

Exhibit 4

1 COUNSEL FOR PLAINTIFF:
2 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
3 NEW YORK REGIONAL OFFICE
4 BY: ROBERT MOYE, ESQ.
5 BY: JORGE TENREIRO, ESQ.
6 BY: JON DANIELS, ESQ.
7 200 Vesey Street, Suite 400
8 New York, NY 10281-1022
9 Phone: (212) 336-1060
10 E-mail: moyer@sec.gov
11 E-mail: tenreiroj@sec.gov
12 E-mail: danielsj@sec.gov

13 COUNSEL FOR DEFENDANT RIPPLE LABS, INC.:
14
15 DEBEVOISE & PLIMPTON LLP
16 BY: LISA ZORNBERG, ESQ.
17 BY: JOY GUO, ESQ.
18 919 Third Avenue
19 New York, NY 10022
20 Phone: (212) 909-6000
21 E-Mail: lzornberg@debevoise.com
22 E-mail: jguo@debevoise.com

23 - and -

24
25 KELLOGG, HANSEN, TODD, FIGEL & FREDERICK, PLLC
BY: LILLIAN V. SMITH, ESQ.
Sumner Square
1615 M Street, N.W.
Suite 400
Washington, D.C. 20036
Phone: (202) 326-7999
E-mail: lsmith@kellogghansen.com

(Continued on the next page)

1 APPEARANCES: (Cont.)

2

COUNSEL FOR DEFENDANT BRADLEY GARLINGHOUSE:

3

CLEARY GOTTLIEB STEEN & HAMILTON, LLP

4

BY: SAMUEL LEVANDER, ESQ.

BY: ALEXANDER JANGHORBANI

5

2112 Pennsylvania Avenue, N.W.

Washington, D.C. 20037

6

Phone: (202) 974-1500

E-mail: slevander@cgsh.com

7

E-mail: ajanghorbani@cgsh.com

8

COUNSEL FOR DEFENDANT CHRISTIAN A. LARSEN:

9

PAUL, WEISS, RIFKIND, WHARTON & GARRISON, LLP:

10

BY: GRACE TIEDEMANN, ESQ.

BY: ROBIN LINSENMAYER, ESQ.

11

1285 Avenue of the Americas

New York, NY 10019-6064

12

Phone: (212) 373-3547

E-mail: gtiedemann@paulweiss.com

13

E-mail: rlinsenmayer@paulweiss.com

14

COUNSEL FOR WITNESS:

15

KAPLAN HECKER & FINK, LLP

16

BY: SEAN HECKER, ESQ.

BY: JUSTIN HORTON, ESQ.

17

350 Fifth Avenue, Suite 7110

New York, NY 10118

18

Phone: (929) 367-4578

E-mail: shecker@kaplanhecker.com

19

E-mail: jhorton@kaplanhecker.com

20

Also Present:

21

Michael Bennett, Legal Videographer

22

23

*** **

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX

| WITNESS | PAGE |
|-----------------------------------|------|
| DINUKA SAMARASINGHE | |
| Direct examination by Mr. Moye | 16 |
| Cross-examination by Ms. Zornberg | 292 |
| Redirect by Mr. Moye | 314 |
| Cross-examination by Mr. Levander | 314 |

EXHIBITS

| DS FOR ID | DESCRIPTION | PAGE |
|-----------|---|------|
| 1 | One-page e-mail chain with top e-mail dated 1/14/14, from [REDACTED].com to Phil Rapoport | 81 |
| Exhibit 2 | Eight-page e-mail chain with top e-mail dated 11/24/15, from Dinuka Samarasinghe to [REDACTED] et al. | 84 |
| Exhibit 3 | Three-page e-mail chain with top e-mail dated 10/11/16, from Dinuka Samarasinghe to [REDACTED] et al. | 95 |

(Continued on the next page)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXHIBITS (Cont.)

| DS FOR ID | DESCRIPTION | PAGE |
|--------------|--|------|
| Exhibit 4 | One-page e-mail dated 12/10/16, from [REDACTED] to [REDACTED] et al. | 103 |
| Exhibit 5 | Nine-page e-mail chain with top e-mail dated 1/10/17, from Miguel Vias to Dinuka Samarasinghe | 112 |
| Exhibit 6 | Two-page e-mail chain with top e-mail dated 9/28/17, from [REDACTED] to [REDACTED] et al. | 128 |
| Exhibit 7 | Three-page e-mail chain with top e-mail dated 11/2/17, from Miguel Vias to Patrick Griffin | 134 |
| Exhibit 8 | One-page e-mail chain with top e-mail dated 12/13/17, from [REDACTED] to Miguel Vias et al. | 147 |

(Continued on the next page)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXHIBITS (Cont.)

| DS FOR ID | DESCRIPTION | PAGE |
|--------------|--|------|
| Exhibit 9 | One-page e-mail dated 12/16/17, from Miguel Vias to [REDACTED], "Subject: Stop Selling" | 153 |
| Exhibit 10 | Three-page e-mail chain with top e-mail dated 1/31/18, from Dinuka Samarasinghe to [REDACTED] et al. and attachment | 163 |
| Exhibit 11 | Three-page e-mail chain with top e-mail dated 3/22/18, from Dinuka Samarasinghe to [REDACTED] et al. | 170 |
| Exhibit 12 | Thirteen-page e-mail chain dated 4/12/18, from [REDACTED] [REDACTED] to Dinuka Samarasinghe, Bates Nos. RPLI_SEC 0198978 through RPLI_SEC 0198990 | 174 |

(Continued on the next page)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXHIBITS (Cont.)

| DS FOR ID | DESCRIPTION | PAGE |
|--------------|--|------|
| Exhibit 13 | Two-page e-mail chain with top e-mail dated 9/18/18, from [REDACTED] to Brad Garlinghouse et al. | 184 |
| Exhibit 14 | One-page e-mail chain with top e-mail dated 7/17/19, from [REDACTED] to [REDACTED].com et al. | 194 |
| Exhibit 15 | Two-page e-mail dated 9/3/19, from [REDACTED] to [REDACTED]@ripple.com, Bates Nos. RPLI_SEC 0295504 through RPLI_SEC 0295505 | 199 |
| Exhibit 16 | Two-page e-mail dated 10/15/19, from Breanne Madigan to [REDACTED]@ripple.com, Bates Nos. RPLI_SEC 0518302 through 0518303 | 217 |
| | (Continued on the next page) | |

| EXHIBITS (Cont.) | | |
|------------------------------|---|------|
| DS FOR ID | DESCRIPTION | PAGE |
| Exhibit 17 | Five-page e-mail chain with top e-mail dated 11/16/19, from [REDACTED] to [REDACTED] et al. | 221 |
| Exhibit 18 | Two-page e-mail dated 12/28/17, from [REDACTED] to [REDACTED]@ripple.com et al., Bates Nos. [REDACTED] 0039962 through [REDACTED] 0039963 | 158 |
| Exhibit 19 | Five-page e-mail chain dated 1/10/20, from Breanne Madigan to [REDACTED]@ripple.com, Bates Nos. RPLI_SEC 0502500 through 0502504 | 238 |
| Exhibit 20 | Six-page e-mail chain dated 1/12/20, from [REDACTED] to [REDACTED] et al., Bates Nos. RPLI_SEC 0504285 through 0504290 | 48 |
| (Continued on the next page) | | |

| EXHIBITS (Cont.) | | |
|------------------------------|---|------|
| DS FOR ID | DESCRIPTION | PAGE |
| Exhibit 21 | Three-page e-mail chain with top e-mail dated 1/13/20, from Dinuka Samarasinghe to Ron Will et al. | 241 |
| Exhibit 22 | 19-page document entitled "Ripple Liquidity ODL & Market Maker Overview + Outlook for 2020," bearing Bates Nos. RPLI_SEC 050375 through 0503593 | 242 |
| Exhibit 23 | Three-page e-mail dated 3/25/2020, from [REDACTED]@ripple.com to "[Slack Retention] Ripple - : Private" et al., Bates Nos. RPLI_SEC 0318645 through 0318647 | 245 |
| (Continued on the next page) | | |

| 1 | EXHIBITS (Cont.) | | |
|----|------------------------------|--|------|
| 2 | DS | | |
| 3 | FOR ID | DESCRIPTION | PAGE |
| 4 | Exhibit 24 | Two-page e-mail dated 3/26/2020, from Dinuka Samarasinghe to [REDACTED] [REDACTED] et al., Bates Nos. RPLI_SEC 0492574 through 0492575 | 249 |
| 9 | Exhibit 25 | Two-page e-mail chain with top e-mail dated 3/29/2020, from Dinuka Samarasinghe to [REDACTED] et al., Bates Nos. RPLI_SEC 0479912 through 0479913 | 252 |
| 15 | Exhibit 26 | One-page e-mail dated 4/8/2020, from [REDACTED] [REDACTED] to Breanne Madigan et al., "Subject: Bitso Update" | 257 |
| 25 | (Continued on the next page) | | |

| EXHIBITS (Cont.) | | |
|------------------------------|--|------|
| DS FOR ID | DESCRIPTION | PAGE |
| Exhibit 27 | Eight-page e-mail chain with top e-mail dated 4/15/20, from Dinuka Samarasinghe to [REDACTED] et al. | 260 |
| Exhibit 28 | Four-page e-mail chain with top e-mail dated 5/29/2020, from [REDACTED] et al. | 263 |
| Exhibit 29 | Thirteen-page document entitled "XRP-O Supply Concerns," Bates Nos. RPLI_SEC 0301743 through 0301755 | 266 |
| Exhibit 30 | Four-page e-mail dated 6/24/2020, from [REDACTED]@ripple.com to [REDACTED]@ripple.com et al., Bates RPLI_SEC 0504550 through 0504553 | 273 |
| Exhibit 31 | One-page e-mail dated 8/25/2020, from Dinuka Samarasinghe to [REDACTED]@ripple.com | 281 |
| (Continued on the next page) | | |

| | | | |
|----|------------------|-----------------------------------|------|
| 1 | EXHIBITS (Cont.) | | |
| 2 | DS | | |
| 3 | FOR ID | DESCRIPTION | PAGE |
| 4 | Exhibit 32 | Two-page e-mail dated | 284 |
| 5 | | 11/21/2020, from | |
| 6 | | [REDACTED]@ripple.com to | |
| 7 | | [REDACTED]@ripple.com, Bates Nos. | |
| 8 | | RPLI_SEC 0318653 through | |
| 9 | | 03180318654 | |
| 10 | Exhibit 33 | Two-page e-mail dated | 288 |
| 11 | | 11/21/2020, from | |
| 12 | | [REDACTED]@ripple.com to | |
| 13 | | [REDACTED]@ripple.com et al., | |
| 14 | | Bates Nos. RPLI_SEC | |
| 15 | | 0504585 through 0504586 | |
| 16 | Exhibit 34 | (Not Presented) | |
| 17 | Exhibit 35 | One-page e-mail dated | 227 |
| 18 | | 7/1/19 from Dinuka | |
| 19 | | Samarasinghe to [REDACTED] | |
| 20 | | [REDACTED] et al., Bates | |
| 21 | | No. SEC-[REDACTED] E- | |
| 22 | | 0048590 | |
| 23 | | *** *** *** | |
| 24 | | | |
| 25 | | | |

09:17 1 THE VIDEOGRAPHER: We are now on the
2 record. The time is approximately 9:17 a.m.
3 on June 9th, 2021.

4 This is Video No. 1 of the video
09:17 5 deposition of Dinuka Samarasinghe, taken in
6 the matters of Securities and Exchange
7 Commission, plaintiff, versus Ripple Labs,
8 Inc. et al., Case No. 20-civ-10832, in the
9 United States District Court, Southern
09:18 10 District of New York.

11 My name is Michael Bennett, legal
12 videographer with Gradillas Court Reporters.
13 Today, we are at the offices of
14 Debevoise & Plimpton, located at 919
09:18 15 Third Avenue in New York, New York. Would
16 counsel please identify themselves?

17 MR. MOYE: I am Robert Moyer, here for the
18 SEC.

19 With me in the room are two colleagues,
09:18 20 Jon Daniels and Jorge Tenreiro. We also have
21 various people on Zoom that are viewing as
22 well.

23 MR. HECKER: Sean Hecker, from Kaplan
24 Hecker & Fink, joined by my colleague, Justin
09:18 25 Horton, for Mr. Samarasinghe.

09:18 1 MS. ZORNBERG: Lisa Zornberg, on behalf
2 of Ripple, and I am joined by Joy Guo and Joe
3 Bianco of Debevoise & Plimpton and Anna
4 Guardado of Ripple.

09:19 5 MR. LEVANDER: Samuel Levander, from
6 Cleary, Gottlieb, Steen & Hamilton, on behalf
7 of Bradley Garlinghouse.

8 Joining me from Cleary Gottlieb by video
9 is Alexander Janghorbani.

09:19 10 MS. LINSENMAYER: Robin Linsenmayer, on
11 behalf of Christian Larsen, from Paul, Weiss,
12 Rifkind, Wharton & Garrison.

13 I'm on the Zoom, and with me is my
14 colleague, Grace Tiedemann.

09:19 15 THE VIDEOGRAPHER: Thank you all very
16 much.

17 The court reporter is Cheryll Kerr, also
18 representing Gradillas Court Reporters. I
19 would ask her to please swear in the witness.

09:19 20 D I N U K A S A M A R A S I N G H E,
21 called as a witness, having been duly
22 sworn, was examined and testified
23 as follows:

24 THE SHORTHAND REPORTER: Thank you.

09:19 25 Please proceed.

09:19 1

DIRECT EXAMINATION

2

BY MR. MOYE:

3

4 Q. Good morning, Mr. Samarasinghe.

09:19 5

A. Good morning.

6

Q. Could you please state your name for the

7

record?

8

A. Dinuka Samarasinghe.

9

Q. Thank you. Are you represented by counsel

09:20 10

today?

11

A. Yes, sir.

12

Q. Who is your counsel?

13

A. Mr. Hecker and Mr. Horton.

14

Q. To your knowledge, does your counsel

09:20 15

represent any of the other witnesses in the case?

16

A. Yes.

17

Q. Okay. Do you know who they are?

18

A. Miguel Vias, Asheesh Birla. Those are the

19

two that I am ...

09:20 20

(Thereupon, an informal discussion was

21

held off the record.)

22

BY MR. MOYE:

23

Q. Okay. Anyone else that you know of?

24

A. I'm not 100 percent sure.

09:20 25

Q. Okay. As I said earlier, my name is Robert

09:20 1 Moyer, and I will be asking you questions on behalf of
2 the SEC, who is the plaintiff in this case.

3 Have you ever given testimony in a deposition or at
4 trial before?

09:20 5 A. No, sir.

6 Q. Okay. So let me just give you some
7 guidelines so we can get a clear record on the court
8 reporter's transcript.

9 First of all, we shouldn't talk over each other, so
09:21 10 I need to let you finish your answers and please let me
11 finish my questions before you jump in. Does that work?

12 A. Yes, sir.

13 Q. Also, we -- we need verbal answers rather
14 than a nod or shaking of the head, so you are doing good
09:21 15 so far, and from time to time, other lawyers may raise
16 objections.

17 When that happens, I have a choice. I can either
18 reframe or reword my question, or I can go ahead and ask
19 you to answer what's already pending. If you don't
09:21 20 remember, don't sweat it, because the court reporter can
21 read it back. At this point, I think Lisa wants to add
22 something.

23 MS. ZORNBERG: Yes. I just want to put
24 on the record that for today's deposition, any
09:21 25 objection by Mr. Hecker or Mr. Horton or by

09:21 1 any of the lawyers for the three defendants in
2 the case will preserve the objection as to all
3 of us so we don't have to make duplicate
4 objections.

09:21 5 BY MR. MOYE:

6 Q. Finally, I'm just looking for your best
7 recollections in this deposition. I'm not looking to
8 inquire into any advice your lawyers gave you. So if,
9 by some chance, I ask you a question that you think the
09:22 10 answer requires you to disclose that, don't do it.

11 Indicate that that would require disclosure of
12 conversations with your lawyer, and I will work around
13 that. Does that work?

14 A. Yes, sir.

09:22 15 Q. Can you tell me what you did to prepare for
16 today's deposition? Did you meet with counsel?

17 A. Yes, I did.

18 Q. Did you have any preparation sessions?

19 A. Yes, I did.

09:22 20 Q. How many?

21 A. Around four.

22 Q. Okay. During any of these preparation
23 sessions, was anyone participating besides your lawyers?

24 A. Yes.

09:22 25 Q. At how many sessions?

09:22 1

(Pause.)

2

THE WITNESS: Yesterday's session, and

3

I -- I think one before that.

4

BY MR. MOYE:

09:22 5

Q. Okay. Do you know who those other people

6

were?

7

A. Yes.

8

Q. Who were they?

9

A. Counsel for Ripple.

09:22 10

Q. Do you know which lawyers for Ripple?

11

A. Ms. Zornberg.

12

Q. Okay?

13

A. Ms. Guo, and there was a gentleman in the

14

room. I forget his name.

09:23 15

Q. Okay. What about counsel for the individual

16

defendants? Were any of them in these preparation

17

sessions?

18

A. Not to my recollection.

19

Q. Okay. In those sessions that you attended

09:23 20

with --

21

In those sessions that were attended by lawyers

22

from Ripple, can you tell me in general what it is you

23

talked about?

24

MR. HECKER: Objection. I'll instruct

09:23 25

you not to answer the question.

09:23 1 MR. MOYE: Was there a joint privilege?

2 MR. HECKER: There's -- a common interest
3 covered our discussion in preparation for his
4 deposition, yes.

09:23 5 BY MR. MOYE:

6 Q. Okay. Without saying I agree with that, are
7 you going to follow your lawyer's instruction not to
8 answer that last question?

9 A. Yes.

09:23 10 Q. Okay. I just need to get that on the record.

11 A. Okay.

12 Q. Can you tell me what documents you looked at
13 in preparation for your --

14 Can you tell me, first of all, did you look at
09:23 15 documents in preparation for the deposition?

16 A. I did.

17 Q. Were there any documents that helped you
18 remember things you couldn't remember before until after
19 you had looked at the documents?

09:24 20 A. There were several documents that may have
21 refreshed my memory a little bit.

22 Q. Okay. With regard to those documents that
23 helped you remember things or refresh your recollection,
24 can you tell me what kinds of documents they were?

09:24 25 A. In general, e-mail exchanges. There were

09:24 1 some market color and market commentary that I had
2 produced.

3 Q. Any internal Ripple documents or reports?

4 MR. HECKER: Objection to the form of the
09:24 5 question. But you can answer, if you
6 understand it.

7 BY MR. MOYE:

8 Q. Best you can.

9 A. Could you rephrase?

09:24 10 Q. Yeah. I may not be getting the right kind of
11 documents, but were there any special reports about XRP
12 or market analysis that you looked at?

13 MS. ZORNBERG: Objection to form.

14 BY MR. MOYE:

09:25 15 Q. You can answer.

16 A. A lot of the market commentary, stuff that we
17 produced.

18 (Thereupon, an informal discussion was
19 held off the record.)

09:25 20 THE WITNESS: Sorry. There were analyses
21 on -- on XRP.

22 BY MR. MOYE:

23 Q. Is there any single or couple of documents
24 that you remember as being particularly helpful in
09:25 25 preparation for the case and helping you remember?

09:25 1 A. No, sir.

2 Q. Okay. Do you have any understanding, even a
3 general one, about what the SEC is alleging in this
4 lawsuit?

09:25 5 A. I am not a securities lawyer, but I have -- a
6 general understanding.

7 Q. Just take your best shot. What is your
8 understanding in your own words?

9 A. My understanding is that the SEC alleges that
09:25 10 XRP is a security of Ripple.

11 (Thereupon, an informal discussion was
12 held off the record with the shorthand
13 reporter.)

14 BY MR. MOYE:

09:26 15 Q. Okay, and do you have any understanding --
16 even a general one -- about the defendants' position
17 specifically?

18 A. A general one, yes.

19 Q. What's that?

09:26 20 A. That XRP is not a security.

21 Q. Do you have any personal interest in the
22 resolution of that question or the outcome of this case?

23 A. No.

24 Q. Okay. Do you currently own any XRP?

09:26 25 A. I have several XRP wallets that have

09:26 1 essentially the minimum funding amount that is
2 essentially locked up and I have no access to.

3 So there would be, say -- let's say, four or five
4 XRP wallets that have [REDACTED] XRP in it that I am unable to
09:26 5 access.

6 Q. But four wallets is [REDACTED] -- you have [REDACTED] XRP?

7 A. Roughly.

8 (Thereupon, an informal discussion was
9 held off the record with the shorthand
09:27 10 reporter.)

11 BY MR. MOYE:

12 Q. Let's talk briefly about your educational
13 background.

14 A. Yes, sir.

09:27 15 Q. Did you go to college?

16 A. Yes, sir.

17 Q. Where did you go to college?

18 A. Columbia College.

19 Q. Did you get a degree?

09:27 20 A. Yes, sir.

21 Q. What did you study or what was the degree in?

22 A. The degree is a bachelor's in economics.

23 Q. Okay. Did you do any graduate study?

24 A. Yes, I did.

09:27 25 Q. Did you get any graduate degrees?

09:27 1 A. I did.
2 Q. From where?
3 A. Carnegie Mellon.
4 Q. In what?
09:27 5 A. Computational -- master's of science and
6 computational finance.
7 Q. Okay. When did you get your undergraduate
8 degree?
9 A. December -- undergraduate degree in May of
09:27 10 1996.
11 Q. Okay. How about your graduate?
12 A. December of 2005.
13 Q. Okay. Do you have any other graduate or
14 advanced degrees?
09:27 15 A. No, sir.
16 Q. Have you done any other graduate or advanced
17 studies that did not result in a degree?
18 A. Yes.
19 Q. What was that?
09:28 20 A. I did a preparation course for my master's of
21 science, which was called a -- I got a certificate for a
22 quantitative studies for finance program from
23 Columbia College.
24 Q. When did you get that?
09:28 25 A. 2004.

09:28 1 Q. Okay. Let's talk briefly about your
2 employment history. We will go into more details,
3 particularly with regard to Ripple, during the day.

4 Where are you employed right now?

09:28 5 A. GSR Services USA.

6 Q. And since when have you had that position?

7 A. Since December 21st, 2020.

8 Q. And what's your title?

9 A. Director of Operations Americas.

09:28 10 Q. Can you tell me generally what your
11 responsibilities are?

12 A. Generally, I do a little bit of a lot of
13 things. I do some trade operations. I do some --
14 working cross functionality with different groups. I've
09:29 15 done analysis. I've done strategy.

16 I manage some of the younger employees. I
17 currently manage internal operations for the ODL product
18 for GSR's market making.

19 (Thereupon, an informal discussion was
09:29 20 held off the record.)

21 BY MR. MOYE:

22 Q. Okay. Can you tell me generally what GSR
23 does? What kind of company it is?

24 A. GSR is a digital asset market maker.

09:29 25 Q. For someone who reads this record who does

09:29 1 not know what a market maker or what digital assets are,
2 is there any simpler way you can describe what GSR is?

3 A. GSR's primary mission is increasing the
4 liquidity for digital assets, whether they be for token
09:30 5 projects or for exchanges, but it is growing into
6 different areas of financial services for digital
7 assets.

8 Q. Okay. Where is your office for GSR? Do you
9 have an office that you work in for GSR?

09:30 10 A. I -- no, sir.

11 Q. You work from home?

12 A. Yes, I do.

13 Q. Okay. Does GSR have any offices in New York?

14 A. No.

09:30 15 Q. Does GSR have any offices in the
16 United States?

17 A. No.

18 Q. Where is GSR located?

19 A. GSR has several corporate entities. One in
09:30 20 the UK. One in Hong Kong. One in Singapore. We have a
21 couple entities in the United States.

22 Q. What are the entities in the United States
23 that GSR owns or operates?

24 A. There is GSR Services USA, LLC. There's GSR
09:31 25 USA, LLC. I am not familiar with the full corporate

09:31 1 structure.

2 Q. Okay. With that caveat, do you know where
3 those LLCs that you just mentioned, where they operate
4 from or where they are located?

09:31 5 A. GSR Services USA, LLC is a Wyoming entity.
6 There's a Delaware entity.

7 (Thereupon, an informal discussion was
8 held off the record with the shorthand
9 reporter.)

09:31 10 BY MR. MOYE:

11 Q. And are there employees within the
12 United States of GSR or those two LLCs that you
13 mentioned?

14 A. Yes, there are.

09:31 15 Q. And the people you manage? Are they, for the
16 most part, here in the United States?

17 A. Yes.

18 Q. Okay. Could you give me some estimate of the
19 people you work with for GSR here in the United States?

09:31 20 Are there five? 500? What's the number?

21 A. No, it's -- it's on the order of [REDACTED].

22 Q. Okay. Thank you.

23 Do you still have any -- in your currency job at
24 GSR, do you have any professional contacts with Ripple,
25 the defendant in this case?

09:32 1 MR. HECKER: Objection to the form. But
2 you can answer.

3 BY MR. MOYE:

4 Q. Does GSR work with Ripple?

09:32 5 A. Yes.

6 Q. Okay. Doing what?

7 A. Servicing ODL.

8 Q. Okay. We're going to talk about ODL more in
9 a minute.

09:32 10 Do you maintain any personal friendships or
11 relationships with people that you worked with at
12 Ripple?

13 A. Yes.

14 Q. Who are you close to?

09:32 15 MR. HECKER: Objection to the form.

16 BY MR. MOYE:

17 Q. Who are you friends with at Ripple?

18 MS. ZORNBERG: Objection to the form.

19 BY MR. MOYE:

09:32 20 Q. You can answer.

21 A. [REDACTED]. There's [REDACTED] -- I actually
22 don't know how to pronounce his name all that well,
23 but -- [REDACTED], [REDACTED]. Still at
24 Ripple?

09:33 25 Q. Yes.

09:33 1 (Thereupon, an informal discussion was
2 held off the record.)

3 THE WITNESS: I'm friendly with

4 [REDACTED], [REDACTED], [REDACTED].

09:33 5 BY MR. MOYE:

6 Q. Okay. What about Brad Garlinghouse or
7 Chris Larsen? Do you have personal or social
8 relationships with them?

9 A. No, sir.

09:33 10 Q. Okay. Where else have you worked, besides
11 Ripple and GSR?

12 A. I've worked at [REDACTED] out of
13 college. I've worked at a hedge fund called --
14 initially called [REDACTED]. Then it
09:33 15 was called [REDACTED].

16 Q. Okay. Stop there. One at a time, so we can
17 keep track.

18 A. Okay.

19 Q. Did you say, "[REDACTED]"?

09:34 20 A. Yes, sir.

21 Q. What did you do for them?

22 A. I was a registered representative and I
23 essentially traded NASDAQ equities.

24 Q. Okay. The next company you mentioned,
09:34 25 Oak Hill?

09:34

1

A. [REDACTED].

2

Q. What did you do for [REDACTED]?

3

A. I managed -- I was on the Asian equities

4

team, essentially managing a long/short quant equity

09:34

5

portfolio and other Asian equities.

6

Q. How long did you work at [REDACTED] or during what

7

years? What period of time?

8

A. I started in December of 1996.

9

(Pause.)

09:34

10

BY MR. MOYE:

11

Q. Just general is fine.

12

A. Generally, two years, probably. Around.

13

Q. Okay. What about [REDACTED]? How long did you

14

work there?

09:34

15

A. Also -- also around two years.

16

Q. From [REDACTED], where did you work?

17

A. I moved to a company called [REDACTED].

18

Q. And what did you do for [REDACTED]?

19

A. I worked on building high frequency equities

09:35

20

trading strategy on the Japanese equity markets.

21

Q. And how long did you work there?

22

A. I want to say about a year.

23

Q. Okay. After that, where did you work?

24

A. [REDACTED].

09:35

25

Q. And what did you do for [REDACTED]?

09:35 1 A. I worked on high frequency foreign exchange
2 trading.

3 Q. For how long?

4 A. Close to -- close to four years.

09:35 5 Q. Okay. After [REDACTED], where did you work?

6 A. [REDACTED].

7 Q. And how long did you work at [REDACTED]?

8 A. Three years.

9 Q. What was your responsibility with [REDACTED] at
09:35 10 [REDACTED]?

11 A. Senior strategist.

12 Q. What is [REDACTED], or what does [REDACTED]
13 do?

14 A. [REDACTED] was a prop trading company.

09:35 15 Q. What does that mean in layman's terms, if you
16 can?

17 A. They traded their own capital and attempted
18 to increase that capital base through trading.

19 Q. Was [REDACTED] the last company you worked
09:36 20 for before joining Ripple?

21 A. Yes, sir.

22 Q. Okay. So we will spend more time on GSR,
23 Ripple, and [REDACTED] throughout the day.

24 I understand that you left [REDACTED] in order to
09:36 25 join Ripple; is that right?

09:36 1 A. I resigned [REDACTED], not necessarily with
2 the intention to join Ripple.

3 Q. How much after -- how long after your
4 resignation did you join Ripple?

09:36 5 A. I resigned in March and I joined Ripple in
6 June.

7 Q. In June? Okay.

8 (Thereupon, an informal discussion was
9 held off the record with the shorthand
09:37 10 reporter.)

11 BY MR. MOYE:

12 Q. Just to clarify, when you left [REDACTED],
13 did you intend to join Ripple?

14 A. No.

09:37 15 Q. Okay. So how is it that you came to work for
16 Ripple? How did you hear about the opportunity? How
17 did you go about applying?

18 A. I resigned on a Friday, and on the
19 following -- two days later, Miguel Vias, who was head
09:37 20 of XRP markets at Ripple at the time, called me to gauge
21 my interest in working with him -- working for him at
22 Ripple.

23 Q. Why did you resign from [REDACTED]?

24 A. I was unhappy with my compensation.

09:37 25 Q. Did you have another job lined up? Sounds

09:37 1 like no.

2 A. I did not.

3 Q. Okay, and did Mr. Vias know of your intention
4 to resign, do you think, before you actually did the
09:37 5 deed?

6 MR. HECKER: Objection to the form of the
7 question.

8 MR. MOYE: Let me ask it again.

9 BY MR. MOYE:

09:37 10 Q. Did you tell Mr. Vias before you resigned
11 from [REDACTED] that that's what you intended to do?

12 A. No, I did not.

13 Q. Okay. So after Mr. Vias contacted you, what
14 was the next step in coming to work for Ripple?

09:38 15 (Pause.)

16 THE WITNESS: I -- I had a series of
17 interviews with Ripple.

18 BY MR. MOYE:

19 Q. Okay, and when did you receive your offer, do
09:38 20 you think?

21 A. Around May of 2017.

22 Q. And you joined in June; is that correct?

23 A. Yes, sir.

24 Q. What was your title when you joined Ripple?

09:38 25 A. Senior manager, XRP markets.

09:38 1 Q. And can you remember what was your
2 compensation when you joined Ripple?

3 A. Roughly \$ [REDACTED] per year in cash with
4 options to get up to [REDACTED].

09:39 5 Q. When you say, "[REDACTED]" what did you
6 mean by "[REDACTED]"?

7 A. [REDACTED].

8 Q. Okay, and when you joined Ripple, what were
9 your responsibilities?

09:39 10 You've already mentioned your title. So day to
11 day, what were you doing in your first -- in your first
12 months with Ripple?

13 A. My first months at Ripple, I primarily worked
14 on building out data analysis tools for the XRP markets.

09:39 15 Q. Did your responsibilities change over time?

16 A. Yes, sir.

17 Q. Can you describe that in a general way?

18 A. My -- my responsibilities moved towards
19 managing XRP programmatic sales, helping build out XRP
09:40 20 OTC trading, developing XRP lending programs from
21 Ripple.

22 Then to communicating internally about the markets,
23 helping develop the ODL liquidities scaling program,
24 managing ODL liquidity for Ripple.

09:40 25 Q. Okay. We're going to come back and spend

09:40 1 more time on each of these -- on some of these
2 responsibilities, but I want to find out, as best you
3 can recall, who you reported to or who -- who was your
4 supervisor during the different -- during your time at
09:41 5 Ripple?

6 A. Initially, Miguel Vias. Then Breanne
7 Madigan.

8 Q. Okay, and why did you leave Ripple?
9 (Pause.)

09:41 10 THE WITNESS: I grew increasingly
11 frustrated with -- I grew increasingly
12 frustrated largely because I grew increasingly
13 cynical about the prospects of success for the
14 company and the lack of growth in my role.

09:41 15 BY MR. MOYE:

16 Q. Were there personal issues, or was it more
17 strategic, what you were describing?

18 MR. HECKER: Objection to form.
19 Compound.

09:42 20 BY MR. MOYE:

21 Q. Let me ask: Did you have personal problems
22 with anyone at Ripple?

23 MR. HECKER: Objection to the form.

24 BY MR. MOYE:

09:42 25 Q. You can answer.

09:42 1

(Pause.)

2

THE WITNESS: There were a few people I don't think I had great working relationships with.

4

09:42 5

BY MR. MOYE:

6

Q. Okay. What was your relationship like with

7

Ms. Madigan?

8

A. I think we were able to work well together.

9

Q. Did you have --

09:42 10

Was your work being criticized or unfairly --

11

unfairly represented, in your mind?

12

MR. HECKER: Objection.

13

MS. ZORNBERG: Objection to form.

14

BY MR. MOYE:

09:43 15

Q. If you understand what I was asking you, you

16

can answer.

17

A. Perhaps rephrase the question.

18

Q. Did anyone tell you your work is not

19

acceptable, your analysis isn't good, or "I disagree

09:43 20

with your conclusions"?

21

MR. HECKER: Objection, but you can

22

answer.

23

THE WITNESS: Not to my recollection.

24

BY MR. MOYE:

09:43 25

Q. Okay. When you said before you were

09:43 1 concerned about "the prospects of success of the
2 company," could you elaborate on that, please? What did
3 you mean?

4 A. I don't believe that the architecture of the
09:43 5 ODL is ... has been designed in such a way that it is
6 scalable.

7 (Thereupon, an informal discussion was
8 held off the record.)

9 BY MR. MOYE:

09:43 10 Q. Scalable? And what do you mean by the term
11 "scalable"?

12 A. Capable of growing like a network should
13 grow, I guess.

14 Q. Do you think it was --

09:44 15 When you left the company, did you think it was
16 capable of doing what the company hoped it would do?

17 A. Can you define "what the company hoped it
18 would do"?

19 Q. Maybe not. I was trying to rephrase "What's
09:44 20 scalable?" You didn't think it was be intended by use
21 by the company; is that fair?

22 MR. HECKER: Objection to form.

23 MS. ZORNBERG: Objection.

24 THE WITNESS: No.

25

09:44 1 BY MR. MOYE:

2 Q. What did you mean by you "didn't think it
3 could grow"?

4 MR. HECKER: Objection.

09:44 5 MS. ZORNBERG: I don't think he used the
6 word grow in that way. He used "lack of
7 growth" for his role.

8 BY MR. MOYE:

9 Q. Tell me again what you saw as a problem with
09:45 10 the ODL product.

11 MR. HECKER: Objection to form. You can
12 answer.

13 THE WITNESS: ODL primarily partners with
14 digital asset exchanges in decimation currency
09:45 15 countries, such as Mexico and the Philippines.
16 Typically, these exchanges are not -- they
17 have relatively poor technology. They have
18 relatively poor support.

19 I don't believe they're institutionally
09:45 20 sound. There's a wide -- you know, range of
21 APIs that you have to connect to. So
22 ultimately, I believe they were partnering
23 with low-quality exchanges across the global
24 because those were available digital asset
09:46 25 exchanges, I found it hard to believe that it

09:46 1 could gain a significant institutional
2 customer base.

3 BY MR. MOYE:

4 Q. Thank you.

09:46 5 When you said you were concerned or cynical about
6 your prospects of the success of the company, what did
7 you mean by that?

8 A. I had a relatively low title at Ripple. I
9 didn't see prospects for any sort of advancement.

09:46 10 Q. What about your compensation? Were you
11 satisfied with your compensation?

12 A. No.

13 Q. When you left Ripple, what were you making,
14 approximately?

09:46 15 A. Maybe roughly \$ [REDACTED] a year.

16 (Thereupon, an informal discussion was
17 held off the record.)

18 BY MR. MOYE:

19 Q. Okay, and in terms of bonuses or equity, were
09:47 20 you still getting that form of compensation in the same
21 way you described when you joined?

22 MR. HECKER: Objection to form.

23 MR. MOYE: I know, that was bad. Let me
24 try again.

25

09:47 1 BY MR. MOYE:

2 Q. What kind of bonuses or equity compensation
3 were you receiving or able to receive when you left?

4 A. There were -- there were bonuses [REDACTED].

09:47 5 [REDACTED].

6 Q. Did you let any supervisors know you were
7 unhappy with your opportunities for advancement?

8 A. Breanne Madigan.

9 Q. Okay, and what was her response or reaction?

09:47 10 (Pause.)

11 THE WITNESS: She expressed
12 disappointment that I felt that way and she --
13 she gave me some guidelines in case I wanted
14 to advance my career at Ripple, some steps I
09:48 15 should improve on.

16 BY MR. MOYE:

17 Q. Did you have any sense that Ms. Madigan or
18 anyone at Ripple would prefer that you leave? Did they
19 take any steps to force you out?

09:48 20 A. Not to my knowledge.

21 Q. Okay. Did you let anyone else at Ripple know
22 you were considering leaving before you actually left?

23 (Pause.)

24 THE WITNESS: I don't recall.

25

09:48 1 BY MR. MOYE:

2 Q. Did you tell Mr. Vias that you were -- let me
3 rephrase that.

4 Was Mr. Vias still at Ripple when you left?

09:49 5 A. No, sir.

6 Q. Did you tell Mr. Vias, or any other person
7 you worked with personally, that you were considering
8 leaving Ripple?

9 MS. ZORNBERG: Objection to the form.

09:49 10 BY MR. MOYE:

11 Q. You can answer.

12 A. Yes.

13 Q. Did anyone who had previously worked for
14 Ripple encourage you either to stay or to leave?

09:49 15 (Pause.)

16 THE WITNESS: I don't remember.

17 BY MR. MOYE:

18 Q. Are you familiar with Ripple's product XRP?

19 MS. ZORNBERG: Objection.

09:49 20 MR. MOYE: Try again.

21 BY MR. MOYE:

22 Q. Are you familiar with the product XRP?

23 MS. ZORNBERG: Objection.

24 MR. MOYE: What's the objection, Lisa?

09:50 25 MS. ZORNBERG: XRP is a digital asset. I

09:50 1 don't know that you can call it a product.

2 MR. MOYE: Well --

3 MS. ZORNBERG: You can answer the
4 question.

09:50 5 MR. MOYE: If the witness disagrees with
6 me --

7 MS. ZORNBERG: That's fine.

8 BY MR. MOYE:

9 Q. Are you familiar with the product XRP?

09:50 10 MS. ZORNBERG: Objection.

11 THE WITNESS: I'm familiar with XRP.

12 BY MR. MOYE:

13 Q. What is XRP?

14 A. It is a digital asset.

09:50 15 Q. Whose digital asset is it? Who is the
16 sponsor or originator or who launched XRP?

17 MR. HECKER: Objection to the form of
18 that question.

19 MS. ZORNBERG: Objection to form.

09:50 20 BY MR. MOYE:

21 Q. You can answer.

22 A. My understanding that a -- it was -- it was
23 developed by Arthur Britto and David Schwartz.

24 Q. Okay, and currently, which company has the
09:50 25 greatest interest in the success of XRP?

09:50 1 MR. HECKER: Objection to the form of the
2 question.

3 THE WITNESS: My understanding is that
4 it's Ripple.

09:50 5 BY MR. MOYE:

6 Q. Okay. What does Ripple do with XRP, or what
7 is Ripple's relationship with XRP? How does it use it?

8 A. Ripple uses XRP in its cross-border product,
9 ODL.

09:51 10 (Thereupon, an informal discussion was
11 held off the record with the shorthand
12 reporter.)

13 BY MR. MOYE:

14 Q. Again, we will be more specific later, but
09:51 15 generally how does it use XRP in the ODL product?

16 A. In ODL, a payment institution will deposit
17 fiat in one digital asset exchange, then Ripple uses XRP
18 to facilitate a cross-border movement in value using XRP
19 almost like a container ship. So on the origination
09:51 20 exchange in ODL, the payment providers would essentially
21 sell -- put a sell order -- a buy order for XRP for the
22 amount that they wish to move.

23 For XRP, they move XRP cross ledger to the adverse
24 held by a destination exchange, and at the destination
09:52 25 exchange, there would be API called to sell that XRP for

09:52 1 the fiat of that local exchange. It's moving value
2 cross-border without the use of the corresponding
3 banking network.

4 (Thereupon, an informal discussion was
09:52 5 held off the record.)

6 BY MR. MOYE:

7 Q. Does Ripple sell any XRP?

8 A. I don't know what Ripple does now with XRP.

9 Q. Do you know if Ripple has ever sold XRP?

09:52 10 A. Yes, Ripple has sold XRP.

11 Q. Okay. Does Ripple promote the use of XRP?

12 MR. HECKER: Objection to form.

13 BY MR. MOYE:

14 Q. You can answer.

09:53 15 (Pause.)

16 THE WITNESS: Not to my knowledge.

17 BY MR. MOYE:

18 Q. Does Ripple encourage market participants to
19 use XRP for the type of cross-border transactions you
09:53 20 were just describing?

21 A. I don't believe so.

22 Q. When you worked at Ripple, did Ripple sell
23 XRP?

24 A. Yes.

09:53 25 Q. Who did Ripple sell XRP to?

09:53 1 (Pause.)

2 BY MR. MOYE:

3 Q. To your knowledge?

4 A. Okay. Ripple sold XRP to -- on open order
09:53 5 exchanges through market makers. Ripple sold to OTC
6 brokers. Ripple sold XRP to [REDACTED]. Ripple sold XRP to
7 [REDACTED].

8 (Thereupon, an informal discussion was
9 held off the record.)

09:54 10 BY MR. MOYE:

11 Q. Okay. We're going to spend more time on
12 this, but just so I understand what you said, let's talk
13 about how Ripple made some of the sales.

14 Are you familiar with the term "programmatic sales"
09:54 15 with your time at Ripple?

16 A. Yes, sir.

17 Q. What does that term mean to you?

18 A. Ripple used market makers such as GSR, [REDACTED],
19 [REDACTED] to use algorithms to sell XRP across global
09:54 20 digital asset exchanges.

21 Q. And for those programmatic sales, who was
22 buying the XRP from Ripple?

23 A. I don't know.

24 Q. Do you have any sense of the type of market
09:55 25 participants they were?

09:55 1 A. Retail speculators.

2 Q. Okay. Are you familiar with the term "OTC
3 sales" from your time at Ripple?

4 A. Yes, sir.

09:55 5 Q. What does that term mean to you?

6 A. OTC sales were sales of XRP to typically
7 digital asset OTC brokers.

8 Q. And OTC, does that mean over the counter?

9 A. Over the counter.

09:55 10 Q. That's a particular way of selling an asset?

11 A. That's correct.

12 Q. Okay. Please continue. What does that term
13 mean?

14 A. So in the case of -- let's use an example
09:55 15 like [REDACTED].

16 As an OTC partner of XRP II, once a master purchase
17 agreement was in place, if [REDACTED] had
18 interest in XRP for a certain size, they would contact
19 the markets team, ask for a price for that size of XRP,
09:56 20 and if a price was agreed upon and confirmed, there
21 would be a transaction.

22 Q. Thank you.

23 And these OTC sales you were describing, what --
24 what is the type of individual or entity that would be
09:56 25 buying the XRP from Ripple?

09:56 1 A. In these cases, largely digital asset OTC
2 brokers.

3 Q. Okay. For these programmatic sales and OTC
4 sales, did a higher sale price benefit Ripple, as you
09:57 5 understood the transactions?

6 A. Yes.

7 Q. During the time you were at Ripple, do you
8 have any sense or understanding of how much of Ripple's
9 revenues came from XRP sales?

09:57 10 A. Yes. In terms of magnitude.

11 Q. Was that the majority?

12 A. I don't know other sources of income from --

13 Q. So as far as you knew, it was -- it could
14 have been 100 percent of Ripple's revenues.

09:57 15 MR. HECKER: Objection.

16 MS. ZORNBERG: Objection to the form of
17 the question.

18 BY MR. MOYE:

19 Q. As you understood it?

09:57 20 A. As far as I know.

21 Q. Okay. Did you have any understanding of why
22 digital asset brokers you described were buying XRP or
23 what they intended to do with XRP when you bought it
24 from Ripple?

09:58 25 A. No, sir.

09:58 1 Q. No idea at all?

2 A. No.

3 Q. Did you ever hear that they were buying it
4 for speculative investors?

09:58 5 A. No.

6 Q. We've talked a couple of times about ODL.
7 Are you familiar with ODL?

8 A. Yes, sir.

9 Q. Can you tell me generally what ODL is and
09:58 10 what the O, D, and L stand for?

11 A. On demand liquidity.

12 Q. Okay.

13 A. Again, ODL was Ripple's cross-border product
14 attempting to move value from one country to another,
09:58 15 from one fiat currency to another fiat currency, using
16 XRP as the bridge.

17 (Thereupon, a six-page e-mail chain dated
18 1/12/20, from [REDACTED] to [REDACTED] et
19 al., Bates Nos. RPLI_SEC 0504285 through
09:59 20 0504290, was introduced as DS Exhibit 20 for
21 identification.)

22 BY MR. MOYE:

23 Q. Okay. I would like to take a look at a
24 document, now. I would like to show you what's been
09:59 25 marked as DS Exhibit 20.

09:59 1 The "DS" is your initials, and the 20 is the
2 numbers for the exhibits we're going to look at in this
3 deposition.

4 (Thereupon, an informal discussion was
09:59 5 held off the record.)

6 MR. MOYE: I just need to say something
7 for the record right now. What's been marked
8 as DS Exhibit 20 --

9 BY MR. MOYE:

09:59 10 Q. Do you recognize that as an e-mail message
11 from [REDACTED] at Ripple, dated January 12th, 2020
12 to [REDACTED] with subject line "Trade Data - jump
13 follow up."

14 A. That's what -- yes.

10:00 15 Q. Okay. Why don't you take a moment, and I'm
16 going to direct -- when I ask you questions, I am going
17 to direct you to some information that begins on page 3.

18 (Thereupon, an informal discussion was
19 held off the record.)

10:01 20 (Pause.)

21 BY MR. MOYE:

22 Q. Let me know when you're ready.

23 A. I think I'm ready.

24 Q. Okay. Do you recognize DS Exhibit 20 as a
10:02 25 chain of e-mails -- a whole chain of e-mails which

10:02 1 included you, which you received between January 10th
2 and January 12th, 2020?

3 MR. HECKER: Objection to the form of the
4 question. Unless I am misunderstanding, it
10:02 5 looks like he's only on the top e-mail. Am I
6 wrong about that?

7 MR. MOYE: Fair point.

8 BY MR. MOYE:

9 Q. This is a chain of e-mails extending over a
10:02 10 couple days. You received the top e-mail; is that
11 correct?

12 A. Yes.

13 Q. Okay. So with that caveat, I would like to
14 direct your attention to page 3, where [REDACTED] of
10:03 15 Ripple begins to describe a transaction, and the
16 paragraph says:

17 "Probably easier to go through the life cycle of an
18 ODL payment here."

19 Do you see that?

10:03 20 A. Yes.

21 Q. Okay. Basically, what I want to find out is
22 if you agree or disagree the way that [REDACTED] is
23 describing this transaction.

24 So could you look at the first paragraph? Do you
10:03 25 agree with what [REDACTED] describes in the first

10:03 1 paragraph?

2 A. "First paragraph" meaning "MoneyGram wants to
3 initiate a payment"?

4 Q. Yes. Do you think MoneyGram is a fair
10:03 5 example to use to describe --

6 A. Yes, it is.

7 Q. -- an ODL transaction?

8 Okay. Next paragraph. Do you agree with what he
9 says in the next paragraph?

10:03 10 MS. ZORNBERG: Can you clarify which
11 paragraph, please?

12 (Thereupon, an informal discussion was
13 held off the record.)

14 BY MR. MOYE:

10:03 15 Q. Yes, "MoneyGram uses the ODL software"?

16 MR. HECKER: Sorry. I apologize. The
17 first paragraph starts "Probably easier" and
18 the second starts "MoneyGram wants to
19 initiate."

10:04 20 MR. MOYE: I think we jumped ahead.

21 MR. HECKER: Okay.

22 BY MR. MOYE:

23 Q. I think the first paragraph sets up the
24 example and then talks about MoneyGram, so let's look at
10:04 25 the final two paragraphs on this page, where he talks

10:04 1 about how MoneyGram is using the ODL.

2 Do you agree with how [REDACTED] is describing a
3 typical ODL transaction with MoneyGram as he describes
4 in this transaction?

10:04 5 A. To the best of my recollection.

6 Q. Okay. Anything in there that you think is
7 inaccurate?

8 MR. HECKER: I am going to object to the
9 form of the question. It's a hypothetical, so
10:04 10 I'm not sure how to agree or disagree with the
11 description. But if you understand the
12 question, you're welcome to answer.

13 THE WITNESS: Yeah, I should give you a
14 caveat. My role here was on the liquidity
10:04 15 side --

16 BY MR. MOYE:

17 Q. Yeah.

18 A. -- not the product side. So almost two sides
19 of the coin. The product team would be responsible for
10:05 20 how the product or how the customer experienced the --
21 the order flow. So my job was more the flip side in
22 terms of ensuring liquidity was available on the order
23 books, my -- so my -- I'm not an expert on the product
24 side.

10:05 25 Q. Okay. You're not an expert on all the

10:05 1 details.

2 As far as you understood, was there anything in
3 what you reviewed so far that you thought was an
4 accurate description of the process, as you understood?

10:05 5 A. No, sir.

6 Q. Okay. So let me ask you some more general
7 hypothetical, and feel free to refer to DS Exhibit 20 on
8 page 3 and continuing on to page 4, if you find that
9 helpful. Okay?

10:05 10 In this hypothetical that [REDACTED] is describing,
11 would it be fair to say the first step in an ODL
12 transaction is that MoneyGram would initiate a payment
13 using SDL -- it's using ODL -- and sends U.S. dollars
14 from a bank to a digital asset exchange?

10:06 15 A. No.

16 Q. Okay. What is the first step, as you
17 understand?

18 A. MoneyGram needs to fund the origination
19 account with U.S. dollars.

10:06 20 Q. Okay. Would MoneyGram use ODL software to
21 get a quote that they can accept or reject?

22 A. To my understanding.

23 Q. Okay. Would ODL use U.S. dollars in a
24 MoneyGram account to purchase XRP?

10:06 25 (Pause.)

10:06 1 THE WITNESS: To my understanding.

2 BY MR. MOYE:

3 Q. Would ODL be used in terms of paying exchange
4 of trading fee and a spread?

10:07 5 A. The exchange would receive a fee through the
6 execution of the orders.

7 Q. Okay, and then would the XRP be transferred
8 on the ledger from the sending exchange to the receiving
9 exchange?

10:07 10 A. XRP would move from one wallet address on the
11 XRP Ledger to another wallet address on XRP Ledger.

12 Q. And in the next wallet, would XRP be sold on
13 the receiving exchange or by the receiving exchange?

14 A. XRP would be sold on the -- open order book
10:07 15 on the destination exchange.

16 (Thereupon, an informal discussion was
17 held off the record.)

18 BY MR. MOYE:

19 Q. Would MoneyGram pay the receiving exchange a
10:07 20 trading fee and a spread?

21 A. To my understanding.

22 Q. And when the ODL product detects that a trade
23 is complete, what would move from the receiving exchange
24 and how would it move?

10:08 25 A. My understanding is there would be a payout

10:08 1 to the recipient's account using the SPEI network in
2 Mexico.

3 Q. What is the SPEI network?

4 A. I -- I'm not an expert on that. I'm sorry.

10:08 5 Q. Is it a local payment network?

6 A. Yes, sir.

7 Q. Could it be described as local rails?

8 A. Yes.

9 Q. So would local rails be used to get the
10:08 10 currency to -- or the value to the end recipient?

11 A. That is my understanding.

12 Q. Okay. So just a clarification, in what form
13 is ODL being used for this transaction? Is ODL the way
14 that this transaction takes place or is ODL a form of --
10:09 15 maybe you can say it better.

16 What is the essence of ODL's use for this exchange?
17 I mean, why is it necessary?

18 MR. HECKER: Objection to form.

19 MS. ZORNBERG: Objection.

10:09 20 BY MR. MOYE:

21 Q. If you understand it, you can answer.

22 A. ODL coordinates the APIs on the origination
23 exchange, the XRP Ledger, the destination exchange, and
24 the local payout rails.

10:09 25 Q. And when you say "API," what do you mean by

10:09 1 "API"?

2 A. It's a computer's way of interfacing with the
3 order books of each exchange.

4 Q. Okay. All right. Let's leave Exhibit 20 for
10:10 5 now and let's address briefly another topic before we
6 mark some more exhibits.

7 You've used the term "market maker" a number of
8 times, and I think I have as well. As you understand
9 it, what does that term mean?

10:10 10 A. As I understand, a market maker provides a
11 two-sided quote on a given market for a large portion of
12 a trading day.

13 (Thereupon, an informal discussion was
14 held off the record.)

10:10 15 BY MR. MOYE:

16 Q. Would it be correct to say market maker buys
17 and sells stock continuously on the basis of prices that
18 are publicly quoted?

19 MR. HECKER: Objection to form.

10:11 20 MS. ZORNBERG: Objection, and object to
21 the term "stock."

22 MR. MOYE: Fair point.

23 BY MR. MOYE:

24 Q. Do you think market maker is a firm that both
10:11 25 buys and sells assets on a continuous bases at publicly

10:11 1 quoted prices?

2 A. Doesn't necessarily have to be a firm, but
3 sure.

4 Q. Okay. How does a market maker make a profit?

10:11 5 A. A market maker attempts to leverage its
6 connectivity. So let's say they are -- in a
7 hypothetical example, a market maker would essentially
8 provide a buy price at which they believe they could
9 sell -- if executed at that price -- at a higher price.

10:11 10 Whether that is through a prediction model, whether
11 that is through leveraging its connectivity to other
12 exchanges, but they -- they attempt to typically make
13 the spread between their buy quote and their sell quote.

14 Q. Is the spread the difference between the bid
10:12 15 and the ask or the buy quote and sell quote?

16 A. Yes.

17 Q. Okay, and is that how the market maker makes
18 a profit on the difference between the bid and the ask?

19 A. In general. The -- the timing is not
10:12 20 necessarily same. So you can -- let's say you can
21 execute on the data time T, your quote -- ask quote is
22 that time T, but that's not necessarily the profit
23 you're making. Your profit is T plus X. When you're --
24 either the profit or loss that you're making is
10:12 25 dependent on the sale at T plus X that you actually exit

10:12 1 the position.

2 Q. Okay. Thanks for that clarification.

3 Which market makers does -- has Ripple deal with,
4 to the best of your knowledge?

10:13 5 A. In what capacity?

6 Q. Well, you worked for [REDACTED], you worked
7 for Ripple and you worked for GSR.

8 A. Yes.

9 Q. You've already identified [REDACTED] and GSR,
10:13 10 I believe, as market makers; is that correct?

11 A. That's correct.

12 Q. What other market makers are you aware of
13 that Ripple has transacted with or dealt with?

14 A. [REDACTED], or [REDACTED], [REDACTED], [REDACTED] --

10:13 15 (Thereupon, an informal discussion was
16 held off the record.)

17 THE WITNESS: -- [REDACTED], [REDACTED].

18 Those are some off the top of my head.

19 BY MR. MOYE:

10:14 20 Q. Okay. Would it be fair to say you learned
21 about most of these market makers that Ripple dealt with
22 through your work at Ripple?

23 A. [REDACTED], I was aware of before joining Ripple,
24 but the rest of them, yes.

10:14 25 Q. Okay. To the best of your knowledge, did

10:14 1 Ripple ever ask market makers to restrict sales of XRP
2 to certain categories of individual, for example, to
3 banks or to non-US persons or to non-speculators?

4 A. Not to my knowledge.

10:15 5 Q. Are you aware of any restrictions that Ripple
6 asked market makers to impose to the sale of XRP?

7 A. Within programmatic liquidation of XRP, we
8 asked our liquidation partners to follow certain
9 restrictions on the percentage of daily volume,
10:15 10 traded -- that were reported on XRP volume.

11 Q. But did those restrictions have to do with
12 volume only or were they restricted by the
13 characteristics of the buyers?

14 MR. HECKER: Objection to the form of the
10:15 15 question.

16 BY MR. MOYE:

17 Q. You can answer.

18 A. I am unaware of characteristics of the
19 buyers.

10:15 20 Q. For example --

21 (Thereupon, an informal discussion was
22 held off the record.)

23 BY MR. MOYE:

24 Q. You weren't aware of Ripple ever asking its
10:15 25 market makers not to sell to non-US persons, right?

10:16 1 A. Not to my knowledge.

2 Q. Not to sell to speculators, correct?

3 MR. HECKER: Objection to the form of the
4 question.

10:16 5 THE WITNESS: Not to my knowledge.

6 BY MR. MOYE:

7 Q. Okay. Do you know if market makers ever sold
8 XRP to individuals or firms whose identities were
9 unknown or shielded in some way?

10:16 10 MS. ZORNBERG: Object to form.

11 MR. HECKER: Objection to the form of the
12 question.

13 BY MR. MOYE:

14 Q. You can answer.

10:16 15 A. Not to my recollection.

16 Q. Did Ripple ever ask market makers, to the
17 best of your knowledge, to impose any resale
18 restrictions on anyone it was selling XRP to?

19 A. Not to my recollection.

10:16 20 Q. To the best of your knowledge, did Ripple
21 direct market makers to monitor the daily price and
22 volume of XRP?

23 (Pause.)

24 THE WITNESS: I'm not sure.

25

10:17 1 BY MR. MOYE:

2 Q. To the best --

3 Are you aware of Ripple ever giving instructions to
4 market makers about when to buy XRP?

10:17 5 A. When to?

6 Q. When to purchase or not purchase XRP?

7 A. Towards the -- towards the end of my
8 employment of -- at Ripple, Ripple started a buyback
9 program of XRP. We instructed them to -- we instructed
10:17 10 GSR, who was conducting the buybacks of XRP, to start
11 and stop.

12 Q. How about other market makers? Did Ripple
13 ever instruct [REDACTED] when to buy XRP or how much to
14 buy XRP?

10:18 15 A. Not to my recollection.

16 Q. How about in sales? Did Ripple ever give
17 instructions to market makers about how much XRP to
18 sell?

19 A. Yes.

10:18 20 Q. Did that occur when you were at [REDACTED]?

21 A. Not to my recollection.

22 Q. Okay. These restrictions --

23 These sales restrictions that you were aware of --
24 did the market makers generally follow Ripple's
10:18 25 instructions?

10:18 1 A. Yes.

2 Q. Why would Ripple give market makers
3 instructions about when or how much XRP to sell or to
4 buy?

10:19 5 A. Ripple provided a target percentage of daily
6 volume for market makers to liquidate. The idea was
7 that if the percentage of traded volume was low enough,
8 it would have relatively low or minimal market impact.

9 Q. By "market impact," do you mean impact on the
10:19 10 price?

11 A. Partially.

12 (Thereupon, an informal discussion was
13 held off the record.)

14 BY MR. MOYE:

10:19 15 Q. What else would it impact?

16 A. Liquidity.

17 Q. To the best of your knowledge, were any
18 Ripple's instructions to market makers done with the
19 intention of encouraging speculative investment in XRP?

10:20 20 A. Repeat the question.

21 MS. ZORNBERG: Object to form.

22 BY MR. MOYE:

23 Q. To the best of your knowledge, were any of
24 Ripple's instructions to market makers to sell or buy
10:20 25 XRP done to encourage speculative investment?

10:20 1 A. Not to my knowledge.

2 Q. As you understood or viewed those
3 instructions, did any of those instructions have the
4 effect of encouraging speculative investors?

10:20 5 MR. HECKER: Objection to the form of the
6 question.

7 THE WITNESS: Not to my understanding.

8 BY MR. MOYE:

9 Q. Okay. A few minutes ago, you used the term
10:20 10 "liquidity." You may have used it before. I'm sorry.
11 But let's talk about liquidity, okay?

12 A. Yes, sir.

13 Q. What's your understanding of the meaning of
14 the term "liquidity" in the context of the market for a
10:20 15 particular asset?

16 A. Essentially how easily -- easy and available
17 a quote is for any given size for that particular asset
18 to buy or sell.

19 Q. If a market is liquid, does it mean there are
10:21 20 ready and willing buyers and sellers?

21 A. Yes.

22 Q. Okay. Does liquidity mean there are more
23 sale orders than buy orders?

24 A. Not to my understanding.

10:21 25 Q. Does liquidity measure the ease or

10:21 1 convenience of buying or selling an asset?

2 A. That is my understanding.

3 Q. Is liquidity affected by price?

4 A. I believe so.

10:21 5 Q. Generally, how would liquidity be affected by
6 price?

7 A. Well, let's say -- let's say an asset is
8 going to zero, an asset going to zero --

9 Q. You mean -- excuse me, you mean price?

10:22 10 A. Yes. Let's say an asset whose price is
11 monotonically decreasing to zero, that would be an
12 indication that there is less and less interest in an
13 asset. Less and less interest would typically mean
14 lower liquidity.

10:22 15 Q. What if the price is increasing
16 significantly, does that make a market less liquid or
17 illiquid, in your experience?

18 MR. HECKER: Objection to the form.

19 THE WITNESS: I don't think necessarily.

20 MR. MOYE: Okay. Let me flip the
21 question, then.

22 BY MR. MOYE:

23 Q. If there is a problem with liquidity, if
24 there's less liquidity regarding an asset, in your
10:22 25 experience, does that mean the price is high or low?

10:22 1 MR. HECKER: Objection to form,
2 foundation.

3 BY MR. MOYE:

4 Q. If you can answer.

10:23 5 A. I'm not sure that I can answer.

6 Q. Let me try it this way:

7 If the market for an asset has greater liquidity,
8 how might that affect the price?

9 A. I don't think it's a direct correlation.

10:23 10 Q. Is there any kind of correlation between
11 liquidity and price, in your experience?

12 MR. HECKER: Objection to form.

13 BY MR. MOYE:

14 Q. You can answer.

10:23 15 A. I think if you extend my -- my initial
16 example, if an asset is going to -- if an asset's price
17 is going to zero, it's indicating lower and lower
18 interest in that asset.

19 If a price is increasing over time, not necessarily
10:24 20 at any given time, that typically means a greater
21 interest in that asset and you can see higher liquidity
22 for that asset.

23 Q. All right. Let's be more -- a little more
24 definitive. When you were at Ripple, did you have any
10:24 25 responsibility for monitoring the price of XRP?

10:24 1 A. I monitored a large number of quantitative
2 metrics.

3 Q. Yeah. You monitored a lot. I understand
4 that. Let's pick out price.

10:24 5 A. Yes.

6 Q. Among the things you did at Ripple, did you
7 have responsibility for monitoring the price of XRP?

8 A. I certainly included price in a number -- in
9 most analyses that I produced.

10:24 10 Q. As part of your analysis?

11 A. Some -- some analysis, yes.

12 MR. HECKER: Wait.

13 THE WITNESS: Yeah. My mistake. I'm
14 sorry.

10:24 15 MR. HECKER: Just -- you need to wait for
16 him to finish his question and then he will do
17 the same.

18 MR. MOYE: I need to wait as well. Let's
19 try this again.

10:25 20 BY MR. MOYE:

21 Q. As part of your analysis of XRP while you
22 were at Ripple, what, if anything, did you compare XRP's
23 price to?

24 (Pause.)

10:25 25 THE WITNESS: I looked at the ratio of

10:25 1 XRP to be BTC's price.

2 BY MR. MOYE:

3 Q. BTC is Bitcoin?

4 A. Yes.

10:25 5 Q. And when you say you "looked at the ratio,"
6 what were you looking at and how were you comparing
7 them?

8 A. The ratio of XRP to Bitcoin essentially tells
9 you how many XRP you could exchange for one Bitcoin or
10:26 10 vice -- vice versa.

11 Q. Okay. Bitcoin typically have a higher price
12 than XRP?

13 A. Yes, sir.

14 Q. Much higher?

10:26 15 A. Yes.

16 Q. Okay, and was there a particular period of
17 time that you were comparing XRP to Bitcoin, or was that
18 one of your constant comparisons in your analysis?

19 A. I believe that was a metric I used for --
10:26 20 consistently through my time at Ripple.

21 Q. Okay, and just to clarify, in doing these
22 comparison or your data analysis at Ripple, you were
23 doing this with the intention to report to or contribute
24 to Ripple's understanding, correct? You weren't doing
10:26 25 this analysis to keep it to yourself?

10:26 1 MS. ZORNBERG: Objection to form.

2 MR. HECKER: Objection to the form of the
3 question.

4 MR. MOYE: I can try again.

10:26 5 BY MR. MOYE:

6 Q. As part of your analysis, including the
7 comparison of price of XRP to Bitcoin, this analysis was
8 passed along or shared with other people at Ripple,
9 correct?

10:27 10 A. That's correct.

11 Q. Okay. Did you have any responsibility at
12 Ripple, as part of your analysis, for monitoring the
13 market liquidity for XRP?

14 A. Yes.

10:27 15 Q. Okay, and what did you look at or how did you
16 do that analysis, typically?

17 A. Typically, looking at volume -- reported
18 volumes by exchange, by geographies.

19 Q. And did you compare XRP to any other product
10:27 20 or to any other standard in analyzing market liquidity?

21 A. Yes.

22 Q. What were you comparing it to?

23 A. Again, we looked at the liquidity of XRP, the
24 volumes traded and the volumes reported traded by XRP,
10:27 25 the volumes traded on Bitcoin.

10:27 1 (Thereupon, an informal discussion was
2 held off the record.)

3 BY MS. ZORNBERG:

4 Q. And would I be correct that you would use
10:28 5 this -- you would use these same comparisons or same
6 standard of comparisons during your whole time you were
7 at Ripple for your analysis?

8 A. Yes, sir.

9 Q. And who would you share your analysis with
10:28 10 typically or who would you send up or report your
11 analysis to?

12 A. There was a stretch of time I would produce a
13 daily market snapshot on the digital asset markets. I
14 would produce weekly -- you know.

10:28 15 I would contribute to the weekly XRP markets
16 presentation at the sales meeting every week and ad hoc
17 market analyses.

18 Q. Who was part of the weekly sales meeting that
19 you mentioned?

10:29 20 A. Ripple GC was there.

21 Q. Who -- what's Ripple GC?

22 MS. ZORNBERG: It's okay. It's not
23 privileged to say in your experience over time
24 who attended, but you should not get into the
10:29 25 content of what was discussed.

10:29 1 THE WITNESS: In general?

2 BY MR. MOYE:

3 Q. Uh-huh.

4 A. Regular attendees were Brad Garlinghouse,
10:29 5 Chris Larsen, the CFO, the GC.

6 Q. General counsel?

7 A. Yes, sir.

8 Q. "CFO" is chief financial officer?

9 A. Yes, sir.

10:29 10 Q. Who was that?

11 A. For a good portion of my time at Ripple,
12 Ron Will.

13 Q. Ron Will? Okay. Who else?

14 A. The head of the markets team, so either
10:29 15 Miguel Vias or Breanne Madigan.

16 Q. Okay.

17 A. The -- towards the last, probably, year of my
18 employment at Ripple I was no longer in that meeting,
19 but my understanding is that that group had grown.

10:30 20 Q. Okay.

21 MR. HECKER: When you reach a convenient
22 break point, could we take a quick break?

23 MR. MOYE: Yeah. Why don't we take a
24 quick 10-minute break now?

10:30 25 MR. HECKER: Great.

10:30 1 (Thereupon, an informal discussion was
2 held off the record.)

3 THE VIDEOGRAPHER: This will conclude
4 Video No. 1 in the deposition of
10:30 5 Dinuka Samarasinghe.

6 We are off the record at 10:30 a.m. on
7 June 9, 2021.

8 (Recess taken at 10:30 a.m.)

9 (Resumed at 10:47 a.m.)

10:47 10 THE VIDEOGRAPHER: This is the beginning
11 of Video No. 2 in this deposition. We are on
12 the record at 10:47 a.m., June 9th, 2021.

13 BY MR. MOYE:

14 Q. Mr. Samarasinghe, in your work at Ripple, did
10:47 15 you have any responsibility for monitoring the
16 volatility of the XRP market?

17 A. Yes.

18 Q. How did you do that?

19 A. I constructed a time series of the returns of
10:48 20 XRP, typically over the 30-day period and then measured
21 volatility from the return series.

22 Q. Did you compare XRP's market volatility to
23 any other digital asset?

24 A. Yes, sir.

10:48 25 Q. Which asset?

10:48 1 A. Ultimately, comparisons of volatility of XRP
2 would be used against, most commonly, Bitcoin and Ether.

3 Q. Okay, and Ether is another digital asset?

4 A. Yes, sir.

10:48 5 Q. Okay, and during what period of time? Since
6 the whole period of time you were at Ripple?

7 A. It -- volatility of XRP was a metric that we
8 looked at regularly.

9 Q. And you regularly compared XRP's volatility
10:49 10 to that of Bitcoin and Ether?

11 A. Yes.

12 Q. Okay, and, again, did you share this
13 information with other people at Ripple, as part of your
14 normal work?

10:49 15 A. It is something that I did share. Regularly,
16 I'm not sure about. Certainly, if something was
17 interesting about the volatility at some given time, I
18 would report it.

19 Q. Okay. To your knowledge, did Ripple ever
10:49 20 take steps to support or increase the market price for
21 XRP?

22 A. Not to my knowledge.

23 MS. ZORNBERG: Objection, compound. But
24 you can answer.

10:49 25 THE WITNESS: Not to my knowledge.

10:49 1 BY MR. MOYE:

2 Q. To the best of your knowledge, did Ripple
3 ever take steps or attempt to increase the market
4 liquidity for XRP?

10:50 5 A. Yes.

6 Q. What did Ripple do?

7 A. One of the prime missions of the XRP markets
8 team, under Miguel Vias, was to increase the liquidity
9 of XRP.

10:50 10 Q. How? What did Ripple do?

11 A. The XRP markets team looked at XRP liquidity
12 as -- because XRP was to serve a cross-border use case,
13 Miguel Vias and I attempted to mirror the XRP markets
14 like that of the foreign exchange markets.

10:50 15 As examples, we partnered with market makers by
16 providing XRP loans and leases. We tried to grow out
17 the OTC market for XRP.

18 Q. Did Ripple ever pay market makers to maintain
19 a particular spread?

10:51 20 A. Yes.

21 Q. How did it do that?

22 A. Ripple partnered with certain market makers,
23 as an example, [REDACTED], to provide a
24 bid and ask across several different XRP markets with a
10:51 25 certain size available on the bid and ask with a

10:51 1 prescribed spread between the bid and ask.

2 Q. How was [REDACTED] compensated for succeeding
3 in doing this?

4 A. [REDACTED] received XRP.

10:52 5 Q. Do you know whether Ripple ever took similar
6 steps with other market makers to maintain a certain
7 spread?

8 MS. ZORNBERG: Object to form.

9 BY MR. MOYE:

10:52 10 Q. You can answer.

11 A. Ripple did pay market makers to provide a
12 spread, as an example, in ODL markets.

13 (Pause.)

14 BY MR. MOYE:

10:52 15 Q. Were you aware -- are you aware of any other
16 digital asset for whom market makers are paid to
17 maintain a spread?

18 A. Yes.

19 Q. What other digital assets?

10:53 20 A. As an example, for -- you know, understanding
21 the client base of GSR, GSR partners with a number of
22 different token projects who acquire -- or who are asked
23 for market making support on their tokens.

24 Q. What tokens were those? Do you know?

10:53 25 A. As an example, [REDACTED], [REDACTED].

10:54 1 Q. To your knowledge, does Bitcoin do this?

2 A. Not to my knowledge.

3 Q. Does Ether do this, to your knowledge?

4 A. Not to my knowledge.

10:54 5 Q. Okay. Going back to liquidity for a moment.

6 To your understanding, do XRP holders in the market
7 prefer more liquidity or less liquidity?

8 MS. ZORNBERG: Objection to the form.

9 BY MR. MOYE:

10:54 10 Q. You can answer.

11 A. I'm not sure.

12 Q. You don't have any idea one way or the other?

13 MR. HECKER: Objection to the form of the
14 question, asked and answered.

10:54 15 MR. MOYE: Let me rephrase this.

16 BY MR. MOYE:

17 Q. Talking about an asset in general --

18 A. Uh-huh.

19 Q. -- if the holder of an asset would like to
10:54 20 sell that asset of some point in time, would the holder
21 of that asset, do you think, prefer that there be more
22 liquidity or less liquidity in the market?

23 A. Holders of an asset, in general, would prefer
24 greater liquidity for that asset.

10:54 25 Q. Okay. Do you think that also applies to XRP

10:54 1 holders?

2 A. Yes --

3 Q. -- that in general, they would prefer more
4 liquidity to less?

10:55 5 A. Yes.

6 Q. Why is that?

7 A. It lowers the cross to enter or exit a
8 position.

9 Q. Does it also mean that they could recoup what
10:55 10 they paid for the asset or, if you will, their
11 investment in that asset?

12 MR. HECKER: Objection to form,
13 foundation.

14 BY MR. MOYE:

10:55 15 Q. You can answer.

16 A. Not necessarily.

17 (Pause.)

18 BY MR. MOYE:

19 Q. Did Ripple, to your knowledge, take any
10:55 20 attempts to -- make any attempts to decrease the
21 volatility of the XRP market?

22 A. Not to my knowledge.

23 Q. To the best of your knowledge, did Ripple
24 make any efforts or attempts to stabilize the market
10:56 25 price of XRP, in other words, to stop it from going

10:56 1

lower?

2

A. I don't recall.

3

Q. Do you know how much XRP was in circulation, approximately, when you began working at Ripple?

10:56 5

4

A. Define circulation.

6

Q. How much was available to be purchased when you began working at Ripple?

8

MR. HECKER: I'm going to object to the

9

form of the question. You can answer.

10:56 10

10

(Pause.)

11

THE WITNESS: I -- I don't recall.

12

BY MR. MOYE:

13

Q. So without regard to a particular quantity,

14

do you know how much -- do you know what the source of

10:57 15

15

XRP was that's in circulation now?

16

In other words, how it got to the market?

17

MS. ZORNBERG: Object to form.

18

BY MR. MOYE:

19

Q. You can answer.

10:57 20

20

A. Ultimately, liquidations by Ripple or early

21

holders of XRP.

22

Q. Would these those early holders include

23

Mr. Garlinghouse and Mr. Larsen?

24

(Pause.)

10:57 25

25

THE WITNESS: I don't know that

10:57 1 Mr. Garlinghouse was an early holder of XRP.

2 BY MR. MOYE:

3 Q. Would the early holders of XRP that sold it
4 into the market include Mr. Larsen?

10:58 5 A. To my understanding.

6 Q. Okay. Do you know who holds the rest of --
7 is there some XRP being held that is not in circulation?

8 I apologize.

9 A. By circulation, available to be purchased?

10:58 10 Q. Yes.

11 A. Can you define "available to purchase"?

12 Q. Maybe not technically. What I'm trying to
13 ask is:

14 If someone wants to go to the market to buy XRP
10:58 15 now, is there a source or -- or funds of XRP that is
16 being held that is not available to be purchased by
17 people in the market?

18 A. Yes.

19 Q. In other words, does Ripple hold a bunch of
10:59 20 XRP?

21 A. Ripple holds a bunch of XRP that is in
22 escrow.

23 Q. Okay. What is the purpose of that escrow as
24 you understand it?

10:59 25 A. As I understand it, the escrow was put in

10:59 1 place to provide surety to digital asset speculators
2 that Ripple, the company, would not flood the market
3 with XRP.

4 Q. As you understand that purpose, as you've
10:59 5 just described it, would another way of saying that mean
6 that Ripple's not going to sell so much that it crashes
7 the price held by other people?

8 MR. HECKER: Objection to the form. You
9 can answer.

10:59 10 BY MR. MOYE:

11 Q. You can use your own words to answer, if you
12 like.

13 A. Ripple would be prevented through a
14 cryptographic method from accessing enough quantity at
11:00 15 any given time to flood the market with XRP.

16 Q. Do you view this as an effort or initiative
17 by Ripple to control or support -- not control. Let me
18 take that back.

19 Do you view this escrow by Ripple as a way to
11:00 20 support or stabilize the market price?

21 A. No, sir.

22 Q. You mentioned "buybacks" earlier in your
23 testimony. Did you have any understanding of whether
24 repurchases of XRP were an attempt to stabilize the
11:00 25 price of Ripple?

11:01 1 MS. ZORNBERG: Object to form. You said,
2 "price of Ripple."

3 MR. MOYE: Thanks for the clarification,
4 Lisa.

11:01 5 BY MR. MOYE:

6 Q. Do you view repurchases of XRP as an attempt
7 to stabilize the price of XRP?

8 A. No.

9 Q. Let's talk about your experience in the
11:01 10 market in general without regard to XRP.

11 Do you believe that restricting the quantity of
12 assets that are available for sale can work to increase
13 or support the price of an asset?

14 MR. HECKER: Sorry. Apologies. Couldn't
11:01 15 hear.

16 THE WITNESS: I have not seen an
17 analogous event in any market that I've ever
18 traded that is comparable to XRP escrow.

19 BY MR. MOYE:

11:02 20 Q. Do you believe the effect of the XRP escrow
21 works to help support or maintain the price of XRP?

22 MR. HECKER: Objection to the form of the
23 question.

24 THE WITNESS: I don't believe so.
25

11:02 1 BY MR. MOYE:

2 Q. Do you think it drives down the price of XRP?

3 A. No.

4 Q. Okay. One more clarification question. Was
11:02 5 Mr. McCaleb also an early holder of XRP that sold XRP
6 into the market?

7 A. That is my understanding.

8 Q. Okay. Is there -- I would like to talk about
9 some of your time at [REDACTED], so I am going to
11:02 10 mark -- I am going to show you an exhibit that's been
11 marked as DS Exhibit 1.

12 (Pause.)

13 (Thereupon, a one-page e-mail chain with
14 the top e-mail dated 1/14/14, from
11:02 15 [REDACTED].com to Phil Rapoport was
16 introduced as DS Exhibit 1 for identification.)

17 BY MR. MOYE:

18 Q. Please let me know when you've had a chance
19 to look it over.

11:03 20 A. I'm ready.

21 Q. Okay. Do you recognize Exhibit DS Exhibit 1
22 as an e-mail you sent while at [REDACTED] on
23 Tuesday, January 14, 2014?

24 A. I do not recall sending this e-mail. I have
11:04 25 no reason to doubt that I did.

11:04 1 Q. Okay. So I want to ask you about the
2 paragraph that begins with "To give you a little
3 background on myself."

4 Do you see that paragraph?

11:04 5 A. Yes, sir.

6 Q. As you sit here today, do you believe these
7 personal details were all correct, that at the time you
8 sent this e-mail, you've been trading currencies since
9 November 2009?

11:04 10 A. Yep.

11 Q. Was it also correct that you left a company
12 called [REDACTED] at the end of February of 2013?

13 A. Yes, sir.

14 Q. I don't remember whether that was one of the
11:05 15 companies we discussed earlier, but okay.

16 Does this reflect the date of December 31, 2013,
17 when you officially started at -- actually, did you
18 officially start at [REDACTED] on January 1st, 2014?

19 A. Yes.

11:05 20 Q. Okay. Was this an e-mail that you sent in
21 order to begin the process of [REDACTED] trading XRP?

22 A. Again, I don't recall sending the e-mail, but
23 presumably.

24 Q. Okay. You say, at the last sentence, "We
11:05 25 should be up and ready to trade XRP in a matter of a few

11:05 1 weeks."

2 Do you see that?

3 A. Yes.

4 Q. Do you recall or can you give me some general
11:05 5 idea of what [REDACTED] would have needed to do in order
6 to be ready to trade XRP?

7 A. Yes. We needed to incorporate digital assets
8 into the pricing engine buildout connectivity to the --
9 what was known as the Ripple Consensus Ledger, ensure
11:06 10 that order flow worked, that -- you know we were
11 probably -- probably -- properly able to place orders,
12 cancel orders, handle executions, handle partial
13 executions, adjust our prices correctly, fit it into our
14 pricing engine and then understand the movement of
11:06 15 capital to fund these accounts.

16 Q. Was there anything special about Ripple or
17 XRP that you needed to learn at that time in order to
18 make those steps happen or was this a general process?

19 A. The process I described is a general process.
11:07 20 Though "yes" to your question, there were many things
21 that were, to my experience, unique to trading on -- at
22 the Ripple Consensus Ledger, as it was known.

23 Q. What were the main differences or the main
24 things that were unique about this sort of trading?

11:07 25 A. Especially in 2014, the digital asset markets

11:07 1 was very immature and largely dislocated from the
2 general financial markets.

3 For example, at the time it was very hard to get
4 bank account if you're a crypto business or -- you know,
11:07 5 there's no such thing as a prime brokerage, there's no
6 such thing as central clearing, there's no such thing as
7 trade give-ups, so you had to work around these holes
8 in -- that were missing to trade digital assets.

9 Also, the custody and security of the digital
11:08 10 assets was very different than, say, currencies. Beyond
11 that, interfacing with the Ripple Consensus Ledger, as
12 it was known -- now the XRP Ledger -- was unlike dealing
13 with any exchange that any of us had ever dealt with.

14 You know, typically with a foreign exchange, API,
11:08 15 you're dealing with a fixed interface, but in this case,
16 we were looking at very different sort of information
17 sets to build our APIs to.

18 Q. Had you worked -- either at [REDACTED] or
19 other places -- with trading other cryptocurrencies?

11:08 20 A. No.

21 Q. Okay, so when you refer to "currency trading"
22 here, are you referring to fiat currencies?

23 A. That's correct.

24 Q. Okay.

11:08 25 (Thereupon, an eight-page e-mail chain

11:08 1 with the top e-mail dated 11/24/15, from Dinuka
2 Samarasinghe to [REDACTED] et al., was
3 introduced as DS Exhibit 2 for identification.)

4 BY MR. MOYE:

11:08 5 Q. All right. Let's show you what's been marked
6 as DS Exhibit 2.

7 (Pause.)

8 MR. MOYE: So just as a housekeeping
9 matter, I want to make sure you have access to
11:09 10 all these during question.

11 But I don't want them to get spilled or
12 lost or wet, so if there's some way that we
13 could stack them neatly or put them off to the
14 side if you're not using them, that's the best
11:09 15 thing.

16 (Thereupon, an informal discussion was
17 held off the record.)

18 BY MR. MOYE:

19 Q. Please let me know when you've had a chance
11:10 20 to look over DS Exhibit 2.

21 A. I've read through my e-mail to [REDACTED].
22 I have not had a chance to go through -- do you need me
23 to go through the entire --

24 Q. I don't. I want to ask you about your
11:11 25 e-mail. Okay.

11:11 1 Do you recognize the top e-mail from DS Exhibit 2
2 as an e-mail sent by you from [REDACTED] on
3 November 24, 2015 to [REDACTED]@ripple.com?

4 A. I do not recall sending the e-mail. I recall
11:12 5 some of the thoughts behind this. I have no reason to
6 believe I didn't send this.

7 Q. Okay. Fair enough.

8 So I do want to ask you about your thoughts as
9 expressed in the e-mail. Can you look below to the
11:12 10 bottom part of the first page?

11 It appears from what's written that on Monday,
12 November 23rd, [REDACTED] -- it looks like he sent a
13 Google doc or shared a Google doc with you. Do you
14 think I am correct about that?

11:12 15 A. (Nodding).

16 Q. Okay, and just the top says "XRP Value
17 Prop & Incentive Whitepaper." Do you see that?

18 A. Yep.

19 Q. Okay. So we're not going to go through any
11:12 20 of it, but it appears to be five- or six-page,
21 single-spaced letter describing the Value
22 Proposition & Incentive program.

23 Do you see that?

24 A. That's correct.

11:12 25 Q. Okay. So who is [REDACTED]?

11:13 1 A. [REDACTED] was a member of Ripple's
2 business development team. I came to know him through a
3 previous employee at Ripple named Phil Rapoport, who
4 introduced us to [REDACTED], and [REDACTED] handled
11:13 5 some interfacing with market makers.

6 Q. Okay. Now, as of November 24th, 2015, would
7 it be correct that [REDACTED] had been trading XRP for
8 more than a year?

9 A. That's correct.

11:13 10 Q. Okay, and you'd been involved in that
11 trading?

12 A. Yes, sir.

13 Q. Did you feel like at the time that you
14 received this e-mail that you had a decent understanding
11:13 15 of what XRP was and how it was trading, at least up
16 until that date?

17 A. Yes, sir.

18 Q. Okay. Did you understand this Value
19 Prop & Incentive Whitepaper to be a change or new
11:14 20 program that Ripple was considering or going to be
21 rolling out and they wanted to get your thoughts on it?

22 A. I don't have much recollection of this paper
23 at all.

24 Q. Okay. So let's look at the very first two
11:14 25 things that [REDACTED] says in this whitepaper. He

11:14 1 says:

2 "Hey, guys. This is our soon-to-be released XRP
3 value prop and incentive whitepaper. Please keep this
4 strictly confidential. We're soliciting feedback from a
11:14 5 core group of valued partners including yourselves prior
6 to release."

7 Do you see that?

8 A. Yeah.

9 Q. And then the next paragraph, he says:

11:14 10 "It would be great to get your feedback
11 particularly on the broad incentive structure."

12 Do you believe that you read the whitepaper and
13 that was the bases for the thoughts that you
14 communicated in the top e-mail?

11:14 15 A. I believe that's true.

16 Q. Okay. So let's talk about the responses or
17 reactions that you had.

18 MS. ZORNBERG: I'm just going to object
19 insofar as Mr. Samarasinghe has not read the
11:15 20 whitepaper.

21 He has told you he has no or little
22 recollection sitting here today, and so I have
23 a standing objection to the extent you're
24 asking him to comment on things without giving
11:15 25 him time to read the whitepaper.

11:15 1 MR. MOYE: I understand. That's noted.

2 BY MR. MOYE:

3 Q. As best you recall, what is the first
4 reaction or first response that you raise to him in your
11:15 5 e-mail?

6 A. I'm asking about the spread incentive
7 function, that's the first thing I say.

8 Q. Okay. You understand what spreads were and
9 you understand what incentives were at this time,
11:15 10 correct?

11 So was there something particular about this e-mail
12 that you -- that you recall that you were struggling
13 with to understand or -- or --

14 A. I don't recall.

11:15 15 MR. HECKER: Wait, wait. You need to let
16 him finish his question.

17 THE WITNESS: I'm sorry.

18 MR. HECKER: But one of the reasons is
19 because I was going to interpose an objection
11:16 20 at the end of that, in terms of the
21 foundation, given that we're -- there's a
22 little bit of a disconnect, since he hasn't
23 looked to see what he's reacting to. But go
24 ahead.

25

11:16 1 BY MR. MOYE:

2 Q. I am only asking as best you recall.

3 Obviously, if you feel it would be helpful, we can refer
4 to different parts of it, but I really only want to

11:16 5 explore your responses based on your knowledge today, if
6 that's acceptable?

7 A. That's acceptable.

8 Q. Okay.

9 A. My knowledge today, I -- I -- I understand
11:16 10 what a spread is. I understand what an incentive is. I
11 don't -- I don't recall how they are -- how it works
12 within this whitepaper.

13 Q. Okay. How about in the second paragraph of
14 your response? Right in the middle, there's a sentence

11:16 15 that begins "It appears from this program, Ripple Labs
16 is not eliminating this cost" -- it was for two above --
17 "but distributing this cost to the market makers, and
18 away from the banks."

19 Do you see that?

11:17 20 A. That's correct.

21 Q. And then it continues -- your thoughts
22 continue a little bit longer in that paragraph. Can you
23 give me the gist or the basics? What is it you're
24 telling me here that you don't agree with or don't

11:17 25 understand?

11:17 1 A. My recollection --

2 MS. ZORNBERG: Object to form.

3 THE WITNESS: My recollection here is
4 that they are -- you know, for payment
11:17 5 providers, they're removing the requirement to
6 prefund at a destination account to place --
7 to fund a cross-border payment. My --

8 What I'm objecting here to is the fact
9 that the payment provider no longer is able --
11:17 10 is no longer required to produce the
11 capital -- prefund the destination account;

12 However, the market maker is and the
13 market maker may not be able to do that as
14 efficiently as the payment provider.

11:18 15 BY MR. MOYE:

16 Q. Now, when you raised this concern, this
17 objection, as you said, were you talking do you think in
18 general or were you thinking also specifically that
19 [REDACTED] might have a difficulty with this program?

11:18 20 A. I don't recall exactly, but I imagine both.

21 Q. Okay. So both generally and specific to
22 [REDACTED]?

23 A. Correct.

24 Q. Okay. How about the third question you
11:18 25 write -- without reading it out loud, but what is it

11:18 1 basically you're asking him to explain or clarify?

2 A. Without reading the whitepaper now or
3 recalling, if the focus is to become more of an
4 institutional product where institutions are

11:19 5 facilitating movement of XRP, I wanted to make sure that
6 I understood how larger institutions could hold XRP or
7 digital assets at that time.

8 Q. Okay. Actually, I want to clarify. I'm
9 talking about the 5 percent issuance per year.

11:19 10 A. Oh, that one?

11 Q. Yeah. What's -- let me ask you if I
12 understand this correctly.

13 Were you asking him to clarify whether a plan to
14 issue 5 percent XRP a year -- whether that 5 percent
11:19 15 included payments in XRP to the market makers, the
16 liquidity providers?

17 A. I don't recall.

18 Q. Okay. So let's go to the fourth paragraph,
19 then. What's the -- what's your basic concern or
11:20 20 objection here?

21 MR. HECKER: Objection to the form. You
22 can answer.

23 THE WITNESS: Given regulatory
24 uncertainty around digital assets, I was
11:20 25 unclear how -- not just regulatory

11:20 1 uncertainty, but uncertainty from even
2 experienced market participants or digital
3 asset speculators on how to securely hold a
4 digital asset. I wanted to understand how a
11:20 5 regulated institution could hold a large
6 quantity of any digital asset.

7 BY MR. MOYE:

8 Q. So you began this fourth thought, or fourth
9 paragraph, by saying "Given that the focus of Ripple has
11:20 10 shifted entirely to the institutional side."

11 How did you become aware that the focus of Ripple,
12 as you described it, had shifted to the institutional
13 side?

14 A. I don't recall.

11:21 15 Q. Without regard to this whitepaper but looking
16 back at your time at [REDACTED], was there a time when
17 you thought that Ripple changed the way it was focusing
18 and shifted to the institutional side, as you say here?

19 MR. HECKER: Objection to form.

11:21 20 THE WITNESS: I don't remember.

21 My recollection is that in the digital
22 asset space -- you know, Bitcoin as an
23 example -- was -- you know, a way to remove
24 trust in, say, central banks, regulators, and
11:21 25 was essentially a way to work away from the

11:21 1 existing system.

2 I think my recollection is that my view
3 on Ripple was a company that was trying to
4 work with banks, with regulators, unlike other
11:22 5 digital assets.

6 BY MR. MOYE:

7 Q. When you talked about institutional -- or
8 institutions maybe not being able to hold XRP, were you
9 talking about market makers or other kind of bank --
11:22 10 other kinds of institutions like banks?

11 A. I believe I was talking about other types of
12 institutions like banks.

13 Q. Okay. Let's go back to the first paragraph.
14 The sentence I pointed out to you:

11:22 15 "Ripple Labs is not eliminating this cost but
16 distributing it to market makers."

17 Do you see that?

18 A. That's correct.

19 MS. ZORNBERG: Just for clarification,
11:22 20 that's not the first paragraph.

21 MR. MOYE: Thank you, Lisa. Second
22 paragraph. The second question in the
23 paragraph.

24 BY MR. MOYE:

11:23 25 Q. To the best of your understanding, was this

11:23 1 also an issue with respect to ODL?

2 In other words, did the same concern about
3 distributing the cost to market makers and away from the
4 banks also apply to the ODL system?

11:23 5 A. Yes.

6 Q. And why was that a concern?

7 A. My concern with that is that it is a market
8 maker, especially a digital asset market maker is less
9 efficient at delivering capital to -- especially local
11:23 10 fiat to destination digital asset exchanges. Part of,
11 you know, scaling liquidity for ODL, we require market
12 maker support to provide -- to essentially source local
13 fiat currencies such that it is available to support --
14 to essentially -- yeah, support ODL payments that are
11:24 15 going into those corridors.

16 Had typically, these destination digital asset
17 exchanges have relatively low liquidity, not just
18 relative to foreign exchange -- well, I mean, foreign
19 exchange is orders of magnitude larger, but even digital
11:24 20 assets exchanges in general.

21 (Thereupon, a three-page e-mail chain with
22 top e-mail dated 10/11/16, from Dinuka
23 Samarasinghe to [REDACTED] et al., was
24 introduced as DS Exhibit 3 for identification.)

25

11:24 1 BY MR. MOYE:

2 Q. Okay. Let's look --

3 Let's look at another document. I am going to show
4 you what's been marked as DS Exhibit 3.

11:25 5 THE WITNESS: Could I have a quick
6 bathroom break?

7 MR. MOYE: Yeah.

8 MR. HECKER: Of course.

9 THE VIDEOGRAPHER: We are off the record.

11:25 10 The time is 11:25 a.m.

11 (Recess taken at 11:25 a.m.)

12 (Resumed at 11:32 a.m.)

13 THE VIDEOGRAPHER: We are back on the
14 record. The time is 11:32 a.m.

11:32 15 BY MR. MOYE:

16 Q. Mr. Samarasinghe, before we go on to
17 DS Exhibit 3, I have one follow-up question I neglected
18 to ask you about Exhibit 2.

19 Could you go back to that --

11:32 20 A. Yes, sir.

21 Q. -- to what I called erroneously "the first
22 paragraph" and it's really the second question you
23 raise.

24 So I've asked you a couple questions about your
11:32 25 statement, that Ripple is not eliminating the cost, but

11:32 1 distributing it to market makers and away from the
2 banks.

3 To your understanding of this program, was Ripple
4 proposing that the market makers would keep this cost
11:32 5 and, in other words, lower their earnings or their
6 profitability, or was it your understanding that
7 whatever additional cost the market makers would incur
8 would be made up by Ripple?

9 MS. ZORNBERG: Object to form.

11:33 10 THE WITNESS: Maybe -- perhaps rephrase
11 the question.

12 BY MR. MOYE:

13 Q. Yeah. When you say that Ripple's
14 transferring cost to the market markers and away from
11:33 15 the banks, did you think those costs would ultimately
16 become the responsibility of Ripple under this new
17 program?

18 A. I don't recall.

19 Q. Don't recall? Okay.

11:33 20 How about with regard to the -- how about with
21 regard to the ODL transactions that you've described, am
22 I correct that in these ODL transactions, there's a need
23 for the exchange to buy XRP in order for the ODL
24 transaction to work?

11:33 25 A. The Exchange is not buying XRP.

11:33 1 Q. Who is buying the XRP?

2 A. A market participant on the exchange.

3 Q. So the one who wants to send or receive the
4 funds? Is that what you mean by "market participant"?

11:34 5 A. No. Well, from your -- from your question,
6 it's unclear if you're talking about the entity sending
7 the payment. The entity sending the payment --
8 XRP moves cross ledger in -- from their
9 perspective, right, so it's their XRP. They sell that
11:34 10 XRP for local fiat to a market participant who exists on
11 the exchange.

12 Q. Okay. Is that sale or purchase of XRP
13 necessary or essential to the ODL transaction?

14 MR. HECKER: Objection to form.

11:35 15 THE WITNESS: So in ODL, the recipient of
16 the payment receives local fiat.

17 BY MR. MOYE:

18 Q. Right.

19 A. For it -- let's move backward.

11:35 20 For that recipient to receive local fiat, the
21 person -- the entity sending the payment needs to get
22 that local fiat, and it is sourced from that exchange
23 via a sale of XRP for local exchange -- fiat on that
24 exchange. Following that reasoning, I believe that sale
11:35 25 is necessary for ODL.

11:35 1 Q. Okay. So maybe stated more broadly, do you
2 agree that for an ODL transaction to work or function as
3 intended, some market participant needs to purchase the
4 XRP?

11:35 5 A. That's correct.

6 Q. Okay.

7 A. Doesn't have to be one.

8 Q. Excuse me?

9 A. It could be multiple.

11:36 10 Q. At least one?

11 A. At least one.

12 Q. At least one. Okay. Let's move on to
13 DS Exhibit 3. DS Exhibit 3 appears to be an e-mail that
14 you sent from [REDACTED] on October 11th, 2016 to

11:36 15 [REDACTED] at Ripple.

16 Do you see that?

17 A. Yes, sir.

18 Q. Do you either remember this e-mail or have
19 any -- do you remember this e-mail?

11:36 20 A. I do not.

21 Q. Do you have any reason to doubt that you sent
22 it?

23 A. No.

24 Q. Okay. So in your own words, what are you
11:36 25 telling [REDACTED] at this point in time? What's the

11:36 1 purpose of this e-mail?

2 MS. ZORNBERG: Object to form.

3 THE WITNESS: The market-making contract
4 that [REDACTED] had with Ripple included --
11:37 5 included a -- essentially, either a volume
6 incentive or a participant rate incentive as
7 part of the contract.

8 BY MR. MOYE:

9 Q. Am I correct that as part of your contract
11:37 10 with Ripple, the more business -- the more transactions
11 that [REDACTED] effectuates, it gets paid either in
12 dollars or in XRP, the more business it does?

13 A. The more notional volume traded via XRP by
14 the market -- by the market maker would receive an
11:37 15 incentive payment in XRP.

16 Q. Okay. So are you essentially telling
17 [REDACTED] that according to your calculations, the
18 payment to [REDACTED] needs to be higher, because the
19 notional value was actually higher?

11:38 20 A. Either the notional value or the
21 participation number.

22 Q. But your numbers were higher than Ripple's,
23 right?

24 A. Correct.

11:38 25 Q. So [REDACTED] was entitled to some additional

11:38 1 compensation, correct?

2 A. According to the e-mail.

3 Q. And is that also based on your understanding,
4 that if the notional value is higher, there's more
11:38 5 compensation that would be due to [REDACTED]?

6 A. It's either notional or participation rate, I
7 don't recall.

8 Q. Could be either?

9 A. Could be either.

11:38 10 Q. Okay. As I read the e-mails below in the
11 chain -- and feel free to refer to them -- it appears
12 you had to reach out to [REDACTED] several times in
13 order to get Ripple's calculation of those numbers for
14 that quarter; is that correct?

11:39 15 (Pause.)

16 THE WITNESS: That's how it appears.

17 BY MR. MOYE:

18 Q. Did Ripple have problems getting you the
19 quarterly numbers that you needed for these
11:39 20 calculations?

21 MS. ZORNBERG: Objection. Sorry. Were
22 you finished?

23 MR. MOYE: Not quite.

24 MS. ZORNBERG: Apologies.

25

11:39 1 BY MR. MOYE:

2 Q. Was it a normal thing for Ripple to have
3 difficulties or encounter delays in getting you the
4 numbers that you needed regarding the quarterly
11:39 5 compensation?

6 A. I don't know.

7 MS. ZORNBERG: Objection.

8 THE WITNESS: I don't recall.

9 BY MR. MOYE:

11:39 10 Q. Don't recall.

11 So as you sit here today, you don't know whether
12 this was a one-off problem or if this was common?

13 MS. ZORNBERG: Object to form.

14 THE WITNESS: I don't -- I don't

11:39 15 remember.

16 BY MR. MOYE:

17 Q. With regard to the difference in the -- in
18 your calculation from Ripple's calculation, did you have
19 any understanding of why there would be a difference,
11:40 20 why those numbers wouldn't match, and why your numbers
21 would be higher than Ripple's?

22 (Pause.)

23 THE WITNESS: I -- I don't recall.

24 BY MR. MOYE:

11:40 25 Q. And at the time you were at [REDACTED], would

11:40 1 you have regarded this as a significant problem, that
2 there was a difference in Ripple's calculations from
3 yours, or was this something that was not of any real
4 consequence?

11:40 5 MR. HECKER: Objection to form.

6 MS. ZORNBERG: Object to form.

7 BY MR. MOYE:

8 Q. You can answer.

9 A. You know, I don't recall the incident, and it
11:40 10 does not -- I don't know what the difference was here,
11 so it may have been small.

12 Q. Yeah.

13 A. It may have been material, but I don't
14 really -- I don't have a recollection of this.

11:41 15 (Thereupon, a one-page e-mail dated
16 12/10/16, from █████@ripple.com to
17 █████@ripple.com et al., was introduced as
18 DS Exhibit 4 for identification.)

19 BY MR. MOYE:

11:41 20 Q. Okay. Let's look at what's been marked as
21 DS Exhibit 4.

22 (Pause.)

23 (Thereupon, an informal discussion was
24 held off the record.)

25

11:41 1 BY MR. MOYE:

2 Q. Okay. Have you had a chance to look at
3 what's been marked as DS Exhibit 4?

4 (Pause.)

11:42 5 THE WITNESS: Yes.

6 BY MR. MOYE:

7 Q. Okay. Are you familiar with Slack?

8 A. Yes, I am.

9 Q. What is Slack?

11:43 10 A. Slack is an application or web-based tool
11 used for communications typically within a company,
12 sometimes between a company and external parties.

13 Q. It's a message, correct?

14 A. Correct.

11:43 15 Q. So it's not e-mail; it's not text? It's --

16 A. Correct.

17 Q. But it's in written form, correct?

18 A. Yes. I mean, sometimes you can have
19 documents. You can have images, whatever.

11:43 20 Q. It's electronic communication?

21 A. Correct.

22 Q. Okay. This document's printout, subject says
23 "[Slack Retention]" Ripple - Private," and it's from [REDACTED]
24 at a Ripple address.

11:43 25 Do you know who that was back in December of 2016?

11:43 1 A. My understanding is [REDACTED].

2 Q. Okay, and then there's "To" -- there's a
3 number of individuals, including yourself. Do you see
4 that, "[REDACTED]"?

11:44 5 Do you see your name there in the second line in
6 the "To" group?

7 A. Yes.

8 Q. Okay, so it says "[REDACTED]@Ripple.com."
9 Do you see that?

11:44 10 A. Yes.

11 Q. Okay, so did you have a Ripple e-mail address
12 in December 2016?

13 A. I did not.

14 Q. Do you think this is a feature of Slack or
11:44 15 their messaging protocol that you're just named for
16 purposes of this?

17 A. Possibly.

18 Q. Okay. You're not working for Ripple at this
19 time.

11:44 20 A. No, I'm not working --

21 Q. And you do not have a secret Ripple e-mail
22 address?

23 A. I do not have a secret Ripple e-mail address.

24 Q. Nor a public e-mail address, to the extent
11:44 25 you were working?

11:44 1 A. No.

2 Q. All right. Do you have any reason to doubt,
3 though, you were part of this Slack messaging with these
4 Ripple individuals in December of 2016?

11:44 5 MR. HECKER: Sorry. When you say, "a
6 part of," do you mean did he receive --

7 MR. MOYE: That's what I mean.

8 MR. HECKER: -- while he was at
9 [REDACTED]?

11:44 10 MR. MOYE: That's what I mean.

11 MR. HECKER: Do you know?

12 THE WITNESS: I don't remember how I
13 communicated with Ripple five years ago.

14 BY MR. MOYE:

11:45 15 Q. All right. So you're not shown as a sender
16 in any of the messages in this chain.

17 What I want to ask you about is your reaction or
18 recollection, if you have one, to some of these
19 messages. Okay?

11:45 20 A. Uh-huh.

21 Q. So in the middle, [REDACTED]@ripple.com says:

22 "Low volatility is great for payments, desired, but
23 not great for speculative trading."

24 And then [REDACTED] from Ripple says:

11:45 25 "At this stage, I might argue we desire more

11:45 1 speculative trading."

2 Do you see that?

3 A. Yes.

4 Q. Okay. As to the first sentence, did you have
11:45 5 any understanding, while you were at [REDACTED], whether
6 low volatility was great for payments?

7 A. While at [REDACTED], I did not give much
8 thoughts to payments.

9 Q. Okay. Did you have any understanding, while
11:46 10 you were at [REDACTED], whether low volatility is not
11 great for speculative trading?

12 (Pause.)

13 THE WITNESS: In my trading days, I would
14 probably have believed that higher volatility
11:46 15 is better for speculative trading.

16 BY MR. MOYE:

17 Q. Okay. So with regard to the next phrase
18 where Tim says, "At this stage, I might argue we desire
19 more speculative trading," do you remember at any point
11:46 20 when you were at [REDACTED], being told or having an
21 understanding, that Ripple desired or might have desired
22 that there be more speculative trading at XRP?

23 MS. ZORNBERG: Object to the form of the
24 question.

25

11:47 1 BY MR. MOYE:

2 Q. You can answer.

3 A. One of the functions of a market maker to
4 provide tighter spreads is to reduce the cost for
11:47 5 speculators to enter or exit a position, essentially
6 to -- you know, tighter spreads provided in markets can
7 have -- can lead to essentially higher liquidity.

8 Q. And how does that relate to speculative
9 trading?

11:47 10 A. For a person to enter or exit a position, it
11 becomes less expensive. You have to -- you don't have
12 to cross as large a spread. You don't have to pay as
13 much in -- in spread -- bid-out spread to actually get a
14 position.

11:47 15 Q. While you were at [REDACTED], did you have an
16 understanding or an impression that Ripple desired to
17 have a tight spread in XRP?

18 A. Yes.

19 Q. Did you have an understanding or impression
11:48 20 that Ripple desired there to be speculative trading in
21 XRP?

22 A. I don't recall.

23 Q. Not one way or the other?

24 A. I'm sorry?

11:48 25 Q. Not one way or the other?

11:48 1 A. I don't recall.

2 Q. Okay. Let's look at the last statement --

3 A. Uh-huh.

4 Q. -- in this exhibit, where [REDACTED]@ripple.com
11:48 5 says, "The low volatility is likely a symptom of not
6 having enough MMs trading on this order book," do you
7 see that?

8 A. Yes.

9 Q. Do you understand "MMs" to be market makers?

11:48 10 A. Yes.

11 Q. Okay. Do you have any reason to agree or
12 disagree with the statement that back in December of
13 2016, Ripple viewed low volatility as likely a symptom
14 of not having enough market makers trading on this order
11:49 15 book?

16 MR. HECKER: I'm going to object to the
17 form of the question.

18 THE WITNESS: But -- I don't know that I
19 agree with the -- with the statement. If a --
11:49 20 let's say there aren't market makers in -- in
21 an order book, hypothetically, if a market
22 participant were to desire to enter into an
23 order book and there was relatively low
24 liquidity, an order could eat further into the
11:49 25 order book, right, into the market depth one

11:49 1 way or the other.

2 So you can certainly imagine a situation
3 where a higher volatility is due to less
4 liquidity in an order book.

11:50 5 BY MR. MOYE:

6 Q. Okay. Let me try to rephrase this statement
7 and see if you agree with it, because I'm not sure I
8 fully understand what this statement is.

9 Do you think [REDACTED]@ripple was saying that -- was
11:50 10 suggesting that Ripple wanted to have more market makers
11 trading on the order book?

12 MR. HECKER: Objection, foundation.

13 BY MR. MOYE:

14 Q. You can answer, as best as you understand.

11:50 15 A. As best I understand, that appears to be his
16 sentiment.

17 Q. Okay. Do you think this statement suggests
18 that [REDACTED]@ripple would prefer there to be higher
19 volatility if there -- if Ripple was successful in
11:50 20 getting more market makers?

21 MS. ZORNBERG: Objection.

22 BY MR. MOYE:

23 Q. You can answer.

24 A. Following the messages, it appears that he is
11:50 25 responding to [REDACTED], who is saying that -- who is

110

11:51 1 arguing that Ripple desires more speculative trading and
2 higher volatility.

3 Q. So at least as it appears to you, that Ripple
4 would not mind there being higher volatility in the XRP
11:51 5 market because there might be more speculative trading?

6 MR. HECKER: Objection.

7 BY MR. MOYE:

8 Q. Is that right?

9 MR. HECKER: Objection, foundation.

11:51 10 THE WITNESS: It appears to me that they
11 desire more speculative trading, or at least
12 [REDACTED] does.

13 BY MR. MOYE:

14 Q. Okay.

11:51 15 A. I don't know if that is a sentiment shared by
16 Ripple in general as a whole?

17 Q. Okay.

18 MR. HECKER: Counsel, just so the
19 record's clear, is there a basis for believing
11:51 20 that this -- that he was, in fact, on this
21 Slack chain while he was at [REDACTED] or that
22 he would have received this while he was at
23 [REDACTED]?

24 I just -- I don't know the answer to the
11:51 25 technical question. I know that his --

11:52 1 there's a name for him with a Ripple address.
2 I mean, do we have a reason to believe he
3 would have seen this at the time?

4 MR. MOYE: Yeah. All I can do is ask the
11:52 5 question --

6 MR. HECKER: No, no. I am really asking
7 for a proffer, because I don't think the
8 record's clear as to whether we think he
9 actually would have seen this. I just don't
11:52 10 know.

11 MR. MOYE: Yeah. The -- the fact is his
12 name is on the exhibit certainly suggests he
13 saw it. I have no other reason to think he
14 had --

11:52 15 MR. HECKER: It's just an e-mail address
16 that I don't think he had at the time, so
17 that's why I'm asking the question.

18 MR. MOYE: I get it. That's why I asked
19 the question.

11:52 20 MR. HECKER: Yeah, okay. All right.

21 (Pause.)

22 (Thereupon, a nine-page e-mail chain with
23 the top e-mail dated 1/10/17, from Miguel Vias
24 to Dinuka Samarasinghe was introduced as DS
11:52 25 Exhibit 5 for identification.)

11:53 1 BY MR. MOYE:

2 Q. All right. Let's look at DS Exhibit 5. This
3 one's going to take some work, so let me just start
4 marching through.

11:53 5 A. Okay.

6 Q. DS Exhibit 5 appears to be a chain of e-mails
7 where the top e-mail was sent to you by Mr. Miguel Vias
8 at Ripple on January 10th, 2017.

9 Do you see that?

11:53 10 A. Yes.

11 Q. Okay. Were you corresponding with Mr. Vias
12 by e-mail when you were at [REDACTED] and he was at
13 Ripple?

14 A. Yes, I was.

11:54 15 Q. Okay. So at the bottom of the first page,
16 [REDACTED].com says "Hello, Miguel. Thank you
17 for your e-mail yesterday."

18 Do you see that?

19 A. Yes.

11:54 20 Q. Okay. I want you to look at, first of all,
21 the two paragraphs under there and, let me know when
22 you've had a chance to do that.

23 A. Two paragraphs starting "While we understand
24 your points ... "?

11:54 25 Q. Yeah.

11:54 1 A. Okay.

2 (Pause.)

3 BY MR. MOYE:

4 Q. Okay. As best as you can recall, what are
11:55 5 you trying to communicate with Mr. Vias in these first
6 two paragraphs of this e-mail?

7 A. So from reading further down in the e-mail
8 chain, it appears that our market-making contract -- the
9 market-making contract between [REDACTED] had lapsed or
11:55 10 expired, and we removed -- we stopped quoting XRP euro
11 on GateHub.

12 I have a recollection that Ripple communicated to
13 us that XRP would be listed on the Bitstamp exchange,
14 the XRP euro order book, and I recall rosy expectations
11:56 15 of XRP euro to be traded on Bitstamp, and I am
16 expressing some doubts --

17 Q. Reluctance?

18 A. Uh-huh?

19 Q. Reluctance, perhaps?

11:56 20 A. No. Doubts.

21 MR. HECKER: Okay.

22 THE WITNESS: Sorry.

23 MR. HECKER: You should let him finish
24 his answer.

11:56 25 THE WITNESS: I'm sorry. I apologize.

11:56 1 MR. HECKER: Okay.

2 THE WITNESS: I'm expressing doubts that
3 on exchange volumes for -- on Bitstamp volumes
4 for XRP euro would be higher than that of
11:56 5 Bitcoin versus euro.

6 BY MR. MOYE:

7 Q. Were your comments here limited just to --
8 I'm sorry. Was Bitstamp an exchange -- a new exchange,
9 or a --

11:57 10 A. Bitstamp is a digital asset exchange. It was
11 new-ish in 2017 compared to, say, the [REDACTED]. I think it
12 was a relatively longstanding digital asset exchange.

13 Q. Okay, and I'm --

14 As best you recall, were your comments here
11:57 15 directed solely to working with Ripple on the new
16 Bitstamp exchange, or were they directed to the
17 preexisting relationship that [REDACTED] had with Ripple
18 on other exchanges?

19 MS. ZORNBERG: Objection to "comments
11:57 20 here." This is a multi-page document.

21 MR. MOYE: Yeah.

22 BY MR. MOYE:

23 Q. Just the comments on the top part of this
24 e-mail we've talked about so far.

11:58 25 A. All right. So historically, [REDACTED]

11:58 1 market making for Ripple was primarily done on the RCL
2 or, now, XRP Ledger. This would have been a departure
3 in that it would have been a centralized order book that
4 was not the XRP Ledger.

11:58 5 Q. Okay. So a new way of doing business; is
6 that correct?

7 A. Correct.

8 Q. Okay, and it sounds like you're expressing
9 doubts or reservations about whether [REDACTED] would be
11:58 10 interested in pursuing that new way of doing business;
11 is that right?

12 MR. HECKER: Objection to form.

13 THE WITNESS: It reads to me that I'm
14 objecting to a contract proposal from -- from
11:58 15 Ripple to [REDACTED] to participate on the XRP
16 order book on Bitstamp.

17 BY MR. MOYE:

18 Q. Okay. Could you review what's on the second
19 page all the way down to where it says "Thank you,
11:59 20 Dinuka" for my next set of questions?

21 (Pause.)

22 THE WITNESS: Okay.

23 BY MR. MOYE:

24 Q. Okay. So with regard to the thoughts you're
11:59 25 expressing down to the "Thank you, Dinuka," what are you

11:59 1 trying to communicate about the current volume incentive
2 program?

3 A. So I think I -- I provide graphs of
4 essentially volume on order books that we had previously
12:00 5 provided market making quotes on, and then since the
6 contract expired and we stopped quoting on those order
7 books, I think I -- we showed a sharp reduction in
8 volumes being traded on those order books.

9 It looks like I am objecting to their proposal,
12:00 10 without having read the contract -- or without recalling
11 the contract --

12 Q. Okay.

13 A. -- to the proposed volume incentive program.

14 Q. All right. Now, I would like you to go
12:00 15 below, where you said, "Thank you, Dinuka" --

16 A. Uh-huh.

17 Q. -- and read the comments that you wrote on
18 Tuesday, January 10th, 2017.

19 A. Yep.

12:00 20 Q. So the bottom of page 2, to the top of
21 page 3, to the next set of e-mail where it says
22 "Removing [REDACTED] and Miguel."

23 A. Yep.

24 Q. So what are you communicating in the
12:01 25 paragraph that begins "And last, it isn't like XRP is a

12:01 1 hot commodity"?

2 A. I'm writing this as a digital asset trader,
3 not as a member of Ripple.

4 Q. Sure.

12:01 5 A. But it looks like I am complaining about the
6 price of XRP.

7 Q. That it's too low or too high?

8 A. That it's low, or it had been going down.

9 Q. Okay. So with that caveat in mind, can you
12:01 10 add some context or help me understand what you mean --
11 what up meant when you said, parentheses, "Perhaps
12 Ripple needs to goose up the price to increase interest
13 before the launch"?

14 A. What I meant was, you know, from the
12:01 15 perspective of [REDACTED], the declining price of XRP
16 meant that our contract was getting worse -- the USD
17 notional of our contract was going lower and lower, and
18 we were getting increasingly frustrated about the
19 declining value of our services.

12:02 20 Q. So when you said, "Perhaps Ripple needs to
21 goose up the price to increase interest before the
22 launch," at that time, how did you understand or imagine
23 that Ripple might be able to help the price of XRP
24 increase?

12:02 25 MS. ZORNBERG: Object to form.

12:02 1 BY MR. MOYE:

2 Q. You could answer.

3 A. I have no reason to believe that Ripple ever
4 did goose up the price. I think I was more venting
12:02 5 about the declining cost of our services.

6 Q. But you did choose the language that said
7 "Perhaps Ripple needs to goose up the price," correct?

8 A. Yes.

9 MS. ZORNBERG: Objection.

12:03 10 BY MR. MOYE:

11 Q. Okay. So let me ask a hypothetical.

12 At that time when you were at [REDACTED] and you
13 were having this conversation, did you believe that
14 restricting the pool of XRP that's available to purchase
12:03 15 on the market, if that could be done, might have helped
16 increase the price?

17 MS. ZORNBERG: Objection.

18 BY MR. MOYE:

19 Q. You can answer.

12:03 20 A. I think you're going into escrow. I had zero
21 visibility into any indication that Ripple was even
22 considering escrow.

23 Q. Okay. Did you think Ripple announcing good
24 news or progress to the public, hypothetically, could
12:03 25 help increase the price of XRP?

12:03 1 MS. ZORNBERG: Sorry. "Hypothetically,"
2 you said?

3 MR. MOYE: Yes.

4 MS. ZORNBERG: Objection to the
12:03 5 hypothetical.

6 THE WITNESS: I mean, hypothetically,
7 historically, one would see that good news
8 reported may lead to higher price in an asset.

9 Interestingly enough, though, through the
12:04 10 early days of XRP -- you know, I think -- I've
11 recalled message boards and believing it
12 myself that good news reported by Ripple
13 tended to be negatively correlated to XRP
14 price.

12:04 15 BY MR. MOYE:

16 Q. At what point in time?

17 A. During my [REDACTED].

18 Q. During your [REDACTED] time?

19 A. (Nodding).

12:04 20 Q. All right. Now, I would like you to turn
21 over to -- I guess this is the fourth page. Near the
22 top, it says "Hi, Dinuka. Best, Miguel."

23 Do you see that?

24 A. Yes.

12:04 25 Q. And then there's a number of paragraphs that

12:04 1 go below and also on the second and even the third page,
2 so if I ask you any question about a particular
3 paragraph, I'll direct you to it.

4 A. Okay.

12:05 5 Q. But would you take a moment, please, and look
6 at some of these paragraphs and see if you can confirm
7 that some of these are paragraphs that Miguel Vias wrote
8 and some are your responses?

9 (Pause.)

12:05 10 BY MR. MOYE:

11 Q. Or maybe I have that backward, maybe some of
12 these are your statements and some of these are
13 Miguel Vias's responses.

14 A. It is unclear to me which -- where they're
12:05 15 separated, but like --

16 For example, "I'm sorry to hear that and hope you
17 will reconsider given my responses below." Then
18 immediately, it says "[REDACTED] has clearly been a good
19 partner to Ripple."

12:06 20 MR. HECKER: Sorry. When you -- the
21 court reporter's going to have a hard time
22 hearing you.

23 (Thereupon, an informal discussion was
24 held off the record.)

25

12:06 1 BY MR. MOYE:

2 Q. Okay, so just looking at those first two
3 paragraphs --

4 A. Okay.

12:06 5 Q. -- does the paragraph that says "While we are
6 interested" -- Does that appear to be yours? And the
7 paragraph that says "I'm sorry that" -- does that appear
8 to be a response by Mr. Vias?

9 A. It appears to be.

12:06 10 Q. Okay. So the next two paragraphs, does the
11 paragraph that says "Although the program aims to
12 incentivize liquidity" --

13 Does that appear to be your paragraph and does the
14 following appear to be a response by Mr. Vias?

12:06 15 A. The "although the program aims" paragraph
16 appears to be my paragraph.

17 Q. Uh-huh, so I guess --

18 A. Yes, and the -- yes.

19 "While I agree" -- this appears to be a Miguel Vias
12:07 20 paragraph.

21 Q. Okay. Let's look at the next paragraph. "We
22 also have concerns." Does that appear to be yours?

23 A. That appears to be mine.

24 Q. Okay, and how about the next paragraph? "It
12:07 25 might seem easy." Is that yours or Mr. Vias'?

12:07 1 A. That appears to be Mr. Vias'?

2 Q. Okay. The last paragraph on this page that
3 rolls over onto the top of the next page, "Finally, the
4 numbers of the contract" -- does that appear to be you?

12:08 5 A. That appears to be me.

6 Q. Okay. The next paragraph that starts out
7 "BTC/EUR," is that also you?

8 A. That appears to be me.

9 Q. Okay. The paragraph that begins "[REDACTED]," is
12:08 10 that Mr. Vias?

11 (Pause.)

12 THE WITNESS: It appears to be Mr. Vias.

13 BY MR. MOYE:

14 Q. Okay. So the next paragraph, "While we have
12:08 15 great faith in Ripple" --

16 A. Uh-huh.

17 Q. -- is that you?

18 A. That is me.

19 Q. And is the next paragraph, "[REDACTED]" is a
12:09 20 professional" -- is that also you?

21 (Pause.)

22 THE WITNESS: That appears to be me.

23 BY MR. MOYE:

24 Q. Okay. Please take a moment and review those
12:09 25 two paragraphs, the "While we have great faith" and a

12:09 1 the "[REDACTED] is a professional" --

2 A. Okay.

3 Q. -- and let me know when you have done that.

4 (Pause.)

12:09 5 THE WITNESS: Okay.

6 BY MR. MOYE:

7 Q. What did you mean -- what were you trying to
8 communicate in the first paragraph that begins "While we
9 have had great faith in Ripple"?

12:10 10 A. I don't remember.

11 Q. Okay. Do you think you believed at the time
12 you were making accurate statements?

13 A. Yes.

14 Q. Okay. So do you think at the time you
12:10 15 thought the following statement was accurate?

16 A. Yes. Since --

17 Q. Let me read it. Let me read it.

18 A. Sorry. There was a pause.

19 MR. HECKER: No, but you don't know which
12:10 20 statement he's talking about.

21 BY MR. MOYE:

22 Q. All right. Right in the middle of the
23 paragraph, "Since we have pulled our market making
24 quotes, the market are far more sparse than they had
12:10 25 been with a large bias towards selling XRP."

12:10 1 Do you see that?

2 A. Yes.

3 Q. Do you believe that was accurate at the time
4 you wrote it?

12:10 5 A. I believe so.

6 Q. And the next sentence, "It seems that only a
7 small amount of XRP, you could move the market
8 considerably to the downside."

9 Do you see that?

12:11 10 A. That's correct.

11 Q. Do you believe that was your -- that's an
12 accurate statement of your impression at the time that
13 you wrote this?

14 A. I believe so.

12:11 15 Q. When you say, "a small amount of XRP, you
16 could move the market to the downside," do you mean
17 selling XRP?

18 A. Reading the statement, I believe that's what
19 I meant.

12:11 20 Q. Okay. Going to the middle of the next
21 paragraph, sentence that says "As currently structured."
22 Do you see that?

23 A. Yes.

24 Q. Could you read that statement out loud,
12:11 25 slowly, for the court reporter?

12:11 1 A. "As currently structured, all this program
2 does is incentivize those in it to perform wash trades
3 with each other up to the [REDACTED] cap of the total
4 volume."

12:11 5 Q. Okay. At the time that you wrote this, did
6 you believe that was an accurate statement of your
7 understanding or impressions?

8 A. I believe so.

9 Q. Okay. What's your general understanding of
12:11 10 the phrase "wash trades" as you use it?

11 A. My general understanding of wash trades was
12 essentially you self-deal. Otherwise, buy and sell to
13 yourself for -- at the same price.

14 Q. Okay. So you can put aside from document for
12:12 15 now. I would like to ask you a couple of questions
16 about your general impressions of Ripple.

17 A. Uh-huh.

18 Q. Now, I want to ask it about this same time
19 period, so we're talking about January 2017 when you're
12:12 20 still at [REDACTED], okay?

21 In early 2017, was it your impression that Ripple
22 was generating operating revenue, revenue for the
23 company by selling XRP?

24 A. At this point, yes. I believed that Ripple
12:13 25 had been selling XRP to generate operating revenue.

12:13 1 Q. Do you have an understanding of the phrase
2 "gateway liquidity"?

3 A. Yes.

4 Q. What, to your knowledge --
12:13 5 As you understand it, what is meant by the phrase
6 "gateway liquidity"?

7 A. So XRP Ledger is a decentralized ledger,
8 right? You can compare that to something like a
9 Coinbase, for example. Coinbase is a centralized
12:13 10 exchange. Now, if I wanted to trade on Coinbase, I can
11 send a wire to Coinbase. They will receive that wire in
12 their bank account. They can credit my account to trade
13 how they saw fit.

14 XRP Ledger is a decentralized exchange, so there's
12:13 15 no one to send a wire to necessarily, right, for XRP
16 Ledger in general. So you need to have a way to bring a
17 representation of other assets onto this decentralized
18 exchange, right?

19 MR. HECKER: Need to keep your voice up.
12:14 20 (Thereupon, an informal discussion was
21 held off the record.)

22 THE WITNESS: "Exchange." A gateway was
23 an institution that functioned --

24 (Thereupon, the requested portion of the
12:14 25 stenographic record was read back by the

12:14 1
2
3
4
12:14 5
6
7
8
9
12:15 10
11
12
13
14
12:15 15
16
17
18
19
12:15 20
21
22
23
24
12:15 25

shorthand reporter.)

THE WITNESS: "Exchange."

MS. ZORNBERG: Okay. Thank you.

THE WITNESS: So a gateway was an entity that, say, set up either a bank account or another means to bring a representation of an asset onto the XRP Ledger.

As an example, [REDACTED] would allow you to send them Bitcoin to a Bitcoin address and they would create a Bitcoin IOU on the XRP Ledger.

So gateway liquidity had to do with the liquidity for a representation or -- or -- for that entity's representation of a certain asset on the XRP order book.

BY MR. MOYE:

Q. As you described that process, in early 2017, did you believe that Ripple was providing XRP to gateways in order to fund company operations?

MS. ZORNBERG: Objection to form.

THE WITNESS: I don't recall.

(Thereupon, a two-page e-mail chain with top e-mail dated 9/28/17, from [REDACTED] to [REDACTED] et al. was introduced as DS Exhibit 6 for identification.)

12:15 1 BY MR. MOYE:

2 Q. Okay. Let's take a look at DS Exhibit 6.
3 Please let me know when you've had a chance to look it
4 over.

12:17 5 A. Okay.

6 Q. Okay. DS Exhibit 6 appears to be a printout
7 of an e-mail from [REDACTED] at Ripple on
8 September 28, 2017, to [REDACTED] at
9 [REDACTED].com with you as a cc.

12:17 10 Do you see that?

11 A. I do see that.

12 Q. Now, we show you there with a
13 [REDACTED]@ripple.com e-mail address; is that right?

14 A. Yes, sir.

12:17 15 Q. So at this time you are an employee at
16 Ripple, and you are working underneath Mr. Vias; is that
17 right?

18 A. That's correct.

19 Q. Okay, and what's your Ripple to [REDACTED] at
12:18 20 this point in time?

21 A. [REDACTED] was a -- he was -- he was an
22 employee at Ripple. Again, I had interface with him
23 quite a bit while I was at [REDACTED]. He
24 reported directly to Miguel Vias at the time, as did I.

12:18 25 Q. Okay. At this point in time, September of

12:18 1 2017, based on these e-mails, does it appear that Ripple
2 is trying to form a relationship or do business with
3 [REDACTED]?

4 A. That's how it appears.

12:18 5 Q. Does it appear [REDACTED] is heading
6 that effort?

7 MS. ZORNBERG: Object to form and
8 foundation.

9 THE WITNESS: I don't know that he's
10 heading that effort, but he's participating,
11 it looks like.

12 BY MR. MOYE:

13 Q. Okay. Do you know why you were part of
14 this -- why you were copied on these e-mails?

12:19 15 A. I don't -- I don't recall this e-mail
16 exchange.

17 Q. Okay. So with that caveat in mind, could you
18 look at the bottom of the page -- bottom half of the
19 page, where [REDACTED] writes "Hello Miguel and
12:19 20 [REDACTED]."

21 Do you see that?

22 A. Yes.

23 Q. Okay. So there's a paragraph that begins:

24 "We can discuss cash payout at a later point if it
12:19 25 makes sense." Why don't you read that paragraph to

12:19 1 yourself and let me know when you've had a chance to?

2 (Pause.)

3 THE WITNESS: Okay.

4 BY MR. MOYE:

12:19 5 Q. Okay. Do you know whether at this point in
6 time Ripple was interested in doing business with

7 [REDACTED]?

8 A. I don't recall.

9 Q. Do you know what [REDACTED] is referring
12:20 10 to when he says "The cash business is obviously much
11 large [sic] in the tens of billions in annual flow"?

12 A. Without recollection of this e-mail, I'm
13 guessing this is [REDACTED] remittance business.

14 Q. Their money transfer business?

12:20 15 A. Correct.

16 Q. Okay. Based on this e-mail and what you know
17 about Ripple, he wouldn't be talking about Ripple's
18 money transfer business?

19 MR. HECKER: Objection to the premises.

12:20 20 Since he doesn't remember the e-mail or the
21 exchange, I'm not sure how he would base his
22 answer on the e-mail, but ...

23 MR. MOYE: I think he's given an
24 appropriate caveat.

25

12:20 1 BY MR. MOYE:

2 Q. In the last sentence, [REDACTED] says,
3 "In general, there is only a very small portion of this
4 business that is prefunded."

12:20 5 So for the purposes of this question, please
6 assume -- and I could be wrong -- please assume "this
7 business" means Mr. -- means [REDACTED] business.

8 A. Uh-huh.

9 Q. Not Ripple's business.

12:21 10 Do you have any understanding of what
11 [REDACTED] meant when he said "There's a small
12 portion of [REDACTED] business that is prefunded"?

13 MS. ZORNBERG: Objection.

14 THE WITNESS: So my assumptions here are
12:21 15 that this is [REDACTED] money remittance
16 business. From the e-mail, I would gather
17 that this is -- he's talking about prefunding
18 destination payout.

19 BY MR. MOYE:

12:21 20 Q. Okay, and is that the sort of business -- am
21 I correct that that's a sort of business that Ripple
22 does with its XRP -- I'm sorry -- that XRP is used for
23 in the ODL transactions?

24 A. ODL was not live at the date of this -- this
12:21 25 e-mail.

12:21 1 Q. Was there a product -- I'm sorry. Not a
2 product. Was there a method of doing business through
3 XRP-O?

4 A. Not at this time.

12:22 5 Q. Not at this point? Okay. Let me ask you a
6 different question.

7 Did you have an understanding of whether
8 [REDACTED], having only a small part of its business
9 being prefunded, as being good news for doing a
10 relationship with Ripple, or potentially bad news?

11 A. Could you repeat your question?

12 Q. Yes.

13 A. Or rephrase, perhaps?

14 Q. I will rephrase.

12:22 15 Was Ripple attempting to do business with
16 [REDACTED], as best you can tell, in a -- through
17 prefunded transactions?

18 MR. HECKER: Objection, foundation.

19 THE WITNESS: As best I could tell from
12:22 20 this e-mail record.

21 BY MR. MOYE:

22 Q. Sorry? What was the last word you said?

23 A. From this e-mail record.

24 Q. That it would be yes, as best as you could
12:23 25 tell?

12:23 1 A. Yes, as best as I could tell from this
2 e-mail.

3 Q. Okay. But you have no independent
4 recollection one way or the other?

12:23 5 A. No.

6 Q. All right. You can put that aside.

7 (Thereupon, a three-page e-mail chain with
8 the top e-mail dated 11/2/17, from Miguel Vias
9 to Patrick Griffin was introduced as DS
10 Exhibit 7 for identification.)

11 BY MR. MOYE:

12 Q. All right. Please take a look at what's been
13 marked as DS Exhibit 7.

14 MS. ZORNBERG: Thank you.

12:23 15 (Pause.)

16 BY MR. MOYE:

17 Q. DS Exhibit 7 is a chain of e-mails, the top
18 of which is from [REDACTED]@ripple.com to
19 Patrick Griffin on November 2, 2017. "Subject:
12:24 20 Forward: Framework."

21 But right below that is an e-mail from you to
22 Mr. Vias, and so I would like you to read through that
23 e-mail to yourself and let me know when you're done.

24 (Pause.)

12:25 25 THE WITNESS: Okay.

12:25 1 BY MR. MOYE:

2 Q. Okay. Have you ever heard of something
3 called a GDAX or G-D-A-X framework?

4 A. Yes.

12:25 5 Q. Can you tell us what a GDAX framework
6 generally is?

7 A. GDAX was a digital asset exchange related to
8 Coinbase. It was more Coinbase's, at the time,
9 institutional digital asset exchange with an open order
12:25 10 book. It had a framework upon which it claimed to base
11 decisions whether or not to list a digital asset on its
12 order books.

13 Q. Okay. Based on this e-mail, does it appear
14 that you were asked to evaluate whether XRP could be
12:25 15 listed on the GDAX exchange?

16 A. From this exchange, it appears that I'm asked
17 to evaluate how XRP fits within this framework.

18 Q. Okay. Is that separate from the question of
19 whether it could be listed or is that part of the
12:26 20 consideration?

21 A. I don't have visibility as to how -- what --
22 how closely GDAX followed their guidelines or what
23 weights they put on any of these different criteria.

24 Q. Okay. Fair enough.

12:26 25 So who asked you to take a look at the GDAX

12:26 1 framework and compare it to Ripple and XRP?

2 MS. ZORNBERG: Objection to the form.

3 THE WITNESS: It appears Miguel Vias did.

4 BY MR. MOYE:

12:26 5 Q. Okay. So looking at your e-mail that you
6 sent to Mr. Vias, what is the -- what's the first
7 comment you made about Section 1 of GDAX's mission and
8 values?

9 A. The first comment I made is "Ripple may not
12:26 10 be considered fully decentralized, and Ripple consensus
11 is not entirely trustless."

12 Q. What does that mean, in layman's terms?

13 A. I should give a caveat that I am not an
14 expert in Byzantine fault tolerance consensus
12:27 15 mechanisms. That would be, say, Arthur Britto or
16 David Schwartz, so I'm giving my understanding at the
17 time.

18 Q. Fair enough.

19 A. So this is Ripple may not be considered fully
12:27 20 decentralized. I think the --

21 The general view was that assets like Bitcoin and
22 Ether were considered more "decentralized," and Ripple's
23 consensus may not have been, and what I'm basing this on
24 here at the time was Ripple -- there's something called
12:27 25 a Unique Node List, which is a list of validators that

12:27 1 you could -- you know.

2 If you're participating in consensus, you have to
3 have a certain overlap with a set of nodes, and Ripple
4 published -- again, this is me speaking not as an expert
12:28 5 on XRP consensus, but you had to have some sort of
6 overlap with a large number of these nodes and Ripple
7 provided a list of validators that they considered of
8 high quality.

9 Q. Okay. So does that explanation go to --

12:28 10 MR. HECKER: You need to keep your voice
11 up.

12 THE WITNESS: Sorry.

13 BY MR. MOYE:

14 Q. Does that explanation go to the
12:28 15 decentralization point or the trustless point, or both?

16 A. Ultimately both, because decentralization
17 attempts to solve for trust.

18 Q. Okay. Let's go to the second comment or
19 point you make under Section 6.0, "Crypto Economics."
12:29 20 What is your comment there?

21 A. My comment here is "Ripple does hold the
22 majority of XRP, though perhaps we can argue the other
23 way once we do the lockup."

24 Q. What is the "lockup" that you refer to?

12:29 25 A. Escrow.

12:29 1 Q. So at this point in time, November of 2017,
2 did you understand Ripple to be contemplating doing an
3 escrow of XRP?

4 A. I -- I believe I understood we were working
12:29 5 on the escrow.

6 Q. That that was in the works?

7 A. Yes.

8 Q. Okay. So there's another bullet under "2.2
9 Team." Let's call that your third comment.

12:29 10 A. Uh-huh.

11 Q. What's your third comment -- what does it
12 mean?

13 A. I said, "Perhaps they might interpret Ripple
14 leadership as highly centralized."

12:29 15 Q. What's the basis for that comment?

16 A. Ripple being a private company with a
17 leadership team -- private companies, you know,
18 executive officer. For example, there was no company in
19 charge of, say, Bitcoin.

12:30 20 Q. Okay. So the "highly centralized" refers to
21 the size Ripple's leadership team; is that correct?

22 MR. HECKER: Objection to form,
23 foundation, mischaracterizes his testimony.

24 THE WITNESS: I don't think it is about
12:30 25 the size of the leadership team. I believe it

12:30 1 is more about the existence of the leadership
2 team.

3 BY MR. MOYE:

4 Q. Okay. Well, looking above your comment,
12:30 5 where it says "Specialized knowledge and key people,"
6 you're quoting from the GDAX framework there, correct?

7 A. That's correct.

8 Q. And the GDAX framework says "The product
9 leadership is not highly centralized or dependent on a
12:30 10 small number of key persons," correct?

11 A. That is from the -- my understanding is that
12 that is from the GDAX framework.

13 Q. Okay. So when you said, "Perhaps they might
14 interpret Ripple leadership as highly centralized," were
12:30 15 you also saying that the small number of key people --
16 that a small number of key people might be part of that
17 view, that Ripple is highly centralized?

18 MR. HECKER: Objection to form,
19 foundation.

12:31 20 BY MR. MOYE:

21 Q. Let me ask it this way: Did the --
22 Do you agree that at this point in time, Ripple had
23 a small number of key people in leadership positions?

24 A. Probably.

12:31 25 MS. ZORNBERG: Object.

12:31 1 BY MR. MOYE:

2 Q. That was "probably"?

3 A. Probably.

4 Q. Okay. Let's go to your next comment. So
12:31 5 this is a comment about source code?

6 A. Uh-huh.

7 Q. What's your comment about source code?

8 A. I believe the Ripple -- it's spelled Rippled,
9 but it's referred to as "Ripple D. "

12:31 10 Q. Okay.

11 A. I believe the Ripple D code is open source,
12 but I can't speak to it well-documented peer-review.

13 Q. So open sourced would be consistent with the
14 GDAX framework, correct?

12:32 15 A. That's correct.

16 Q. And you just didn't have enough knowledge
17 about the peer-review process?

18 A. Correct.

19 Q. Okay. What's the next comment you made about
12:32 20 Crypto Economics under " "6.1, Economic Incentives"?

21 A. "XRP does not have any economic incentives
22 for a participant to run a validator. To penalize a bad
23 actor holding up consensus, we can remove that validator
24 from our list."

12:32 25 Q. Okay. Are you quoting something there? I

12:32 1 can't tell if that's a "... " or if those are your own
2 words.

3 A. I believe these are my own words.

4 Q. Okay. So what are validators, and why, under
12:32 5 this framework, would be -- should they be incentivized
6 good behavior or deterred from bad behavior?

7 A. Again, I'm not the expert in XRP consensus
8 here. But typically, let's talk about -- let's talk
9 about Bitcoin and then we can draw comparison.

12:33 10 Bitcoin's proof of work mechanism run by "miners,"
11 is what's -- you know, if you solve the proof of work,
12 you essentially unlock a block, and then you receive a
13 trans -- a block award for unlocking that block, right?

14 So proof of work essentially solves three
12:33 15 functions: First is the double-spend problem, right?
16 So you don't -- you're not relying on a certain trusted
17 authority to say you have this amount of assets. You
18 can spend it and not spend it tomorrow. That's
19 essentially the problem any of these distributed ledger
12:34 20 technologies are trying to solve.

21 But with the mining process, you also have
22 incentivization for running the network, which is the
23 block reward, but related to that is also distribution
24 of the asset to do get that out, right? So you --
12:34 25 because many people are participating in mining or

12:34 1 liquidating -- the block reward to pay for electricity,
2 you solve double-spend, you solve incentivization, and
3 you solve distribution.

4 XRP consensus works very differently. So there's
12:34 5 no -- like it use validators who are looking at proposed
6 transactions to the XRP, or proposal orders or
7 transactions to the XRP Ledger. As opposed to having
8 some sort of, like, rotating dictator who unlocks a
9 block, validators, in general, all contribute to XRP
12:35 10 consensus by -- you're looking at the validators who
11 are -- you know, you're looking at essentially a super
12 majority of these votes to say this is a good
13 transaction to include it in yours, right?

14 However, there's no block reward and there's no --
12:35 15 there's no block reward and also no resulting
16 distribution of that asset.

17 Q. So as you understood the GDAX framework and
18 as you understood the XRP validation process, did you
19 think XRP was a good fit or maybe not a good fit with
12:35 20 this framework?

21 A. From the GDAX framework -- you know,
22 mechanisms to incentivize validators and mechanisms that
23 deter bad behavior -- my understanding of the XRP
24 consensus, it did not appear that they were incentives
12:36 25 to be a good actor or, at least monetary incentives to

12:36 1 be a good actor or a bad actor.

2 What I'm saying is a bad actor is penalized by
3 being removed by just being ignored.

4 Q. Okay. Let's go to the last section, the
12:36 5 "Market Demand" under "5.1, Demands." What's your
6 comment here?

7 A. "Market Demand," under --

8 So the GDAX criteria starts as "Developers and
9 Contributors: Growing developer based -- base and
12:36 10 measured progress as defined by the number of
11 repositories, commits, and contributors."

12 My comment is "Perhaps not relevant, but I don't
13 have a measure of the external developer base outside of
14 Ripple. It surely does not compare to either Bitcoin or
12:37 15 Ethereum."

16 Q. You're saying Ripple's developer base is
17 smaller than Bitcoin and Ether, or are we making some
18 other characterization?

19 A. I'm saying XRP's developer base has a --
12:37 20 XRP's developer base outside of Ripple appears to be
21 smaller than that, than -- than the developer base of
22 Bitcoin or Ethereum.

23 Q. Or Ethereum?

24 A. (Nodding).

12:37 25 Q. Okay. You can put this aside.

12:37 1 (Thereupon, an informal discussion was
2 held off the record.)

3 MR. HECKER: The witness is inquiring
4 about lunch.

12:37 5 MR. MOYE: Well --

6 MR. HECKER: Is now a good time to take a
7 lunch break?

8 MR. MOYE: Now would be fine.

9 MR. HECKER: Great.

12:37 10 THE VIDEOGRAPHER: This will conclude
11 Video No. 2 in the deposition of
12 Dinuka Samarasinghe. We are off the record at
13 12:37 p.m., June 9th, 2021.

14 (Recess taken at 12:37 p.m.)

15 (Resumed at 1:36 p.m.)

16 THE VIDEOGRAPHER: This is the beginning
17 of Video No. 3 in the deposition of
18 Dinuka Samarasinghe.

19 We are on the record at 1:36 p.m.,

01:36 20 June 9th, 2021.

21 BY MR. MOYE:

22 Q. Mr. Samarasinghe, before our lunch break, I
23 asked you a number of questions about XRP and the GDAX
24 framework e-mail that we were reviewing.

01:36 25 Do you remember those?

01:36 1 A. Yes, sir.

2 Q. Can you tell me whether since you wrote that
3 e-mail --

4 Since September 28th of 2017, whether any of the
01:36 5 views that you expressed in that e-mail have changed
6 about how XRP compares to the GDAX framework?

7 MR. HECKER: Objection to form,
8 foundation.

9 BY MR. MOYE:

01:36 10 Q. If it's helpful to go through it one by one,
11 we can do that.

12 MR. HECKER: Same objection.

13 BY MR. MOYE:

14 Q. So let's break it down.

01:36 15 A. But yes, my opinions did change, at least on
16 certain -- certain of these topics.

17 Q. Let's go through them one by one. As far as
18 your first comment about decentralization --

19 A. Yes.

01:37 20 Q. -- trust, has your opinion changed on that?

21 A. The XRP Ledger became increasingly central --
22 decentralized in that Ripple control validators --
23 Ripple sponsor -- were reduced.

24 So I recall there was a time where Ripple only
01:37 25 controlled one or two validators on the entire Unique

01:37 1 Node List.

2 Q. How about your second comment about economic
3 incentives, has that opinion changed?

4 (Pause.)

01:37 5 THE WITNESS: Out of 100 billion XRP that
6 were created at the Genesis block, Ripple
7 continues to hold over 50 percent of the XRP,
8 that second one did not change.

9 BY MR. MOYE:

01:38 10 Q. Okay. How about your third comment about
11 centralization?

12 A. It changed a little bit. There were -- I --
13 I'm not -- was not part of the spring team or -- but
14 there were other teams working on other use cases for
01:38 15 XRP.

16 Q. How about the next comment about peer review?
17 Has anything changed about your view then?

18 A. I -- I still can't speak to whether or not it
19 has a well-documented peer review or not.

01:38 20 Q. How about your next comment about economic
21 incentives for validation?

22 A. I don't believe that one has changed.

23 Q. Okay, and how about your final comment about
24 external developer base?

01:39 25 A. I don't have a view on that one.

01:39 1 Q. You don't have a view whether it's changed or
2 you don't have a view at all?

3 A. Either. I don't -- I don't really know what
4 the developer base is for XRP.

01:39 5 (Thereupon, one-page e-mail chain with top
6 e-mail dated 12/13/17, from [REDACTED] to
7 Miguel Vias et al. was introduced as DS Exhibit
8 8 for identification.)

9 BY MR. MOYE:

01:39 10 Q. Okay. Let's look at DS Exhibit 8.
11 Please take a moment and review what's been
12 marked -- marked as DS Exhibit 8.

13 Let me know when you're done.

14 A. I'm done. I'm ready.

01:40 15 Q. Okay. DS Exhibit 8 is a copy of an e-mail
16 from [REDACTED] at [REDACTED], dated
17 December 13, 2017, to Miguel Vias, [REDACTED] --
18 did I pronounce that right?

19 A. Yes.

01:40 20 Q. -- and yourself at Ripple, "Subject: Please
21 turn selling back on."

22 Are you familiar with this exhibit -- with this
23 document, I should say?

24 A. I haven't seen it before. I have no reason
01:40 25 to believe there's anything inaccurate about it.

01:40 1 Q. Okay. So --

2 MS. ZORNBERG: Mr. Samarasinghe, could
3 you try to keep your voice up?

4 THE WITNESS: Sorry. I will do my best.

01:40 5 (Thereupon, an informal discussion was
6 held off the record.)

7 BY MR. MOYE:

8 Q. So [REDACTED] is responding to an e-mail
9 from Mr. Vias earlier in the day on which you are
01:41 10 copied. Do you see that?

11 And the subject is "Please turn selling back on"?

12 A. Yes.

13 Q. It looks like he says, "Plus or adding
14 Dinuka"?

01:41 15 (Thereupon, an informal discussion was
16 held off the record.)

17 THE WITNESS: Uh-huh, yes.

18 MR. HECKER: I'm sorry. Objection to the
19 foundation.

01:41 20 I'm not sure what e-mail you think he's
21 on. He's on the second one, not the first
22 one, right?

23 MR. MOYE: Well, he's on the top and he's
24 also on the second.

01:41 25 MR. HECKER: On the bottom --

01:41 1 MR. MOYE: He's not on the oldest.

2 You're correct.

3 MR. HECKER: Okay. Sorry.

4 BY MR. MOYE:

01:41 5 Q. Okay. But the bottom e-mail -- the one that
6 you're not on -- actually, Mr. Vias writes:

7 "Guys, can we please turn the bots back on at the
8 same percentages as before? Let me know when that's
9 done. Thanks."

01:41 10 Do you understand the purpose of these e-mail
11 instructions from Mr. Vias?

12 A. Yes.

13 Q. What's the purpose, as best as you
14 understand?

01:42 15 A. It appears that the [REDACTED] XRP
16 programmatic liquidators were paused or halted, and
17 Miguel has instructed them to be turned back on.

18 Q. And do you know what reason it might be to
19 turn those -- turn those things back on -- I'm sorry.

01:42 20 Do you know why they would have been paused or stopped?

21 MS. ZORNBERG: Object to form.

22 BY MR. MOYE:

23 Q. Based on your time at a Ripple and
24 [REDACTED], were there times when Ripple asked

01:42 25 [REDACTED] to stop selling or exchanging XRP?

01:42 1 A. Yes.

2 Q. Based on your experience, why -- why did that
3 occur?

4 A. It's possible that the quarterly sales target
01:43 5 for XRP liquidations had been reached at this point.

6 Q. Any other reasons you can think of, assuming
7 that that was the case?

8 MR. HECKER: Sorry. You're shaking your
9 head. Do you need to --

01:43 10 THE WITNESS: No.

11 MR. HECKER: Okay.

12 THE WITNESS: None that I can recall.

13 BY MR. MOYE:

14 Q. Okay, and assuming for the purposes of this
01:43 15 question, then, that that's the reason that this e-mail
16 was sent, if quarterly sales targets were reached, why
17 would Ripple want [REDACTED] to stop trading in XRP?

18 MR. HECKER: Objection to form,
19 foundation.

01:43 20 BY MR. MOYE:

21 Q. You can answer.

22 A. Why would Ripple want [REDACTED] to stop
23 trading?

24 Q. Yes.

01:43 25 A. In case they did not want to in- -- increase

01:43 1 XRP supply that was in the market.

2 Q. And do you have any understanding of why
3 Ripple would desire to limit or not to increase the
4 amount of XRP in the market?

01:44 5 A. Either to reduce selling pressure, reduce XRP
6 inflation.

7 Q. Anything else you can think of?

8 A. No.

9 Q. Okay. While you were at [REDACTED], can you
01:44 10 recall this sort of thing happening from time to time?

11 MS. ZORNBERG: Objection, form.

12 THE WITNESS: While I was at [REDACTED],
13 I don't recall that XRP programmatic
14 liquidations were something that we did.

01:44 15 BY MR. MOYE:

16 Q. Okay. Do you recall more than --

17 Do you recall this occurring on more than one
18 occasion while you were at a Ripple, where Ripple would
19 reach out to market makers and say, "Please stop
01:44 20 selling"?

21 A. I do recall reaching out to market makers to
22 ask them to stop liquidating. I can't -- I don't recall
23 how many times that occurred.

24 Q. Okay, and just to clarify, is it your
01:45 25 recollection Ripple would reach out to more market

01:45 1 makers than just [REDACTED]? It would be a larger
2 group?

3 A. Yes. In my experience, instructions to one
4 market maker were typically reflected to the suite of
01:45 5 market makers that were conducting programmatic
6 liquidations.

7 Q. And was it your understanding that these
8 instructions were perceived as beneficial to Ripple in
9 some way, the company?

01:45 10 MS. ZORNBERG: Objection.

11 THE WITNESS: I'm sorry. The
12 instructions were beneficial?

13 BY MR. MOYE:

14 Q. Yes, the instructions to stop selling for a
01:45 15 period of time, did you understand that those
16 instructions had some benefit or value to Ripple as a
17 company?

18 MS. ZORNBERG: Objection.

19 MR. HECKER: Objection to the form of the
01:45 20 question.

21 BY MR. MOYE:

22 Q. You can answer.

23 A. Were they perceived by the -- I'm not sure if
24 I understand your question. If you could rephrase?

01:46 25 Q. Yeah. The question is:

01:46 1 Was it your impression or understanding that these
2 instructions from Ripple, the market makers, to stop
3 selling for some period of time had some value or
4 benefit to Ripple as a company?

01:46 5 And have other questions after this one.

6 MR. HECKER: Objection to the form.

7 (Pause.)

8 THE WITNESS: I believe so.

9 BY MR. MOYE:

01:46 10 Q. Okay. Was it your impression that these
11 instructions had some benefit or value to holders of XRP
12 as well?

13 MR. HECKER: Same objection.

14 THE WITNESS: I -- I'm not sure about
01:46 15 that one.

16 (Thereupon, a one-page e-mail dated
17 12/16/17, from Miguel Vias to [REDACTED],
18 Subject: Stop Selling" was introduced as DS
19 Exhibit 9 for identification.)

01:46 20 BY MR. MOYE:

21 Q. Okay. Let's look at DS Exhibit 9. Please
22 take a moment and review what's been marked as
23 DS Exhibit 9.

24 Okay. Can you tell me what DS Exhibit 9 is?

01:47 25 A. DS Exhibit 9 appears to be an e-mail from

01:47 1 Miguel Vias to [REDACTED]. I am cc'd as
2 a -- as an employee of Ripple. The subject says "Stop
3 Selling."

4 Q. And what's the reason given that Mr. Vias
01:47 5 gives at this time for [REDACTED] to stop selling?

6 A. Miguel Vias instructs [REDACTED] to stop
7 selling. It says "Please turn all bottoms off." He
8 continues to say, "Just got word we are done selling for
9 the year. Also, please confirm when that's done.

01:48 10 Thanks, gents."

11 Q. Okay. Now, did you understand from the
12 context and from this e-mail, that it was an instruction
13 to stop selling XRP?

14 A. That's correct.

01:48 15 Q. Because that's what -- that's what [REDACTED]
16 dealt with, correct?

17 A. Correct.

18 Q. All right. Now, can you look at DS Exhibit 8
19 and DS Exhibit 9 side by side? Can you help me
01:48 20 understand why, first looking at DS Exhibit 8, Ripple
21 might have told them to start selling again on December
22 13th, presumably after a pause, and then stop selling
23 three days later on December 16th?

24 (Pause.)

01:49 25 THE WITNESS: I don't recall.

01:49 1 BY MR. MOYE:

2 Q. Okay. Whether or not you can recall this
3 particular incident --

4 A. Uh-huh.

01:49 5 Q. -- do you think there were other events when
6 you were at Ripple where market makers were told to stop
7 then restart, then stop selling again, in a relatively
8 short period of time?

9 A. I don't believe that happened other times in
01:49 10 my history at Ripple.

11 Q. Okay. Just from looking at DS Exhibit 9 and
12 the phrase "Just got the word we're done selling for the
13 year," did you have any understanding about why Ripple
14 would want to stop selling XRP within a particular
01:49 15 calendar year and for what reason?

16 A. I think, again, this probably points to
17 hitting the target for the yearly sales goal of XRP.

18 Q. And do you know who set those yearly targets
19 or goals?

01:50 20 A. Historically, it was -- my understanding is
21 that it was decided amongst the leadership team with
22 input from the CFO and the CEO.

23 Q. Okay, and just to clarify, was your unit an
24 essential part of reaching these goals or just one of
01:50 25 many components within --

01:50 1 A. The markets team --
2 MS. ZORNBERG: Objection to form.
3 MR. HECKER: Yep, I join in the objection
4 and foundation.
01:50 5 MR. MOYE: Let me rephrase.
6 BY MR. MOYE:
7 Q. How important was your group to helping
8 achieve those goals?
9 A. The markets team was -- managed the
01:50 10 relationship, managed -- managed the relationships with
11 the programmatic market makers for the programmatic
12 liquidation.
13 Q. And do you believe these goals were to sell
14 XRP through the market makers only or were there other
01:51 15 methods that Ripple was selling XRP to the market?
16 MS. ZORNBERG: Objection to form.
17 BY MR. MOYE:
18 Q. You can answer.
19 A. Ripple also sold XRP not -- not just from
01:51 20 programmatic liquidations, but also from OTC trades.
21 Q. Okay. Any other methods used while you were
22 at Ripple for Ripple to sell XRP?
23 A. The markets team was primarily responsible
24 for programmatic liquidation and then OTC sales to OTC
01:51 25 brokers. I am aware of sales to entities like

01:51 1 [REDACTED] and [REDACTED] -- as well as [REDACTED].

2 Q. Did those go through your team or through
3 another channel?

4 A. We -- the markets team helped coordinate
01:52 5 those -- those sales, but I'm not aware that the markets
6 team had anything to do with the initial deals.

7 Q. Were those deals considered either
8 programmatic or OTC sales?

9 A. Considered by whom?

01:52 10 Q. By Ripple.

11 A. In the quarterly reports, sales to
12 [REDACTED] and [REDACTED] were included in sales of
13 reported sales numbers.

14 Q. Under which category? Under programmatic?

01:52 15 A. They were not -- they were not included in
16 programmatic.

17 Q. Okay.

18 A. They were included institutional sales.

19 Q. Institutional?

01:52 20 So they were neither programmatic or OTC; is that
21 right? They were a separate kind of sale?

22 MS. ZORNBERG: Objection.

23 (Thereupon, an informal discussion was
24 held off the record.)

01:53 25 THE WITNESS: I think the markets team

01:53 1 did not consider [REDACTED] or [REDACTED]
2 necessarily OTC trades.

3 BY MR. MOYE:

4 Q. Okay, and do you include yourself in that,
01:53 5 you personally wouldn't mentally have categorized
6 [REDACTED], [REDACTED] as OTC sales?

7 A. That's correct.

8 (Thereupon, two-page e-mail dated
9 12/28/17, from [REDACTED] to
01:53 10 [REDACTED]@ripple.com et al., Bates Nos.
11 [REDACTED]0039962 through [REDACTED]0039963, was
12 introduced as DS Exhibit 18 for identification.)

13 BY MR. MOYE:

14 Q. Okay, DS Exhibit 18. We're going to look at
01:53 15 DS Exhibit 18.

16 MR. HECKER: One-eight?

17 MR. MOYE: One-eight.

18 (Pause.)

19 BY MR. MOYE:

01:54 20 Q. So Mr. Samarasinghe, please take a moment and
21 look over what's been marked as DS Exhibit 18. I'm
22 going to ask you a couple of questions about the first
23 paragraph, and then a couple of questions about the
24 fourth news item down.

01:55 25 Have you had a chance to look it over?

01:55 1 A. I have.

2 Q. Okay, DS Exhibit 18, for the record, is an
3 e-mail from [REDACTED], [REDACTED] at
4 [REDACTED].com, sent December 28, 2017. Subject is
01:55 5 "Ripple Media Tracking." And I see your e-mail at the
6 bottom of a long list of other individuals at Ripple.

7 A. Yeah.

8 Q. Do you know who [REDACTED] is?

9 A. Vaguely.

01:55 10 Q. With that caveat, who do you understand [REDACTED]
11 [REDACTED] to be?

12 A. So I think I recall being on a distribution
13 list where they showed us news headlines over the course
14 of the day, the course of some period of time that may
01:55 15 be relevant to Ripple or XRP.

16 Q. Okay, did you have --

17 Did you believe they were retained in some capacity
18 as media relations or public relations?

19 A. That's -- that's my understanding.

01:56 20 Q. Okay, you couldn't be more specific about
21 what they had been retained to do?

22 A. No idea.

23 Q. All right. Did you receive media tracking
24 e-mails from [REDACTED] or other people regularly or was this
01:56 25 rarely?

01:56 1 A. Regularly.

2 Q. Regularly? Okay.

3 And without pinning you down to any particular
4 communication, what would these regular e-mails

01:56 5 typically include?

6 A. My recollection is they were a compilation of
7 the week's headlines and reputable news sources that
8 involved XRP, interesting things about the digital asset
9 markets or Ripple in general.

01:56 10 Q. Okay, so the first paragraph, the final
11 sentence talks about CNBC. It says "CNBC and others
12 report on the XRP price spike following the [REDACTED]
13 consortium announcement."

14 Do you see that?

01:57 15 A. Uh-huh.

16 MR. HECKER: Yes, you see that?

17 THE WITNESS: Yes, I see that.

18 BY MR. MOYE:

19 Q. Are you familiar with the [REDACTED] consortium
01:57 20 announcement?

21 A. I don't recall.

22 Q. Okay, are you familiar with [REDACTED]?

23 A. To some capacity.

24 Q. All right. So let's look down to the fourth
01:57 25 news item, I'd like you to review that and maybe that

01:57 1 will refresh your recollection in some way.

2 A. Uh-huh.

3 (Pause.)

4 BY MR. MOYE:

01:58 5 Q. Okay, does that help at all, remembering that
6 there was an [REDACTED] consortium announcement and what it
7 might have included?

8 (Pause.)

9 THE WITNESS: No.

01:58 10 BY MR. MOYE:

11 Q. Okay, let me try one last -- let me give it
12 one last try.

13 As you understand Ripple's relationship with [REDACTED] --

14 A. Uh-huh.

01:58 15 Q. -- at some point in 2017, did Ripple announce
16 a new link to some Japanese credit card companies?

17 A. I don't recall.

18 Q. Okay, do you recall a price spike in XRP
19 after an announcement about [REDACTED] was made at any time?

01:58 20 A. I remember the price spike in question. I
21 don't remember that it had anything to do with -- I
22 don't recall linking it to an [REDACTED] announcement.

23 Q. Okay, so maybe this exhibit helps you, maybe
24 it doesn't. But do you recall when that price spiked,
01:59 25 whether it spiked in conjunction with an increase in

01:59 1 Bitcoin, or whether it spiked independent of movement in
2 Bitcoin?

3 A. The price spike at the end December 2017,
4 through the beginning of January 2018, appeared
01:59 5 independent from any move in Bitcoin.

6 Q. And do you recall the price spike being in
7 the magnitude of about 20 percent?

8 A. The price spike from -- in 2017, from late
9 December 2017 to January 6th, 2018 was from essentially
01:59 10 25 cents to \$3.80.

11 Q. So way more than 20 percent?

12 A. Way more than 20 percent.

13 Q. And at that time, during that price spike,
14 would I be correct that the price of Bitcoin actually
02:00 15 went lower at some point?

16 A. That is -- that is my recollection.

17 Q. Okay, is there anything else about that price
18 spike that you can remember from your analysis at this
19 time? Anything else that you associated it with or
02:00 20 attributed it to?

21 A. My analysis at this time?

22 Q. At this time.

23 A. At this time, there were rumors that a
24 Coinbase listing might be -- might be happening,
02:00 25 including some screenshots that were posted on message

02:00 1 boards ...

2 I believe there was news that a cross-border
3 payment was sent from Japan to Korea. There may have --
4 there may be other things in there.

02:00 5 Q. Okay, but that's what you can remember right
6 now?

7 A. Yeah.

8 Q. Okay, let's look at DS Exhibit 10.

9 (Pause.)

02:01 10 (Thereupon, a three-page e-mail chain with
11 top e-mail dated 1/31/18, from Dinuka
12 Samarasinghe to [REDACTED] et al. and attachment
13 was introduced as DS Exhibit 10 for
14 identification.)

02:01 15 BY MR. MOYE:

16 Q. All right. Mr. Samarasinghe,
17 DS Exhibit 10 --

18 (Thereupon, an informal discussion was
19 held off the record.)

02:01 20 BY MR. MOYE:

21 Q. DS Exhibit 10 appears to be an e-mail from --
22 the top e-mail appears to be an e-mail from you to
23 [REDACTED] at [REDACTED].com on
24 January 31st, 2018. Subject, "XRP."

02:02 25 And the first sentence says "Hi [REDACTED]. I work with

02:02 1 Miguel on the XRP markets Team, and glad to hear you are
2 interested in an XRP loan."

3 Do you see that?

4 A. Yes.

02:02 5 Q. Okay, do you know who [REDACTED] was?

6 A. He was a trader at [REDACTED].

7 Q. What is [REDACTED]?

8 A. [REDACTED] is also a market maker that
9 traded in digital assets.

02:02 10 Q. It may be obvious, but can you explain the
11 purpose of you sending this e-mail to [REDACTED]?

12 A. Yeah. As I mentioned, one of the primary
13 responsibilities for -- or primary missions of the XRP
14 markets team was to increase liquidity for XRP.

02:02 15 We decided to move forward, attempting to partner
16 with market neutral -- essentially high frequency
17 trading companies to provide two-sided quotes on XRP,
18 essentially narrowing spreads to facilitate easier
19 trading.

02:03 20 Digital assets are different than, say, foreign
21 exchange or equities in that they have to be fully
22 funded at the time of trading on spot exchanges, T plus
23 zero, like instantaneous settlement.

24 The challenge a market maker has in making a
02:03 25 two-sided quote in these digital assets is sourcing

02:03 1 working capital, i.e., holding on to the digital asset
2 to have an offer out, right?

3 You can imagine that having a large quantity of a
4 digital asset that is unhedged has a certain amount of
02:03 5 volatility, you have price risk. Our notion here was we
6 tried to partner with a -- again, a high frequency
7 market neutral market participants to produce tight
8 spreads by providing them with relatively low cost XRP
9 loans or leases.

02:04 10 Q. Are you aware of other loans being made to
11 market makers in the digital space that don't involve
12 XRP?

13 A. Yes.

14 Q. Okay, was this a new program in early 2018 or
02:04 15 is this something that had been going on for some period
16 of time?

17 A. I don't know that it was widespread at this
18 time. I certainly don't believe it was widespread in
19 XRP, which is why we tried to grow out the lending book
02:04 20 for XRP.

21 Q. Can you give me some idea of how often Ripple
22 made loans of this type to market makers?

23 A. I would say it's in the orders of five to 10.

24 Q. Five to 10 market makers, or five to continue
02:05 25 loans?

02:05 1 A. Five to 10 market makers.

2 Q. Okay, and would each market maker get one
3 loan or could they get more than one loan?

4 A. They could get multiple tranches.

02:05 5 Q. And do you -- can you tell me anything about
6 the terms of the loan? Let's look at the top of page 2
7 and see if that helps.

8 (Pause.)

9 BY MR. MOYE:

02:05 10 Q. So before you answer this, this is a
11 statement by Mr. Vias to [REDACTED], not you, but I
12 believe you were copied on this e-mail.

13 A. Yep.

14 Q. And Mr. Vias says "We are indeed lending XRP
02:05 15 for folks to provide liquidity. Currently those monthly
16 loans in up to [REDACTED]" -- [REDACTED] -- "USD" -- or U.S.
17 dollars -- "at [REDACTED] percent annual interest rate."

18 Do you see that?

19 A. Yes, sir.

02:06 20 Q. Okay, is that -- is that consistent with your
21 recollection of the type and/or frequency of loans
22 available to market makers?

23 A. I don't think they were uniform.

24 I think they were -- the terms of the loans were
02:06 25 different for various different market makers. I

02:06 1 recall, for example, [REDACTED] having a very small loan
2 versus [REDACTED] having a much larger loan.

3 Q. That's "[REDACTED]"?

4 A. Yes.

02:06 5 Q. What were the differences in the amounts, do
6 you think?

7 A. I think [REDACTED] was -- I don't recall
8 exactly, but, say, \$ [REDACTED], versus [REDACTED] was in the
9 [REDACTED].

02:06 10 Q. [REDACTED]?

11 A. Yes.

12 Q. Okay, so when Mr. Vias says "We're indeed
13 lending XRP for folks to provide liquidity," he may or
14 may not have been describing a standard loan package?

02:07 15 A. I don't believe the [REDACTED] at [REDACTED] percent
16 annual interest rate was uniform.

17 Q. Okay, the purpose of these loans was to
18 provide market liquidity, correct?

19 A. The purpose of these loans was to increase
02:07 20 liquidity.

21 Q. Thank you for that clarification.

22 And were they -- was the loan in -- just to
23 clarify, was the loan actually in U.S. dollars or was
24 the loan in U.S. dollar equivalent of XRP?

02:07 25 A. The loan was in units of XRP, though this was

02:07 1 the U.S. dollar notional amount of XRP.

2 Q. So it would be -- in this case, if they
3 borrowed [REDACTED], it would have been \$ [REDACTED],
4 worth of XRP units?

02:07 5 A. That is correct.

6 Q. And then how quickly would they have to pay
7 it back?

8 (Pause.)

9 THE WITNESS: I don't recall there being
02:08 10 a set term for many of these loans. You know,
11 some market participants returned portions of
12 the loans they were not using at any given
13 time. Some held on to them, so we did not
14 call back the loans frequently.

02:08 15 BY MR. MOYE:

16 Q. Okay, how did these loans help Ripple as a
17 company?

18 A. Again, we started the loan program to
19 increase liquidity for XRP. We would look at these --
02:08 20 we would have communications with the market makers who
21 had outstanding loans to determine essentially how often
22 they were turning over the loan size on a given day,
23 essentially how often they were trading the size of the
24 loan.

02:09 25 Q. Uh-huh.

02:09 1 A. And the higher the multiple, the more, our
2 understanding was, that they were actively trading XRP.

3 Q. And do you believe these loans to provide
4 liquidity in the market also helped holders of XRP?

02:09 5 MR. HECKER: Objection to form,
6 foundation.

7 BY MR. MOYE:

8 Q. You can answer.

9 A. By providing tighter bid ask spreads in
02:09 10 general, I believe that it made it easier for market
11 participants to enter or exit an XRP position.

12 Q. Thank you.

13 And to follow up on some of our earlier comments, a
14 tighter spread and easier entry point might have aided
02:09 15 speculative traders; is that correct?

16 MR. HECKER: Objection to form.

17 MS. ZORNBERG: Objection.

18 BY MR. MOYE:

19 Q. You can answer.

02:09 20 A. It would have reduced costs for them to enter
21 and exit a similar size XRP position relative to a time
22 there weren't market participants -- or market makers
23 with loans.

24 Q. Okay, anything else that you can recall about
02:10 25 this lending program that we haven't already discussed?

02:10 1 A. Nothing, off the top of my head.

2 Q. Okay, you can put that aside. Let's look at
3 DS Exhibit 11.

4 (An informal discussion was held off the
02:10 5 record.)

6 (Thereupon, a three-page e-mail chain with
7 top e-mail dated 3/22/18, from Dinuka
8 Samarasinghe to [REDACTED] et al. was
9 introduced as DS Exhibit 11 for identification.)

02:10 10 BY MR. MOYE:

11 Q. Okay, so for your reference on DS Exhibit 11,
12 I would like you to review the top e-mail from you, and
13 then the e-mail that begins at the bottom of page 1 and
14 goes over to the top of page 2.

02:11 15 Of course, you're free to look at other parts of
16 the e-mail as well.

17 A. Okay.

18 Q. Okay, so DS Exhibit 11, Mr. Samarasinghe, is
19 a set of e-mails, with the top e-mail being one that you
02:11 20 sent to [REDACTED] at [REDACTED] on
21 March 22nd, 2018. Subject "Program expansion."

22 Do you see that?

23 A. Yes, sir.

24 Q. Okay, I would like to direct your attention
02:12 25 to the bottom of the first page and the top of the

02:12 1 second, which appears to be an e-mail that you sent to
2 [REDACTED] earlier that same day at 1:31 p.m.

3 Let me know when you're there.

4 A. Ready.

02:12 5 Q. Okay, can you tell me in your own words -- or
6 can you summarize what the purpose of that communication
7 was? What are you telling [REDACTED]?

8 A. XRP programmatic sales -- well, let's take a
9 step back.

02:12 10 There are a large number of digital asset exchanges
11 globally. Market makers that we were connected to -- so
12 there's a large number of digital asset exchanges in the
13 world. That number increases. Volumes that occur on
14 these digital asset exchanges can shift from a set of
02:13 15 exchanges to a different set of exchanges based on any
16 number of criteria.

17 To minimize market impact on a small set of
18 exchanges where Ripple programmatic sales occurred, we
19 wanted to have as wide a breadth as possible of
02:13 20 exchanges for our programmatic liquidators to sell off.

21 Beyond that, we wanted to have redundancy. So in
22 case one market maker fell out of our program or was
23 unable to trade for some given period of time, we would
24 still have a market maker available on a given exchange.

02:13 25 Q. Do you use the term "redundancy" just to mean

02:13 1 additional capacity, or does it have some other meaning
2 as well?

3 A. Redundancy, meaning if one stopped being able
4 to execute on that exchange, there would be essentially
02:14 5 another one capable of executing.

6 Q. Okay, so when your e-mail is entitled
7 "Program expansion," is that the expansion program you
8 were describing you want more market makers involved --
9 or more exchanges involved?

02:14 10 A. In this case, this is [REDACTED] approaching
11 us to see if we could use them to programmatically
12 liquidate on a large number of exchanges.

13 Q. So when you say "our goal is to have
14 redundant XRP sales presence basically on every major
02:14 15 exchange that sells XRP," what's the benefit to holders
16 of XRP, if any, to having additional exchanges
17 available?

18 MS. ZORNBERG: Objection to form. You
19 can answer.

02:15 20 THE WITNESS: Could you rephrase your
21 question, please?

22 BY MR. MOYE:

23 Q. Yes.

24 Does having XRP available for purchase and sale on
02:15 25 additional exchanges benefit holders of XRP?

02:15 1 MS. ZORNBERG: Objection to form.

2 THE WITNESS: A new exchange that lists
3 XRP may benefit XRP speculators in that it
4 could possibly provide a new avenue for
02:15 5 demands for XRP or liquidity for XRP.

6 BY MR. MOYE:

7 Q. Okay, so directing your attention to the top
8 e-mail, it appears that [REDACTED] told you the
9 number of exchanges that [REDACTED] currently dealt with
02:15 10 and they were adding some; is that right?

11 A. Yes.

12 Q. And then what's your comment to him?

13 A. That of the exchanges they were in the
14 process of adding, we would prioritize getting them --
02:16 15 running their programmatic liquidators on Huobi, OKEx
16 and CEX.IO.

17 Q. Can you help me understand why you wanted
18 them to prioritize certain exchanges?

19 A. It could -- I don't remember exactly at this
02:16 20 time. However, the reasons could have been these were
21 new exchanges that we did not have redundancy on; i.e.,
22 our other programmatic liquidators did not have sales
23 presence on, or perhaps we were seeing high volumes on
24 these exchanges -- well, this -- this goes back to
02:16 25 redundancy. We wanted to have a sales presence on

02:16 1 exchanges that were reporting high volume.

2 Q. And for purposes of this program expansion,
3 were you only talking about programmatic sales or were
4 you talking about other sales of XRP, including OTC
02:17 5 sales?

6 A. This is entirely programmatic sales.

7 Q. Okay, let's go to DS Exhibit 12.

8 (Pause.)

9 (Thereupon, a thirteen-page e-mail chain
02:17 10 dated 4/12/18, from [REDACTED] to Dinuka
11 Samarasinghe, Bates Nos. RPLI_SEC 0198978
12 through RPLI_SEC 0198990 was introduced as DS
13 Exhibit 12 for identification.)

14 BY MR. MOYE:

02:17 15 Q. Okay, please take a moment and review the
16 first page of DS Exhibit 12. I apologize for the
17 quality of the copy. It's small and it's not perfect.
18 If it's helpful, you can also look up on the big screen.

19 For the purpose of the record, DS Exhibit 12 is a
02:18 20 copy of an e-mail from [REDACTED] sent on April 12,
21 2018 to yourself at Ripple, and the subject is "Q1 2018
22 Quarterly markets Report." It's a multi-page document,
23 there's a number of comments and entries for other
24 individuals --

02:18 25 A. Uh-huh.

02:18 1 Q. -- but the ones I want to ask you about are
2 your comments on the first page.

3 A. Okay.

4 Q. Mr. Samarasinghe, who is [REDACTED]?

02:18 5 A. [REDACTED] was an employee at Ripple. He
6 helped with communications. I don't recall -- I don't
7 recall his exact title.

8 Q. Okay, what is or was a quarterly markets
9 report?

02:19 10 A. Ripple began publishing, before the start of
11 my employment at Ripple, quarterly market reports on the
12 quarterly XRP markets which the initial aim was to give
13 transparency about how Ripple thought about XRP and a
14 the XRP market, and perhaps even more broadly, the
02:19 15 digital asset markets.

16 Q. Was it just Ripple thoughts or would it also
17 include data, like transactions an volume and price and
18 things like that?

19 A. It typically included the amount of XRP that
02:19 20 was sold by Ripple, progress on -- you know, it would
21 include correlation numbers, volatility numbers, things
22 that -- you know, quantitative measures we may have
23 thought were interesting -- that we may have thought
24 were interesting.

02:19 25 Q. Okay, and did you review these reports while

02:20 1 you were still at [REDACTED] and dealing with Ripple?

2 A. I don't recall.

3 Q. Okay, so focusing just on your time at
4 Ripple, what was your role in reviewing or preparing or
02:20 5 assisting with the quarterly markets reports?

6 A. Relatively early in my career at Ripple, I
7 began drafting the quarterly markets reports, writing
8 the first -- maybe first couple of drafts before it went
9 to -- through any number of additional commenters and
02:20 10 contributors.

11 Q. How long did that continue?

12 A. Over time, my contribution to the markets
13 report diminished. I stopped writing the initial
14 drafts.

02:20 15 Toward the end, I was perhaps just making comments
16 and suggestions, and maybe just providing a minimal
17 amount of data analysis.

18 Q. In March and April of 2018, what would your
19 role have been in creating or reviewing the quarterly
02:21 20 markets report?

21 A. Most likely writing the first -- first couple
22 of drafts --

23 Q. Okay.

24 A. -- of at least a few sections.

02:21 25 Q. And did you review and provide comments on

02:21 1 the other sections or were you mostly focused on the
2 other sections?

3 A. I did read the entire report and comment
4 broadly.

02:21 5 Q. As of April 2018, who would be reviewing and
6 either approving or editing your draft?

7 A. It went through many levels of review.
8 Initially, probably -- most likely Miguel Vias, and
9 typically the Comms team before going to morph
02:21 10 leadership, general counsel, and then final pass by the
11 CEO.

12 Q. Okay, with that backgrounds, let's look at
13 what's been -- what appears on this appears to be a
14 comment by Dinuka Samarasinghe, and I'm going to look at
02:22 15 the first comment. And, again, you can look at it -- if
16 your eyes are good, you can look at it on the paper or
17 up on the screen.

18 What is it you're saying? Can you summarize what
19 you're saying in the first comment --

02:22 20 A. Yes.

21 Q. -- on this document?

22 A. Coinbase rumors. So this -- I think you can
23 see this comment chain happened roughly in April of
24 2018.

02:22 25 Q. Yes.

02:22 1 A. This is a look back on the Q1 markets report.
2 Included in the Q1 markets report was -- you know, was
3 the run up towards the ends of 2017, including early
4 2018, up to the three-plus dollars of XRP price on
02:22 5 January 6th.

6 I think I mentioned before included in this runup
7 were -- you know, market speculation and screenshots on
8 digital asset trading and news logs and -- that Coinbase
9 would list XRP.

02:23 10 I believe I had initially included Coinbase in
11 the -- one of the early drafts of the markets report as
12 what appeared to be going on in the market at the time,
13 according to people commenting in -- you know, in
14 Message boards or -- or like digital asset news
02:23 15 websites.

16 Q. Did you include that as a factor, in your
17 view, in the total price increase?

18 A. I didn't include it as a factor. I included
19 it as a rumor that was going on during --

02:23 20 Q. Okay.

21 A. -- the price rise.

22 Q. Okay, let's just focus on the first comment
23 here, and you can help me understand. You say "While
24 this isn't a great for a number of reasons (brings up
02:24 25 the pay-to-play discussion, brings up concerns that XRP

02:24 1 is a security), it was certainly a big factor in what
2 people attributed the price rise."

3 So you say that sentence refers to Coinbase?

4 A. Yes.

02:24 5 Q. Okay, so --

6 A. The Coinbase rumors.

7 Q. The Coinbase rumors? Thanks.

8 What did you mean by the "pay-to-play discussions"?

9 A. So ultimately, in April of 2018, Coinbase did
02:24 10 not -- despite the rumors in the screenshots and
11 discussions, did not actually list XRP at this point.

12 So at this point, XRP had come off from a very high
13 price. And just like there were rumors on the way up,
14 there was speculation on the way down what happened,
02:25 15 right?

16 Q. Where was that speculation manifested?

17 A. Again, you know, message boards, you know,
18 digital asset news websites. And given there were
19 rumors on the way up that Coinbase would list it and
02:25 20 Coinbase did not list, there was speculation as to why
21 Coinbase did not list XRP.

22 Q. And did that speculation involve pay-to-play?

23 A. According to some messages.

24 Q. What did you mean when you use the phrase
02:25 25 here "by brings up pay-to-play discussions"?

02:25 1 A. If I recall correctly, it is, you know,
2 message boards indicating maybe Ripple did not pay or
3 did not pay enough or did not offer to pay enough, or in
4 the case of concerns that XRP is a security, would be
02:25 5 concerns that maybe Coinbase believed or had an opinion
6 that XRP was a security.

7 Q. Okay, and when you say "It was certainly a
8 big factor to what people attributed the price rise,"
9 what part of what you said before is attributable to
02:26 10 that comment?

11 MS. ZORNBERG: Objection to form.

12 MR. MOYE: I will try this again.

13 THE WITNESS: Yeah.

14 BY MR. MOYE:

02:26 15 Q. What did you mean when you say "It was
16 certainly a big factor in what people attributed the
17 price rise"?

18 A. The price rise -- Coinbase rumors -- a
19 listing on Coinbase -- the -- sorry. I'm not being
02:26 20 clear.

21 The rumors that XRP would be listed on Coinbase
22 were a factor that market speculators attributed the
23 price rise of XRP.

24 Q. Okay, was this the first time you had heard
02:26 25 rumors among people that followed XRP about pay-to-play

02:26 1 discussions?

2 MS. ZORNBERG: Object to form.

3 THE WITNESS: I don't recall it happening
4 before.

02:27 5 BY MR. MOYE:

6 Q. Was this the first time you had heard rumors
7 among people that followed XRP that XRP might be viewed
8 as a security?

9 A. Yes. I don't think it -- I don't think it
02:27 10 had even entered my consciousness up until that point.

11 Q. Okay, let's look at the second comment down.

12 A. Uh-huh.

13 Q. Why don't you summarize, first, what you're
14 trying to communicate in this comment, and then I will
02:27 15 ask you about different parts of it.

16 (Pause.)

17 THE WITNESS: Do you have the tweet?

18 BY MR. MOYE:

19 Q. Unfortunately, all I have is this.

02:27 20 Can you -- can you tell me in general what your
21 comment is about?

22 A. I do not recall what the tweet is here. It
23 appears to be some sort of tweet where I notice that --
24 you know, XRP -- after -- or -- or right around the time
02:28 25 or at least it coincided with the time where XRP price

02:28 1 had been at its all-time high.

2 Q. Okay, was this a tweet by you, do you think?

3 A. No.

4 Q. Okay, was this a tweet by someone else in
02:28 5 Ripple?

6 MS. ZORNBERG: Objection.

7 THE WITNESS: I don't know.

8 BY MR. MOYE:

9 Q. Okay, let's see if this second sentence helps
02:29 10 us figure it out at all. You said just prior to this
11 tweet XRP had been at its all-time high, and this tweet
12 represented, without any exaggeration, the very
13 beginning of XRP's retracement in value.

14 Do you recall there being a tweet that was sort of
02:29 15 at a high point and -- and was at the beginning of -- of
16 a decline in value?

17 A. I don't recall.

18 Q. Okay. Who is Coinmarketcap?

19 A. Coinmarketcap is a website.

02:29 20 Q. And what are you referring to here?

21 A. So Coinmarketcap has --

22 It's a website that gives market data snap --
23 essentially real-time market data of a large number of
24 digital assets.

02:30 25 Q. Okay. Did you --

02:30 1 At this time, did you have any view or opinion
2 about the cause of the decline in value of XRP or
3 decline in price of XRP?

4 MS. ZORNBERG: Objection to form.

02:30 5 MR. HECKER: Objection.

6 MR. MOYE: Only one of you has to do it.

7 THE WITNESS: I mean, how do you -- can
8 you -- I'm not sure if I understand the
9 question.

02:30 10 BY MR. MOYE:

11 Q. Yeah. When you were preparing the XRP
12 markets report --

13 A. Yes.

14 Q. -- at this point in time, and you noted there
02:30 15 was a decline in value and it appeared that you even
16 wanted to comment in some way or fashion about the
17 Coinbase listing, did you have an opinion at the time
18 about why XRP was declining in price?

19 A. No.

02:30 20 Q. Since then, have you had any views or
21 opinions about reasons why XRP might have been declining
22 in price at this time?

23 A. I find it hard to remember what I was
24 thinking in April of 2018.

02:31 25 Q. So I know it's hard, but that's a "no," a

02:31 1 "hard no," you can't remember?

2 A. I don't remember what I was thinking in 2018.

3 Q. All right. Let's put aside DS Exhibit 12.

4 (Pause.)

02:31 5 (Thereupon, a two-page e-mail chain with

6 the top e-mail dated 9/18/18, from [REDACTED]

7 [REDACTED] to Brad Garlinghouse et al. was introduced

8 as DS Exhibit 13 for identification.)

9 BY MR. MOYE:

02:31 10 Q. So we're looking at DS Exhibit 13. So the --

11 for purposes of identification, the top part of

12 DS Exhibit 13 is an e-mail from [REDACTED] at

13 Ripple, sent Tuesday, September 18th, 2018, to

14 Brad Garlinghouse, Dinuka Samarasinghe, Miguel Vias, and

02:32 15 [REDACTED]. And subject is "Fwd: XRP markets

16 Update."

17 Do you see that?

18 A. Yes.

19 Q. So I'm interested in asking you about the

02:32 20 e-mail which you sent, which is just below it, so why

21 don't you take a minute and look it over?

22 (Pause.)

23 THE WITNESS: Okay.

24 BY MR. MOYE:

02:33 25 Q. Okay, who is [REDACTED]?

02:33 1 A. [REDACTED] was essentially head of
2 business development and corporate development at Ripple
3 for a period of time.

4 The markets team also reported to [REDACTED]
02:33 5 for a period of time.

6 Q. So obviously, there's no report attached, but
7 from the context of this e-mail, can you tell whether
8 she's asking about a draft XRP markets report update
9 that's being prepared, or whether she's asking about one
02:33 10 that's been issued?

11 A. It appears she forwarded my markets update
12 along to [REDACTED] and Brad Garlinghouse.

13 I think I mentioned earlier today that I provided,
14 for a period of time, daily market snapshots, quarterly
02:34 15 reports, the weekly sales presentations.

16 But on days where there were unusual market -- you
17 know, unusual XRP performances or general market
18 performances, I would write an ad hoc markets update.

19 This appears to be an ad hoc markets update, having
02:34 20 been written on a Tuesday at just afternoon, with the
21 24-hour return for XRP being 16 percent.

22 Q. Okay, from her question to you, do you think
23 she is agreeing with you that xRapid news and new
24 technicals may have contributed to the price rise, or is
02:34 25 she saying this might be an additional reason?

02:35 1 MR. HECKER: Objection to form.
2 MS. ZORNBERG: Objection to form,
3 foundation.
4 THE WITNESS: The -- the way I would read
02:35 5 this is, she's summarizing, giving a too long,
6 TLDR, to Brad and [REDACTED], as to what I am saying
7 below.
8 BY MR. MOYE:
9 Q. Okay, maybe I'm mis- --did you say "too long,
02:35 10 TLDR"?
11 A. TLDR, too long, didn't read.
12 (Thereupon, an informal discussion was
13 held off the record.)
14 BY MR. MOYE:
02:35 15 Q. Got it. All right. That's fine.
16 All right. Let's do the longer version. Let's
17 look at what you wrote. Okay?
18 A. Okay.
19 Q. In the first paragraph of text below the
02:35 20 prices in the return, what are you bringing -- what are
21 you saying in the first paragraph?
22 A. What I'm pointing out here is XRP's return
23 over 24 hours is -- is an outlier compared to the
24 overall digital asset market cap and the rest of the top
02:36 25 10 digital assets on the -- on the 24 hours.

02:36 1 Q. Okay, the second paragraph where it looks
2 like you have a comment and attach a link, is that -- is
3 that what I'm looking at?

4 A. Yes.

02:36 5 Q. Okay, so what's your comment in the second
6 paragraph?

7 A. Basically, it is unclear what is driving the
8 surge in XRP price.

9 Q. But you do point out the price jump is
02:36 10 welcome, right?

11 A. Yes.

12 Q. Welcome to who, in your mind?

13 A. I think in general over a long period of
14 time, a higher price in XRP does benefit Ripple.

02:36 15 Q. Okay, did it also benefit XRP holders?

16 MS. ZORNBERG: Object to form.

17 THE WITNESS: If they were able to lock
18 in an increase in price.

19 BY MR. MOYE:

02:37 20 Q. Okay, and did you think -- or as -- when you
21 were a Ripple employee, was that something that you
22 think was in your mind from time to time, that this
23 price movement is good, not only for Ripple, but for XRP
24 holders, or this is price movement was bad, not only for
02:37 25 Ripple, but for XRP holders?

02:37 1 MS. ZORNBERG: Objection to form.

2 MR. HECKER: Objection.

3 BY MR. MOYE:

4 Q. You can answer.

02:37 5 A. In my mind, over the long term, an increase
6 in price would benefit both XRP holders and Ripple.

7 Q. Okay, and would that same -- would the
8 reverse be true about a long-term decline in the value
9 of XRP or the price of XRP?

02:37 10 A. That's true.

11 MS. ZORNBERG: Object to form.

12 BY MR. MOYE:

13 Q. Bad for Ripple and bad for holders?

14 A. In my opinion.

02:37 15 Q. Okay, let's go to the third paragraph, which
16 it looks like it's attaching a link as well. We're
17 still on the first page.

18 A. Oh, sorry.

19 Q. Third paragraph starts out "Neither are OTC
02:37 20 buyers."

21 A. Uh-huh.

22 Q. What are you communicating there?

23 A. Part of the -- the markets team at Ripple did
24 not actively trade XRP, all right? We did not enter buy
02:38 25 orders or sell orders, so our pulse of the market was

02:38 1 typically secondhand.

2 We would communicate to other market participants
3 that were, I guess, more in the front lines, as you
4 would, to get our market intelligence to -- you know,
02:38 5 whether it was rumors they were hearing, flows they were
6 seeing, any unusual activity they were seeing on the
7 exchanges.

8 Q. Are you summarizing what the markets team was
9 thinking or was this your own analysis that you --

02:38 10 A. In this -- September 18th, 2018, I was -- the
11 markets team largely consisted of Miguel and me, so ...

12 Q. All right. You weren't forwarding someone
13 else's views, right?

14 A. No.

02:39 15 Q. Either you believed this yourself or you both
16 believed it; is that correct?

17 A. Correct.

18 Q. Okay, so for this third short paragraph of
19 text, you say "OTC buyers and programmatic sellers are
02:39 20 not seeing anything out of the ordinary," right?

21 A. Correct.

22 Q. And then you also say "The market may be
23 reacting to a CNBC report claiming Ripple hinted its
24 cryptocurrency product to go live next month or so."

02:39 25 Do you see that?

02:39 1 A. Yes.

2 Q. Okay, is it fair to say that at the time you
3 prepared and sent this report, that you believed that
4 was one possible explanation for the daily increase in
02:39 5 price?

6 MS. ZORNBERG: I'm going to object to
7 form.

8 BY MR. MOYE:

9 Q. You can answer.

02:39 10 A. Yes.

11 Q. You wouldn't have said anything in this
12 report that you didn't believe, would you?

13 A. That's correct.

14 Q. All right. So the next paragraph is a very
02:39 15 short phrase with a long link to it but it starts out "A
16 misleading headline."

17 Do you see that?

18 A. Uh-huh.

19 Q. Can you read that?

02:40 20 A. "A misleading headline saying that XRP is Not
21 a security."

22 Q. Okay, am I correct that you thought this is
23 another possible reason for the significant increase in
24 price during this day?

02:40 25 A. A possible reason.

02:40 1 Q. Not necessarily the reason, it was one of
2 self, but you thought it was a possible reason?

3 MR. HECKER: Objection to form.

4 MS. ZORNBERG: Objection.

02:40 5 (Thereupon, an informal discussion was
6 held off the record.)

7 MR. MOYE: Let me rephrase that.

8 BY MR. MOYE:

9 Q. At the time you sent this intra-day report,
02:40 10 did you believe that a misleading headline saying XRP is
11 not a security is one possible factor in the significant
12 rise in price?

13 A. I believe so.

14 Q. Okay, can you tell from the link or do you
02:40 15 remember where the headline appeared that said XRP is
16 not a security?

17 A. It appears to be cryptoglobe.com.

18 Q. Okay, and what is cryptoglobe.com?

19 A. Probably a less well regarded digital asset
02:41 20 news website.

21 Q. Okay, now, I know this may tax your memory
22 and you should just tell me if you disagree, but after
23 the www.cryptoglobe, there's some numbers, but --
24 there's some text that says "XRP-is-not a security
02:41 25 global-crypto regulatory. Narrative is changing.

02:41 1 Ripple executive says."

2 Do you see that?

3 A. Yes.

4 Q. Do you understand that to be either the title
02:41 5 of the cryptoglobe piece or something that was included
6 perhaps in the cryptoglobe piece?

7 A. I do not recall.

8 Q. Okay, do you have any reason to think that
9 the cryptoglobe piece, whose title you said was
02:42 10 misleading, could have been based on a statement by a
11 Ripple executive?

12 A. I -- I can't say.

13 Q. But you can't say it didn't happen, right?

14 MR. HECKER: Objection to form. Just to
02:42 15 clarify, his testimony is he didn't know, so.

16 MR. MOYE: Well, he's got to say it.

17 THE WITNESS: I can't say that it
18 doesn't -- didn't.

19 MR. MOYE: All right. Fair enough.

02:42 20 BY MR. MOYE:

21 Q. And then let's look at the bottom of that
22 first page, and that will be it for this document.

23 But at the bottom of the first page, could you read
24 the text that you put in before the link?

02:42 25 A. "The article does go on to say that Ripple is

02:42 1 engaging the SEC or" -- sorry, parentheses, though "The
2 article does go on to say that Ripple is engaging the
3 SEC, or a few days old piece of news that NCB of
4 Saudi Arabia is joining RippleNet."

02:43 5 Q. Okay, and would I be correct that this is
6 another piece of news or chatter out there that you
7 think is one possible explanation for the rise in price?

8 A. It's possible.

9 Q. Would you have included it if you thought
02:43 10 there was no possibility it was linked to the price
11 rise?

12 MR. HECKER: Objection to form.

13 MS. ZORNBERG: Objection.

14 THE WITNESS: I would not have included
02:43 15 it if I did not believe it was possible it
16 contributed to the price rise.

17 BY MR. MOYE:

18 Q. Okay, anything else that you can remember
19 about this price rise or the reasons you attributed to
02:43 20 it, before we move on?

21 MR. HECKER: Objection to the form of
22 that question.

23 BY MR. MOYE:

24 Q. Is there anything else you want to add to
02:43 25 your prior testimony about this exhibit?

02:43 1 A. No, sir.

2 Q. Okay. Let's move on to DS Exhibit 14.

3 (Thereupon, an informal discussion was
4 held off the record.)

02:44 5 (Thereupon, a one-page e-mail chain with
6 the top e-mail dated 7/17/19, from [REDACTED]
7 to [REDACTED].com et al. was
8 introduced as DS Exhibit 14 for identification.)

9 THE VIDEOGRAPHER: This will conclude
02:44 10 Video No. 3 in the deposition of
11 Dinuka Samarasinghe.

12 We are off the record at 2:44 p.m.,
13 June 9th, 2021.

14 (Recess taken at 2:44 p.m.)

02:44 15 (Resumed at 2:56 p.m.)

16 THE VIDEOGRAPHER: This is the beginning
17 of Video No. 4 in the deposition of
18 Dinuka Samarasinghe. We are on the record at
19 2:56 p.m., June 9th, 2021.

02:56 20 BY MR. MOYE:

21 Q. Mr. Samarasinghe, do you have a copy of
22 DS Exhibit 14?

23 A. Yes, sir.

24 Q. DS Exhibit 14 is a copy of an e-mail from
02:56 25 [REDACTED], [REDACTED], at Ripple, to

02:56 1 [REDACTED] at [REDACTED], on July 17th,
2 2019. Subject is "April XRP Sales."

3 Do you see that?

4 A. I do.

02:57 5 Q. Do you recall the circumstance -- I'm sorry.

6 Do you recall a time when [REDACTED] asked to be
7 compensated or reimbursed for XRP that it was holding in
8 its own inventory?

9 A. I do.

02:57 10 Q. Can you tell me what the issue or
11 disagreement was and what the result was?

12 A. My recollection was that Ripple instructed,
13 or sent instructions, to the programmatic liquidators to
14 stop programmatic XRP liquidation.

02:57 15 [REDACTED] did not turn off their liquidators in
16 time, or in a timely fashion, and wound up selling their
17 own inventory of XRP as opposed to inventory that was
18 dispersed by XRP II to the programmatic liquidators and
19 wound up selling their own inventory.

02:58 20 [REDACTED] asked to be reimbursed for the XRP that
21 they sold following the instructions and Ripple
22 declined.

23 Q. So I would like to try to unpack that a
24 little bit.

02:58 25 So you mentioned [REDACTED] holding XRP in its own

02:58 1 inventory. What do you mean by that?

2 A. [REDACTED] had holdings of XRP that they sold
3 that were not part of the XRP that was delivered to be
4 sold via programmatic liquidation.

02:59 5 Q. Do you mean that [REDACTED] held an
6 investment in XRP or that it purchased XRP for its own
7 purposes?

8 MS. ZORNBERG: Objection.

9 MR. HECKER: Objection to form,
02:59 10 foundation.

11 BY MR. MOYE:

12 Q. You can answer.

13 A. I do not know.

14 Q. Okay, well, what do you understand is meant
02:59 15 by for its own inventory? Inventory for what purpose?

16 MR. HECKER: Objection to form,
17 foundation.

18 THE WITNESS: I do not -- I do not know
19 for what purposes they held XRP.

02:59 20 BY MR. MOYE:

21 Q. When you were at [REDACTED], did [REDACTED]
22 hold an inventory of XRP, as that phrase is used in this
23 e-mail?

24 MR. HECKER: Objection to form,
02:59 25 foundation.

02:59 1 THE WITNESS: When I was at [REDACTED],
2 [REDACTED] did have -- did hold XRP as
3 inventory to make two-sided markets on -- on
4 different corridors, as well as to liquidate
02:59 5 to pay for services, payroll, infrastructure.

6 BY MR. MOYE:

7 Q. Okay, can you tell me, if you know, why
8 [REDACTED] wanted Ripple to pay for sales from its own
9 inventory, why [REDACTED] believed that was appropriate
03:00 10 under the contract or agreement with Ripple?

11 MR. HECKER: Objection to form.

12 MS. ZORNBERG: Objection to form.

13 THE WITNESS: I don't know.

14 BY MR. MOYE:

03:00 15 Q. Okay, can you tell me why Ripple thought that
16 was not appropriate or not part of the trading
17 agreement?

18 MS. ZORNBERG: Object to form.

19 (Pause.)

03:00 20 MS. ZORNBERG: You're asking him beyond
21 the words on the page?

22 (Cross-talk.)

23 MR. MOYE: I'm asking -- I'm asking if he
24 knows.

03:00 25 THE WITNESS: I don't recall. I vaguely

03:00 1 recall there being some compliance reason for
2 it.

3 BY MR. MOYE:

4 Q. Okay, did --

03:00 5 After this disagreement or request which was
6 denied, did [REDACTED] continue to process trades of
7 XRP?

8 A. We ended our relationship with them to
9 service programmatic liquidations shortly thereafter.

03:01 10 Q. Was this one of the reasons the relationship
11 ended, this event?

12 A. This was an -- one of several reasons. They
13 also had dramatically worse performance, conversion --

14 Q. Did you say "grammatically" or
03:01 15 "dramatically"?

16 A. -- dramatically worse performance than our
17 other two programmatic liquidators.

18 Q. Okay, and which performance? You meant that
19 they were able to sell less than the others?

03:01 20 A. Their conversion rate of XRP to U.S. dollar
21 was worse than the abilities of our other market makers.

22 Q. Okay, and do you recall when this
23 relationship ended, more or less?

24 A. Shortly around this time.

03:01 25 Q. All right. Let's take a look at

03:01 1 DS Exhibit 15.
2 (Thereupon, a two-page e-mail dated
3 9/3/19, from [REDACTED] to
4 [REDACTED]@ripple.com, Bates Nos. RPLI_SEC
03:01 5 0295504 through RPLI_SEC 0295505 was introduced
6 as DS Exhibit 15 for identification.)

7 BY MR. MOYE:

8 Q. Mr. Samarasinghe, before asking you about
9 this document, DS Exhibit 15, I want to point out a
03:02 10 couple things to you.

11 First is that there are some parts of this document
12 that are whited out with the word "Redacted." It's my
13 understanding there has been a claim of privilege
14 asserted over that.

03:02 15 So if, for whatever reason, you think my question
16 calls for you to disclose what might have been discussed
17 or might have been obscured by that, please don't do
18 that. Please don't reveal any privileged information.

19 In most of the comments in this e-mail are made not
03:02 20 by you, but by someone else, so I wanted to mention that
21 up front.

22 Okay. Please take a moment and review what's been
23 marked as DS Exhibit 15. For the record, it's a message
24 from [REDACTED] to Dinuka Samarasinghe at Ripple.com,
03:03 25 and the subject is "Responsible Stewa, [REDACTED] - can

03:03 1 we also focus on [REDACTED]." Let me know when you've had a
2 chance to review it.

3 A. Okay.

4 Q. Okay. Do you know who [REDACTED] is?

03:04 5 A. Yes.

6 Q. Who is [REDACTED]?

7 A. [REDACTED] was another member of the
8 markets team. He was a senior manager. I worked side
9 by side with him for a period of time.

03:04 10 Q. Okay. Looks like these -- a number of these
11 are responses by him.

12 Did you create a report or did someone in your unit
13 create a report called "Responsible Stewards of XRP"?

14 A. I believe so.

03:04 15 Q. Who created that?

16 A. I believe it was a joint effort between
17 [REDACTED], Ms. Madigan, and myself.

18 Q. Okay, and can you summarize -- before we
19 start talking about these comments, can you summarize
03:04 20 what the purpose of this document was and what takeaway
21 you had from it?

22 A. To summarize, responsible stewards of XRP
23 was -- the markets team was trying to be a little bit
24 more aggressive in terms of future XRP deals to ensure
03:05 25 that they fit within a framework that we thought -- felt

03:05 1 would be constructive to -- to the markets of -- to the
2 XRP markets.

3 Q. Okay, and at this time, who was the markets
4 team and who led it?

03:05 5 A. It was -- the markets team was
6 Breanne Madigan, [REDACTED], myself, a gentleman
7 named [REDACTED].

8 (Thereupon, an informal discussion was
9 held off the record.)

03:05 10 BY MR. MOYE:

11 Q. Okay, so let's focus on the first comment of
12 the first paragraph of text that we can see.

13 So my understanding is this is not a comment by
14 you, correct?

03:05 15 A. This is not a comment by you.

16 Q. But it's a comment that you received?

17 A. Yes.

18 Q. Okay, can you tell me what you understand
19 [REDACTED] to be saying in the first comment?

03:06 20 A. Yes. Any XRP that gets released into the
21 market -- let's rewind a little bit.

22 Inflation of a digital asset or inflation rate of a
23 digital asset is not actively defined anywhere. I don't
24 think that there's necessarily a consensus agreement on
03:06 25 what that should be.

03:06 1 The XRP markets team believed that introduction of
2 XRP into the market by Ripple should be considered an
3 increase in the circulating supply. I think we used the
4 word "inflation" several times, but let's just -- let's
03:07 5 call it an increase in circulating supply.

6 We wanted to ensure future deals entered into by
7 Ripple that led to a disbursement of XRP was done so in
8 a measured fashion.

9 Q. Okay.

03:07 10 (Thereupon, an informal discussion was
11 held off the record.)

12 BY MR. MOYE:

13 Q. The phrase "the XRP market," either as you
14 use it or as used in these comments, what do you
03:07 15 understand the XRP market to consist of? Who -- who's
16 part it have?

17 (Pause.)

18 THE WITNESS: That's a broad question.
19 It involves infrastructure providers, entities
03:08 20 that list derivatives, custodians -- you know,
21 indices -- you know, anywhere from market
22 makers.

23 At this point, it is also entities using
24 ODL, but also digital asset speculators who
03:08 25 hold XRP.

03:08 1 BY MR. MOYE:

2 Q. And when you're -- I understand this comment
3 is about -- appears to be about decreasing inflation --
4 or decreasingly inflationary.

03:08 5 Do you understand that term --

6 A. Yes.

7 Q. -- to mean reducing inflation?

8 A. That's correct.

9 Q. Okay, what aspect of the markets -- what
03:08 10 aspect is desired to be decreasing inflation? Price?
11 Volume? Volatility?

12 A. The number --

13 MR. HECKER: Objection to the form of the
14 question.

03:09 15 BY MR. MOYE:

16 Q. You can answer.

17 A. The markets team inspired to have reducing
18 quantities of XRP introduced into the market.

19 Q. So you still want -- the planned was still to
03:09 20 introduce XRP into the market but in quantities that are
21 smaller and smaller over time?

22 A. In terms --

23 MR. HECKER: Objection.

24 THE WITNESS: In terms of units of X --

03:09 25 MR. HECKER: Sorry. Just wait for a

03:09 1 second. Objection to the form.

2 BY MR. MOYE:

3 Q. You can answer.

4 A. In terms of units of XRP.

03:09 5 Q. In terms of units of XRP. Okay.

6 Was there a goal of a number or a percentage or a
7 volume that you were trying to hit at some point as this
8 framework was put into effect?

9 MS. ZORNBERG: Objection to form.

03:09 10 THE WITNESS: At this point, it was
11 still, sort of, high level numbers. We did
12 not have any fixed metrics that we had settled
13 upon.

14 BY MR. MOYE:

03:10 15 Q. So there's a phrase in here that says "lean
16 toward inflation model with sales fit into inflation
17 model."

18 Was there an inflation model that the markets team
19 was evaluating or trying to implement?

03:10 20 A. The markets team aspired XRP supply
21 introduction to be what we called "fixed supply," which
22 would be a fixed unit, a fixed unit number of XRP to be
23 introduced at any given period of time.

24 Q. And what was the -- what was the hoped for
03:10 25 result, if you would implement that framework?

03:11 1

(Pause.)

2

THE WITNESS: The hoped for result was that ultimately having an orderly introduction of XRP supply in XRP unit terms into the

03:11 5

market.

6

BY MR. MOYE:

7

Q. What was disorderly about the introduction of supply at this time?

9

MR. HECKER: Objection to the form.

03:11 10

11

THE WITNESS: In September of 2019, if I recall correctly, we had moved to a new basis of percentage volume in terms of sales measurement.

12

13

14

03:11 15

16

17

18

19

Historically, programmatic sales for XRP had been done at a percentage of reported volumes. From late 2018 through early 2019, the markets team got increasingly concerned that reported volumes were fake, or at least a large portion of reported volumes were fake.

03:12 20

BY MR. MOYE:

21

Q. Reported volumes being too small, smaller than the real volume?

22

23

A. No.

24

Q. Okay.

03:12 25

A. Larger than actual volume.

03:12 1 Q. Okay. And what about after the first
2 quarter? What was the markets team --

3 A. That's -- no, after the first half.

4 So in the second half, we moved to a new bases.
03:12 5 After a long period of analyzing what may be a better
6 source of volume, we moved to a different bases of
7 volume, from [REDACTED] to [REDACTED] top tier,
8 which we believed was a much more conservative estimate
9 of global XRP volumes. That was -- that was one aspect.

03:12 10 The second aspect was a deal with [REDACTED], which the
11 markets team became aware of and had to begin servicing,
12 which essentially [REDACTED] bought units of XRP at a discount,
13 and from our analysis, appeared to be selling directly
14 to the market to monetize.

03:13 15 Q. Okay. We're going to talk more about that
16 second piece especially.

17 But before we move on, do you know why the markets
18 team wanted or desired to tie sales to existing volumes
19 of XRP?

03:13 20 Why was that a valuable comparison or limit?

21 MR. HECKER: Objection to the form.

22 THE WITNESS: That was something that was
23 put into place before I had joined Ripple.

24 The belief was, if Ripple sold XRP at a small
03:13 25 enough percentage of daily volume, it would

03:13 1 have small -- or they were attempting to
2 minimize market -- negative market impact.

3 BY MR. MOYE:

4 Q. And what do you mean by "negative market
03:13 5 impact"?

6 A. Sales pressure in the market as XRP
7 programmatic liquidations were occurring.

8 Q. And when you say, "sales pressure," do you
9 mean as part of that price decline?

03:14 10 A. As part of that, yes.

11 Q. Okay, [REDACTED] mentions -- I can't tell if
12 he's recommending or saying it as a fact. He uses the
13 phrase "prohibit XRP sales at a discount without
14 escrow."

03:14 15 Is that a recommendation of this XRP sale at market
16 sales team, or is that something that has already been
17 adopted as a goal?

18 A. That was not something that was adopted as a
19 goal. That was aspirational.

03:14 20 Q. Okay, how about the next point, "Make any
21 spirit of deal explicit with respect to XRP"?

22 A. Yes, I believe all of this is aspirational.

23 Q. What does it mean to "make any spirit of the
24 deal explicit"?

03:15 25 (Pause.)

03:15 1 BY MR. MOYE:

2 Q. Let me read a little more of what [REDACTED]
3 says and I'll ask you to agree whether he's described it
4 accurately.

03:15 5 In the last few lines of the first comment he said
6 "The spirit of [REDACTED] deal was that they hold on to some
7 XRP. The spirit of [REDACTED] deal is that they sell just
8 to their customers. Spirit of the [REDACTED] deal is that
9 they buy and hold."

03:15 10 Did you have any understanding of the term "spirit
11 of the deal," and did it relate to these arrangements
12 with these companies?

13 MS. ZORNBERG: Objection, compound.

14 BY MR. MOYE:

03:15 15 Q. You can answer.

16 A. It was my understanding that -- for example,
17 [REDACTED] has these correct. The [REDACTED] deal, from
18 our analysis, appeared that [REDACTED] monetized their
19 discount after claiming they were going to be long-term
03:16 20 holders of XRP.

21 Similar with [REDACTED].

22 Q. But as it turned out, each of these companies
23 decide not to be long-term holders and they were
24 monetizing their store of XRP; is that right?

03:16 25 A. That's correct.

03:16 1 Q. Okay, and that was bad for Ripple how?

2 A. They were essentially causing large sell
3 pressure on the markets, aggressive sale activity into
4 the markets, increasing XRP inflation.

03:16 5 Q. And as part of that phenomena that you viewed
6 as negative, was there -- were there decreases in price
7 of XRP?

8 A. We measured not necessarily as a decrease in
9 price of XRP, but more as a decrease in XRP ratio versus
03:17 10 other digital assets.

11 Q. I understand. There were other factors, but
12 were there decreases in price that accompanied these
13 other phenomena that you saw?

14 A. Relative to other digital assets.

03:17 15 Q. Okay, if we go below the first redacted
16 column, there's a comment by [REDACTED], "Direct [REDACTED]
17 buybacks aren't happening, that was a hard no."

18 What's he referring to here? Do you have any
19 understanding?

03:17 20 A. Yes. The [REDACTED] deal essentially allowed [REDACTED] to
21 buy, over a period of time, a [REDACTED] dollars' worth of
22 XRP for a price of \$ [REDACTED].

23 Q. So at a discount?

24 A. At a -- over the entire deal, roughly a
03:17 25 [REDACTED] percent discount.

03:17 1 [REDACTED] would essentially buy at a -- you know, say, a
2 daily tranche or withdraw some sort of tranche on a
3 regular bases and sell immediately into the market,
4 according to our analysis. That's what it appeared to
03:18 5 be. And it appeared to be that they were just locking
6 in [REDACTED] percent by selling a dollar, right, into the
7 market.

8 Q. What's the buyback that's referred to here?

9 A. Ultimately, in terms of how we could reduce
03:18 10 XRP inflation, reduce XRP's sell pressure, you know, [REDACTED]
11 would -- you know, would buy -- we would essentially buy
12 XRP directly from [REDACTED] before they sold it into the
13 market.

14 Q. Was that a proposal or did that actually
03:18 15 happen?

16 A. I believe it was proposed to [REDACTED].

17 Q. And what was his response?

18 A. No.

19 Q. He would rather sell on the market than sell
03:19 20 back -- than sell the XRP back to Ripple?

21 A. Correct.

22 Q. And was that viewed as a good thing or a bad
23 thing in Ripple?

24 A. I don't recall how that was viewed. I -- I
03:19 25 do recall some consternation that [REDACTED] did not

03:19 1 immediately agree to our proposed solution.

2 Q. Okay, so let's go to the bottom comment.
3 And, again, this is not you commenting, this is
4 Ms. Madigan.

03:19 5 But beginning in the middle of the first line and
6 continuing on, she says "heard from Dinuka today that I
7 think [REDACTED]" -- [REDACTED] -- "sees a window. Not sure we can
8 override [REDACTED], though."

9 Do you know what that comment relates to?

03:20 10 A. I don't recall.

11 Q. Okay. Did you personally see a possibility
12 to change [REDACTED]'s mind about the proposal Ripple was
13 making?

14 Could you see an initiative that many others -- an
03:20 15 opportunity that maybe others didn't see?

16 A. Yes.

17 Q. What was that opportunity?

18 A. My recommendation was that Ripple pay [REDACTED]
19 purely the net benefit of the deal.

03:20 20 Q. In exchange for what, getting the XRP back?

21 A. No. So essentially, let's say, over
22 two years' period of time, [REDACTED] was to buy a [REDACTED]
23 dollars' worth of XRP for [REDACTED]. Let's say
24 [REDACTED] percent of the deal went through, now they had --

03:20 25 they could buy [REDACTED] -- [REDACTED] for [REDACTED] percent less than

03:21 1 that.

2 Q. Yep.

3 A. Right? So let's say -- what's [REDACTED] percent
4 less than -- whatever it is. Let's say it's -- let's
03:21 5 say they were going to buy the rest of it, \$ [REDACTED] --
6 [REDACTED] for [REDACTED] --

7 (Thereupon, an informal discussion was
8 held off the record.)

9 THE WITNESS: [REDACTED] dollars' worth
03:21 10 of XRP for [REDACTED] dollars' worth of
11 purchases, the net benefit to them would have
12 been, in that case, \$ [REDACTED].

13 I said very simply, let's just give [REDACTED]
14 [REDACTED] dollars' worth of [REDACTED] through the
03:21 15 remainder of this deal, give them a lower --
16 give them the new bases of sales percentage,
17 the [REDACTED] top tier compared to
18 [REDACTED], and that way we would reduce
19 XRP supply introduction, or XRP inflation
03:22 20 rate, through this deal alone by over
21 [REDACTED] percent.

22 BY MR. MOYE:

23 Q. And Ripple would hold on to XRP that would
24 have otherwise sold to [REDACTED]?

03:22 25 A. That's correct.

03:22 1 Q. All right. And who did you make that
2 proposal to and how was it received?

3 A. I initially proposed it to Breanne Madigan
4 and [REDACTED]. They liked the idea. We had a meeting
03:22 5 with members of [REDACTED], which was the crypto market
6 making team at [REDACTED], and they seemed receptive to it.
7 Communicated this to leadership at Ripple.

8 Q. And then what happened?

9 A. Over some period of time, [REDACTED] agreed to
03:23 10 something very close to the recommendation.

11 Q. Okay, let's turn over the page after the
12 comment from Ms. Madigan, there's a comment from
13 [REDACTED]. It begins "Q3 markets report will be fine."

14 Do you see that?

03:23 15 A. Uh-huh.

16 Q. Okay, and in the end of the second line of
17 his comment, he says "D has identified a really
18 dangerous structural problem with the [REDACTED] deal."

19 Now, do you believe the "D" he's referring to is
03:23 20 you, Dinuka?

21 A. Yes, it is.

22 Q. Okay, and do you recall identifying what
23 [REDACTED] describes as "a really dangerous structural
24 problem with the [REDACTED] deal"?

03:23 25 A. Yes, I do.

03:23 1 Q. What was that problem?

2 A. The amount of XRP purchased by [REDACTED] was in
3 dollar terms, not in XRP units terms.

4 Q. Okay.

03:24 5 A. So as they cause price impact on XRP, the
6 price of XRP would go lower, but the amount of XRP that
7 they would purchase for the same similar amount would go
8 up.

9 Q. So they would get more for less?

03:24 10 A. Increasingly more for less. So if our
11 concern was inflation rate of XRP, as the price went
12 lower to fulfill this deal, the inflation rate would
13 continuously slope up, leading to what we feared would
14 be potentially very serious for XRP.

03:24 15 Q. For XRP or for Ripple?

16 A. For XRP and -- you know, I think Ripple,
17 again, has a long-term interest in XRP price.

18 Q. Okay, and would that structural problem also
19 have been bad news for XRP holders?

03:25 20 A. I believe so.

21 (Pause.)

22 MR. MOYE: Just a moment.

23 (Pause.)

24 BY MR. MOYE:

03:25 25 Q. Can you look at the top of the second page?

03:25 1 This is continuing a Breanne Madigan comment.

2 A. Uh-huh.

3 Q. She says:

4 "We have to focus on finding a way to get the
03:26 5 supply back. V worried about XRP at 0.20 and lower
6 otherwise. I dread q3 report if we don't take swift,
7 creative action now."

8 What do you understand Ms. Madigan to be saying in
9 this comment?

03:26 10 (Pause.)

11 THE WITNESS: I don't -- I don't know.

12 BY MR. MOYE:

13 Q. When she says "I dread," in all caps, "q3
14 report if we don't take swift, creative action now," do
03:26 15 you think she's referring to the Q3 markets report?

16 A. That's correct.

17 Q. And when she says "I dread," do you think
18 she's concerned about how that report will be received?

19 A. I believe so.

03:26 20 Q. And when she says "V worried about XRP at
21 0.20," do you think she's talking about the [REDACTED] deal or
22 something else?

23 MS. ZORNBERG: Objection to form.

24 THE WITNESS: I don't recall.

25

03:27 1 BY MR. MOYE:

2 Q. I realize you're not her, but isn't the
3 premise of these comments that [REDACTED] is getting to
4 purchase XRP at a [REDACTED] percent discount?

03:27 5 A. Yes.

6 Q. Is there anything else or any other entity
7 that you were aware of at this time that was able to
8 purchase XRP at a [REDACTED] percent discount?

9 A. Not to my knowledge.

03:27 10 Q. Do you know whether the XRP market, however
11 it was defined, knew that [REDACTED] was able to buy XRP at a
12 [REDACTED] percent discount?

13 MR. HECKER: Objection to form.

14 THE WITNESS: No.

03:27 15 BY MR. MOYE:

16 Q. Is that you don't know, or you don't believe
17 people knew?

18 A. I don't --

19 MR. HECKER: Same objection.

03:27 20 BY MR. MOYE:

21 Q. You can answer.

22 A. I don't believe people knew.

23 Q. Okay. And is there something about the Q3
24 market report, either as drafted or the phenomena, that
03:27 25 you'd be describing it, that you think would have

03:27 1 revealed that dynamic with [REDACTED]?

2 MS. ZORNBERG: Object to form.

3 THE WITNESS: It would have been visible
4 to a sophisticated observer.

03:28 5 (Thereupon, a two-page e-mail dated
6 10/15/19, from Breanne Madigan to
7 [REDACTED]@ripple.com, Bates Nos. RPLI_SEC 0518302
8 through 0518303, was introduced as DS Exhibit
9 16 for identification.)

03:28 10 BY MR. MOYE:

11 Q. Okay. Let's go to DS Exhibit 16.

12 Mr. Samarasinghe, DS Exhibit 16 are messages -- top
13 message shows from Breanne Madigan, sent on
14 October 15th, 2019 to [REDACTED]@ripple.

03:29 15 Is that Ethan Beard?

16 A. Yes.

17 Q. And the subject is "Q3 markets Report."

18 There's a comment from you about halfway down this
19 first page, right underneath [REDACTED].

03:29 20 Can you tell me what comment you're making or what
21 point you're trying to communicate?

22 A. I think Ethan Beard's point here is -- you
23 know, I think we were discussing earlier today, or at
24 least I made a comment earlier today, that inflation

03:30 25 rate of the digital asset is not clearly defined

03:30 1 anywhere.

2 In the case of XRP, all XRP that was ever created
3 was created at the Genesis block. So there is an
4 argument that there is no inflation of XRP. It's purely
03:30 5 deflationary.

6 Q. How does your comment relate to that concept?

7 A. I'm -- I'm challenging that -- that line of
8 thinking, and from, I think ...

9 (Pause.)

03:30 10 THE WITNESS: And I try to use parallels
11 to other assets that are hoarded, that do get
12 considered part of outstanding supply.

13 BY MR. MOYE:

14 Q. Okay, so your comment here that says "Ripple
03:31 15 sales and other releases to partners from its unlocked
16 pool of holdings act as a distribution of XRP, similar
17 to how BTC gets distributed by unlocking a block."
18 That's what you believed at the time?

19 A. That's correct.

03:31 20 Q. As you sit here today, do you still agree
21 with that comment?

22 A. I do.

23 Q. Okay, let's look on the back for another
24 comment from you. So it looks like there's some
03:31 25 continued discussion on these issues and you begin by

03:31 1 saying "This has the makings of a very good
2 philosophical debate."

3 (Thereupon, an informal discussion was
4 held off the record.)

03:31 5 MR. MOYE: Mr. Samarasinghe's comment
6 begins under [REDACTED].

7 BY MR. MOYE:

8 Q. Please go to the second paragraph of your
9 comment. Could you read the first sentence of the
03:32 10 second paragraph of your comment?

11 A. "We have recently messaged publicly (i.e.
12 Bloomberg) that XRP increase in supply has been lower
13 than BTC and ETH, so I think this is an important point
14 that needs to be in this report, especially after the
03:32 15 allegations of dumping."

16 Q. Before you go on, the last part of the
17 sentence, "allegations of dumping." What are you
18 referring to?

19 A. There were rumors and speculation that from
03:32 20 XRP speculators that Ripple, the company, was dumping,
21 selling very aggressively its holdings of XRP.

22 Q. Okay, and you thought as a result of those
23 allegations, something ought to be included or changed
24 or strengthened in the next XRP markets report?

03:33 25 A. That's correct.

03:33 1 Q. Okay, what is it you wanted to say, more or
2 less?

3 A. I wanted to -- I wanted for us to regularly
4 include XRP's inflation rate --

03:33 5 Q. And --

6 A. -- as we calculate it had.

7 Q. As the markets team calculated it or as
8 Ripple as a whole?

9 A. At this point, I think it is the markets team
03:33 10 would make a recommendation of how we should -- we
11 believed it should be calculated.

12 Q. Okay, in the last sentence, you talk about
13 "WoW change in TOTAL XRP DISTRIBUTED." Is that the
14 formulation or the ratio that you wanted to -- that you
03:33 15 wanted to use or see used?

16 A. At the time, yes.

17 Q. Okay. Do you still think that is the best --
18 would have been the best way to describe the -- I don't
19 want to say ratio -- the rate of inflation?

03:33 20 Do you still think that is the best way of
21 inflation for XRP should be described?

22 (Pause.)

23 THE WITNESS: I don't know the -- the
24 best way, the rate of inflation of XRP should
03:34 25 be described.

03:34 1 BY MR. MOYE:

2 Q. You still think your way would have been a
3 good way?

4 A. I think it would have been a perfectly valid
03:34 5 way.

6 Q. Okay, who at Ripple, if anyone, disagreed
7 with you on that?

8 MR. HECKER: Objection to the form.

9 THE WITNESS: That the week-on-week
03:34 10 change would be a good way to go ... I think
11 Ethan Beard, for one, and I don't think I got
12 much pushback outside of that.

13 BY MR. MOYE:

14 Q. Was the week-on-week method of describing it
03:34 15 ever adopted within Ripple?

16 A. Not to my knowledge.

17 Q. Okay. Let's move on to DS Exhibit 17.

18 (An informal discussion was held off the
19 record.)

03:35 20 (Thereupon, a five-page e-mail chain with
21 top e-mail dated 11/16/19, from [REDACTED] to
22 [REDACTED] et al., was introduced as DS
23 Exhibit 17 for identification.)

24 BY MR. MOYE:

03:35 25 Q. All right. Please review -- or please take a

03:35 1 look at DS Exhibit 17. This appears to be a copy of a
2 message from [REDACTED] at Ripple, dated November 16th,
3 2019, to a distribution list, including yourself, and
4 the subject is "MGI - Ripple weekly call followup."

03:36 5 This e-mail forwards or includes a message that was
6 apparently sent to you and, I believe, [REDACTED]; is
7 that right? [REDACTED]?

8 A. [REDACTED], yeah.

9 Q. Okay. And someone named [REDACTED]
03:36 10 writes "We had our weekly call with Coins yesterday, and
11 they did raise concern that our market makers don't post
12 any ask orders."

13 Do you understand what she means by that?

14 A. Yes.

03:36 15 Q. What does it mean?

16 A. Coins is short for Coins Pro digital asset
17 exchange in the Philippines, who is an ODL partner. And
18 ODL essentially, a destination exchange. Coins had
19 near-zero liquidity at the time, I think under \$20,000 a
03:37 20 day worth of XRP versus Filipino peso daily notional
21 volume.

22 And so intercept order flow through the ODL
23 product, we had market makers on Coins Pro placing bids
24 for XRP with Filipino peso.

03:37 25 Because order flow was essentially one directional,

03:37 1 U.S. to Philippines, Australia to Philippines, the
2 market makers were not placing ask quotes for --
3 offering XRP for a Filipino peso. Essentially just a
4 one-sided quote.

03:38 5 Coins had an idiosyncrasy with their engine such
6 that if there weren't offer quotes available on the
7 market for a certain size, orders -- I forget exactly
8 what happened, but -- you know, I forget exactly how the
9 product worked, but it was causing some sort of issue on
03:38 10 the Coins network.

11 Q. Were the spreads widening or narrowing?

12 A. Well, there was no spread, because there was
13 no opposite side.

14 Q. The second sentence here, maybe you can help
03:38 15 me understand it, reads "[REDACTED] said last week, there
16 were times when there was no market maker at all on ask
17 side, so bid-ask spread reached 7 percent on the order
18 book."

19 Do you see that?

03:39 20 A. Uh-huh.

21 Q. So is that a widening or narrowing of the
22 spread?

23 A. That is a widening, so she's talking about --
24 you know, offers of -- for -- offers of XRP for Filipino
03:39 25 peso from the natural liquidity down that order book,

03:39 1 not from the market makers.

2 Q. Okay, and then what's the -- what's your
3 uptake or what's your understanding of the last sentence
4 in that -- in that first paragraph, "This week, they are
03:39 5 seeing one market maker"?

6 A. Yes. So one of our market makers who was
7 posting an ask, so the one market maker was posting a
8 two-sided quote; however that -- that quote was not of
9 appropriate size that they needed.

03:39 10 Q. Okay, let's turn now to the second page and
11 look at some comments by you. The one at the top,
12 Friday, November 15 at 8:38 p.m.

13 What are you trying to communicate here?

14 A. Sorry, which one?

03:40 15 Q. The top of page 2 --

16 A. Yeah.

17 Q. -- your comment at 8:30 p.m. "Do we know
18 what reference rate MGI uses"?

19 A. Okay, so in foreign exchange trading, there
03:40 20 are different kinds of currencies that are more freely
21 tradeable. For example, USD, euro, yen, Aussie, Swiss
22 franc, they are tradeable, like, 24/5 with some
23 liquidity over the weekends on ECNs.

24 You can have a prime broker provide a quote that is
03:40 25 deliverable in these currencies for these times.

03:40 1 Filipino peso is not one of these currencies. It's
2 considered a non-deliverable currency. Many -- you
3 know -- you know -- can't necessarily open up a
4 TD Ameritrade -- or interactive brokers account and get
03:41 5 deliverable Filipino peso, even if you're a serious
6 trading firm.

7 Q. Okay, let's go down to your next comment on
8 this page. It says Friday, November 15th at 5:20 p.m.
9 You say "Those spreads are concerning."

03:41 10 What are you trying to communicate?

11 (Pause.)

12 THE WITNESS: Okay, so the below -- the
13 comment by [REDACTED] on November 15th,
14 2019 at 8:02 says "Spreads pictured look a
03:42 15 little concerning. Am I reading those right
16 at 2.4 to 3 percent worse than spot?"

17 The ODL product in moving from one fiat
18 asset to another fiat asset with XRP as a
19 bridge in between gives you and implied or
03:43 20 theoretical conversion price. So if you're
21 moving XRP to US -- USD to XRP, XRP to
22 Filipino peso --

23 (Thereupon, an informal discussion was
24 held off the record.)

03:43 25 THE WITNESS: If you're moving USD to

03:43 1 XRP, then XRP to Filipino peso, you get an
2 implied USD to Filipino peso conversion rate.
3 This is not the interbank FX rate or a
4 reference rate, but we measured that rate
03:43 5 compared to something, right?

6 In the case of Dollar MX, there is a
7 reference rate, because the Mexican peso is a
8 deliverable currency.

9 Filipino peso, because it's not a
03:44 10 deliverable currency, does not have a clear
11 reference rate during certain periods.
12 Weekend -- you know, etc.

13 And so we -- the question was, which
14 reference rate should the market makers use to
03:44 15 give their -- to basically imply their XRP PHP
16 price and how do we source this at hours where
17 that may not be available.

18 BY MR. MOYE:

19 Q. Did these comments that we've been talking
03:44 20 about suggest that at this point in time, the ODL
21 transaction system was working well or having problems?

22 MR. HECKER: Objection to form.

23 THE WITNESS: I actually think it implies
24 that it's work -- it's providing utility in
03:44 25 that it's giving a rate where other markets

03:45 1 would not be able to do a similar conversion.

2 MR. MOYE: Okay, let's put that one
3 aside. Let's take a five-minute break now.

4 THE VIDEOGRAPHER: We are off the record.

03:45 5 The time is 3:45 p.m.

6 (Recess taken at 3:45 p.m.)

7 (Resumed at 3:57 p.m.)

8 THE VIDEOGRAPHER: We are back on the
9 record. The time is 3:57 p.m.

03:57 10 (An informal discussion was held off the
11 record.)

12 (Thereupon, a one-page e-mail dated 7/1/19
13 from Dinuka Samarasinghe to [REDACTED] et
14 al., Bates No. SEC-[REDACTED]-E-0048590 was
03:57 15 introduced as DS Exhibit 35 for identification.)

16 BY MR. MOYE:

17 Q. Please take a moment and look at what's been
18 marked as DS Exhibit 35.

19 A. Okay.

03:58 20 Q. Mr. Samarasinghe, DS Exhibit 35 is a message
21 sent by you to [REDACTED] at [REDACTED].com on
22 July 21st, 2019. Let me know when you've had a chance
23 to look this over.

24 (Pause.)

03:59 25 THE WITNESS: Okay.

03:59 1 BY MR. MOYE:

2 Q. Okay, what is Exhibit 35?

3 A. I'm providing a reference -- this is a draft
4 of a reference I'm producing for [REDACTED].

03:59 5 Q. And who are you sending it to?

6 A. I believe [REDACTED].

7 Q. Okay. In general, what are you -- what are
8 you describing in the draft?

9 A. Our trust in the team at [REDACTED]
04:00 10 through their history of XRP programmatic liquidation
11 and as an ODL market maker.

12 Q. Okay, I don't see ODL used in here, but I see
13 xRapid?

14 A. Yes.

04:00 15 Q. What is xRapid?

16 A. XRapid was the name of ODL before it was ODL.

17 Q. Okay. So I would like to ask you about the
18 first paragraph. Can you read the first sentence of the
19 last paragraph? It begins "A critical piece."

04:00 20 A. "A critical piece of the xRapid market making
21 project will involve [REDACTED] converting USD to
22 more exotic currencies such as Filipino peso and
23 Brazilian real and delivering them to various digital
24 asset exchanges (Coins.ph, [REDACTED], etc.). We are hopeful
04:00 25 [REDACTED] will help facilitate these transactions for

04:01 1 [REDACTED]."

2 Q. Okay. So I want to make sure I'm
3 understanding your prior testimony and this currency
4 explanation of how this transaction system works.

04:01 5 If [REDACTED] converts U.S. dollars to exotic
6 currencies and delivers them to various digital assets
7 exchanges, how is it -- how is it delivering that?
8 What -- what's the method for delivering that?

9 A. So let's -- if you recall my earlier
04:01 10 testimony, the job of an ODL market maker is to source
11 local fiat to deliver to a digital asset exchange, to
12 essentially use that to place a bid for XRP that
13 essentially intercepts an ODL payment coming through in
14 the form of XRP.

04:02 15 Let's walk through the life cycle of a trade of an
16 ODL market maker. Let's say for hypothetical purposes,
17 I start with 1,000 Filipino peso, I place it on -- I
18 have this already delivered on Coins Pro -- I place a
19 bid for XRP using my inventory of Filipino peso. Let's
04:02 20 say that order gets hit. My inventory balance of
21 Filipino peso goes down, my inventory of XRP goes up.
22 You can certainly imagine where you run entirely out of
23 Filipino peso and you have entirely -- let's say for
24 arguments purposes, it's just 1,000 Filipino peso, all
04:02 25 that gets converted to XRP.

04:02 1 To intercept the next ODL payment, I need to get
2 more Filipino peso, otherwise, I cannot place a bid, so
3 I have to convert XRP, what is now XRP, back into
4 Filipino peso.

04:03 5 I mentioned earlier that there's no liquidity
6 outside of our market makers for -- on the Coins Pro
7 order book. So the market makers have to move XRP
8 elsewhere into a different asset to source Filipino
9 peso.

04:03 10 Typically, the cycle works from the market maker
11 taking XRP, moving it to an exchange where they can
12 source U.S. dollar. So they sell the XRP for U.S.
13 dollar, now they withdraw the U.S. dollars from that
14 second digital asset exchange, convert it using an
04:03 15 entity like [REDACTED] to Filipino peso and then deliver
16 that to the digital asset exchange.

17 Q. As part of our prior discussion, did you
18 agree that traditional rails are used by the market
19 makers in some aspects of these transactions?

04:04 20 A. Typically, yes.

21 Q. Okay, so if market makers are using
22 traditional rails, why is XRP needed at all?

23 MS. ZORNBERG: Object to form.

24 BY MR. MOYE:

04:04 25 Q. You can answer.

04:04 1 A. I think this -- XRP allows movement of value
2 from one, essentially borderless and close to free
3 24 hours a day. If a market maker can deliver Filipino
4 peso, they can still support orders, say, over weekends
04:04 5 and holidays where banks may be closed.

6 Q. So do you think it's greatest utility or the
7 greatest benefit of XRP is on weekends and holidays?

8 MR. HECKER: Objection to form,
9 mischaracterizes his testimony.

04:05 10 BY MR. MOYE:

11 Q. Did I understand your testimony correctly?

12 MR. HECKER: Same objection.

13 THE WITNESS: I don't think that's the
14 greatest utility.

04:05 15 BY MR. MOYE:

16 Q. Okay, do customers currently save money by
17 using XRP?

18 MS. ZORNBERG: Objection to form.

19 MR. HECKER: Objection to form.

04:05 20 BY MR. MOYE:

21 Q. You can answer.

22 A. I don't have the visibility into customer
23 finances.

24 Q. Do any reason to believe that customers save
04:05 25 money through the use of XRP in these foreign currency

04:05 1 exchanges?

2 MR. HECKER: Same objection.

3 THE WITNESS: I don't know what a
4 customer might be using otherwise.

04:05 5 BY MR. MOYE:

6 Q. Doesn't the use of XRP for these foreign
7 currency transactions actually make the transaction more
8 costly?

9 MR. HECKER: Objection to form.

04:05 10 MS. ZORNBERG: Object to form and asked
11 and answered. Asked and answered now in
12 different ways.

13 MR. MOYE: He can answer.

14 THE WITNESS: Relevant to what? I don't
04:06 15 necessarily know what a -- what alternative a
16 specific entity may be using.

17 BY MR. MOYE:

18 Q. Is the use of XRP economical without
19 incentives and subsidies paid to customers by Ripple?

04:06 20 MS. ZORNBERG: Objection.

21 MR. HECKER: Objection to the form of the
22 question.

23 THE WITNESS: I think my response is the
24 same. Compared to -- to what? I -- I --

25

04:06 1 BY MR. MOYE:

2 Q. Compared to using traditional rails?

3 (Pause.)

4 MS. ZORNBERG: Object to form.

04:06 5 THE WITNESS: Traditional rails can be
6 very expensive. I think having dealt in a
7 foreign exchange, you can significantly lower
8 your costs in sending a cross border or doing
9 a foreign exchange transaction, but that
04:07 10 typically involves a very expensive
11 infrastructure. Let's say you're talking
12 about, to do something similar, you would need
13 to have a prime brokerage relationship. You
14 would need to have -- you know, connectivity
04:07 15 to various different FX exchanges, perhaps an
16 EBS subscription or Thompson Reuters
17 subscription.

18 You know, the infrastructure a line that
19 we had, say, at [REDACTED] or at [REDACTED],
04:07 20 you know, cost over a million dollars a year.

21 BY MR. MOYE:

22 Q. Would a market maker choose to make a market
23 in XRP and other exotic currencies if they weren't being
24 paid or subsidized by Ripple?

04:07 25 MR. HECKER: Objection to form,

04:07 1 foundation.

2 BY MR. MOYE:

3 Q. You can answer.

4 A. If they believed there was a profit in it.

04:08 5 Q. Are you aware of any market makers that --
6 that believe there's a profit enough to make a market in
7 XRP without receiving subsidies or payments by Ripple?

8 MS. ZORNBERG: Objection.

9 THE WITNESS: Making markets in XRP?

04:08 10 BY MR. MOYE:

11 Q. Yeah.

12 A. My understanding is there are a lot of
13 trading firms that make markets in XRP without being
14 subsidized by Ripple.

04:08 15 Q. Do you know the names of any of them?

16 A. [REDACTED] is one of them, [REDACTED],
17 [REDACTED].

18 (Pause.)

19 BY MR. MOYE:

04:09 20 Q. Based on your knowledge of Ripple, did Ripple
21 have a plan to stop paying market makers and paying
22 incentives to customers who transact -- who use XRP
23 to -- for their foreign currency transactions?

24 MS. ZORNBERG: Objection.

04:09 25 MR. HECKER: Foundation. I mean, he's a

04:09 1 former employee.

2 BY MR. MOYE:

3 Q. Yeah, if you know.

4 A. I cannot speak to customers of -- of ODL. In
04:09 5 terms of my time as -- on the XRP Markets team, growing
6 natural liquidity for ODL support on destination
7 exchanges was something that we -- we aimed to make,
8 essentially providing liquidity sustainable.

9 This was communicated to the market makers and they
04:10 10 understood that there were certain features of the
11 market making deals that we hoped would lead towards the
12 growth of natural liquidity.

13 Q. And you're with GSR right now?

14 A. Yes, sir.

04:10 15 Q. And you're still dealing with Ripple
16 occasionally?

17 A. Yes.

18 Q. Okay, has that natural liquidity grown up as
19 expected or as anticipated by Ripple?

04:10 20 MR. HECKER: Objection to form.

21 THE WITNESS: I would imagine that the
22 growth of natural liquidity is slower than
23 Ripple expected.

24 BY MR. MOYE:

04:10 25 Q. So is it fair to say right now, Ripple is --

04:10 1 as far as you know, Ripple is still paying market makers
2 to use XRP in foreign currency transactions?

3 MS. ZORNBERG: Objection.

4 MR. HECKER: Objection.

04:11 5 BY MR. MOYE:

6 Q. Is that right?

7 MR. HECKER: Foundation.

8 THE WITNESS: My understanding is Ripple
9 is still entering into deals with market
04:11 10 makers to support ODL liquidity.

11 BY MR. MOYE:

12 Q. Do you have any sense, based on your time at
13 Ripple or your knowledge of the company acquired since
14 leaving, where the funding or the money to support ODL
04:11 15 transactions comes from?

16 A. Repeat the question.

17 Q. Yeah, where does Ripple get the money used to
18 support these ODL transactions? Through the use of XRP?

19 MR. HECKER: Objection to form,
04:11 20 foundation.

21 THE WITNESS: Ripple typically pays
22 market makers in XRP.

23 BY MR. MOYE:

24 Q. As far as you understand, is Ripple using,
04:12 25 then, its own company resources to pay market makers so

04:12 1 these ODL transactions can happen using XRP?

2 MR. HECKER: Objection to form.

3 THE WITNESS: Ripple, yes, pays market
4 makers to provide liquidity for ODL

04:12 5 transactions.

6 BY MR. MOYE:

7 Q. Probably not phrasing this right. Is Ripple
8 paying market makers its own funds or is Ripple getting
9 money from somewhere else from operations, from

04:12 10 customers that it can use to make these subsidiaries in
11 payments?

12 MS. ZORNBERG: Objection to form.

13 MR. HECKER: Objection to form,
14 foundation.

04:12 15 THE WITNESS: Ripple uses XRP from its
16 own inventory to pay market makers to provide
17 quotes for ODL.

18 BY MR. MOYE:

19 Q. Okay. Does Ripple provide market makers with
04:13 20 instructions about what they can do with the XRP that it
21 pays them? For instance, does it have restrictions or
22 is it -- versus funding unrestricted?

23 A. To my knowledge, this funding is
24 unrestricted.

04:13 25 Q. Okay. Let's move to another topic now.

04:13 1 Let's go to DS Exhibit 19.

2 (Thereupon, a five-page e-mail chain
3 dated 1/10/20, from Breanne Madigan to
4 [REDACTED]@ripple.com, Bates Nos. RPLI_SEC 0502500
04:13 5 through 0502504 was introduced as DS Exhibit
6 19 for identification.)

7 BY MR. MOYE:

8 Q. DS Exhibit 19 is a chain of e-mails, top one
9 is from Breanne Madigan, sent on January 10th, 2020.

04:14 10 And I would like to direct you to, sort of, the bottom
11 of the chain of e-mails. So this is the bottom of
12 page 2, top of page 3.

13 So am I correct that you drafted a number of bullet
14 points to describe the ODL XRP origination concerns?

04:14 15 A. That's correct.

16 Q. By "concerns," do you mean issues or
17 questions people have, or do you mean like the process
18 itself?

19 MS. ZORNBERG: Object to form.

04:14 20 THE WITNESS: Concerns with the program
21 in general.

22 BY MR. MOYE:

23 Q. Okay, and were these concerns that were
24 raised at a meeting that you were a part of and you were
04:15 25 the one deputized or the one asked to step forward and

04:15 1 create these bullet -- create these bullet points?

2 A. I don't know that these were ever actually
3 delivered to the product team.

4 Q. Fair enough.

04:15 5 But they were creating for the purpose of assisting
6 the product team with understanding the process?

7 A. That's correct. Drafted with the intention
8 of informing the product team the markets team's
9 concerns.

04:15 10 Q. Got it. All right.

11 So you have a bullet point at the top of page 3.
12 It begins with the words "However, we'd expect." Do you
13 see that?

14 A. Yep.

04:15 15 Q. Can you read that bullet point, please?

16 A. "However, we'd expect ODL XRP origination at
17 any significant scale to have a negative impact on XRP
18 price."

19 Q. What did you mean when you wrote that?

04:16 20 A. Should we clarify what "XRP origination" is?

21 Q. Sure. If that's helpful, please do so.

22 A. Okay. In a typical ODL order flow, a
23 customer funds an origination exchange with fiat
24 currency. Let's say Bitstamp is the typical exchange
04:16 25 that you fund Bitstamp with U.S. dollars. On Bitstamp's

04:16 1 open order book, that -- an ODL transaction purchased
2 XRP on the order book would move cross-border and at the
3 destination exchange, you would sell XRP, receiving the
4 destination currency. XRP origination removed the
04:16 5 original exchange from the -- from the flow.

6 A customer would initiate a payment that would
7 leave essentially a commit-to-sell wallet, move across
8 the ledger and sell directly on the destination exchange
9 for the destination currency. There was no
04:17 10 corresponding buy of XRP.

11 In a normal ODL transaction, the net XRP that is
12 introduced into the market is zero through the payment.
13 In XRP origination, the amount of XRP that is introduced
14 into the market is the size of the payment.

04:17 15 Q. Okay. Why does that have a negative impact
16 on XRP price?

17 A. It is, essentially, a straight sell of XRP
18 into the market and introduction of fresh XRP supply
19 into the market.

04:18 20 Q. Okay, can you go down to the next -- to one
21 of the following bullet points that begins "Programmatic
22 sales are done with"?

23 A. "Programmatic sales are done with our
24 liquidators directed to minimize market impact, while
04:18 25 ODL XRP origination orders are effectively market sell

04:18 1 orders that aggressively hit the open order book."

2 Q. Is that a similar point that you were raising
3 above?

4 A. Raising above?

04:18 5 Q. About ODL XRP origination at any significant
6 scale would have a negative impact on XRP price.

7 A. It is a different point.

8 Q. A different point? Okay, and how --

9 What is the final point you're making about "ODL
04:18 10 XRP may require Ripple to be considered a money
11 transmitter"?

12 (Pause.)

13 THE WITNESS: I don't recall what I meant
14 by this.

04:19 15 MR. MOYE: Okay. Just a moment. Let's
16 look at DS Exhibit 20.

17 (Thereupon, an informal discussion was
18 held off the record.)

19 (Thereupon, a three-page e-mail chain with
04:19 20 the top e-mail dated 1/13/20, from Dinuka
21 Samarasinghe to Ron Will et al. was introduced
22 as DS Exhibit 21 for identification.)

23 BY MR. MOYE:

24 Q. Let's do DS Exhibit 21. Mr. Samarasinghe,
04:20 25 what is DS Exhibit 21?

04:20 1
2
3
4
04:20 5
6
7
8
9
04:21 10
11
12
13
14
04:21 15
16
17
18
19
04:21 20
21
22
23
24
25

(Pause.)

THE WITNESS: It appears that the -- the draft bullet points that we had just been discussed were condensed, and before they were shared with Asheesh, we shared with Ron Will.

BY MR. MOYE:

Q. So same concepts, just significantly reduced?

A. Condensed.

Q. Okay, but this is still your own description of the transaction -- the concerns about the transaction, correct?

A. That's correct.

Q. Okay, let's look at DS Exhibit 22.

(An informal discussion was held off the record.)

(Thereupon, a 19-page document entitled "Ripple Liquidity ODL & Market Maker Overview + Outlook for 2020," bearing Bates Nos. RPLI_SEC 050375 through 0503593 was introduced as DS Exhibit 22 for identification.)

MR. MOYE: For the record, DS Exhibit 22 is a "Ripple XRP Liquidity ODL & Market Maker Overview Plus Outlook for 2020," and it's dated January of 2020.

04:22 1 BY MR. MOYE:

2 Q. Are you familiar with this document?

3 (Pause.)

4 THE WITNESS: Vaguely.

04:22 5 BY MR. MOYE:

6 Q. Were you part of the team that prepared this?

7 A. I -- I prepared portions of this.

8 Q. Okay, who else was involved in preparing
9 this?

04:22 10 A. Breanne Madigan, [REDACTED].

11 Q. Why was this prepared or who was this
12 prepared for?

13 A. I -- I do not recall.

14 Q. Do you think it was prepared for internal use
04:23 15 by Ripple or sharing it with someone outside?

16 MR. HECKER: Objection, foundation.

17 BY MR. MOYE:

18 Q. You can answer.

19 A. I believe it was internal for Ripple.

04:23 20 Q. Internal? And would this be --

21 Do you know whether this was shared with Ripple
22 executives, senior executives?

23 MS. ZORNBERG: Object to form.

24 THE WITNESS: I don't recall.

25

04:23 1 BY MR. MOYE:

2 Q. You don't recall? Okay.

3 Can you turn over to the page that says "Natural
4 Liquidity Task Force"?

04:23 5 (Pause.)

6 BY MR. MOYE:

7 Q. Let me know when you're there.

8 A. Yep.

9 Q. Do you see the sentence that says "Currently,
04:24 10 ODL national liquidity (blue, above) has been steadily
11 growing in absolute terms, but is barely keeping pace
12 with growing ODL volumes"?

13 A. Yes.

14 Q. Did you agree with that statement in this
04:24 15 report?

16 A. Yes.

17 Q. Did you have any part in creating or
18 formulating or editing that statement?

19 A. I -- I don't recall.

04:24 20 Q. Do you recall whether there's anything in
21 this report in its final version that you disagreed with
22 or were uncomfortable with?

23 MR. HECKER: If you need to review it,
24 you can.

04:24 25 THE WITNESS: Yeah, I would have to look

04:24 1 through the whole thing to see if I agree with
2 it.

3 BY MR. MOYE:

4 Q. That's not really fair, then. I just meant,
04:24 5 did you have an independent recollection of this report
6 and meetings about it and having any problems with what
7 was in it or how it was presented? I don't need you to
8 read all the way through it.

9 MS. ZORNBERG: Objection.

04:25 10 THE WITNESS: I don't recall.

11 BY MR. MOYE:

12 Q. Okay. At least, as you sit here today, you
13 don't recall?

14 A. Yeah.

04:25 15 Q. Okay.

16 MR. HECKER: Same objection.

17 MS. ZORNBERG: You need to give a verbal
18 answer.

19 THE WITNESS: I don't recall having any
04:25 20 objection.

21 MR. MOYE: Fair enough. Let's look at
22 DS Exhibit 23.

23 (Pause.)

24 (Thereupon, a three-page e-mail dated
04:25 25 3/25/2020, from [REDACTED]@ripple.com to Slack

04:25 1 Retention] Ripple - : Private" et al., Bates
2 Nos. RPLI_SEC 0318645 through 0318647 was
3 introduced as DS Exhibit 23 for identification.)

4 MR. MOYE: DS Exhibit 23, for the record,
04:25 5 appears to be a series of Slack messages from
6 [REDACTED]@ripple.com, dated Wednesday, March 25,
7 2020.

8 THE WITNESS: Uh-huh.

9 BY MR. MOYE:

04:26 10 Q. And you were one of many recipients listed
11 here.

12 A. Yes.

13 Q. Who is [REDACTED]?

14 A. [REDACTED]?

04:26 15 Q. Yes.

16 A. He was one of the business development
17 members of Ripple. He was the primary relationship
18 point with MoneyGram.

19 Q. Okay, so you're actually -- you're actually
04:26 20 making a number of these statements, and I don't want to
21 ask you about all of them, but I did want to ask you
22 about some of them.

23 You can tell me if I -- if you think I'm wrong, but
24 it appears to me there was some question about a
04:26 25 moneymaker running low on Filipino pesos and needing

04:26 1 some support -- some liquidity support?

2 A. Market maker.

3 Q. A market maker?

4 A. Yes. The market maker was running out of
04:27 5 Filipino peso.

6 Q. Okay. So please look down to the
7 third-to-the-last message. It begins "GSR apparently."
8 What are you sharing with the team here and this message
9 and the two that followup?

04:27 10 A. Okay. So -- so at this point, the amount of
11 inventory that our market makers -- basically, I'm
12 sharing that GSR has an additional Filipino peso that is
13 available to be sent to the exchange, but it only winds
14 up being roughly 6.6 hours of Filipino peso.

04:27 15 Q. Okay. Did this secret reserve turn out to be
16 a benefit here, as far as you can tell?

17 MS. ZORNBERG: Objection inform.

18 BY MR. MOYE:

19 Q. For the market maker?

04:27 20 A. Not necessarily for the market maker, but for
21 the product we had an additional six and a half hours
22 before -- you know, six and a half hours' worth of
23 normal flow that that could be supported.

24 Q. Okay. Turn over to the second page, please.

04:28 25 Again, it looks like the last three comments are by you,

04:28 1 although they're not the only comments you make on this
2 page.

3 I would like you to read out loud the comment that
4 begins "We brought up with [REDACTED] -- we brought up with
04:28 5 [REDACTED]." It's toward the bottom.

6 A. Yeah. "We brought up with [REDACTED] potentially
7 having emergency funds at an exchange to deliver to
8 market makers in case we are running low on working
9 capital. However, this needs to be done as a loan.

04:28 10 While compliance did does not have an issue with this,
11 given the time frame in which this needs to be approve
12 and sent out, we are, working through with the finance
13 team how to operationalize this."

14 Q. Okay, was the subject of these messages, the
04:29 15 market maker running low, was this something that
16 occurred with some frequency while you are at Ripple, or
17 were these unusual occurrences?

18 A. It happened more than once, but it was
19 unusual.

04:29 20 Q. Okay, and did Ripple have to make any changes
21 in order to address this problem such as making loans of
22 emergency funds?

23 (Pause.)

24 THE WITNESS: I don't believe so.

25

04:29 1 BY MR. MOYE:

2 Q. Did you suggest Ripple having emergency funds
3 in exchange to deliver to market makers when needed?

4 A. That was -- that was an issue that
04:29 5 Breanne Madigan had raised.

6 Q. Okay, did you agree that should be done or
7 did you -- were you against that suggestion?

8 A. I was not for that suggestion.

9 Q. Why did you object to it?

04:30 10 MR. HECKER: Objection to form.

11 THE WITNESS: I thought the simplest
12 method was to increase the working capital
13 being provided to the market makers so they
14 had an additional buffer for -- in case a wire
04:30 15 failed or there was exogenous flow that they
16 needed to support.

17 BY MR. MOYE:

18 Q. Okay, and was -- was the solution that you
19 preferred ever implemented?

04:30 20 A. Not directly.

21 Q. Okay, let's go to DS Exhibit 24.

22 (Pause.)

23 (Thereupon, a two-page e-mail dated

24 3/26/2020, from Dinuka Samarasinghe to [REDACTED]

04:30 25 [REDACTED] et al., Bates Nos. RPLI_SEC 0492574

04:30 1 through 0492575 was introduced as DS Exhibit 24
2 for identification.)

3 BY MR. MOYE:

4 Q. Okay, for the record, DS Exhibit 24 appears
04:31 5 to be a message sent by you on March 26, 2020, to
6 [REDACTED] and a number of other individuals.
7 Subject, "XRP sales."

8 Do you see that?

9 A. Yes.

04:31 10 Q. Visually, there's a lot going on here.
11 There's a lot of numbers and almost every line has a
12 bullet point, so I'll do the best I can to direct you.
13 But I'm interested in asking you about Section No. 2,
14 [REDACTED] sales; and No. 3, [REDACTED] sales.

04:31 15 A. Uh-huh.

16 Q. Okay? So what are you communicating in
17 Section 2 about [REDACTED] sales?

18 (Pause.)

19 THE WITNESS: I am communicating to this
04:32 20 team that [REDACTED] purchased different
21 tranches of XRP of fairly, you know, large
22 size and directly monetized that -- directly
23 monetized their discount by selling into the
24 market.

25

04:32 1 BY MR. MOYE:

2 Q. So this was one of the things we discussed
3 before, correct?

4 A. That is correct.

04:32 5 Q. Okay, was the issue with [REDACTED]
6 already over and solved by this time, or is this like a
7 real-time description of an issue you're having with
8 [REDACTED]?

9 A. This -- my understanding is that Ripple
04:33 10 stopped funding [REDACTED] due to a belief that
11 they violated the spirit of that deal.

12 Q. Okay, and then Section 3, talking about [REDACTED]?

13 A. Uh-huh.

14 Q. I believe that's another issue we talked
04:33 15 about before?

16 A. That's correct.

17 Q. And was this issue already over and resolved
18 by the time you wrote this e-mail, or was this one that
19 was close in time and had just been addressed?

04:33 20 A. I mean, this -- this had been addressed by --
21 at this point.

22 Q. Okay. Are you saying anything in your e-mail
23 about how the [REDACTED] sales and the [REDACTED] sales
24 were accounted for by Ripple?

04:33 25 MS. ZORNBERG: Objection.

04:33 1 BY MR. MOYE:

2 Q. For instance, whether they were OTC sales or
3 something else?

4 MS. ZORNBERG: Objection.

04:33 5 MR. HECKER: Objection to the form.

6 THE WITNESS: I do not believe so.

7 BY MR. MOYE:

8 Q. Okay, and was everything that was in this
9 update correct at the time you wrote it, as far as you
04:34 10 know?

11 A. As far as I know.

12 Q. Okay, let's look at DS Exhibit 25.

13 (Thereupon, a two-page e-mail chain with
14 the top e-mail dated 3/29/2020, from Dinuka
04:34 15 Samarasinghe to [REDACTED] et al., Bates Nos.
16 RPLI_SEC 0479912 through 0479913 was introduced
17 as DS Exhibit 25 for identification.)

18 MR. MOYE: So for the record,
19 DS Exhibit 25 is a series of messages, and the
04:34 20 top message from Dinuka Samarasinghe on
21 March 29th, 2020, to [REDACTED] and several
22 other individuals. The subject is "XRP sales
23 impact analysis."

24 BY MR. MOYE:

04:34 25 Q. So Mr. Samarasinghe, am I correct that part


04:35 1 of this exhibit that you wrote is at the very top, and
2 then the other parts were principally drafted by the
3 other individuals on this e-mail chain?

4 (Pause.)

04:35 5 THE WITNESS: That's my understanding,
6 yeah.

7 BY MR. MOYE:

8 Q. Okay. What I would like to ask you is:

9 On the second page, in the series of numbered
04:35 10 paragraphs, are the responses by you that have been
11 typed into some of these paragraphs, so issues raised
12  -- when you wrote your reply --

13 Do you see at the bottom you said "A few thoughts
14 inline below"?

04:35 15 (Pause.)

16 BY MR. MOYE:

17 Q. Are any of the portions of the numbered
18 paragraphs, 1 through 6, written by you? Just let me
19 ask you about a few sentences, okay, and you can tell me
04:36 20 whether you think it's drafted by you or not.

21 In paragraph No. 2, did you write any part of this,
22 including the sentence that begins "Past sales" or "It's
23 kind of like a snowball effect"?

24 A. No, I did not.

04:36 25 Q. Okay. Do you recognize whether those are

04:36 1 inline comments created by someone else?

2 A. I have no way of telling.

3 Q. Okay. Did you write any part of paragraph 3
4 as a comment on something that someone else had written,
04:36 5 including "While I have long hoped that Ripple would
6 restrict"?

7 (Pause.)

8 THE WITNESS: I don't -- I don't know,
9 offhand.

04:37 10 BY MR. MOYE:

11 Q. Okay, could be, could not be, you don't know
12 one way or the other?

13 A. I -- it appears that there was a change of
14 tone and language, starting with "While."

04:37 15 Q. Okay, all right. Let's move on to
16 paragraph 4. Same question here. Is there any part of
17 paragraph 4 that you wrote as a comment, including but
18 not limited to, the phrase "This has long been a fear of
19 Miguel and mine"?

04:37 20 (Pause.)

21 THE WITNESS: Yeah. I mean, these
22 gentleman and [REDACTED] did not have much
23 interaction with Miguel, so I don't know that
24 they would have a shared fear.

25

04:38 1 BY MR. MOYE:

2 Q. Okay, so this -- you think this is likely
3 part of a comment that you inserted here?

4 A. It's likely, yes.

04:38 5 Q. Okay, so if you can't be sure about whether
6 it was, let me just ask you if there's anything about
7 paragraph 4 you grow or disagree with? So the first
8 sentence, "We found little correlation with XRP price
9 and the performance of the XRP/BTC ratio under different
04:38 10 selling pressures."

11 In March of 2020, do you remember whether you would
12 have agreed or disagreed with that statement?

13 MS. ZORNBERG: Objection.

14 THE WITNESS: Could you repeat your
04:38 15 question?

16 BY MR. MOYE:

17 Q. Let me just give you the substance of it.

18 Do you agree or disagree -- as of March 2020, do
19 you think you agreed or disagreed with the observation
04:39 20 that the performance of XRP and BTC ratio -- actually,
21 that's a terrible question. I apologize for that. Let
22 me ask you a different one.

23 How about agree or disagree with this statement:

24 A large amount of XRP sold at a low price, could
04:39 25 push XRP "over a cliff"?

04:39 1 (Pause.)
2 THE WITNESS: I believe that I would have
3 held that opinion.
4 BY MR. MOYE:
04:39 5 Q. Okay, same period of time, March 2020. Would
6 you have agreed with this statement:
7 It appears that maybe selling Ripple now might
8 actually be the proverbial straw that broke the camel's
9 back three months down the road when XRP is lurching
04:39 10 lower in a negative macro environment"?
11 MS. ZORNBERG: Objection.
12 (Pause.)
13 THE WITNESS: Yes, I believe I would have
14 shared that opinion in March of 2020.
04:40 15 BY MR. MOYE:
16 Q. So even if you didn't type it out, you think
17 you would have shared that opinion?
18 A. Yes.
19 Q. Okay, and how about the next sentence? "XRP
04:40 20 might become a downhill boulder which is impossible to
21 stop without buying XRP."
22 MS. ZORNBERG: Objection.
23 BY MR. MOYE:
24 Q. You can answer.
04:40 25 A. In March of 2020, I would have believed that

04:40 1 statement.

2 Q. Okay.

3 MS. ZORNBERG: Sorry?

4 THE WITNESS: I would have believed that
04:40 5 statement.

6 BY MR. MOYE:

7 Q. All right. Let's put DS Exhibit 25 aside.
8 Let's look at 26.

9 MR. HECKER: Is there no Bates on this?

04:41 10 MR. MOYE: Actually, there's not.

11 THE WITNESS: No what?

12 MR. HECKER: No stamp on it.

13 (Pause.)

14 MS. ZORNBERG: Can you make a proffer on
04:41 15 the source of the document?

16 MR. MOYE: Unfortunately, I'm not the guy
17 to ask. We'll try. Okay?

18 (Thereupon, one-page e-mail dated
19 4/8/2020, from [REDACTED] to Breanne
04:41 20 Madigan et al., "Subject: Bitso Update" was
21 introduced as DS Exhibit 26 for
22 identification.)

23 BY MR. MOYE:

24 Q. So let's look at this un-Bates document, what
04:41 25 we've marked as DS Exhibit 26, sent on Wednesday,

04:41 1 April 8, 2020. "Subject: Bitso Update," from
2 [REDACTED] to several individuals at a
3 Ripple, including yourself.

4 So I would like to ask you about the third
04:42 5 paragraph in this message, the one that begins with "One
6 favor I would like to ask of you."

7 A. Uh-huh.

8 Q. Without reading the paragraph into the
9 record, could you summarize it? What exactly is the
04:42 10 request here from [REDACTED]?

11 A. Well, [REDACTED] is asking that Ripple
12 provide data to compare the relative share of volume
13 captured by different market makers on different
14 corridors.

04:42 15 Q. Okay. So specifically the last sentence,
16 what is he --

17 What is he saying there or what problem or issue is
18 he trying to avoid?

19 MR. HECKER: The last sentence of the
04:42 20 third paragraph?

21 MR. MOYE: Yes.

22 MS. ZORNBERG: Object to form.

23 MR. HECKER: I object -- I also object to
24 the form of the question.

25

258

04:43 1 BY MR. MOYE:

2 Q. Okay. If you can tell --

3 Can you tell what problem or issue he is trying to
4 avoid, if he's able to get the data that he's requested
04:43 5 from Ripple?

6 MR. HECKER: Same objection.

7 BY MR. MOYE:

8 Q. You can answer.

9 (Pause.)

04:44 10 THE WITNESS: Okay. Sorry.

11 I think discussed earlier how part of the
12 initial deals for ODL market makers was to try
13 to generate national liquidity.

14 Part of the way we did this was to have
04:44 15 market makers calculate essentially a
16 reference price. You know, I think we talked
17 about a reference price for Dollar MX, right,
18 using the intra-bank rate or published by

19 [REDACTED]

04:44 20 Now, the rate for XRP MXN was
21 triangulated or calculated by the reference
22 price, so they would take the USD MXN price
23 given by, say, [REDACTED], multiplied it by the
24 XRP USD price on the reference exchange for
04:45 25 that pair, and they would come up with an XRP

04:45 1 MXN price that is essentially giving buy rate
2 derived from the intra-bank rate.

3 One of the ways we would grow natural
4 liquidity is to ensure that the market makers
04:45 5 did not quote too tight in the order books,
6 ultimately allowing for -- so ODL orders would
7 be essentially aggressive orders going into
8 that market and we wanted to leave room for
9 market participants to step in front of our
04:45 10 market makers to grow liquidity on the order
11 books, natural liquidity in a sustainable
12 fashion to intercept those orders.

13 BY MR. MOYE:

14 Q. Okay.

04:45 15 A. So in this case, [REDACTED] believed they
16 were quoting at as tight as we prescribed them the -- on
17 the open order books, but they believed the other market
18 maker was essentially tighter than them and capturing --
19 and leaving them with a very low share on that order
04:46 20 book.

21 MR. MOYE: Okay. Thank you.

22 For the record, we believe that this
23 document was produced by [REDACTED], and the
24 e-mail is SEC [REDACTED] E-0047964.

04:46 25 (Thereupon, an eight-page e-mail chain

04:46 1 with the top e-mail dated 4/15/20, from Dinuka
2 Samarasinghe to [REDACTED] et al. was introduced
3 as DS Exhibit 27 for identification.)

4 BY MR. MOYE:

04:46 5 Q. Let's look at DS Exhibit 27. For the record,
6 DS Exhibit 27 is a message from
7 [REDACTED]@Ripple.com sent April 15th, 2020 to
8 [REDACTED]@Ripple.com. "Subject: XRP correlation
9 plots - Invitation to edit."

04:47 10 So am I correct this message includes not just one
11 but a whole series of analyses that you performed for
12 [REDACTED]?

13 A. Yes, sir.

14 Q. Okay, and in general, what is the focus or
04:47 15 the -- or the thing that you were asked to study, the
16 Ripple that you were asked to compare?

17 A. In general, it's not necessarily a
18 comparison. [REDACTED] wanted a crash course on XRP.

19 Q. They are called "correlation plots," right?

04:48 20 A. Yes. So if you see certainly do XRP 60-day
21 correlation with Bitcoin and a top cryptos later.

22 Q. Okay, so the first --

23 The first plot in correlation with Bitcoin and a
24 second plot is the 60-day correlation versus other top
04:48 25 cryptos, right?

04:48 1 A. Correct.

2 Q. Would that include Bitcoin or not?

3 A. I believe so.

4 Q. All right. At the time you prepared this and
04:48 5 sent it to [REDACTED], did you think your analysis was
6 correct?

7 A. Yes.

8 Q. Did you think it was helpful to her
9 understanding or was this something she didn't really
04:48 10 need to be concerned about?

11 MR. HECKER: Objection to form.

12 THE WITNESS: She appeared to have
13 appreciated it.

14 BY MR. MOYE:

04:49 15 Q. And what was her role within Ripple at this
16 time?

17 A. She had moved from being a board member to
18 being a special adviser to Brad Garlinghouse.

19 Q. Okay. So did you view your information to
04:49 20 her as being background or things that would also inform
21 Mr. Garlinghouse?

22 A. I did not necessarily consider it
23 informational to Brad. I felt it was more bringing [REDACTED]
24 up to speed.

04:49 25 Q. Okay. All right. Let's look at

04:49 1 DS Exhibit 28.

2 (Thereupon, a four-page e-mail chain with
3 top e-mail dated 5/29/2020, from [REDACTED]
4 [REDACTED] et al. was introduced as DS Exhibit
04:49 5 28 for identification.)

6 BY MR. MOYE:

7 Q. So this is several pages of messages, but the
8 only e-mail I'm asking you about is the one on the first
9 page, the one you sent to [REDACTED].

04:50 10 So, for the record, DS Exhibit 28 is a copy of a
11 message from Dinuka Samarasinghe dated May 29th, 2020 to
12 [REDACTED] and several other individuals at Ripple.

13 "Subject, XRP inflation stats - error?"

14 Are you familiar with this e-mail?

04:50 15 A. Yes.

16 Q. Okay. Can you tell me generally what your
17 purpose was or what you were hoping to communicate in
18 sending this e-mail?

19 A. There was a report by [REDACTED] [phonetic],
04:50 20 which is a -- it's a website that produces data and
21 analysis on the digital asset markets they were claiming
22 that XRP's inflation rate was significantly higher than
23 that of other top digital assets.

24 The communications team, the Comms team wanted to
04:51 25 discuss that with the market team to craft -- to

04:51 1 potentially craft a response.

2 Q. So the information you're providing you
3 thought might be used for a public response on behalf of
4 Ripple?

04:51 5 A. No. The information I provided was to
6 educate the comms team how at least I viewed XRP
7 inflation rate.

8 Q. Okay. We've talked about XRP inflation rate
9 before.

04:52 10 Can you tell me what is meant by your first bullet
11 point, the sales numbers that Ripple reported for Q1 are
12 at a [REDACTED] percent discount?

13 A. In historical markets reports, quarterly
14 markets reports, Ripple provided XRP sales announced in
04:52 15 U.S. dollars. Historically, I believe that had been a
16 decent proxy of XRP that was distributed into the
17 market, given they were programmatic and without a
18 discount. Or, in the case of, say, [REDACTED],
19 not -- still a decent-sized discount, but not a
04:52 20 [REDACTED] percent discount.

21 Q. Okay. All right.

22 A. My point here is the sales numbers that
23 Ripple continue -- that -- that -- the sales numbers
24 that Ripple reported were still in USD amounts, but they
04:53 25 were no longer what I believed to be a good proxy of the

04:53 1 XRP that was introduced into the market.

2 Q. Is another way of saying that that you
3 thought the numbers Ripple was reporting were not
4 accurate?

04:53 5 MR. HECKER: Objection to form,
6 mischaracterizes his testimony.

7 THE WITNESS: No, I -- the sales numbers
8 were accurate. I --

9 I believe they were not a good
04:53 10 representation of the XRP that was introduced
11 into the market.

12 BY MR. MOYE:

13 Q. Okay. So the second bullet point:

14 "These reports are not counting just XRP sales from
04:53 15 Ripple, but all XRP distributions from Ripple and its
16 founders and they do not count what is currently held by
17 founders, option holders, early investors, etc. as part
18 of the free float." What do you mean by that?

19 A. This goes back to how do you actually
04:53 20 calculate inflation rate for XRP. Now, you could count
21 it as, say -- you could imply it as you could from
22 [REDACTED] data that XRP's inflation rate is just
23 that which leaves Ripple's inventory.

24 [REDACTED] would calculate it differently, counting
04:54 25 distributions from founders, foundations, early

04:54 1 investors and -- and Ripple. [REDACTED] calculation
2 included -- [REDACTED] calculation did not include
3 founders as part of circulating supply, so any
4 distribution from founders would have been considered
04:54 5 part of the inflation rate --

6 Q. Okay.

7 A. -- under [REDACTED] calculation.

8 Q. And then the third bullet point says "While
9 we can push back on the sales numbers."

04:54 10 Whose sales numbers are you referring to there?

11 A. Ripple XRP sales numbers.

12 Q. Okay. "Our sales numbers are not a good
13 proxy from XRP put into the market by Ripple. On
14 pushing back on sales numbers, we are at risk at
04:55 15 damaging our credibility."

16 Who is the "we" you're referring to there? Is it
17 Ripple itself or the sales -- the XRP markets team
18 within Ripple?

19 A. It's if --

04:55 20 It's basically if the communications team pushes
21 back on the sales numbers as reported by that, I felt
22 that could be damaging to Ripple's creditability.

23 (Thereupon, a thirteen-page document

24 entitled "XRP-O Supply Concerns," Bates Nos.

04:55 25 RPLI_SEC 0301743 through 0301755 was introduced

04:55 1 as DS Exhibit 29 for identification.)

2 BY MR. MOYE:

3 Q. All right. Let's look at DS Exhibit 29.

4 THE WITNESS: Do you mind if I have a
04:56 5 bathroom break?

6 MR. MOYE: Sure. Let's take a break.

7 THE VIDEOGRAPHER: This will conclude
8 Video 4 in the deposition of
9 Dinuka Samarasinghe.

04:56 10 We're going off the record at 4:56 p.m.,
11 June 9th, 2021.

12 (Recess taken at 4:56 p.m.)

13 (Resumed at 5:03 p.m.)

14 THE VIDEOGRAPHER: This is the beginning
05:03 15 of Video No. 5 in the deposition of
16 Dinuka Samarasinghe.

17 We are on the record at 5:03 p.m.,
18 June 9th, 2021.

19 BY MR. MOYE:

05:03 20 Q. Mr. Samarasinghe, could you please take a
21 look at what's been marked as DS Exhibit 29?

22 A. Yes, sir.

23 Q. Do you recognize it?

24 (Pause.)

05:04 25 THE WITNESS: I have a vague recollection

05:04 1 of this.

2 BY MR. MOYE:

3 Q. Okay, so for the record, this is a document
4 entitled "XRP-O Supply Concerns."

05:04 5 There's no dates that you can see on the first
6 couple of pages. Were you -- do you know who created
7 this report?

8 A. If I recall correctly, it was Breanne -- a
9 combination of Breanne Madigan, [REDACTED] and

05:04 10 [REDACTED].

11 Q. Okay. Were you involved in the editing or
12 review of this report at all?

13 A. I don't recall.

14 Q. Okay. Do you know who this was prepared for?

05:05 15 A. I don't know.

16 Q. And do you know whether it was presented to
17 anyone?

18 A. I believe it was presented.

19 Q. Okay. Do you know who it was presented to?

05:05 20 A. I do not.

21 Q. All right. Let's open up to the first page,
22 the one that says "Three Potential Narratives."

23 Do you know what is meant by these different
24 narratives? Are these competing narratives within

05:05 25 Ripple or is this three independent things that are all

05:05 1 potentially true?

2 A. These are competing narratives.

3 Q. Okay, and it indicates:

4 "For the purpose of the presentation," the
05:05 5 assumption -- the operating assumption will be Narrative
6 3, right?

7 MS. ZORNBERG: Objection.

8 BY MR. MOYE:

9 Q. Is that what it says?

05:06 10 A. Yes. The last line says:

11 "For the purposes of this presentation, we will
12 assume Narrative 3 while we continue to investigate
13 further."

14 Q. All right, so let's just go to the executive
05:06 15 summary. I -- I understand your answers may come with a
16 caveat that you didn't write this and you weren't at the
17 meeting when it was presented, so let me just ask you if
18 in --

19 MR. HECKER: I think he said he doesn't
05:06 20 know if it was presented.

21 MR. MOYE: All right.

22 BY MR. MOYE:

23 Q. You don't know if it was presented, but you
24 certainly weren't at any meeting when it was presented?

05:06 25 A. Correct.

05:06 1 Q. Okay. So let's just look at the executive
2 summary page.

3 While you were employed at Ripple, would you have
4 agreed with the statement in the first bullet point that
05:06 5 "XRP began underperforming BTC since the BTC halving in
6 early May -- and underperformance has accelerated with
7 the launch of XRP-O"?

8 A. I would have agreed with that statement.

9 Q. Okay. While you were at Ripple, would you
05:07 10 have agreed with the second bullet point, that "XRP
11 selling via XRP-O has led to negative pressure on XRP"?

12 A. I would have agreed with that statement as
13 well.

14 Q. And would you agree with the third bullet
05:07 15 point, "Market -- Financial/Markets teams have been
16 focused on a number of supply limiting tactics"?

17 (Pause.)

18 THE WITNESS: I don't know what "focused"
19 means here in this context, but we certainly
05:07 20 had been discussing supply limiting.

21 BY MR. MOYE:

22 Q. You had been exploring supply limiting
23 tactics?

24 A. Yes.

05:07 25 Q. While you were at XRP, do you know whether

05:07 1 Ripple had implemented any supply-limiting tactics?

2 MS. ZORNBERG: Objection.

3 MR. HECKER: Objection to form. You said

4 "XRP."

05:08 5 MR. MOYE: Okay. I'm sorry.

6 It's getting to be a long day for

7 everybody. Let me try this again.

8 BY MR. MOYE:

9 Q. While you were at Ripple, do you know whether
05:08 10 any of the supply-limiting tactics that had been
11 discussed had actually been implemented by Ripple?

12 A. Yes.

13 Q. What had been implemented by Ripple?

14 A. XRP purchases in the open market.

05:08 15 Q. Okay. So while you were at Ripple, would you
16 have agreed with the last bullet point, that XRP-O
17 repurchasing could directly dampen the effects of XRP-O
18 selling?

19 A. I would have believed that statement, yes.

05:08 20 Q. Okay. Let's turn over to the next page.
21 There's a number of bullet points here. I want to ask
22 you about the last one.

23 While you were at Ripple, would you have agreed
24 with the following statement? "There is evidence that
05:08 25 XRP underperform mansion may be due to increased

05:09 1 supply."

2 A. I would have agreed with that statement.

3 Q. And let's turn over a few pages to the slide
4 or page that says "Currency XRP supply reduction

05:09 5 tactics."

6 Without asking you to read the slide, the question
7 is: While you were at Ripple, were you aware of certain
8 supply reduction tactics that Ripple was implementing
9 that were not visible to market players but more behind
05:09 10 the scenes?

11 (Pause.)

12 THE WITNESS: I recall there were efforts
13 to do -- to -- or at least discussions about
14 this.

05:10 15 BY MR. MOYE:

16 Q. Okay. Turn over the recommendation page,
17 please, the one that says "Recommendation, XRP
18 buybacks."

19 While you were at Ripple, do you know whether
05:10 20 Ripple employees ever made a recommendation that to
21 begin XRP buybacks and limit XRP-O supply?

22 So again, not merely as a discussion, but as a
23 formal recommendation?

24 MS. ZORNBERG: Object to form.

05:10 25 THE WITNESS: Yes, I believe that

05:10 1 happened, yes.

2 BY MR. MOYE:

3 Q. Okay, and what was the result of those
4 recommendations, as far as you knew?

05:10 5 A. The result was Ripple partnered with a market
6 maker to conduct open market purchases of XRP.

7 Q. Those would be the buybacks, then?

8 A. Correct.

9 Q. Okay. Did it also limit the supply of XRP-0?

05:11 10 A. I don't recall.

11 Q. Okay. All right. Put aside DS Exhibit 29.

12 (Thereupon, a four-page e-mail dated

13 6/24/2020, from [REDACTED]@ripple.com to

14 [REDACTED]@ripple.com et al., Bates RPLI_SEC 0504550

05:11 15 through 0504553 was introduced as DS Exhibit 30
16 for identification.)

17 BY MR. MOYE:

18 Q. Let's look at DS Exhibit 30. For the record,

19 DS Exhibit 30 appears to be a series of messages on

05:11 20 slack retention sent June 24th, 2020 by Mr. Samarasinghe
21 to a number of individuals at Ripple.

22 Okay. First question is: Do you know whether

23 these messages had anything -- are they related at all

24 to the DS Exhibit 29, the deck that we just looked at?

05:12 25 MR. HECKER: Objection to form.

05:12 1 MR. MOYE: I will try to ask it
2 differently.

3 BY MR. MOYE:

4 Q. Do any of these messages from you in
05:12 5 DS Exhibit 30 appear to be edits or comments that you
6 made when you reviewed DS Exhibit 29 at Ripple?

7 A. I believe that's correct.

8 Q. Okay, and do you know whether these comments
9 were made before DS Exhibit 29 was finalized or whether
05:12 10 they were -- whether you were looking at a final report?

11 A. I don't -- I don't recall.

12 Q. Okay. Please look at the third message down.
13 Did you send a message:

14 "So, seems like CL/BG are concerned about XRP
05:13 15 underperformance since XRP started"?

16 A. Question mark, yes.

17 Q. Okay. If you go down to about the middle of
18 the page, there's a statement by you:

19 "The problem here is there's no offset buy of XRP
05:13 20 anywhere." Do you see that?

21 A. Yes.

22 Q. Is that a statement you made?

23 A. Yes, it is.

24 Q. Could you explain that, provide a little
05:13 25 context? What is it you were trying to communicate at

05:13 1 this point?

2 A. I think we had discussed the difference
3 between ODL and XRP origination or the XRP origination
4 subset of ODL.

05:13 5 Regular ODL had an open market buy of XRP at the --
6 at the origination exchange and XRP-O did not. It was
7 purely a sale of XRP into the open market.

8 Q. So one increased the supply and the other did
9 not?

05:14 10 A. Correct.

11 Q. All right. Could you go down to the
12 third-to-last comment, which reads:

13 "But, then it again has zero economic benefit to
14 Ripple and still only introduces supply." Do you see
05:14 15 that?

16 A. Yes.

17 Q. Can you explain or provide some context as to
18 what you meant by that comment?

19 (Pause.)

05:15 20 THE WITNESS: Okay. I -- I was
21 expressing a concern that with XRP
22 origination, Ripple would sell XRP into the
23 market, achieve tax base of on that amount of
24 XRP. So let's say it was \$100 of XRP
05:15 25 introduced into the market.

05:15 1 Let's say Ripple had incurred basis of
2 20 percent. Ripple would then have \$80 to buy
3 back XRP. If Ripple used the full \$80 it had
4 post-tax burden, post-basis, it would have
05:16 5 zero economic benefit to Ripple and still
6 increase supply by essentially the amount
7 attached.

8 BY MR. MOYE:

9 Q. So it couldn't buy back the full amount; is
05:16 10 that what you were saying?

11 A. That was my concern.

12 Q. Okay, and the second-to-last statement:

13 "I've been told to keep my head down about this, so
14 I don't want to keep on about this." What are you
05:16 15 referring to there?

16 A. I was a vocal opponent within Ripple to XRP
17 origination and ... essentially scolded to get on the
18 same page as everybody else.

19 Q. To get on board?

05:16 20 A. Yep.

21 Q. Okay, and who do you think --

22 What was your impression who had the biggest
23 problem with your concerns or objections about XRP
24 origination?

05:16 25 MR. HECKER: Object to the form of the

05:16 1 question.

2 BY MR. MOYE:

3 Q. If you know?

4 A. Asheesh Birla.

05:17 5 Q. Asheesh Birla? Okay. Anyone else?

6 A. I recall comments from [REDACTED], also on
7 the product team.

8 Q. Okay. Was it your impression that
9 Ms. Madigan shared your concerns or you think she merely
05:17 10 heard your concerns and continued on with whatever she
11 needed to do?

12 MR. HECKER: Objection to form.

13 THE WITNESS: I don't know.

14 BY MR. MOYE:

05:17 15 Q. Okay. So I know you're making a general
16 point. What do you recall about why you were scolded or
17 disagreed with or reprimanded about your comments about
18 XRP-O?

19 What was the objection that Mr. Birla or others had
05:17 20 to your comments?

21 MS. ZORNBERG: Objection.

22 BY MR. MOYE:

23 Q. As far as you know?

24 A. It was communicated to me that XRP
05:18 25 origination was approved at the highest levels and that

05:18 1 we were going to do it.

2 Q. Okay. Would it be fair to say that at least
3 as far as you knew, that was the program, but you didn't
4 know whether anyone had actually considered or addressed
05:18 5 your specific objections?

6 MS. ZORNBERG: Objection,
7 mischaracterizes his prior statements today.

8 (Thereupon, an informal discussion was
9 held off the record.)

05:18 10 THE WITNESS: Could you restate the
11 question?

12 BY MR. MOYE:

13 Q. Yeah. Without characterizing anything you
14 said previously, I'm asking you a different question.

05:18 15 Was it your impression that your objections were
16 not being considered and fairly responded to?

17 MS. ZORNBERG: Objection.

18 THE WITNESS: I have no idea whether or
19 not my objections were considered.

05:19 20 BY MR. MOYE:

21 Q. No one came to you and said, "We've done a
22 different calculation, and it looks like you're wrong";
23 is that correct?

24 MS. ZORNBERG: Objection.

05:19 25 THE WITNESS: Correct.

05:19 1 BY MR. MOYE:

2 Q. All right. Can you turn to the second page,
3 please? So towards the bottom of second page, there's
4 some comments, it looks like, from Ms. Madigan, and then
05:19 5 you respond. You have the next four responses.

6 Can you tell me what your -- what you -- what your
7 responses to Ms. Madigan were? What is it you were
8 trying to communicate?

9 MR. HECKER: I'm sorry. Which -- which
05:19 10 one --

11 BY MR. MOYE:

12 Q. Page 2: "I don't get why Bitso" and ending
13 with "they are just selling elsewhere."

14 A. Yeah, so why -- I was questioning the need to
05:20 15 buy back on Bitso. The MXRP and order book XRP
16 origination, right, is we were essentially selling --
17 XRP origination payment, essentially sold XRP to market
18 makers we had on those order books to resell the -- to
19 basically source local fiat.

05:20 20 Again, on that exchange they had to take that XRP,
21 move it across ledger, sell that XRP for U.S. dollars
22 and then do a foreign exchange rate conversion using the
23 traditional rails to deposit back MXN on Bitso. Bitso
24 had much lower liquidity than other order books.

05:21 25 In my opinion, the selling pressure was happening

05:21 1 elsewhere, not on Bitso. Purchasing back on Bitso would
2 have just cost more, because it's much, much, much less
3 liquid exchange. You would have to cross a much larger
4 spread.

05:21 5 The liquidity on the order book was much less. You
6 would have to go through the order book to buy -- you
7 know, anywhere close to that. That was being sold via
8 ODL.

9 Q. Among your colleagues at Ripple, who do you
05:21 10 think had the best understanding about how markets
11 worked? In your own opinion, of course.

12 A. Miguel Vias.

13 Q. Anyone else?

14 (Pause.)

05:22 15 BY MR. MOYE:

16 Q. You have to say "yes" or "no."

17 A. I don't think Miguel -- I don't think anybody
18 else on that team had markets knowledge like
19 Miguel Vias.

05:22 20 Q. Besides Mr. Vias, do you think your other
21 colleagues at Ripple had as much knowledge about the
22 markets as you did?

23 MS. ZORNBERG: Objection.

24 THE WITNESS: I had a long trading
05:22 25 history. Ripple was primarily staffed by

05:22 1 software people and -- you know. There were a
2 few other people with markets experience.

3 BY MR. MOYE:

4 Q. Okay. Looking back now, did any of the
05:22 5 things that at Ripple you thought were concerns that you
6 tried to raise objections to or tried to implement
7 changes -- did any of those changes end up coming to pass
8 in the way you feared or the way you predicted?

9 MS. ZORNBERG: Objection to the form.

05:23 10 MR. HECKER: Objection to the form.

11 BY MR. MOYE:

12 Q. You can answer.

13 A. I think the markets team did a good job in
14 terms of neutralizing the biggest threats.

05:23 15 Q. Okay. Let's look at DS Exhibit 31.

16 (Thereupon, one-page e-mail dated
17 8/25/2020, from Dinuka Samarasinghe to
18 [REDACTED]@ripple.com was introduced as DS
19 Exhibit 31 for identification.)

05:23 20 MR. MOYE: For the record, DS Exhibit 31
21 is a one-page exhibit, a one-page document.
22 It's a message from Mr. Samarasinghe, sent on
23 August 25th, 2020 to [REDACTED]@ripple.com.
24 "Subject: Q3 XRP Narrative."

05:24 25 BY MR. MOYE:

05:24 1 Q. This appears to be a portion of a comment
2 document or a single document that was made, and can
3 you --

4 Just looking at the first -- can you look at the
05:24 5 comment after you've had a chance to look at them and
6 let me know that you've done that?

7 (Pause.)

8 THE WITNESS: Yep.

9 BY MR. MOYE:

05:25 10 Q. Okay. In the second paragraph or second
11 portion of your comment, what is it you're trying to
12 communicate there?

13 MS. ZORNBERG: Just for clarity, is it
14 the paragraph that starts "I.E. as in
05:25 15 increasing share"?

16 MR. MOYE: Yes, it is. Thank you.

17 THE WITNESS: I think that paragraph
18 essentially mirrors the demand case for XRP in
19 the eyes of Miguel Vias and myself.

05:25 20 BY MR. MOYE:

21 Q. Okay. This is another phrasing of
22 conversations or discussions that you'd had within
23 Ripple from time to time?

24 MS. ZORNBERG: Objection to form.

05:25 25 THE WITNESS: Within Ripple, certainly

05:25 1 between Miguel and myself. I don't know that
2 it was necessarily discussed or understood
3 broader.

4 BY MR. MOYE:

05:25 5 Q. Okay. You sent this message to Ms. Madigan.
6 Does that mean Mr. Vias was gone by that time?

7 A. I believe so, yes.

8 Q. As you look at second part of the comment,
9 the paragraph that you just looked at, is there anything
05:26 10 in there that you now disagree with or have come to
11 think is incorrect?

12 MS. ZORNBERG: Objection.

13 THE WITNESS: Yes.

14 BY MR. MOYE:

05:26 15 Q. What?

16 A. You know, I think this kind of goes towards
17 my objection of the architecture of ODL using unreliable
18 third-party exchanges in destination countries.

19 I found it very hard to believe that liquidity
05:26 20 would aggregate for XRP in these -- you know, in
21 essentially low quality exchanges in third world
22 countries.

23 Q. By "liquidity," do you mean natural
24 liquidity?

05:26 25 A. Natural liquidity, yes.

05:27 1 Q. All right. Well, how is that different or
2 how is that a disagreement with what you've said here?

3 A. You know, it's actually -- I don't know that
4 IT'S disagreement with what I have there. I mean, at
05:27 5 this point, I had been --

6 Along with a member of the Icelandic engineering
7 team, we had been proposing the building of essentially
8 an XRP-centric foreign exchange -- FX exchange.

9 Q. Okay. All right. We can put DS Exhibit 31
05:27 10 aside. Let's look at DS Exhibit 32.

11 (Thereupon, a two-page e-mail dated
12 11/21/2020, from ██████████@ripple.com to
13 ██████████@ripple.com, Bates Nos. RPLI_SEC 0318653
14 through 03180318654 was introduced as DS
05:27 15 Exhibit 32 for identification.)

16 BY MR. MOYE:

17 Q. Okay. You can take a minute to look over
18 this -- this document. For the record, DS Exhibit 32 is
19 a two-page document.

05:28 20 This message is from ██████████@ripple.com, sent
21 Saturday, November 21, 2020. It's a set of slack
22 messages to a number of individuals, including
23 Mr. Samarasinghe.

24 (Pause.)

25

05:28 1 BY THE WITNESS:

2 Q. At the bottom of first page -- toward the
3 bottom, there's a comment by [REDACTED]. I'm
4 probably saying that wrong. What's the proper
05:29 5 pronunciation?

6 A. I don't actually know. [REDACTED]? I
7 don't know.

8 Q. Okay. Let's call him [REDACTED]

9 A. Okay. [REDACTED].

05:29 10 Q. Is that his first name?

11 A. Yes, sir.

12 Q. [REDACTED]'s comment is "Likely that market
13 makers" -- it says:

14 Guys, got a quick question on what this means for
05:29 15 you. Likely that market makers will ask to drawdown
16 more of their lease. What was our termination fee for
17 contract set at? If we close to delta one now, should
18 we be looking to hedge our downside?"

19 Then [REDACTED] responds:

05:29 20 "Great questions," he asks you,
21 "[REDACTED]@ripple." Do you see that?

22 A. Yes.

23 Q. Okay. So starting on the second page where
24 you have actual messages written out, what is it that
05:30 25 you're telling him?

05:30 1 What is it you think this movement in price -- what
2 implications will that have for market makers and a
3 potential drawdowns of their leases?

4 MS. ZORNBERG: Objection to form.

05:30 5 (Pause.)

6 THE WITNESS: The -- okay, so the --
7 I mentioned there was an initial set of
8 ODL contracts following [REDACTED] arrival and
9 sort of her team negotiated different market
05:30 10 maker contracts with ODL market makers.

11 The compensation for those market makers
12 was in the form of -- the previous
13 compensation had been in the form of a fixed
14 fee and a variable fee supported with an XRP
05:31 15 lease and a USD loan.

16 The subsequent contracts negotiated with
17 [REDACTED] team and the market makers -- there was
18 a -- a termination fee which had a payout
19 based on the price of XRP at the end of the
05:31 20 deal and essentially the price at the
21 beginning of the deal.

22 So as the price moved higher, the payout
23 to the market makers increased, assuming at
24 the end of the -- the deal -- so essentially,
05:31 25 the delta of the termination fee increased as

05:31 1 you approached the -- you know, as the price
2 went up.

3 BY THE WITNESS:

4 Q. It got more expensive for Ripple?

05:31 5 A. Yes.

6 Q. Okay. So in the middle of the page, you say:
7 "The market making contracts for ODL have the
8 termination fee as part of their compensation. I don't
9 know that product is taking that into consideration."

05:32 10 So that's what you believed at the time, that the
11 Ripple products team is not understanding the costs to
12 Ripple that are likely to be incurred with some when
13 some of these market makers terminate their agreements?

14 A. It's not necessarily when the market makers
05:32 15 terminate. It's when the contract matures.

16 Q. Okay, and then [REDACTED] says:

17 "Assuming the rally continues, looks like we
18 continue to lose more. Have we generally thought about
19 hedging that exposure?"

05:32 20 And what's your response there?

21 A. "I don't believe that Ripple ever considered
22 hedging the risk of the termination fee."

23 Q. Okay, and you mentioned [REDACTED] team. So at
24 this point, what is [REDACTED] team? Is this [REDACTED]?

05:33 25 A. This is [REDACTED].

05:33 1 At this point, [REDACTED] team was aggressive in terms
2 of -- I believe they had already formed their own entity
3 called [REDACTED], which was spinning off to do digital asset
4 trading themselves.

05:33 5 (Thereupon, a two-page e-mail dated
6 11/21/2020, from [REDACTED]@ripple.com to
7 [REDACTED]@ripple.com et al., Bates Nos. RPLI_SEC
8 0504585 through 0504586 was introduced as DS
9 Exhibit 33 for identification.)

05:33 10 BY MR. MOYE:

11 Q. Okay. All right. Let's look at
12 DS Exhibit 33.

13 (Pause.)

14 MR. MOYE: For the record, these are some
05:33 15 more -- a printout of some more slack messages
16 from [REDACTED]@ripple.com, dated 11/21/2020 to
17 a number of individuals, including Mr.
18 Samarasinghe.

19 BY MR. MOYE:

05:34 20 Q. It looks like after the initial request for
21 information, most of these messages are from you, so
22 please take a moment and look them over and let me know
23 when you have done that.

24 (Pause.)

25

05:35 1 BY MR. MOYE:

2 Q. Okay. Are you ready?

3 A. Uh-huh.

4 Q. Okay. On November 21, 2020, what was
05:35 5 happening with [REDACTED]?

6 A. The termination fee in their contract had a
7 max XRP price of [REDACTED]. If you're looking at what
8 they stood to make, it was at the --

9 Let's say XRP finished above [REDACTED].

05:35 10 [REDACTED]' max payoff would be sort of essentially
11 candidate at [REDACTED], right?

12 Q. Okay.

13 A. However, if you're trying to delta hedge this
14 option -- I don't think any of our market makers were
05:35 15 [inaudible] the structure, right? They essentially
16 delta hedged it to essentially monetize it.

17 Q. For the record, what do you mean when you use
18 the term "delta hedge"?

19 A. You know, a payout with a certain strike and
05:36 20 an ending price -- you know, at a certain price at T
21 plus X has essentially a Black-Scholes price at time T.

22 Q. Okay. Trying to minimize losses?

23 A. No. You're essentially trying to lock in the
24 value of -- you know, this termination fee as opposed to
05:36 25 just hoping it by chance -- you know, it finishes in the

05:36 1 money --

2 Q. Okay.

3 A. -- okay? But [REDACTED] was less
4 experienced with -- with options than, say, GSR and they
05:37 5 did not correctly -- you know, hedge their position and
6 they were really worried that -- you know.

7 If -- you know, XRP finished above [REDACTED], their
8 hedging was incorrect and they would consider to start
9 buying back XRP, which was now over [REDACTED] --

05:37 10 Q. Uh-huh.

11 A. -- and so if it was over [REDACTED] and they
12 were short [REDACTED], it's at least \$ [REDACTED] worth
13 of fully funded capital that they would need to have to
14 essentially buy in the market, and they did not -- they
05:37 15 did not have those funds. They were really worried that
16 they would go under.

17 Q. So what was their -- what was their best
18 option, as you saw it?

19 A. Essentially purchase a call option from a
05:37 20 derivatives -- an entity that offered a derivative that
21 could offset this -- this risk.

22 Q. Okay, and do you know what they ended up
23 doing?

24 A. They were able to hedge this position. I
05:38 25 forget how.

05:38 1 I think they found essentially a taker for that
2 and -- you know, it also did not, at the end of the
3 contract, finish above [REDACTED].

4 Q. Okay. Was their option purchase through GSR,
05:38 5 as far as you know?

6 A. I -- I don't recall.

7 MR. MOYE: Okay. Can you give me two
8 minutes with my colleagues? We may be done,
9 here.

05:38 10 THE VIDEOGRAPHER: We are off the record.
11 The time is 5:38 p.m.

12 (Recess taken at 5:38 p.m.)

13 (Resumed at 5:40 p.m.)

14 THE VIDEOGRAPHER: We are on the record.
05:40 15 The time is 5:40 p.m.

16 MR. MOYE: Mr. Samarasinghe, thank you
17 for your time today. That's all the questions
18 we have for you.

19 Of course, other attorneys have an
05:40 20 opportunity, if they wish, to ask you
21 questions. But that's all I have for you now.

22 THE WITNESS: Thank you, sir.

23 MS. ZORNBERG: I do have some questions.

24 (Thereupon, an informal discussion was
05:40 25 held off the record.)

05:40 1 THE VIDEOGRAPHER: We are off the record.
2 The time is 5:40 p.m.

3 (Recess taken at 5:40 p.m.)

4 (Resumed at 5:41 p.m.)

05:41 5 THE VIDEOGRAPHER: We are back on the
6 record. The time is 5:41 p.m.

7

8 CROSS-EXAMINATION

9 BY MS. ZORNBERG:

05:42 10

11 Q. Mr. Samarasinghe, I just have a few minutes
12 of questions for you. Thank you for your patience
13 today. I know it's been a long day.

14 In your view, what has been the greatest driver of
05:42 15 XRP price?

16 A. Interest in Bitcoin and other digital assets.

17 Q. And again, over the last few years, have
18 digital assets been highly correlated to each other?

19 MR. MOYE: Objection, foundation.

05:42 20 THE WITNESS: Yes, I believe there's a
21 high degree of correlation amongst digital
22 assets.

23 BY MS. ZORNBERG:

24 Q. In your experience, does interest in one
05:42 25 digital asset tend to drive interest in another?

05:42 1 MR. MOYE: Same objection.

2 THE WITNESS: Typically.

3 BY MS. ZORNBERG:

4 Q. Generally, in your view, is it Ripple's
05:42 5 efforts that drive XRP's price or is it other market
6 forces?

7 MR. MOYE: Calls for a legal conclusion.

8 THE WITNESS: Again, I think the biggest
9 driver of XRP price has probably been Bitcoin
05:43 10 and other digital assets.

11 BY MS. ZORNBERG:

12 Q. And when you say, "other digital assets,"
13 would you include ether in that category?

14 A. I would.

05:43 15 Q. I want to ask you a few questions about going
16 back to 2017, when you joined Ripple. At the time you
17 joined Ripple, did you believe in its vision of building
18 Internet of value?

19 A. I did.

05:43 20 Q. What did the term "Internet of value" mean to
21 you or what did you understand it to mean?

22 A. I -- I don't know that I had a concrete idea
23 of what would happen, but I -- I thought -- you know,
24 the idea if value could move like information does
05:44 25 today -- that could have very interesting consequences.

05:44 1 So, for example, if you were selling a product,
2 right, you and -- you could essentially have bidders --
3 and I don't know, Malaysia -- who would be able to buy
4 your product, they would pay in whatever Malaysian
05:44 5 currency that is, you should be able to receive in USD
6 instantaneous or nearly instantaneous.

7 For General Motors, if you sell a car in Europe, in
8 general, you don't necessarily have to batch that huge
9 amount, do a large FX conversion with -- you know, like
05:44 10 a Goldman Sachs, then -- you know, you could use a
11 traditional rails. You could perhaps do that via
12 something like -- you know, some digital asset at the
13 point of sale.

14 Q. Were there features of XRP that you believed
05:44 15 lent XRP to that type of use in cross-border payments
16 and transfers?

17 A. XRP is relatively fast and very clean,
18 especially compared to digital -- to Bitcoin and Ether.

19 Q. Did those features make you optimistic about
05:45 20 the product Ripple sought to build using XRP?

21 A. They did.

22 Q. I want to ask you some questions about ODL.

23 You've testified today that some of your
24 responsibilities while at Ripple included ensuring
05:45 25 liquidity for the ODL product; is that right?

05:45 1 A. That's correct.

2 Q. And in going about doing that, you perceived
3 ODL and Ripple's efforts with respect to ODL as the
4 building of a real product?

05:45 5 MR. MOYE: Object to form, leading.

6 THE WITNESS: I did believe ODL could be
7 a real product.

8 BY MS. ZORNBERG:

9 Q. Is it fair to say you're a hard-working
05:46 10 person?

11 A. I believe so.

12 Q. Is it fair to say that you worked while
13 employed at Ripple very hard and in earnest to do your
14 part to build the ODL product?

05:46 15 A. I believe that's a fair character --
16 characterization.

17 Q. Were there other people at Ripple during the
18 time you were there who worked in earnest to execute on
19 that Internet of value vision in building out a viable
05:46 20 product?

21 MR. MOYE: Objection, foundation, calls
22 for speculation.

23 THE WITNESS: I recall working with a lot
24 of people who worked earnestly to -- to build
05:46 25 towards this vision.

05:46 1 BY MS. ZORNBERG:

2 Q. You've testified already that you were not on
3 the product team for ODL. Do you know whether the
4 products team encouraged its customers to use the ODL
05:47 5 product?

6 A. I don't know.

7 Q. Okay, so let's leave that and move on.

8 Now, there's been some testimony today that in 2020
9 you had some disagreements -- maybe one, maybe more than
05:47 10 one -- with Ripple management on the execution strategy
11 for ODL. Is that a fair characterization?

12 A. I -- I believe you could characterize it by
13 saying I disagreed with some of the strategy for ODL,
14 yes.

05:47 15 Q. And that was the strategy for execution, for
16 how to build the product?

17 A. Sure.

18 Q. That's a different issue from whether XRP
19 itself and building of ODL is an innovative use of
05:48 20 blockchain technology?

21 MR. MOYE: Objection, form,
22 argumentative.

23 MS. ZORNBERG: Let me rephrase. Let me
24 rephrase.

25

05:48 1 BY MS. ZORNBERG:

2 Q. Your disagreement on execution strategy did
3 not undermine your view that there was potential in the
4 building of an ODL product?

05:48 5 MR. MOYE: Object to form.

6 BY MS. ZORNBERG:

7 Q. Is that fair?

8 Q. Repeat the question?

9 Q. Okay. Whether or not you disagreed with
05:48 10 management on how best to execute the vision for
11 building ODL, it didn't change your view that XRP is
12 faster, cheaper, innovative and had characteristics that
13 could lead to promising innovation?

14 MR. MOYE: Objection, compound, leading.

05:48 15 THE WITNESS: Yes. Regardless of the
16 execution of ODL, XRP is still fast and cheap.

17 BY MS. ZORNBERG:

18 Q. So, for example, in terms of disagreement on
19 execution, there were some within Ripple who supported
05:49 20 an XRP-O, XRP origination program for ODL and there
21 were -- and you, in contrast, were a vocal opponent of
22 that approach; is that fair?

23 A. Yep.

24 Q. Did you ever hear that ODL customers wanted
05:49 25 the XRP-O program?

05:49 1 A. Not to my recollection.

2 Q. Okay. That would have been outside your
3 purview, perhaps?

4 A. I was not somebody who spoke to many
05:49 5 potential customers.

6 Q. And I just want to confirm. So if --
7 If ODL customers loved the XRP-O program, is that
8 wouldn't be something that you might have known?

9 MR. MOYE: Objection, assumes facts not
05:50 10 in evidence.

11 THE WITNESS: I don't know that I would
12 have become aware of that.

13 BY MS. ZORNBERG:

14 Q. Okay. Your focus was on liquidity and the
05:50 15 markers, not on the customer demand side of things?

16 A. That's correct.

17 (Pause.)

18 BY MS. ZORNBERG:

19 Q. Okay. Turning to a different subject, you've
05:50 20 testified today at several points in time that Ripple
21 sought to have minimal impact on the XRP market when it
22 programmatically sold XRP.

23 Do you recall testifying --

24 A. Yes.

05:50 25 Q. -- to that effect?

05:50 1 A. I do.

2 Q. Why was that a goal of Ripple?

3 A. We felt that minimizing mark impact of sales
4 would have -- you know.

05:50 5 You're essentially trying to minimize the damage
6 occurring to the market, trying to protect them the best
7 you can while still -- you know, trying to raise revenue
8 for operations.

9 Q. So was --

05:51 10 Was the goal of Ripple to sell XRP while being a
11 constructive participant in the market?

12 MR. MOYE: Objection, leading.

13 MS. ZORNBERG: I will rephrase.

14 BY MS. ZORNBERG:

05:51 15 Q. How did Ripple accomplish its goal of having
16 minimal impact on the market when selling
17 programmatically?

18 A. So Ripple worked with the market makers to
19 construct algorithms that attempted to minimize selling
05:51 20 pressure on the market as they sold.

21 So, for example, using a very small portion of
22 orders that removed liquidity and attempted to have the
23 large majority of the orders adding liquidity in the
24 markets -- you know, not having large visible size that
05:52 25 might scare off other market participants, essentially

05:52 1 having a relatively small order sizes that got executed
2 in the -- in -- across a global network of -- of
3 changes.

4 Q. So part of the goal was to spread out the
05:52 5 sales across a number of exchanges?

6 A. That's correct.

7 Q. Was part of the goal intended to boost
8 liquidity without unintentionally damaging the market?

9 MR. MOYE: Objection, calls for
05:52 10 speculation.

11 THE WITNESS: I wouldn't characterize
12 programmatic sales techniques -- you know,
13 trying to minimize market impact -- wouldn't
14 characterize that as --

05:52 15 BY MS. ZORNBERG:

16 Q. Okay. Those are two separate things?

17 A. That's correct.

18 Q. But separately, Ripple had the goal of
19 enhancing liquidity for the ODL product --

05:52 20 MR. MOYE: Objection, leading.

21 BY MS. ZORNBERG:

22 Q. -- is that right?

23 MR. MOYE: Same objection.

24 THE WITNESS: Yes.

25

05:52 1 BY MS. ZORNBERG:

2 Q. As a separate issue from the programmatic
3 sales?

4 A. Yes, ripple had a goal of increasing
05:53 5 liquidity for ODL.

6 Q. Okay. There was some testimony today about a
7 period of time in 2020 when Ripple purchased XRP on the
8 secondary market, and I think [REDACTED] referred to it
9 as "buybacks."

05:53 10 Do you recall that.

11 A. I do recall that.

12 Q. Okay. When the term "buybacks" was used in
13 the testimony today, does that mean Ripple purchased XRP
14 in the open market?

05:53 15 A. Ripple partnered with a market maker to use
16 algorithms to purchase XRP on a set of digital asset
17 exchanges.

18 Q. Okay, and Ripple disclosed in its quarterly
19 market reports that it had purchased XRP on the open
05:53 20 market, correct?

21 MR. MOYE: Objection, foundation and
22 leading.

23 THE WITNESS: I believe it did.

24 BY MS. ZORNBERG:

05:54 25 Q. Okay. I would like to ask you a few

05:54 1 questions now about OTC sales, over-the-counter sales.
2 You testified earlier today that Ripple undertook
3 OTC sales in order to contribute to building XRP
4 liquidity for its products, right?

05:54 5 A. Correct, or building XRP liquidity.

6 Q. Which would -- which would also help ODL to
7 succeed?

8 A. Correct.

9 Q. After master agreements were set up with OTC
05:54 10 purchasers, was it the OTC purchaser who came to Ripple
11 wanting to purchase XRP or was it Ripple going out and
12 actively soliciting sales?

13 MR. MOYE: Objection, foundation.

14 THE WITNESS: The OTC brokers would
05:55 15 approach Ripple, typically asking for a price
16 for a given size of XRP.

17 BY MS. ZORNBERG:

18 Q. So it was the brokers who initiated?

19 A. That is correct.

05:55 20 Q. Is that --

21 In every case that you can recall, was it the OTC
22 broker who contacted Ripple to purchase XRP to initiate
23 the -- that transaction?

24 A. So OTC sales moved from essentially a
05:55 25 bilateral -- you know -- you know, communication -- you

05:55 1 know, we asked to confirm to commit to sell, in which
2 case the commit-to-sell orders were characterized as OTC
3 sales, because they essentially went to the same --
4 largely the same counterparties.

05:55 5 Commit to sell just required the count party to
6 essentially withdraw from a segregated wallet, so in
7 essence, they initiated the -- the order, but in that
8 case, they didn't contact original for it.

9 Q. They could just do it?

05:56 10 A. They just did it.

11 Q. They initiated it and they did it?

12 A. Exactly.

13 Q. Okay. When you worked at [REDACTED] --

14 Switching subjects now, when you worked at [REDACTED]

05:56 15 [REDACTED] as a market maker for Ripple, did Ripple ever
16 make promises to [REDACTED] that XRP's price would go
17 up?

18 A. Not to my recollection.

05:56 19 Q. In the three plus years that you worked at
20 Ripple, did you ever promise an OTC purchaser that XRP's
21 price would go up?

22 A. No.

05:56 23 Q. To your knowledge, did anyone else at Ripple
24 ever promise to an OTC purchaser that XRP's price would
05:56 25 go up?

05:56 1 A. Not to my knowledge.

2 Q. Did you ever make promises to any market
3 makers that Ripple could increase XRP's price?

4 A. No.

05:57 5 Q. Are you aware of anyone else at Ripple making
6 such promises?

7 A. I'm not aware of anyone else.

8 Q. You -- you were asked many questions today
9 about whether certain events or things that Ripple did
05:57 10 or didn't do would be good or bad for XRP holders.

11 Do you recall being asked a lot of questions in
12 that nature?

13 A. Uh-huh.

14 Q. In your time working for Ripple, did you ever
05:57 15 make promises to retail XRP buyers or retail XRP holders
16 that Ripple could increase XRP's price?

17 A. No.

18 Q. Are you aware of anyone at Ripple making such
19 promises to retail buyers of XRP?

05:57 20 A. No.

21 Q. Has Ripple, to your knowledge, ever promised
22 anyone that it would create an XRP trading market?

23 MR. MOYE: Objection, foundation.

24 THE WITNESS: An XRP -- could you repeat
05:58 25 your question?

05:58 1 MS. ZORNBERG: I'll withdraw the question
2 and move on.

3 (Thereupon, an informal discussion was
4 held off the record.)

05:58 5 MS. ZORNBERG: Almost done, here.

6 BY MS. ZORNBERG:

7 Q. You were asked some questions today earlier
8 about Ripple's quarterly mark reports, right?

9 A. Yes.

05:58 10 Q. And I believe you --

11 You said that they were part of an effort by Ripple
12 to provide transparency to the market. Let me ask you
13 this:

14 Are you aware of any other actor in the crypto
05:58 15 space that puts out on a regular basis -- besides
16 Ripple -- detailed information about its holdings or
17 sales in digital assets?

18 A. Not to my knowledge.

19 Q. Are you aware of any other actor besides
05:59 20 Ripple in the crypto space that releases quarterly
21 reports?

22 A. Not to my knowledge.

23 Q. How about the Ethereum Foundation? Do they
24 do that?

05:59 25 A. Not to my knowledge.

05:59 1 Q. How about Consensus? Do they do that?

2 A. Not to my knowledge.

3 Q. How about the Bitcoin Foundation? Do they do
4 that?

05:59 5 A. Not to my knowledge.

6 Q. At one point in your testimony today, you
7 were asked about a change that you recommended to your
8 colleagues about how Ripple should present XRP sales or
9 supply data in quarterly market reports, right?

05:59 10 A. (Nodding).

11 Q. And I believe you testified that you
12 recommended that it be changed but, in fact, the
13 Ripple's quarterly market reports continued to report
14 XRP sales data in the manner it had consistently done in
06:00 15 the past; is that right?

16 A. That's correct.

17 Q. Is that an example on how reasonable minds
18 could differ on how to present data?

19 MR. MOYE: Objection, argumentative.

06:00 20 THE WITNESS: Possibly.

21 (Pause.)

22 BY MS. ZORNBERG:

23 Q. In the time that you worked at Ripple, did
24 you receive any directive to drive up short-term XRP
06:00 25 price?

06:00 1 A. No.

2 Q. Are you aware of any such Ripple initiative?

3 A. No, I am not aware.

4 Q. Okay. I know that you're --

06:00 5 You testified that you're currently working at GSR.

6 Is it fair to say that by the spring of 2020, you were

7 contemplating leaving Ripple?

8 A. That is fair.

9 Q. And by around September 2020 you were in

06:01 10 discussions with GSR to move over to GSR, right?

11 A. That's fair, yep.

12 Q. Was Brad Garlinghouse supportive of your

13 plans to move to GSR?

14 A. Yes, he was.

06:01 15 Q. You were asked a number of questions today

16 about what's good or bad for XRP holders.

17 Mr. Samarasinghe, do you purport to speak for all

18 XRP holders and what they prefer?

19 A. I do not.

06:01 20 Q. There's one exhibit I want to -- I want to

21 call your attention to and ask you about. It's

22 DS Exhibit 7, if you might just pull that one out.

23 (Pause.)

24 BY MS. ZORNBERG:

06:02 25 Q. Okay, so you were asked a number of questions

06:02 1 about an e-mail, DS Exhibit 7, that you sent, dated
2 November 2nd, 2017 to Miguel Vias, providing some brief
3 assessment on GDAX and how it might apply to XRP. Is
4 that a fair characterization?

06:03 5 A. Uh-huh.

6 (Thereupon, an informal discussion was
7 held off the record with the shorthand
8 reporter.)

9 THE WITNESS: Yes.

06:03 10 BY MS. ZORNBERG:

11 Q. At the time you sent this e-mail in early
12 November 2017, approximately how long were you with
13 Ripple at that point?

14 A. Less than five months.

06:03 15 Q. And that was your first non-trading job,
16 right?

17 A. That is correct.

18 Q. Had you ever been asked to prepare an
19 analysis of this type regarding listing requirements for
06:03 20 digital assets?

21 A. I had not.

22 Q. You testified earlier that while you were
23 asked to comment or did comment on decentralization,
24 you're not an expert on decentralization; is that right?

06:03 25 A. That's correct.

06:03 1 Q. You weren't an expert in 2017, right?

2 MR. MOYE: Objection, leading.

3 THE WITNESS: Correct, I was not an
4 expert in 2017.

06:03 5 BY MS. ZORNBERG:

6 Q. Do you consider yourself an expert on the
7 term "decentralization" today?

8 A. I do not.

9 Q. Do you know whether there is an accepted or
06:04 10 uniform understanding of what "decentralization" means
11 with respect to digital assets?

12 MR. MOYE: Objection, foundation.

13 THE WITNESS: Not to my knowledge.

14 BY MS. ZORNBERG:

06:04 15 Q. Okay. You testified earlier that you're
16 not -- in 2017, you were not an expert on validators and
17 validation for hedges; is that right?

18 A. That is correct.

19 Q. As you sit here today, do you consider
06:04 20 yourself an expert?

21 A. I do not.

22 Q. Okay. So in 2017, when Miguel Vias asked you
23 to prepare this analysis, did you at that time consult
24 with David Schwartz?

06:04 25 A. I did not.

06:04 1 Q. Did you consult with Arthur Britto?

2 A. I do not recall.

3 Q. And this is a pretty short analysis about a
4 one-sentence point. Did you consult with anyone at
06:04 5 Ripple in preparing these responses?

6 A. I don't believe I did.

7 Q. Did you spend a lot of time on this?

8 A. I don't recall.

9 Q. Did Coinbase later list XRP?

06:05 10 A. It did.

11 Q. So to the extent -- by the way, do you know
12 whether Coinbase applied its GDAX criteria at the time
13 it listed XRP?

14 A. I do not.

06:05 15 Q. If it did, would it be a fair assumption that
16 someone at Coinbase concluded that XRP was fine under
17 its criteria to list --

18 MR. MOYE: Objection.

19 BY MS. ZORNBERG:

06:05 20 Q. -- whatever its criteria were at the time it
21 listed it?

22 MR. MOYE: Objection, foundation, and
23 calls for speculation.

24 MS. ZORNBERG: Let me rephrase it in a
06:05 25 simplified way.

06:05 1 BY MS. ZORNBERG:

2 Q. At the time that Coinbase listed XRP, would
3 it be a fair assumption that Coinbase determined it was
4 okay to list it?

06:05 5 MR. MOYE: Objection, foundation.

6 THE WITNESS: I believe that's a fair
7 assumption.

8 BY MS. ZORNBERG:

9 Q. Okay. Do you have any --

06:05 10 I'm turning subjects, now. Do you have any
11 knowledge of specific wash trades occurring in XRP?

12 A. Not to my knowledge.

13 Q. Do you have any knowledge of Ripple at any
14 time encouraging wash trades in XRP?

06:06 15 A. Not to my knowledge.

16 Q. Last subject that I wanted to ask you about.
17 There was some testimony and questions about loans of
18 XRP to market makers.

19 Was the purpose of those loans to increase
06:06 20 liquidity in aid of the ODL product?

21 A. Not -- not the initial loans, no. The
22 initial loans were to increase liquidity for XRP.

23 Q. Which, in turn, helped with the rollout of
24 the ODL product?

06:06 25 MR. MOYE: Objection, argumentative,

06:06 1

leading.

2

THE WITNESS: Not necessarily. I -- you know, the ODL product had not really come into existence then. I think the -- the initial idea was XRP liquidity would support the cross border use case. You know, essentially -- not necessarily --

06:07 5

6

7

8

9

06:07 10

11

12

13

I don't think it was necessarily going to be on these designation exchanges. I don't know that they were considered, but it was definitely trying to increase XRP liquidity to essentially achieve division of the Internet of value.

14

BY MS. ZORNBERG:

06:07 15

16

17

18

19

Q. Yeah, so -- and again, I don't want to put you in an unfair spot. You already testified 10 times today you were not part of the ODL product team.

Do you have any knowledge that -- of pilots for the ODL product actually predating when you joined Ripple?

06:07 20

21

22

23

24

A. I don't recall.

Q. Okay. So if --

If in fact that's the case, that the ODL product -- then called xRapid -- was being piloted as early as 2015 --

06:08 25

A. Uh-huh.

06:08 1 Q. -- would you agree that the general goal of
2 increasing liquidity was something very important to the
3 ODL product?

4 MR. MOYE: Objection to form, compound,
06:08 5 speculative, argumentative.

6 THE WITNESS: Could you --

7 BY MS. ZORNBERG:

8 Q. You can answer.

9 A. Could you rephrase the question? There was a
06:08 10 lot to unpack in that.

11 Q. Yeah. You don't know when -- when Ripple
12 started working on xRapid, do you?

13 A. I don't. I don't know exactly.

14 Q. Okay, and you --

06:08 15 You agree that liquidity in XRP is a critical
16 component of the ODL product being successful?

17 A. That's correct.

18 MS. ZORNBERG: Okay. I have no further
19 questions. Thank you.

06:08 20 MR. MOYE: Okay. I may have one or two
21 more. Can we swap?

22 (Thereupon, an informal discussion was
23 held off the record.)

24 (Pause.)

06:08 25

06:08 1
2
3
4
06:09 5
6
7
8
9
06:10 10
11
12
13
14
06:10 15
16
17
18
19
06:10 20
21
22
23
24
06:10 25

REDIRECT EXAMINATION

BY MR. MOYE:

Q. When Coinbase listed XRP, they didn't -- you don't know whether they -- you didn't talk to anyone directly at Coinbase, right, about what sort of analysis they did?

A. No, sir.

MR. MOYE: Okay. That's all we've got. Is there anybody else?

MR. LEVANDER: So for the record, Samuel Levander, Cleary Gottlieb Steen & Hamilton, for defendant Bradley Garlinghouse.

CROSS-EXAMINATION

BY MR. LEVANDER:

Q. So, Mr. Samarasinghe, you testified this morning that GSR has certain personnel who are located in the United States?

A. Yes.

Q. Are any of them traders for GSR?

A. Not to my knowledge.

Q. To your knowledge, did any of them trade XRP

06:10 1 for GSR?

2 A. Not to my knowledge.

3 Q. To your knowledge, did any of them trade XRP
4 on behalf of Ripple?

06:10 5 A. Not to my knowledge.

6 Q. To your knowledge, did any of them trade XRP
7 on behalf of Brad Garlinghouse?

8 A. Not to my knowledge.

9 Q. And to your knowledge, did any of them trade
06:10 10 XRP on behalf Chris Larsen?

11 A. Not to my knowledge.

12 MR. LEVANDER: No further questions.

13 (Pause.)

14 THE VIDEOGRAPHER: This will conclude
06:11 15 Video No. 5 and end today's recording of the
16 deposition of Dinuka Samarasinghe.

17 We are off the record. The time is 6:11
18 p.m., June 9th, 2021.

19 (Thereupon, the deposition concluded at
20 6:11 p.m.)

21 (The original exhibits were retained by
22 Attorney Moye with electronic copies sent to the
23 shorthand reporter.)

24 *** **

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

ACKNOWLEDGMENT OF WITNESS

I, DINUKA SAMARASINGHE, do hereby certify that the foregoing testimony given by me on June 9, 2021, is true and accurate, including any corrections noted on the corrections page, to the best of my knowledge and belief.

DINUKA SAMARASINGHE

At _____ in said County of _____, this _____ day of _____, 2021, personally appeared DINUKA SAMARASINGHE, and he made an oath to the truth of the foregoing corrections by him subscribed.

Before me, _____, Notary Public. My commission expires _____.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

ERRATA SHEET

Deposition of: DINUKA SAMARASINGHE
Date taken: JUNE 9, 2021
Case: SEC vs. RIPPLE LABS, INC., et al.
PAGE LINE

| | | | |
|-------|-------|---------|-------|
| _____ | _____ | CHANGE: | _____ |
| | | REASON: | _____ |
| _____ | _____ | CHANGE: | _____ |
| | | REASON: | _____ |
| _____ | _____ | CHANGE: | _____ |
| | | REASON: | _____ |
| _____ | _____ | CHANGE: | _____ |
| | | REASON: | _____ |
| _____ | _____ | CHANGE: | _____ |
| | | REASON: | _____ |
| _____ | _____ | CHANGE: | _____ |
| | | REASON: | _____ |
| _____ | _____ | CHANGE: | _____ |
| | | REASON: | _____ |
| _____ | _____ | CHANGE: | _____ |
| | | REASON: | _____ |
| _____ | _____ | CHANGE: | _____ |
| | | REASON: | _____ |

Signed _____
Dated _____