
23 product important if it's the flagship product?

24 Answer?

17:14:11 25 A. I would say.

17:14:11 1 MR. TENREIRO: Okay. Let's --  
2 this is a good time for a break. I have  
3 one last topic and let's just take five  
4 minutes.

17:14:23 5 THE WITNESS: Okay. That would  
6 be good. I need coffee.

7 THE VIDEOGRAPHER: The time right  
8 now is 5:13 p.m. We're off the record.

9 (Whereupon, a recess is taken.)

17:28:48 10 THE VIDEOGRAPHER: The time right  
11 now is 5:28 p.m. We're back on the  
12 record.

13 (Whereupon, exhibit is presented  
14 and marked SEC Madigan Exhibit 21 for  
17:29:04 15 identification.)

16 BY MR. TENREIRO:

17 Q. So Exhibit 21 is RPLI\_SEC 301757  
18 titled "Weekly Presentation XRP Markets." I'm  
19 not going to spend time on the pages themselves  
17:29:21 20 except for maybe the first two.

21 A. Sure. Okay.

22 Q. So just -- just generally, is -- what  
23 is this document generally? Not this one  
24 specifically, but this kind of document.

17:29:41 25 A. Yes. This appears to be one of the

17:29:43 1 weekly market meeting documents.

2 Q. Was these for -- was this for these  
3 Friday meetings or for the other meetings you  
4 had?

17:29:52 5 A. For the Friday meetings.

6 Q. Okay. And who prepared these decks to  
7 the extent they -- were they prepared for every  
8 Friday meeting typically?

9 A. Yes.

17:29:59 10 Q. Okay. And who would prepare them?

11 A. Again, a combination of people.

12 Primarily [REDACTED] more recently on my team.

13 Dinuka prior to him. And then, depending upon

14 the section, [REDACTED] legal, Ron.

17:30:22 15 Q. Would you review them before they were  
16 finalized?

17 A. Generally, yes.

18 Q. All right. Because they were -- fair  
19 to say they were sent to Mr. Garlinghouse and

17:30:27 20 Mr. Larsen to the extent they were going to  
21 participate in the Friday meeting?

22 THE COURT REPORTER: I'm sorry, I  
23 can't understand you, Jorge.

24 MR. TENREIRO: Sorry, Bridget.

17:30:36 25 Q. Fair to say they were sent to

17:30:38 1 Mr. Garlinghouse and Mr. Larsen to the extent  
2 they participated in the Friday meeting? Is  
3 that fair?

4 A. Yes.

17:30:45 5 Q. Okay. Just on the third page,  
6 "Executive Summary," you discuss "Overall  
7 digital asset market cap" in the first bullet  
8 point, and in the second bullet point, you talk  
9 about "XRP price fell WOW."

17:31:04 10 Is that week over week?

11 A. Mm-hmm.

12 Q. Yes or no, please.

13 A. Yes. Sorry.

14 Q. Sorry. And then you say "YTD minus .6  
17:31:12 15 percent."

16 Is that year to date?

17 A. Yes.

18 Q. Okay. Who decided that the XRP price  
19 was going to be the second bullet point on this  
17:31:19 20 deck?

21 A. Whoever put it together this week put  
22 it there. I don't recall a specific decision.  
23 Sorry.

24 Q. Were these Friday meetings occurring  
17:31:30 25 before you arrived or were they a new thing when

17:31:32 1 you started?

2 A. Before I arrived.

3 Q. Okay. And as far as you know, were  
4 the decks being circulated for the Friday  
17:31:37 5 meetings before you arrived?

6 A. Yes.

7 Q. Okay. And sitting here today, I know  
8 you don't have every deck, but was the price of  
9 XRP, the change in the price, typically  
17:31:47 10 discussed in the executive summary for the  
11 weekly decks?

12 A. In general, price, market cap,  
13 volumes, other metrics tended to be involved in  
14 the summary.

17:32:07 15 Q. I'm sorry. Market cap, price,  
16 volumes.

17 A. Yeah.

18 Q. Those are the three -- the first  
19 bullets?

17:32:11 20 A. Yeah. In this one they are, but over  
21 my two-plus years, the composition and order of  
22 slides may have changed from time to time.

23 Q. When you say -- when it says "social  
24 listening," can you -- what does "social  
17:32:24 25 listening" there?

17:32:25 1 A. Yeah. So I alluded to this a little  
2 bit earlier when -- when we were talking about  
3 the communications team. And there was a subset  
4 of the communications team that was looking at  
17:32:36 5 what the conversation was in social media. We  
6 talked about the Twitter verse, et cetera. And  
7 so there was a -- one or two members of the  
8 team, in the communications team, that would  
9 look at what is the conversation around Ripple  
17:32:51 10 and XRP in the -- in the public sphere.

11 Q. Okay. Please turn to the page, the  
12 bottom will say 301762. That's the number. The  
13 title of the slide is "What is Inflation/Purpose  
14 of Study."

17:33:09 15 A. Uh-huh. Right. This is what you were  
16 talking about before.

17 Q. Just generally speaking, what is --  
18 what was this about?

19 A. So this was the study I mentioned  
17:33:19 20 earlier that Brad and -- and [REDACTED] kicked off.  
21 And it was trying to figure out in -- in the  
22 spirit we mentioned earlier of communicating  
23 transparently with the market around Ripple's  
24 supply of XRP, how it's introduced, and figuring  
17:33:40 25 out how to communicate to the market more

17:33:43 1 accurately around this topic.

2 Q. The topic of Ripple's supply of XRP?

3 A. Right.

4 Q. Does that include Ripple's supply of  
17:33:55 5 XRP entering into the market?

6 A. Yes.

7 Q. Okay. Is it fair to say from  
8 reviewing the slides that at some point in the  
9 Friday meetings, there was a discussion about  
17:34:07 10 different methodologies to sort of measure what  
11 you call here the inflation?

12 MS. ZORNBERG: Objection.

13 Q. If you look at the next page, for  
14 example.

17:34:24 15 A. Yes. I do recall this was a topic in  
16 one of the meetings.

17 Q. Okay. And, again, just to be clear,  
18 because I'm getting a little confused, inflation  
19 in this context means inflation of supply, not  
17:34:34 20 inflation of price, right?

21 A. Right.

22 Q. Okay. And on the next page, the one  
23 that is called "XRP Inflation Recommended  
24 Methodology," can you please turn to that page?

17:34:43 25 It's the next one. At the bottom it says



17:34:52 1 301764.

2 A. 764, okay. Okay.

3 Q. "Recommended Methodology." Do you see  
4 that?

17:35:01 5 A. Sure. Yeah.

6 Q. Okay. Just read it to yourself,  
7 please. I just want to make sure we're on the  
8 same page.

9 A. Sure.

17:35:28 10 (Pause)

11 A. Okay.

12 Q. What -- what is this methodology?

13 A. This is a methodology that I believe  
14 [REDACTED] from the advisory team came up with as one  
17:35:37 15 potential way to think about XRP inflation.

16 THE COURT REPORTER: I'm sorry,  
17 could you repeat your answer? I don't  
18 think I got that.

19 THE WITNESS: Sure.

17:35:45 20 Q. [REDACTED]

21 A. This -- if I recall correctly, this is  
22 one methodology that [REDACTED] from the advisory  
23 team came up with as a potential way to  
24 communicate XRP inflation to the market.

17:36:02 25 Q. Was this methodology ultimately

17:36:04 1 adopted in terms of Ripple's way of  
2 communicating information about XRP inflation?

3 A. I don't recall a definitive outcome on  
4 that topic of inflation.

17:36:15 5 Q. He had listed pros and cons of the  
6 methodology.

7 Do you see that?

8 A. I do.

9 Q. It says "Cons: Ripple's role could be  
17:36:23 10 perceived negatively vis-a-vis the  
11 'centralization narrative.'"

12 Do you see that?

13 A. I do.

14 Q. What is the "centralization  
17:36:29 15 narrative"?

16 A. I'm not sure exactly what me meant  
17 there.

18 Q. Was this topic discussed at the Friday  
19 meeting where this deck was circulated?

17:36:36 20 A. I believe so.

21 Q. What was discussed?

22 A. I don't recall exactly except that  
23 high level I recall that the objective was to  
24 think about how Ripple communicates around  
17:36:49 25 inflation and explore whether or not there was

17:36:51 1 an opportunity to provide increased clarity  
2 around the topic.

3 Q. Did Mr. Garlinghouse attend the  
4 meeting where this was discussed?

17:37:00 5 A. I believe so.

6 Q. Did Mr. Larsen?

7 A. I don't recall.

8 Q. Did Mr. -- what did  
9 Mr. Garlinghouse -- excuse me.

17:37:05 10 What did Mr. Garlinghouse say about  
11 this proposed methodology?

12 A. I don't recall.

13 Q. And what did others say about the  
14 proposed methodology vis-a-vis the  
17:37:17 15 centralization narrative?

16 A. I don't recall.

17 Q. Okay. Let's set that aside, please.

18 A. Sure.

19 Q. Ms. Madigan, what is XRP-O?

17:37:29 20 A. XRP Origination.

21 Q. What does that mean?

22 A. So XRP Origination was a product  
23 innovation introduced more recently. I don't  
24 remember exactly when. But it came in response

17:37:41 25 to client requests around -- okay. So we talked

17:37:47 1 about the -- the ODL workflow where, you know,  
2 the client has, say, dollars. They send it to  
3 an originating exchange and that exchange swaps  
4 the dollar for XRP. The XRP gets sent cross  
17:37:54 5 border --

6 THE COURT REPORTER: Slow down.

7 "They send it to an original exchange"?

8 A. Yes. And then at the originating  
9 exchange, the dollars would be swapped into XRP,  
17:38:10 10 and then the XRP would be sent across border to  
11 the destination exchange. And at the  
12 destination exchange, that XRP would then be  
13 swapped into the local currency. In the example  
14 we've been using today, if it was Mexico, it  
17:38:29 15 would be Mexican pesos, Bitso.

16 So I am referencing that workflow  
17 because XRP-O was an innovation on that workflow  
18 in response to client requests. So MGI, as an  
19 example, rather than sending dollars to the  
17:38:48 20 originating exchange and having to swap that  
21 into XRP, said maybe we should just take  
22 delivery of the XRP directly and we can then  
23 send it to the destination exchange as they  
24 became more sophisticated in crypto.

17:39:02 25 And so "XRP-O" is the term that was

17:39:04 1 used around the clients having the XRP  
2 directly -- excuse me -- and basically doing  
3 away with the first leg of that trade.  
4 Q. Directly from whom?  
17:39:12 5 A. Directly from Ripple.  
6 Q. With no market maker involvement?  
7 A. In ter -- no market maker involvement  
8 --  
9 Q. On that side.  
17:39:21 10 A. -- on that side. Not that I know of.  
11 Q. Did that actually happen, XRP-O?  
12 A. Yeah.  
13 Q. Was that the first time that Ripple  
14 sold XRP directly to OD -- excuse me, to ODL  
17:39:31 15 users?  
16 A. I'm not aware if there was other  
17 instances.  
18 Q. Okay. How much XRP has Ripple sold  
19 with respect to the X -- you know, in XRP-O?  
17:39:45 20 A. I don't know the numbers offhand.  
21 Q. Just a general ballpark.  
22 A. I don't want to speculate because I  
23 don't know the numbers offhand.  
24 Q. Who would have those numbers?  
17:39:52 25 A. The head of product, Asheesh.

17:39:55 1 Q. Okay. And so was XRP-O good for  
2 Ripple?

3 A. What do you mean by "good for Ripple"?

4 Q. Was it something desirable for the  
17:40:04 5 company?

6 A. It's hard for me to comment on what's  
7 desirable for the company at large. I know that  
8 that product innovation was developed in  
9 response to client requests.

17:40:12 10 Q. Was it desirable from your  
11 perspective?

12 A. I didn't have a view on its -- the  
13 innovation's desirability or lack thereof.

14 Q. What -- did you have a view at all  
17:40:20 15 about the innovation of XRP-O?

16 A. It seemed logical to want to respond  
17 to client requests.

18 Q. Did you come to become concerned that  
19 XRP-O could result in a negative impact on XRP's  
17:40:37 20 price?

21 A. So over time -- not with respect to  
22 price, but over time, as we looked at the impact  
23 on the destination exchanges, as we talked about  
24 before, when there's high volume of  
17:40:52 25 one-directional flow in significant -- so if it

17:40:56 1 was a significant sell order with no offsetting  
2 buy order, for example, that can have a drying  
3 up effect on liquidity.

4 Q. Okay. So Ripple selling XRP to ODL  
17:41:15 5 clients could have a drying up effect on  
6 liquidity?

7 A. That's not what I said actually.

8 Q. Okay.

9 A. So I'd like to restate.

17:41:26 10 Q. Yes.

11 A. The -- if the client is taking their  
12 delivery of the XRP directly and sending it to  
13 Bitso in that example and the -- and that client  
14 is selling the XRP for that destination  
17:41:41 15 currency -- in that example, it might be Mexican  
16 peso -- that is only one-directional flow, all  
17 selling of XRP.

18 Q. And that -- okay.

19 So what -- what is the problem with  
17:41:51 20 that?

21 A. So we've talked before about healthy  
22 liquid markets. And having order books with  
23 two-sided flow, buying and selling, tends to  
24 produce healthier liquid markets.

17:42:05 25 Q. Well, but when the -- when the client

17:42:07 1 -- so the client -- when you say "client," you  
2 mean, for example, MGI as opposed to MGI's  
3 customer, my mom and -- and dad --

4 A. Right.

17:42:15 5 Q. -- example kind of thing?

6 A. MGI.

7 Q. Okay. So, I'm sorry, I apologize. I  
8 just want to be clear.

9 So the client, when they sell XRP in  
17:42:20 10 Bitso, someone's buying it, right? They -- for  
11 them to sell it?

12 A. Yeah.

13 Q. Okay. Doesn't Ripple want to, you  
14 know, sell its XRP for, you know, use on an ODL  
17:42:34 15 platform?

16 A. Ripple is interested in promoting the  
17 utility around XRP for ODL, making sure that the  
18 product runs smoothly. So when that product  
19 innovation was introduced, we saw a drying up  
17:42:50 20 impact on liquidity.

21 Q. And the drying -- was the drying up  
22 impact on liquidity -- I'm sorry, did you --  
23 sorry. Let me start again.

24 Did you also see -- when the product  
17:43:00 25 was introduced, did you also see a decrease in



17:43:03 1 the price of XRP?

2 A. When what product was introduced?

3 Q. XRP-O.

4 A. Oh. I'm not sure where the price was  
17:43:11 5 trading when XRP-O was introduced.

6 Q. All right.

7 MR. TENREIRO: Let's look at  
8 Exhibit 28, which is going to be a  
9 five-page e-mail, 503252.

17:43:33 10 (Whereupon, exhibit is presented  
11 and marked SEC Madigan Exhibit 28 for  
12 identification.)

13 (Pause)

14 A. Okay.

17:46:47 15 Q. Okay. So in this series of e-mails,  
16 let's start with Friday, January 10th, 2020,  
17 towards the end. Mr. Samarasinghe e-mails  
18 Asheesh.

19 Is that Asheesh Birla?

17:47:00 20 A. Yes.

21 Q. Okay. And he says "In general, the  
22 markets team does not see" -- strike that. Let  
23 me -- let me go further up.

24 He says "We appreciate you asking for  
17:47:11 25 the market team's thoughts on XRP Origination at

17:47:13 1 yesterday's ODL WBR."

2 What's "WBR"?

3 A. I don't remember.

4 Q. Okay.

17:47:23 5 A. It's a meeting. I don't know what the  
6 acronym stands for.

7 Q. Fair enough.

8 Does the -- did the market team come  
9 up with thoughts on XRP Origination?

17:47:30 10 A. It looks like Dinuka came up with some  
11 thoughts that he provided there.

12 Q. Well, he says, though, "the markets  
13 team's thoughts."

14 Is that not his -- is he --

17:47:40 15 A. I don't think Dinuka is speaking for  
16 anybody other than himself.

17 Q. Despite --

18 A. But I -- yeah. This is Dinuka's  
19 e-mail so I can't -- and I don't recall him

17:47:51 20 soliciting my opinion on this matter until after  
21 this back-and-forth.

22 Q. Okay. Read -- having read the e-mail,  
23 did you share his -- his thoughts that he  
24 expresses here at the time?

17:48:02 25 A. So I -- I scanned this pretty quickly,

17:48:04 1 but it looks like he's concerned around the --  
2 the impact that Phase 3, which, again, I'm not  
3 re -- I think Phase 3 might be what XRP-O  
4 originally ended up being, would have with  
17:48:20 5 one-directional flow, significant  
6 one-directional flow, and what that might do on  
7 the order book which is, again, referencing  
8 liquidity.

9 Q. For example, "we'd expect ODL XRP  
17:48:29 10 Origination at any significant scale to have a  
11 negative impact" --

12 THE COURT REPORTER: I'm sorry, I  
13 don't know -- I can't hear you and I -- I  
14 don't know where you're reading from.

17:48:39 15 Q. The third white bullet point where he  
16 says "However, we'd expect ODL XRP Origination  
17 at any significant scale to have a negative  
18 impact on XRP price."

19 Do you see that?

17:48:50 20 A. I'm sorry, where? In his original  
21 thing?

22 Q. Yes.

23 A. However, we -- okay. Okay.

24 Q. Do you see that?

17:49:03 25 A. I do see that, yeah.

17:49:04 1 Q. And he says "we," right?

2 A. He does say that.

3 Q. Okay. So -- but is it your testimony  
4 that he's only speaking for himself, not for the  
17:49:11 5 whole team here?

6 MS. ZORNBERG: Objection.

7 A. Yeah.

8 MS. ZORNBERG: Asked and  
9 answered. This is a draft e-mail that he  
17:49:18 10 shared for others' views. So he drafted  
11 it.

12 Q. What's your answer?

13 A. That's my answer. The same answer I  
14 gave prior.

17:49:28 15 Q. I'm going to ask again.

16 A. Sure.

17 Q. Is it your testimony that he's only  
18 speaking for himself in this e-mail and not the  
19 whole team?

17:49:33 20 A. Yes. This is an e-mail he drafted  
21 himself and then shared with the team.

22 Q. Okay. And did you respond to his  
23 draft?

24 A. It looks like I did on Friday,  
17:49:48 25 January -- or January 10th.

17:49:51 1 Q. And what -- and you said "It's long.  
2 AB likes things punchy."

3 That's Asheesh Birla?

4 A. Mm-hmm.

17:49:58 5 Q. "Feel free to pop this into a Google  
6 doc and I'll update there."

7 Do you see that?

8 A. Mm-hmm.

9 Q. Did you do that?

17:50:04 10 A. I don't recall.

11 Q. Okay.

12 MR. TENREIRO: Let's look at  
13 Exhibit 29.

14 (Whereupon, exhibit is presented  
17:50:07 15 and marked SEC Madigan Exhibit 29 for  
16 identification.)

17 MR. TENREIRO: And that's a  
18 document, two pages, RPLI\_SEC 504441.

19 (Pause)

17:51:50 20 A. Okay.

21 Q. Ms. Madigan, comparing Exhibit 28, his  
22 last e-mail, to what's in Exhibit 29, does that  
23 refresh your memory that Mr. Samarasinghe might  
24 have taken you up on your suggestion to put, you  
17:52:03 25 know, his thoughts in a Google doc --

17:52:05 1 A. It appears --

2 Q. -- for you to comment on?

3 A. It appears he did.

4 Q. Okay. And do -- did you express  
17:52:08 5 disagreement with any of his draft ODL XRP  
6 Origination concerns?

7 A. I can't tell from this what was --  
8 let's see. It says, like, action items  
9 accepted, rejected. I don't know what was  
17:52:21 10 accepted or rejected. I can't read this barely.

11 Q. Let me ask you this: Did the markets  
12 team come to be concerned that XRP-O might be  
13 pushing down the price of XRP?

14 A. So as I mentioned, we are concerned  
17:52:34 15 with liquidity. Price is one component of  
16 liquidity. And so large one-directional flow  
17 can have a negative impact on liquidity.

18 Q. But ODL is, I think you said, Ripple's  
19 flagship product, right?

17:52:49 20 A. It is.

21 Q. So to the ex --

22 THE COURT REPORTER: I'm sorry,  
23 Ripple's what product?

24 MR. TENREIRO: Flagship product.

17:52:50 25 A. And I should -- I should note as well,

17:52:52 1 I refer to it that way. I don't know if that's,  
2 like, a Ripple term, but I consider it a  
3 flagship product because it's that's primary  
4 product that we focus on. That's my language.

17:53:02 5 Q. And in -- in your experience, in your  
6 professional experience, for a company's  
7 flagship product, does it want to sell more of  
8 it typically?

9 MS. ZORNBERG: Objection.

17:53:15 10 A. So what do you mean by "sell more of  
11 it"?

12 Q. Does it want it to be used more?

13 A. Presumably.

14 Q. Okay. And XRP-O, was that causing ODL  
17:53:24 15 to be used more or less?

16 A. I'm not sure.

17 Q. You're not sure.

18 Did you ever come to know whether  
19 XRP-O would cause Ripple's flagship product to  
17:53:38 20 be used more or less?

21 A. No.

22 Q. Did you ever ask anyone that question?

23 A. No.

24 Q. Was that a concern you had or a  
17:53:48 25 curiosity you ever had?

17:53:50 1 A. No.

2 Q. Why not?

3 A. Just didn't concern me. It wasn't my  
4 mandate, to sell X -- to sell ODL.

17:53:56 5 Q. So your mandate was to?

6 A. Help build liquidity for XRP.

7 Q. Okay. And more use of ODL would not  
8 help liquidity for XRP?

9 A. I didn't say that.

17:54:08 10 Q. Well, let me ask you then: Would  
11 use -- more use of ODL -- of ODL help build  
12 liquidity for XRP?

13 A. I generally would think so.

14 Q. Okay. So in the context of that, did  
17:54:18 15 you not ever have curiosity to ask whether XRP-O  
16 would result in more use of ODL?

17 MS. ZORNBERG: Objection.

18 A. So can you clarify the question?

19 Q. Yes.

17:54:31 20 In the context of, you know, you  
21 generally thinking that ODL would help in  
22 liquidity for XRP, you did not ever have  
23 occasion to ask someone if XRP-O would result in  
24 more use of ODL?

17:54:44 25 MS. ZORNBERG: Objection.



17:54:45 1 A. I answered that question and I did not  
2 ask that question of anybody internally.

3 Q. Without you asking that question, did  
4 anyone provide you that information on their  
17:54:54 5 own?

6 A. No.

7 Q. Okay. And I understand that you did  
8 not ask that question; that no one provided you  
9 that information.

17:55:03 10 Did anyone direct you to find out that  
11 information but maybe you just didn't do it for  
12 whatever reason?

13 MS. ZORNBERG: Objection.

14 A. Not that I recall.

17:55:09 15 Q. Okay.

16 MR. TENREIRO: Let's look at  
17 Exhibit 31.

18 (Whereupon, exhibit is presented  
19 and marked SEC Madigan Exhibit 31 for  
17:55:11 20 identification.)

21 MR. TENREIRO: And the  
22 attachment, which is Exhibit 34.

23 (Whereupon, exhibit is presented  
24 and marked SEC Madigan Exhibit 34 for  
17:55:14 25 identification.)

17:55:14 1 MR. TENREIRO: So that's going to  
2 be -- the e-mail is RPLI\_SEC 302044. It's  
3 just a cover e-mail. And the attachment  
4 is a deck that starts at 302045. So let's  
17:55:33 5 look at both.

6 MS. ZORNBERG: Look at both?

7 MR. TENREIRO: Yeah, both of  
8 them.

9 THE WITNESS: Okay.

17:56:03 10 MR. TENREIRO: Sorry? 31 and 34.

11 BY MR. TENREIRO:

12 Q. So, Ms. Madigan, the -- the cover  
13 e-mail, which is Exhibit 31, just fair to say  
14 you're sending a deck, re XRP-O, to [REDACTED]?

17:56:37 15 A. Yes.

16 Q. Is that fair?

17 And when you say "we've pulled  
18 together," who are you referring -- who's "we"  
19 in that e-mail?

17:56:44 20 A. [REDACTED] advisory team, a couple  
21 members of my team, Ron Will and legal, and a  
22 couple of others were involved in conversation.

23 Q. And the subject is "XRP-O Supply  
24 Concerns," right?

17:56:55 25 A. Yes.

17:56:55 1 Q. Okay. Now let's turn to the deck,  
2 which is Exhibit 34.

3 A. Mm-hmm.

4 Q. The title, also, "XRP-O Supply  
17:57:04 5 Concerns," is that right?

6 A. That is correct.

7 Q. Okay. On page 3 of the deck, you  
8 start with "Executive Summary."

9 A. Mm-hmm.

17:57:16 10 Q. "XRP began underperforming BTC since  
11 BTC halving in early May" --

12 A. Mm-hmm.

13 Q. -- "and underperformance has  
14 accelerated with the launch of XRP-O."

17:57:27 15 Do you see that?

16 A. I do.

17 Q. Is that underperformance in price?

18 A. So underperformance can reference  
19 volumes. It can reference price. It can  
17:57:34 20 reference spreads. It can -- it's referencing  
21 an asset's performance overall in the market.

22 Q. What does it reference in this -- in  
23 this deck?

24 A. So oftentimes you would look at how  
17:57:48 25 any -- digital assets comparing to Bitcoin, for

17:57:52 1 example, because it tends to be the market  
2 leader. So Bitcoin -- as Bitcoin moves, the  
3 rest of the market tends to move. So it looks  
4 like we're comparing XRP's trading performance  
17:58:04 5 relative to Bitcoin.

6 Q. "Trading performance," does that just  
7 mean price?

8 A. No, it doesn't just mean price.

9 Q. What -- what does it mean?

17:58:11 10 A. It can mean price. It can mean  
11 volumes. It can mean other attributes to how  
12 it's trading in the market overall.

13 Q. So -- but -- all right. So my -- my  
14 question, though, is, what is the word  
17:58:25 15 "underperformance" referring to in this deck?

16 A. I don't have the data right behind  
17 this that this is referencing, but, again, we  
18 would use the phrase "underperformance" relative  
19 to sometimes price, sometimes volume, sometimes  
17:58:36 20 spreads. We look at a lot of different things  
21 around performance of an asset.

22 Q. The next deck -- the next bullet says  
23 XRP -- "XRP selling via XRP-O has led to  
24 negative pressure on XRP."

17:58:48 25 What does that mean, "negative

17:58:50 1 pressure"?

2 A. So, again, you'll see the sub bullet  
3 below that talks about [REDACTED] of sell  
4 orders. So this gets back to looking at the  
17:58:59 5 depth of the market on a specific order book.  
6 If there's large one-sided flow, that can be  
7 negative for XRP's liquidity.

8 Q. It's -- it talks about [REDACTED] of  
9 XRP sell orders.

17:59:12 10 Is that what you're talking about?

11 A. Mm-hmm.

12 Q. And then it says "was placed into the  
13 market without offsetting buy flow," right?

14 A. Mm-hmm.

17:59:20 15 Q. What does that mean? What does that  
16 do together?

17 A. So if there's large one-directional  
18 flow, it usually causes dislocations in an order  
19 book where sometimes market makers will pull  
17:59:24 20 out --

21 THE COURT REPORTER: Slow down,  
22 please. "So if there's large  
23 one-directional flow"?

24 A. It tends to have a negative impact on  
17:59:34 25 liquidity in that -- in that --

17:59:37 1 MS. ZORNBERG: But you had said  
2 something about dislocation and an order  
3 book.

4 THE WITNESS: Right.

17:59:43 5 MS. ZORNBERG: I don't think she  
6 got that.

7 A. Okay. So -- so large one-directional  
8 flow can cause dislocation in an order book  
9 which tends to have a negative impact on  
17:59:51 10 liquidity. So sometimes market makers, when  
11 they see a large movement in one direction or  
12 another, may pull their bids and their offers  
13 out of the order book to wait to see where the  
14 market settles before they replace their bids  
18:00:06 15 and offers within the order books. So that --  
16 that causes market dislocation, which is not  
17 helpful to liquidity.

18 Q. And large one-directional order flow  
19 when it's sell orders without offsetting buy  
18:00:17 20 flow, that also causes a decrease in price,  
21 correct?

22 A. It can.

23 Q. Did you come to conclude in terms --  
24 you know, in the concept of putting together  
18:00:27 25 this deck, what had happened to XRP's price

18:00:30 1 since the launch of XRP-O?

2 A. I'm not sure if the XRP price is  
3 quoted in here, but it's certainly something we  
4 would look at as part of the analysis of the  
18:00:41 5 impact of XRP-O on XRP's liquidity health.

6 Q. Well, if you look at the chart on the  
7 page that says 302049, what is that a chart of?

8 A. So it looks to be a chart of XRPs, USD  
9 price, as well as XRP/MXN, as well as Bitcoin  
18:01:06 10 USD, Bitcoin MXN, and then significant dates and  
11 market events that are impacting the market  
12 moves. I can't read all this clearly, but that  
13 is the gist of what I get from it.

14 Q. So in the context of this graph at  
18:01:28 15 least, is it fair to say that "XRP  
16 underperformance" refers to XRP -- XRP's price  
17 relative to certain other assets such as dollars  
18 and pesos?

19 A. Looks like it.

18:01:43 20 Q. Okay. So does this refresh your  
21 memory as to whether in the context of analyzing  
22 XRP-O supply concerns you came to conclude that  
23 XRP-O was causing the price of XRP to go down?

24 MS. ZORNBERG: Objection.

18:01:59 25 A. As I mentioned, price is one thing

18:02:01 1 that we would look at in combination with a  
2 number of other factors including spreads,  
3 volatility, volumes, et cetera, to assess how a  
4 market is trading.

18:02:13 5 Q. Let's look at the next page where it  
6 says "Lead-up XRP-O: XRP outperformed versus  
7 BTC by 5 percent."

8 A. Mm-hmm.

9 Q. Do you see that?

18:02:23 10 A. Mm-hmm.

11 Q. What -- 5 percent of what?

12 A. It looks like -- hold on. Let me read  
13 this clearly. "XRP outperformed versus Bitcoin  
14 by 5 percent." So I can't tell from this gray  
18:02:37 15 shaded thing if this is price or what it is or  
16 if it's volatility. Can you tell from here?

17 Q. Oh, I'm sorry, I'm asking you.

18 A. Yeah, I -- it's all, like, grayed out  
19 so I can't tell what the metrics are.

18:02:49 20 Q. And what about the next one? "Since  
21 5/27 (XRP-O Bitso launch) XRP underperformed  
22 versus BTC by over 10 percent."

23 A. Mm-hmm.

24 Q. Is that referring to underperformed in  
18:03:05 25 terms of the price?



18:03:07 1 A. It looks like it.

2 Q. Okay. At some point your team also  
3 came up -- well, I'm sorry.

4 At some point individuals at Ripple  
18:03:22 5 came up with ideas to sort of address these  
6 concerns that you were discussing at this deck,  
7 right? Supply concerns.

8 A. Yes. In fact, I recall receiving a  
9 call from Brad about this topic and -- and --  
18:03:42 10 and he asked us to look into this and suggested  
11 that we would consider doing purchases.

12 Q. Purchases of what?

13 A. XRP.

14 Q. Who suggested that?

18:03:56 15 A. Brad.

16 Q. For what purpose?

17 A. To offset some of the negative impact  
18 of XRP-O supply one-directional flow.

19 Q. Was that the first time that you sort  
18:04:05 20 of heard of that idea, when he suggested it to  
21 you?

22 A. Yeah, that's the first I recall.

23 Q. Okay. When was that?

24 A. I don't recall the date, but I  
18:04:13 25 remember it preceded this because I remember

18:04:15 1 Ron's --

2 Q. I'm sorry, ma'am. "Preceded this"  
3 meaning the deck?

4 A. This deck.

18:04:18 5 Q. Okay.

6 A. Yeah. Because I remember Ron  
7 specifically said to me, "I know that you've  
8 already had this conversation around -- you  
9 know, what Brad wants us to consider doing, but  
18:04:32 10 I'd -- you know, I'd like you to put something  
11 together that shows other options, too, so that  
12 we're being thoughtful about the supply  
13 concerns."

14 Q. What option was -- was any option  
18:04:44 15 ultimately adopted in terms of addressing the  
16 supply concerns?

17 A. Yes. There was a -- there was a  
18 purchase program launched.

19 Q. Okay. Who made the decision to launch  
18:04:53 20 the purchase program?

21 A. Brad, legal. A bunch -- a bunch of  
22 people were involved.

23 Q. Was Mr. Larsen involved?

24 A. Brad mentioned he spoke with Chris. I  
18:05:06 25 don't know -- about the topic, but I don't know

18:05:07 1 the extent to which Chris was involved in the  
2 decision.

3 Q. Okay. And the purchase program that  
4 was launched, when was it launched?

18:05:15 5 A. I don't remember the exact date, but I  
6 remember it was around early July.

7 Q. Of?

8 A. This past summer.

9 Q. 2020?

18:05:22 10 A. 2020.

11 Q. Okay. And the purchase program  
12 involved Ripple buying XRP in the market?

13 A. Yes.

14 Q. What disclosures did Ripple make about  
18:05:30 15 that to the market?

16 A. In -- the disclosures were made in the  
17 markets report.

18 Q. What did Ripple say?

19 A. That from time to time, Ripple -- I  
18:05:37 20 don't know the exact language actually.

21 Q. Did Ripple disclose the exact amounts  
22 it was buying?

23 A. I don't recall offhand.

24 Q. Oh, okay. Did Ripple disclose the  
18:05:48 25 reasons for the buys?

18:05:50 1 A. I don't recall the exact language.

2 Q. Were you involved in the, you know,  
3 review or drafting of the reports that discussed  
4 the buy-back program?

18:05:59 5 A. So are you talking about the XRP  
6 markets report?

7 Q. Yeah.

8 A. So, yeah. As -- as we talked about in  
9 the past, the XRP market reports would be

- 18:06:08 10 drafted by a group of people and I would tend to  
11 review them and provide comments where  
12 necessary.

13 Q. Okay. And so did you provide comments  
14 to the extent it discussed the buy-back program?

18:06:14 15 A. No. Legal provided the language  
16 around the buy-back program.

17 Q. Okay. Was this deck that we're  
18 looking at that you're holding, which is Exhibit  
19 34, presented to Mr. Larsen?

18:06:34 20 A. I don't recall.

21 Q. The deck on page 10 of it, page 10 of  
22 the deck -- I realize there's no numbers. Let  
23 me just -- one second. It -- at the bottom it  
24 says 302054. It says "Proposed Repurchase  
18:06:51 25 Initiative."

18:06:52 1 A. Okay.

2 Q. Okay. "Option C: Repurchase XRP on  
3 Bitso." That's one of the options. On the  
4 prior page, "Repurchase XRP via MMs on multiple

18:07:07 5 exchanges. Option B: Repurchase XRP directly  
6 from MMs."

7 Which of these options was adopted?

8 A. Well, let me read these more closely.

9 (Pause)

18:07:22 10 A. Option A, although let me read the  
11 detail. Yeah.

12 Q. Now, here, though, it talks a one- to  
13 three-month -- one- to three-month pilot.

14 A. Mm-hmm.

18:07:39 15 Q. Is that right?

16 A. That's what I read here, yes.

17 Q. When it -- when the program of  
18 rebuying began, did it occur for three months or  
19 for how long?

18:07:53 20 A. A couple months. I don't remember the  
21 exact dates.

22 Q. Was it paused after a couple months?

23 A. Yes.

24 Q. Did it -- did it continue at some  
18:08:01 25 point after?

18:08:01 1 A. Not to my knowledge.

2 Q. Okay. Does XRP-O still exist?

3 A. Yes, to my knowledge.

4 Q. Okay. Did -- did -- you know, did  
18:08:08 5 your team or the people you were working with do  
6 any other analysis to see the impact of XRP-O on  
7 other factors affecting liquidity other than the  
8 ones we, you know, we covered in these graphs?

9 A. There may have been others. I don't  
18:08:20 10 recall offhand.

11 Q. If there were, where would they have  
12 been presented?

13 A. Could have been within the team. It  
14 could have been at one of the meetings. I don't  
18:08:28 15 recall.

16 Q. In a deck or just orally or how?

17 A. I don't recall.

18 Q. Okay. So just -- just to be clear,  
19 sitting here today, you don't recall either way.  
18:08:37 20 There might have been other analysis; there  
21 might not have been. You just don't know.

22 A. Yes. I -- I recall this was a topic  
23 that we looked at. I don't remember how many  
24 analyses were performed around the topic.

18:08:46 25 Q. And what sort of materials would you

18:08:48 1 have to review to sort of make sure you, you  
2 know, reviewed the universe to be able to answer  
3 my question as to whether you did other analysis  
4 to see the impact of XRP-O on other factors  
18:08:58 5 affecting liquidity?

6 A. That was a long question. If you  
7 don't mind clarifying it.

8 Q. What sort of materials did you have to  
9 review --

18:09:04 10 A. Yes.

11 Q. -- to be able to answer this question,  
12 which is, did you do any other analysis to see  
13 the impact of XRP-O on other factors affecting  
14 liquidity?

18:09:13 15 MS. ZORNBERG: Objection.

16 A. Yeah, I'm not -- what other analysis  
17 would we have to --

18 Q. No. What other materials would you  
19 have to look at just to make sure that you knew  
18:09:26 20 the universe of analysis you might have done?

21 MS. ZORNBERG: Objection.

22 A. I don't know.

23 Q. Okay. One sec.

24 THE WITNESS: How much longer do  
18:09:45 25 we have? How much longer do we have?

18:09:47 1 MR. ANELLO: Fifty.

2 THE WITNESS: Five-zero?

3 MR. TENREIRO: Let's look at  
4 Exhibit 33, please, which is, I believe,  
18:09:54 5 some sort of messaging thread. It starts  
6 at 504550.

7 (Whereupon, exhibit is presented  
8 and marked SEC Madigan Exhibit 33 for  
9 identification.)

18:10:15 10 A. Okay. Let me read this.

11 Q. Go ahead.

12 (Pause)

13 Q. My first question starts on page 2  
14 just so you know.

18:12:38 15 (Pause)

16 A. Okay.

17 Q. Ms. Madigan, have you -- have you had  
18 a chance to look at this?

19 A. I have. Excuse me. Sorry for  
18:12:42 20 yawning.

21 Q. No problem.

22 Is it fair to say that -- do you know  
23 what -- what messaging service or system you're  
24 using here?

18:12:52 25 A. I can't tell from this.



18:12:52 1 Q. Is it fair to say --

2 A. Oh, now it says -- yeah, I can see at  
3 the top it says "Slack retention," so likely  
4 Slack.

18:13:02 5 Q. Okay. Okay. The -- is it fair to say  
6 you're -- this is a conversation on Slack  
7 between you, Mr. Samarasinghe, [REDACTED],  
8 others, [REDACTED] is that right?

9 A. It looks like that.

18:13:19 10 Q. Okay. And having read this, is it  
11 fair to say that Mr. Larsen gave a directive to  
12 Mr. Garlinghouse to sort of deal with this XRP-O  
13 concerns by buying XRP?

14 MS. LINSENMAYER: Objection to  
18:13:33 15 form.

16 A. So I don't want to make too many  
17 presumptions given I don't recall this exact  
18 chat, but one thing I can say is I do recall  
19 that phone call I mentioned where Brad said that  
18:13:51 20 he wanted to explore buying XRP back to address  
21 the problem and that he had had a con --

22 THE COURT REPORTER: I can't  
23 understand you. "That Brad said he wanted  
24 to explore buying"?

18:14:01 25 A. Yes, XRP and that he mentioned that he

18:14:04 1 had had a conversation with Chris on the topic  
2 as well.

3 Q. Okay. Just on the third page of the  
4 chat, around 20:44, you say "We need to get this  
18:14:17 5 out today given CL called BG on vaca."

6 Do you see that?

7 A. Yes.

8 Q. Further up you say, around 20:06,  
9 "Yes, BG received a directive and now we can add  
18:14:30 10 alternative suggestions."

11 Do you see that?

12 A. Uh-huh.

13 Q. On page 2, around 20:03, you say  
14 "There was an almost directive by CL to BG to  
18:14:43 15 start buying back on Bitso."

16 Do you see that?

17 A. Mm-hmm.

18 Q. Do these chats reflect -- refresh your  
19 recollection as to whether -- whether  
18:14:52 20 Mr. Garlinghouse conveyed to you that he  
21 received an almost directive by Mr. Larsen to  
22 start buying back XRP?

23 A. Yeah, this helps refresh my memory,  
24 but, as I said, my memory was that I got a call  
18:15:06 25 from Brad referencing a conversation with Chris

18:15:09 1 around buying back in response to the negative  
2 liquidity impact from XRP-O.

3 Q. Did Mr. Larsen --

4 THE COURT REPORTER: A negative  
18:15:13 5 impact for? I can't hear you.

6 A. The negative impact on liquidity due  
7 to XRP-O.

8 Q. Okay. And did Mr. Larsen give a  
9 directive to decrease the negative price  
18:15:32 10 pressures by XRP-O?

11 A. I was not on that call --

12 MS. LINSENMAYER: Objection to  
13 form.

14 A. I was not on that call and I have  
18:15:40 15 no -- I was -- so I cannot comment on what Chris  
16 said to Brad.

17 Q. Did -- I didn't mean to -- what he  
18 said to Brad. My question was a little broader.

19 Did Mr. Larsen give employees at  
18:15:50 20 Ripple a directive to decrease neg -- negative  
21 price pressures on XRP based on XRP-O?

22 A. No.

23 Q. Did Mr. Garlinghouse give you that  
24 directive?

18:16:00 25 A. No.

18:16:01 1 Q. Okay. So the directive that he gave  
2 you was just to buy back XRP on Bitso, or to  
3 explore that, rather?

4 A. Yes, that's what I recall.

18:16:12 5 Q. Okay. How did you determine -- you  
6 said eventually there was a buy-back from the  
7 market makers on exchanges?

8 A. Yes.

9 Q. What exchange was -- on what exchange?

18:16:32 10 A. They were purchasing on multiple. I  
11 don't recall which.

12 Q. Did you enter into agreements with the  
13 market makers for these buy-backs?

14 A. Yes.

18:16:39 15 Q. What role did you have with respect to  
16 these agreements?

17 A. They were drafted by the respective  
18 legal teams, but I just spoke with market makers  
19 around providing the service.

18:16:52 20 Q. Why you?

21 A. Because Brad asked me to.

22 Q. Mm-hmm. Did you ask him why he asked  
23 you to do that?

24 A. No. I dealt with the market makers so  
18:17:00 25 it didn't seem unusual.

18:17:03 1 Q. Okay. Did the agreements -- were the  
2 agreements between -- what Ripple entity was --  
3 signed the agreements?

4 A. I don't recall offhand.

18:17:11 5 MR. TENREIRO: Let's look at  
6 Exhibit 36.

7 (Whereupon, exhibit is presented  
8 and marked SEC Madigan Exhibit 36 for  
9 identification.)

18:17:14 10 MR. TENREIRO: Master Purchase  
11 Agreement, RPLI\_SEC 301887.

12 THE WITNESS: Thank you. I'm  
13 just going to stand up for one second.

14 MR. TENREIRO: Go ahead. We're  
18:17:35 15 almost done.

16 THE WITNESS: Okay.

17 (Pause)

18 A. I haven't read these in age -- do you  
19 want me to read the whole thing or --

18:18:10 20 Q. No. Well, you can.

21 A. Okay.

22 Q. I'm not going to ask you questions  
23 about it.

24 A. Okay.

18:18:12 25 Q. I simply wanted to ask if this

18:18:15 1 agreement refreshed your recollection as to  
2 whether it was an entity incorporated in  
3 Singapore, referenced in the first paragraph,  
4 that entered into this agreement, the buy-back  
18:18:23 5 agreement.

6 A. Okay. So I don't know if this  
7 specific agreement you're showing me -- again,  
8 legal department would handle these agreements.  
9 So I don't know if this specific agreement is  
18:18:32 10 the one that governs the purchase program.

11 Q. Well --

12 A. But --

13 Q. Go ahead.

14 A. Sorry. But I -- I can confirm that --  
18:18:40 15 what you said. I can see in the first line that  
16 Ripple Labs Singapore is listed.

17 Q. Do you know why Ripple --

18 THE COURT REPORTER: I'm sorry,  
19 you broke up a little bit. But I  
18:18:41 20 confirm -- repeat, please.

21 A. Sure. I was just confirming that  
22 Ripple Labs Singapore appears to be the entity  
23 that is contemplated in this contract.

24 Q. In the first "Whereas" clause, it says  
18:19:02 25 "Whereas, Customer" -- defined as Ripple Labs

18:19:08 1 Singapore -- "for its own account and not for  
2 the account of any other person or entity, may  
3 seek to purchase XRP from the Company" --  
4 defined as in this case GSR markets -- "to  
18:19:16 5 offset amounts of XRP that Customer is selling  
6 to its own customers for their use in  
7 cross-border payments via Customer's On-Demand  
8 Liquidity product."

9 Do you see that?

18:19:27 10 A. I do.

11 Q. Okay. Why was the Ripple Labs  
12 Singapore entity the one entering into the XRP  
13 repurchase agreements?

14 A. We have entities all over the world.

18:19:38 15 I'm not the person responsible for choosing what  
16 entity we do what business out of.

17 Q. Who is?

18 A. Legal.

19 Q. Okay. Let's -- okay.

18:19:47 20 How much money did Ripple spend on  
21 buying back XRP?

22 A. I don't know that offhand.

23 MR. TENREIRO: Let's look at  
24 Exhibit 37.

18:19:56 25 Q. Oh, well, how -- yeah. I'm sorry.

18:19:59 1                   How would you determine how much XRP  
2                   to buy back?

3                   A.    So I recall looking at data on XRP-O  
4                   and the volumes that were being sent through  
18:20:12 5                   XRP-O and I recall that we were discussing  
6                   buying back something less than or, max, equal  
7                   to, but I think we settled on something less  
8                   than XRP-O volumes.

9                   Q.    How much less than?

18:20:27 10                  A.    I don't remember offhand.

11                  Q.    Well, okay.

12                               MR. TENREIRO:  Let's look at  
13                               Exhibit 37, which is a one-page e-mail at  
14                               301861.

18:20:35 15                               (Whereupon, exhibit is presented  
16                               and marked SEC Madigan Exhibit 37 for  
17                               identification.)

18                   BY MR. TENREIRO:

19                   Q.    An e-mail from Mr. Garlinghouse --  
18:21:00 20                   well, a couple of e-mails, but one is from  
21                   Mr. Garlinghouse to you on July 14th, 2020.

22                   A.    I'm sorry, is there something on the  
23                   back --

24                   Q.    No.

18:21:08 25                   A.    -- where it originated?  It looks like



18:21:11 1 [REDACTED] originated? I just want to make sure I'm  
2 looking at the right spot.

3 Q. It seems like [REDACTED] originated  
4 it.

18:21:17 5 A. Oh, okay. Yeah.

6 Q. And then it seems like you responded.

7 A. Okay. Yep. Let me read this. Sorry.

8 (Pause)

9 A. Okay.

18:21:40 10 Q. All right. Do you see where he says  
11 "Note: Purchasing on track to cover 100 percent  
12 of estimated XRP-O volumes"? Do you see that?

13 A. I do.

14 Q. Okay. So why the 100 percent?

18:21:51 15 A. So the issue that we were trying to  
16 address was the offset, right, from the original  
17 workflow that we discussed where there was a buy  
18 and a sell in the market, in the original ODL  
19 payment flow. XRP-O had only one direction.

18:22:06 20 And so this was specifically to  
21 address that imbalance in the order books. And  
22 so 100 percent appears to be where it was  
23 started although I vaguely recall that there was  
24 something less as well discussed. I don't know  
18:22:22 25 if it was 100 percent the whole time. I believe

18:22:24 1 it was lower at periods of time as well.

2 Q. Okay. But lower by, you know, what  
3 order of magnitude? I mean, are we talking 50  
4 percent or --

18:22:32 5 A. I -- I can't recall offhand.

6 Q. Who would have that data?

7 A. So product and/or accounting, finance.

8 Q. "Product" being?

9 A. Asheesh.

18:22:41 10 Q. Can you tell me a person?

11 A. Asheesh's organization and/or  
12 accounting and finance would have sent the  
13 dollars to address this.

14 Q. Okay. Did you receive questions from,  
18:22:52 15 you know, sort of the market or the media about  
16 buy-backs?

17 A. Not that I recall.

18 Q. Okay. Let's look at one. Let's look  
19 at Exhibit 41 --

18:23:02 20 A. Okay.

21 Q. -- which is 503633.

22 (Whereupon, exhibit is presented and  
23 marked SEC Madigan Exhibit 41 for  
24 identification.)

18:23:21 25 THE WITNESS: Thank you. Okay.

18:23:32 1 Okay.

2 Q. All right. Does this refresh your  
3 memory as to whether you received media  
4 inquiries from markets report about being a  
18:23:42 5 buyer in the market?

6 A. It does appear that the comms team  
7 received inquiries around the statement made in  
8 the XRP markets report.

9 Q. And they directed them to you, "Hey  
18:23:52 10 Markets," is that fair?

11 A. This e-mail is directed to me, yes, or  
12 our team.

13 Q. And [REDACTED] says "I would spin it  
14 around ODL. Maybe saying something about how  
18:24:02 15 this supports efficient execution of ODL  
16 transactions."

17 A. Mm-hmm.

18 Q. Do you see that?

19 A. I do.

18:24:07 20 Q. Did you discuss that with him, what he  
21 meant by that?

22 A. No.

23 Q. Okay. Did -- did mark -- did comms  
24 respond to media inquiries?

18:24:15 25 A. Sorry. Could you repeat the question?

18:24:17 1 Q. Yes. Did -- did markets respond to  
2 media inquiries from our market -- from your  
3 markets report re being a buyer in the market?

4 A. Did the markets team --

18:24:26 5 Q. Sorry, did comms. I'm sorry. Did  
6 comms respond to media inquiries?

7 A. Sometimes.

8 Q. No, to -- but I'm talking about this  
9 media inquiry about being a buyer in the market.

18:24:34 10 A. Oh, I'm not sure if [REDACTED] ended up  
11 responding or not.

12 Q. Okay. Did you respond to how -- well,  
13 I think comms here says "Can we say something  
14 high level?"

18:24:48 15 Did you have a view as to what you  
16 could say?

17 A. I don't recall this specific e-mail  
18 exchange or what I was thinking at the time last  
19 summer.

18:24:57 20 Q. It says "See below. Understand that  
21 we can't share details."

22 Do you see that?

23 A. Wait. What?

24 Q. The e-mail from [REDACTED] says "Hey  
18:25:07 25 Markets, we received a few media inquiries" --

18:25:09 1 A. Oh, oh. Oh, sorry. Yeah. Uh-huh.

2 Q. "Understand that we can't share  
3 details."

4 Do you see that?

18:25:13 5 A. Yes.

6 Q. Why can't they share details?

7 A. I'm not sure.

8 Q. Did you ever direct -- did you ever  
9 tell comms you could not share details about

18:25:20 10 XRP -- about Ripple being a buyer in the market?

11 A. No. I -- I'm not responsible for  
12 directing comms on anything.

13 Q. So do you know why she thought you  
14 can't share details?

18:25:30 15 A. I do not.

16 Q. Did you respond and say, you know, We  
17 want transparency, we should share details?

18 THE COURT REPORTER: I can't hear  
19 you.

18:25:37 20 Q. Did you ever respond to her and say,  
21 No, we want transparency in the market, we can  
22 share details?

23 A. Not that I recall.

24 Q. Okay. Why not?

18:25:49 25 A. I don't know.

18:25:50 1 Q. Did you have a conversation with her  
2 maybe over the phone about why you couldn't  
3 share details?

4 A. Not that I recall.

18:25:57 5 Q. Okay. And did anyone ever direct you  
6 that you could not share details about Ripple  
7 being a buyer in the market to the media?

8 A. Not that I recall.

9 Q. Okay.

18:26:07 10 MR. TENREIRO: Let's look  
11 at maybe our last one. One second. Yes,  
12 number 35, please. Two page document,  
13 504020.

14 THE WITNESS: Did I put anybody  
18:26:38 15 to sleep yet?

16 MR. ANELLO: Very -- very --  
17 almost done.

18 (Whereupon, exhibit is presented  
19 and marked SEC Madigan Exhibit 35 for  
13:42:44 20 identification.)

21 (Pause)

22 BY MR. TENREIRO:

23 Q. Ms. Madigan, what is this document?

24 A. I'm not sure.

18:28:59 25 Q. Have you seen this before?

18:29:00 1 A. It's -- I don't recognize it. Perhaps  
2 you can help.

3 Q. Well, it's titled "XRP Purchases Plus  
4 XRP-O Preliminary Observations and  
18:29:11 5 Recommendations."

6 A. Mm-hmm.

7 Q. Were you involved in XRP purchases and  
8 XRP-O generally?

9 A. To some extent.

18:29:20 10 MS. ZORNBERG: Objection.

11 Q. And ob -- in making observations and  
12 recommendations with respect to those two  
13 topics?

14 A. To some extent.

18:29:27 15 MS. ZORNBERG: Are you speaking  
16 in connection with this document or just  
17 generally?

18 MR. TENREIRO: No, just  
19 generally.

18:29:31 20 A. To some extent.

21 Q. Okay. Reading this document here --  
22 sitting here today --

23 A. Mm-hmm.

24 Q. -- you don't know whether you looked  
18:29:39 25 at this before or not?

18:29:40 1 A. I don't.

2 Q. Okay. Reading this document today,  
3 what -- what do you understand it to be  
4 conveying when it says "XRP/BTC is a key metric  
18:29:52 5 that gauges XRP performance relative to BTC"?

6 A. Mm-hmm.

7 Q. What is that referring to? Is that  
8 referring to the price?

9 A. It may -- it may be. It looks like  
18:30:00 10 it's referencing a table somewhere, but I don't  
11 see a table so I'm not sure exactly.

12 Q. Okay. Do you see a little bit towards  
13 the middle where it says "The way we thought  
14 about this plan included balancing three primary  
18:30:13 15 concerns"? Do you see that?

16 A. I do.

17 Q. "Client experience vis-a-vis XRP-O" --

18 A. Mm-hmm.

19 Q. -- "corp cash needs, stability of  
18:30:22 20 XRP."

21 Do you see that?

22 A. I do.

23 Q. I understand you don't recall seeing  
24 this document, but as an employee of Ripple  
18:30:28 25 reading this document, what do you understand



18:30:30 1 "stability of XRP" to mean?


2 A. Healthy liquidity of XRP markets.

3 Q. You want liquidity to be stable or you  
4 want liquidity to increase?

18:30:42 5 A. Liquidity to be healthy. I don't know  
6 if it's increase or stable. It's just -- there  
7 are many attributes that we've discussed at  
8 length today regarding attributes of a healthy  
9 liquid market and so that -- this, to me,  
18:30:57 10 reading it now, looks to be referencing that.

11 Q. Stability -- how is -- how is  
12 liquidity stable?

13 A. So the healthy operation of markets  
14 tends to have -- well, I should say healthy  
18:31:11 15 liquid markets tend to have maybe less  
16 volatility -- well, that may not always be true.  
17 But, yeah, the health -- I read this as  
18 healthy -- stability meaning, like, healthy XRP  
19 markets.

18:31:34 20 Q. Okay. There's a bold part towards the  
21 bottom where it says "Given our goal to retain  
22  USD fiat" --

23 A. Mm-hmm.

24 Q. -- "for corporate" purchases -- sorry,  
18:31:45 25 "corporate purposes."

18:31:47 1 A. Mm-hmm.

2 Q. Do you see that?

3 A. Yes.

4 Q. What does that refer to, if you know?

18:31:51 5 A. It looks to be about cash needs for  
6 the company.

7 Q. You know, did anyone ever convey to  
8 you what the goal of the company was with  
9 respect to keeping cash for corporate purposes?

18:32:05 10 A. Occasionally Ron would relay some  
11 target numbers.

12 Q. In what context would he relay that?

13 A. In this context I remember him  
14 sharing.

18:32:17 15 Q. "In this context" meaning this  
16 document?

17 A. No, sorry. In the discussions around  
18 the purchase program, I remember him saying [REDACTED]  
19 [REDACTED] was a target number for

18:32:25 20 corporate purposes.

21 Q. So Ripple, for the purchase program,  
22 you know, you used, you know, corporate cash  
23 resources, is that correct?

24 A. Yes. To my knowledge, yes.

18:32:37 25 Q. Okay. Corporate funds --

18:32:38 1 A. Yeah.

2 Q. -- of some sort. Is that fair?

3 A. Yes.

4 Q. Okay. So in that context, you recall  
18:32:43 5 that Mr. Will said, okay, but we need to keep [REDACTED]  
6 [REDACTED] on cash?

7 A. It looks like that but I don't recall  
8 exactly the direction.

9 Q. And did he explain why the company had  
18:32:52 10 decided [REDACTED] was what it needed?

11 A. No. I wasn't privy to the details.

12 Q. Did he explain why -- what the [REDACTED]  
13 [REDACTED] might be used for?

14 A. No.

18:33:01 15 Q. Okay.

16 MR. TENREIRO: I think that this  
17 might be my last one. So let's look at  
18 84. And maybe Lisa...

19 This is a three-page e-mail,  
18:33:12 20 423325.

21 (Whereupon, exhibit is presented  
22 and marked SEC Madigan Exhibit 84 for  
23 identification.)

24 THE WITNESS: Thank you.

18:34:46 25 (Pause)

18:34:47 1 A. Okay.

2 Q. Ms. Madigan, this is -- is this e-mail  
3 conversation related to inflation -- you know,  
4 conveying of information about supply inflation  
18:34:59 5 of XRP that we've been talking about today?

6 A. It appears to be, yes.

7 Q. Okay. Who is [REDACTED]?

8 A. [REDACTED] is the external advisor on [REDACTED]  
9 team I mentioned who came up with the potential  
18:35:11 10 inflation methodologies.

11 Q. Why is he external? Who does he work  
12 for?

13 A. He's an advisor to Ripple. He used to  
14 work for [REDACTED].

18:35:20 15 Q. Okay. Does -- is he a paid advisor?

16 A. I don't know his contract. I assume  
17 so. I don't know.

18 Q. Okay. Is it fair to say that in this  
19 conversation, there's a discussion of having him  
18:35:30 20 potentially say something publicly about, you  
21 know, Ripple's supply inflation of XRP?

22 A. Yes, I read that here.

23 Q. You say "Only concern with [REDACTED] is  
24 whether it's perceived negatively given he is"  
18:35:49 25 -- "he is 'on the payroll' so to speak."

18:35:51 1 Do you see that?

2 A. Yes.

3 Q. Perceived negatively by whom?

4 A. The market overall.

18:35:57 5 Q. Why would the market perceive it  
6 negatively if he made a statement?

7 A. The idea was that this would be a --  
8 rather than -- the inflation methodology he came  
9 up with was something that he thought was -- and  
18:36:11 10 I don't remember the details of it, but that it  
11 was, you know, an industry standard way to  
12 approach inflation generally.

13 And so rather than have kind of Ripple  
14 speaking on behalf of Ripple telling their own  
18:36:21 15 story, why not have an independent third party  
16 come up with a -- a market sort of standard  
17 methodology around inflation and then apply it  
18 here?

19 Q. So is it fair that what you're saying  
18:36:36 20 here is that [REDACTED] could be perceived as not  
21 an independent third party to the extent that he  
22 was on the payroll?

23 A. Yeah. I think the idea was suggested  
24 by somebody earlier that a third party could be  
18:36:50 25 a good idea here.



18:36:51 1 Q. Mm-hmm.

2 A. And so [REDACTED] as an advisor is sort of  
3 an affiliated party. It doesn't necessarily  
4 achieve the goal of what Monica or whoever it  
18:37:00 5 was suggested a third party.

6 Q. And then when you say "i.e. the  
7 Giancarlo effect on the CFTC story."

8 What did you mean there?

9 A. I don't recall exactly what that  
18:37:10 10 referenced.

11 Q. Who is Giancarlo?

12 A. I think it's Chris Giancarlo if that's  
13 his first name. I don't recall.

14 Q. Who's Chris Giancarlo?

18:37:20 15 A. I know he's -- he was maybe -- I don't  
16 know if he was a regulator or he was somehow  
17 involved in regulation from my memory.

18 Q. And "the CFTC story," what is that?

19 A. I don't recall the specific reference  
18:37:38 20 here.

21 Q. Okay.

22 MR. TENREIRO: I don't have  
23 anything else.

24 Lisa?

18:37:43 25 MS. ZORNBERG: Okay. I just want

18:37:44 1 a few -- a few minutes of questioning.

2 Do I need to put on a mic?

3 THE COURT REPORTER: Yes.

4 MR. TENREIRO: I'm sorry. Sorry.

18:37:54 5 I -- I forgot one. I still have time,  
6 right?

7 MS. ZORNBERG: Go ahead.

8 MR. TENREIRO: Sorry.

9 BY MR. TENREIRO:

18:37:58 10 Q. Ms. Madigan, I'm just jumping to  
11 another topic that we discussed earlier.

12 The OTC sales, did they have  
13 restrictions on XRP sales by the, you know, OTC  
14 counterparties?

18:38:12 15 A. As I mentioned, OTC sales were largely  
16 done before I arrived with the exception of that  
17 [REDACTED] contract that was sort of still in,  
18 whatever; hadn't yet matured. I don't recall  
19 other OTC sales that occurred top of mind while  
18:38:27 20 I was there besides [REDACTED].

21 Q. Did the [REDACTED] one have sales  
22 restrictions?

23 A. I think there were components of that.  
24 I just don't remember the details of the  
18:38:37 25 contract.

18:38:38 1 Q. And why would have -- why would Ripple  
2 have imposed sale restrictions?

3 A. So I wasn't involved in creating or  
4 designing the contract, so I don't want to  
18:38:48 5 suppose what was contemplated at the time of  
6 something that was created that I wasn't  
7 involved with.

8 Q. Right. But to the extent that you did  
9 some legwork to get up to speed on the [REDACTED]  
18:38:56 10 issue, I think we looked at it at length this  
11 morning, did you have a conversation where you  
12 might have either come to learn from someone or  
13 asked someone why did Ripple impose -- you know,  
14 why is there -- why are there these restrictions  
18:39:07 15 in the [REDACTED] contract?

16 A. No, I didn't ask or don't recall  
17 asking that and I don't know why they were put  
18 in.

19 Q. Okay. Now I'm done. Thank you.

18:39:13 20 A. Sure.

21 MS. ZORNBERG: Can you hear me  
22 okay? Mr. Videographer? Court Reporter,  
23 can you hear me okay?

24 THE COURT REPORTER: Yes. Just  
18:39:35 25 keep your voice up, please.



18:39:37 1 MS. ZORNBERG: You bet. My  
2 Shakespearean -- my Shakespearean voice.

3 EXAMINATION

4 BY MS. ZORNBERG:

18:39:44 5 Q. Ms. Madigan, based on your experience  
6 working at Ripple since mid-2019, as well as  
7 your previous experience working at [REDACTED]  
8 [REDACTED], do you believe that Ripple controls the  
9 XRP market?

18:39:59 10 MR. TENREIRO: Objection.

11 A. No.

12 Q. Why not?

13 A. Because there are many market  
14 participants that trade XRP outside of Ripple.

18:40:08 15 Q. Did Ripple control the XRP market when  
16 you joined Ripple in 2019?

17 MR. TENREIRO: Objection.

18 A. No.

19 Q. Did Ripple control the XRP market at  
18:40:16 20 any point during your employment by Ripple?

21 MR. TENREIRO: Objection. And

22 just -- Lisa, I don't understand --

23 A. No.

24 MR. TENREIRO: -- what you mean  
18:40:27 25 by "control" but I'm going to keep --

18:40:27 1 (Indiscernible cross talk;  
2 reporter requests on speaker.)  
3 MR. TENREIRO: This is Jorge. I  
4 object to "control," I don't know what you  
18:40:28 5 mean, but go on.  
6 A. My answer was --  
7 Q. You can answer.  
8 A. My answer was no.  
9 Q. Did -- in your opinion, did Ripple  
18:40:34 10 control the XRP market on December 22nd, 2020,  
11 when the SEC filed this lawsuit?  
12 MR. TENREIRO: Objection again.  
13 A. No.  
14 Q. Does Ripple control the exchanges that  
18:40:45 15 list XRP or don't list XRP?  
16 A. No.  
17 MR. TENREIRO: I'm just going  
18 to -- I'm just going to have a standing  
19 objection to "control." Otherwise I'm  
18:40:51 20 happy to keep --  
21 MS. ZORNBERG: Fine.  
22 MR. TENREIRO: Okay.  
23 MS. ZORNBERG: That's fine.  
24 BY MS. ZORNBERG:  
18:40:54 25 Q. You -- you were asked a lot of

18:40:55 1 questions today, Ms. Madigan, about liquidity.  
2 And you've testified that as head of markets,  
3 you were focused on ensuring sufficient  
4 liquidity for Ripple's ODL product, right?

18:41:08 5 A. Yes.

6 Q. Is it fair to say that ensuring  
7 liquidity in relevant payment quarters was an  
8 important component of the ODL product?

9 A. Yes.

18:41:19 10 Q. Why is that?

11 A. So in an example we briefly spoke  
12 about earlier, we talked about the payment flow  
13 from, say, the U.S. to Mexico and we also  
14 referenced -- so for consistency sake -- MGI.

18:41:35 15 So, for example, if MGI wanted to send, say, \$10  
16 million worth of flow from the U.S. to Mexico,  
17 but the -- but the Mexican corridor, Bitso, only  
18 had \$2 million worth of liquidity, it was  
19 important that we could help develop liquidity  
18:41:52 20 in those markets to ensure that the product  
21 would function and the payments wouldn't fail.

22 Q. Was your focus on liquidity specific  
23 to ODL intended to ensure that the ODL product  
24 functioned effectively for ODL customers?

18:42:15 25 MR. TENREIRO: Objection.

18:42:16 1 A. Yes.

2 Q. Now, was ODL previously called xRapid?

3 A. Yes. Right -- I remember the name  
4 "xRapid" when I first joined. I don't remember

18:42:28 5 exactly when the name changed.

6 Q. So sitting here today, do you recall  
7 whether xRapid had launched prior to your  
8 arrival at Ripple in May 2019?

9 A. It may well have. I don't recall its  
18:42:45 10 launch date but I know that when I came in, I  
11 often heard the term "xRapid." So it would  
12 imply that it was already around at that point.

13 Q. Okay. I -- I -- if I were to show you  
14 an article in the press announcing the  
18:43:07 15 commercial launch of xRapid in October 2018,  
16 would that refresh your recollection in any way?

17 MR. TENREIRO: Objection.

18 A. I am happy to review that document. I  
19 don't recall that article offhand.

18:43:24 20 Q. Okay.

21 MS. ZORNBERG: All right. So  
22 I've -- I've premarked with handwriting,  
23 just to make a clear record here, BM  
24 Defense Exhibit 1. Here's a copy.

18:43:34 25 MR. TENREIRO: Thank you.

18:43:35 1 MS. ZORNBERG: Here's a copy.

2 THE WITNESS: Thank you.

3 MS. ZORNBERG: I have other  
4 copies but I've not written the --

18:43:42 5 MR. TENREIRO: That's okay.

6 MS. ZORNBERG: -- "Defense  
7 Exhibit 1" on it.

8 MR. TENREIRO: Yeah.

9 (Whereupon, exhibit is presented  
18:43:46 10 and marked BM Defense Exhibit 1 for  
11 identification.)

12 BY MS. ZORNBERG:

13 Q. I'm -- for the record I'm showing you  
14 a printout. It printed out inart -- inartfully,  
18:43:59 15 but BM Defense Exhibit 1 is a news article dated  
16 October 1, 2018 titled "Ripple's cryptocurrency  
17 product goes live for the first time with three  
18 financial firms."

19 Ms. Madigan, one way or another, is  
18:44:17 20 this an article that you've seen before?

21 A. Yeah. I don't recall it offhand,  
22 but -- but it looks clear that xRapid launched  
23 before my time.

24 Q. During your time at Ripple,  
18:44:38 25 Ms. Madigan, have you ever been instructed to

18:44:40 1 undertake efforts to raise the price of XRP?

2 A. No.

3 Q. Was supporting the price of XRP a  
4 focus of yours?

18:44:48 5 A. No.

6 Q. In your time at Ripple, has XRP, in  
7 fact, operated as a bridge currency?

8 A. Yes.

9 Q. Can you explain how?

18:44:58 10 A. Yes. So for simplicity's sake, and  
11 hopefully not to bore you all with my same  
12 example, but in the case of MoneyGram as a  
13 client of Ripple and ODL, if they wanted to send  
14 money originating in the U.S. that started off  
18:45:14 15 as U.S. dollar fiat, but wanted it to be paid  
16 out in Mexico as Mexican pesos, the workflow  
17 would be that the U.S. dollars would go to an  
18 originating exchange where the originating  
19 exchange would swap the dollars into XRP. XRP  
18:45:32 20 was the digital asset that was sent cross  
21 borders into Mexico on Bitso. And then on Bitso  
22 that XRP would be swapped into Mexican pesos.  
23 So, thereby, acting as a bridge currency between  
24 two fiat currencies, the dollar and the Mexican  
18:45:46 25 peso.

18:45:47 1 Q. Okay. You were asked some questions  
2 earlier about the purchase program in 2020  
3 through which Ripple bought XRP from the market.

4 In purchasing XRP from a secondary  
18:46:06 5 market, did Ripple aim to minimize market  
6 impact?

7 MR. TENREIRO: Object to form.

8 A. How do you define market impact?

9 Q. Well, did -- did it aim to minimize  
18:46:17 10 market impact so as to not impact XRP price?

11 A. Yes. So we contracted market makers  
12 and part of the agreement was that they would  
13 trade on multiple exchanges in small quantities  
14 over a series of days so as to minimize any  
18:46:35 15 impact on the market.

16 Q. Why was that an aim of the company, to  
17 avoid impact on price?

18 A. Because there wasn't an objective to  
19 impact price.

18:46:56 20 Q. To your knowledge, has Ripple ever  
21 promised anyone to create the trading market in  
22 XRP?

23 A. No.

24 Q. To your knowledge, has Ripple ever  
18:47:03 25 promised anyone to maintain the trading market

18:47:06 1 in XRP?

2 A. No.

3 Q. Just a couple more questions.

4 In 2019, what drew you to work at  
18:47:14 5 Ripple?

6 A. So in the early days of crypto, one of  
7 the common questions I got from prospective  
8 participants in the market was: I get that this  
9 is a really interesting space, but how do you  
18:47:31 10 think about evaluation frameworks and -- and how  
11 do you really think about real-world examples?  
12 Like, where -- I can't buy crypto today to buy  
13 my coffee, but, like, what can I be using it  
14 for?

18:47:43 15 And what I loved when Ripple reached  
16 out was that I kept hearing this consistent  
17 story about how XRP was purpose built for  
18 cross-border payments and that it was solving is  
19 a real-world problem that the legacy financial  
18:47:55 20 system had, which was that they charged high  
21 fees and took a very long period of time to send  
22 money cross border. And it seems like one area  
23 that was ripe for innovation. And the fact that  
24 Ripple was really focused on solving that  
18:48:07 25 problem in traditional markets by leveraging



18:48:11 1 digital assets was super compelling to me.

2 Q. And as head of markets, how has your  
3 role at the company fit within that vision to  
4 solve that real-world problem?

18:48:21 5 A. Through the focus on providing  
6 liquidity support through these market makers to  
7 ensure that ODL functions smoothly.

8 MS. ZORNBERG: No further  
9 questions.

18:48:32 10 MR. TENREIRO: I have a couple  
11 more.

12 EXAMINATION

13 BY MR. TENREIRO:

14 Q. Ms. Madigan, does the ODL product  
18:48:36 15 eliminate the use of the legacy financial  
16 system?

17 A. No, not to my knowledge.

18 Q. Okay. And do the market makers use  
19 the legacy financial system in connection with  
18:48:47 20 their ODL functions?

21 A. I believe so. I'm not sure exactly  
22 how they operate all the components of the  
23 payments.

24 Q. You're -- why are you not sure how  
18:49:01 25 they operate the components on the payments?

18:49:04 1 A. I don't know what components of the  
2 legacy financial system they're using or not  
3 using.

4 Q. Well, a moment ago -- I understand  
18:49:10 5 that you don't know, but I'm asking you why.  
6 And I'm asking you why because a moment ago you  
7 said you were very interested in how crypto  
8 could solve a real-world problem.

9 A. Right.

18:49:18 10 Q. So I'm trying to understand why, if  
11 you have that interest, you don't know what the  
12 market makers are doing to help you solve a  
13 real-world problem.

14 MS. ZORNBERG: Objection.

18:49:26 15 MR. ANELLO: Is that a question?

16 MS. ZORNBERG: Objection.

17 MR. TENREIRO: Yes, it's a  
18 question.

19 BY MR. TENREIRO:

18:49:27 20 Q. The question is why don't you know?

21 MR. ANELLO: Objection, asked and  
22 answered.

23 MS. ZORNBERG: I object because  
24 it mischaracterizes the testimony. You're  
18:49:33 25 comparing apples and oranges based on her

18:49:34 1 prior answer.

2 Q. And the answer is?

3 A. What was the question?

4 Q. The question is, why don't you know

18:49:41 5 whether the market makers use the legacy

6 financial system in connection with their --

7 with their ODL function?

8 A. I don't know how they use the legacy

9 financial system in connection with their

18:49:52 10 services on ODL.

11 Q. And is there a reason that you don't

12 know that?

13 MR. ANELLO: Asked and answered

14 twice.

18:49:59 15 A. I don't know that.

16 Q. Okay. Does MoneyGram use ODL today?

17 A. I think they paused.

18 Q. Why?

19 A. I don't know why.

18:50:22 20 Q. Which market makers are purchasing

21 XRP?

22 A. That is paused right now to my

23 knowledge, but GSR was the market maker we were

24 working with on XRP purchases.

18:50:35 25 Q. Any others?

18:50:35 1 A. No.

2 Q. Okay.

3 MR. TENREIRO: All right. I  
4 think now we're done. Thank you.

18:50:39 5 Just before we go off the  
6 record, we have discussed this --

7 MS. ZORNBERG: Should we just ask  
8 the other defendants if they have  
9 anything?

18:50:46 10 MR. TENREIRO: Yes.

11 Do counsel for Mr. Larsen or  
12 Mr. Garlinghouse have any questions they  
13 wish to ask?

14 MS. LINSSENMAYER: Nothing on  
18:50:51 15 behalf of Mr. Larsen. Thanks.

16 MR. BAMBERGER: Yeah, thank you.  
17 Nothing on behalf of Mr. Garlinghouse. I  
18 appreciate the witness's time.

19 MR. TENREIRO: Okay. Before we  
18:51:00 20 go off the record, I just want to state on  
21 the record, it's something we've discussed  
22 in our e-mails, which is that we reserve  
23 the right to bring her back pending the  
24 resolution of various discovery disputes  
18:51:08 25 between the parties and the production of

18:51:11 1 documents.

2 MS. ZORNBERG: We would object to  
3 that.

4 MR. ANELLO: As -- as would we,  
18:51:16 5 obviously.

6 MR. TENREIRO: Okay. Thank you,  
7 Ms. Madigan.

8 We're off the record.

9 THE VIDEOGRAPHER: The time is  
18:51:20 10 now 6:52 p.m. We're off the record.

11 (Whereupon, the deposition  
12 concluded at 6:52 p.m.)

13

14

15

16

17

18

19

20

21

22

23

24

25

1 STATE OF NEW YORK )

2 ) ss:

3 COUNTY OF NEW YORK )

4 I hereby certify that the witness in the  
5 foregoing deposition, BREANNE MADIGAN, was by me  
6 remotely duly sworn to testify to the truth, the whole  
7 truth and nothing but the truth, in the within-entitled  
8 cause; that said deposition was taken at the time and  
9 place herein named; and that the deposition is a true  
10 record of the witness's testimony as reported by me, a  
11 duly certified shorthand reporter and a disinterested  
12 person, and was thereafter transcribed into typewriting  
13 by computer.

14 I further certify that I am not interested in  
15 the outcome of the said action, nor connected with nor  
16 related to any of the parties in said action, nor to  
17 their respective counsel.

18 IN WITNESS WHEREOF, I have hereunto set my  
19 hand this 20th day of May, 2021.

20 Reading and Signing was:

21 \_\_\_ requested \_\_\_ waived \_X\_ not requested.  
22

23   
24

25 BRIDGET LOMBARDOZZI, CSR, RMR, CRR