Exhibit 76

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,	)	
Plaintiff,	)	Case No.
v.	)	20-Civ-10832(AT)(SN)
RIPPLE LABS, INC., BRADLEY GARLINGHOUSE, and CHRISTIAN LARSEN,	)	
Defendants.	)	

CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER

VIDEOTAPED DEPOSITION OF

BRADLEY KENT GARLINGHOUSE, JR.

Monday, September 20, 2021

Reported by:
BRIDGET LOMBARDOZZI,
CSR, RMR, CRR, CLR
Job No. 210920BLO

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff,	)	
v.	)	Case No. 20-Civ-10832(AT)(SN)
RIPPLE LABS, INC., BRADLEY GARLINGHOUSE, and CHRISTIAN LARSEN, Defendants.	)	

Videotaped deposition of BRADLEY KENT GARLINGHOUSE, JR. taken on behalf of Plaintiff, held at the offices of Cleary Gottlieb Steen & Hamilton LLP, 1 Liberty Plaza, New York, New York, commencing at 8:20 a.m. and ending at 8:01 p.m., on Monday, September 20, 2021, before Bridget Lombardozzi, CCR, RMR, CRR, CLR, and a Notary Public of the States of New York and New Jersey, pursuant to notice.

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8:20 a.m.

September 20, 2021

- - -

THE VIDEOGRAPHER: We're on the record. The time is approximately 8:20 a.m. Today's date is Monday, September 20th, 2021. This is the video deposition of Bradley Kent Garlinghouse, Jr., in the matter of the Securities and Exchange Commission versus Ripple Labs Inc., Bradley Garlinghouse, and Christian Larsen. The index number is 20-Civ-10832 in the United States District Court, Southern District of New York.

My name is David Shereck, certified legal videographer, with Shereck Video in association with Gradillas Court Reporting of Glendale, California. We're located today at the office of Cleary Gottlieb, located at 1 Liberty Plaza in New York. And all attorneys present will appear on the stenographic record. And the court reporter is Bridget Lombardozzi. Thank

you.

And will you please swear in the witness.

B R A D L E Y K E N T G A R L I N G H O U S E, Jr., having been duly sworn, was examined and testified as follows:

THE REPORTER: Thank you.

You may proceed.

MR. TENREIRO: Thank you.

Stipulations, Matt?

MR. SOLOMON: Yes. Just that any objection by any counsel will be deemed an objection by all counsel if that's agreeable to the SEC.

MR. TENREIRO: Yes.

MR. HORTON: Thank you.

MR. TENREIRO: And we're going to --

MR. SOLOMON: And confidentiality as well.

MR. TENREIRO: Sure. We're going to go nine hours today as we discussed. I think that's also stipulated.

DIRECT-EXAMINATION

BY MR. TENREIRO:

Q. Good morning. Could you please state your name for the record.

A. Good morning. Brad Garlinghouse.

Q. Good morning, Mr. Garlinghouse. I'm Jorge Tenreiro for the SEC. I'll be asking questions on behalf of the plaintiff today.

Mr. Garlinghouse, you gave testimony to the SEC in an investigation that led up to this case in September of 2020, is that right?

A. I believe the date's correct, yeah.

Q. And you were under oath for that testimony, is that right?

A. I was.

Q. And did you provide truthful answers to the SEC during your testimony on that date?

A. I did.

Q. Since that -- since that testimony, have you given under -- other under oath testimony other than in the [redacted] matter?

A. Not that I can recall, no.

Q. Okay. And other than [redacted] and the SEC investigation, have you given other testimony under oath before?

A. I don't recall. You're asking in my whole lifetime?

Q. Sure. Yes.

A. Not that I can recall.

Q. Okay. The important thing to keep in mind today, I think as you've done this before, other than to try to speak slowly and not talk over each other, is that I'm never asking you to tell me the substance of any advice you got from counsel. So let's try to stay away from that.

Do you understand?

A. I do.

Q. Is there any reason why you cannot testify truthfully or accurately today?

A. No.

Q. Did you take steps to prepare for today's deposition?

A. I did.

Q. And what steps did you take, without discussing the substance of conversations with counsel?

A. I met with counsel to prepare for today.

Q. How many times did you meet?

A. I don't know exactly. As you may recall, this -- the date of this event moved a few

times. And so we met a couple times to prepare each time that it got moved.

So, you know, more than five, less than ten.

Q. How many hours would you approximate you met?

A. Twenty hours.

Q. Did you review documents?

A. Yes.

Q. Did any of the documents you reviewed refresh your recollection as to the matters related to this case?

A. Not specifically, no.

Q. Who was present at the preparation sessions, generally, other than your counsel?

A. Other than my counsel?

Q. Yes.

A. No one.

Q. Was counsel for Ripple present?

A. Yes. Sorry. I -- I should have been more precise. When you said my counsel, I included Ripple's counsel within that construct.

Q. Okay. What about counsel for Mr. Larsen?

A. No.

Q. Did you discuss your testimony with Mr. Larsen?

A. No.

Q. Did you discuss his testimony with him?

A. Actually, one clarification. I didn't discuss my testimony with him because I haven't given the testimony yet. I did not discuss his testimony with -- his testimony, we didn't discuss that either.

Q. Did you discuss your preparation for your testimony with Mr. Garling -- with Mr. Larsen?

A. Other than acknowledging that I was doing preparation because I would be out-of-pocket for some segment of time, no.

Q. Okay. And did you discuss any other witness's testimony with that witness?

A. No.

Q. Okay. Do you own any XRP today?

A. Yes.

Q. How much? How many units?

A. I have -- that's a direct question. I'm trying to parse it a little bit. In terms of my direct ownership that I have custody myself? Are you asking what I have custody of myself or are

you asking --

Q. I'm asking how much XRP you own.

A. Well, so, by virtue of my ownership in Ripple, the company, I have indirect ownership of, you know, say, three and a half billion units of XRP as a -- as a rough estimate.

Q. Okay. And by -- and what about other holdings of XRP that are not by virtue of your ownership in Ripple, the company?

A. I hold some XRP at CoinBase. I don't know exactly how much. Maybe [redacted] And I hold XRP in a couple of cold wallets which cumulatively probably represents [redacted] units of XRP.

Q. Any other units of XRP that you might own indirectly through an organization, an LLC, a family trust, anything like that?

MR. SOLOMON: Objection to form.

A. Not that I can recall.

Q. Okay. And other than XRP that you might own indirectly through your ownership in Ripple, have you ever sold any of your XRP?

A. Yes.

Q. How? How did you sell it?

A. I have sold XRP through Bitstamp and I

have sold XRP through a -- an entity called GSR.

Q. On what platforms did GSR sell the XRP for you?

A. I can't recall.

Q. Are there records that reflect that information?

A. Yes.

Q. Where are those records?

A. In my e-mail I have those records. I'd imagine GSR has it. I -- I don't think I can provide an exhaustive list of where those records are.

Q. When is the last time you sold XRP? Again, I'm talking about yours, not the indirectly owned.

A. [redacted] is my recollection.

Q. Do you have any present plans to sell your XRP?

A. No, I don't.

Q. Okay. And why did you sell XRP in [redacted]

A. I had a trading plan that I -- that -- a company-approved trading plan of XRP. I vested some XRP as part of an XRP grant from the company, and as part of that trading plan, I sold XRP.

Q. But why did you sell it? For what purpose?

A. No particular purpose.

Q. Who did you sell it to, the one -- the XRP you sold in [redacted]?

A. I don't know.

Q. How much did you sell it for?

A. I can't recall specifically. I mean, I -- I think in [redacted], my recollection is XR -- I would be, not speculating, but guessing where the price of XRP was [redacted], which I can't recall exactly.

Q. Can you recall the number of units you sold in [redacted]?

A. I -- I would guess it's between [redacted] units.

Q. And why have you not sold since?

MR. CERESNEY: Objection to form.

THE REPORTER: Who --

MR. TENREIRO: That was Andrew.

A. I think that would encroach upon attorney-client privilege.

Q. Okay. How is it that you don't know who you sold the XRP to in [redacted]?

MR. SOLOMON: Objection; form.

A. The nature of how -- I guess the way I think about that is if I ever -- well, when you are selling XRP on an exchange, you don't know who the counterparty is.

Q. Okay. And is that true for the Bitstamp platform? Is that true that you don't know who the counterparty is?

A. Yes.

Q. And is that true for the platforms on which GSR sold your XRP?

A. I believe so.

Q. Okay. Have you ever asked GSR if they know who they're selling your XRP to?

A. Not that I can recall.

Q. Okay. So you are currently employed as Ripple's CEO, is that right?

A. Yes.

Q. Okay. And you've held that position since January 1st, 2017, is that correct?

A. Yes.

Q. Before that you were Ripple's COO, is that right?

A. That is correct.

Q. Okay. And I think you became the COO

around April of 2015, is that correct?

A. Yes, that sounds correct.

Q. As CEO, do you have the power to make decisions on behalf of Ripple?

A. As CEO, I have the authority to make decisions on behalf of Ripple.

Q. Do you have authority to manage Ripple's activities?

A. Yes.

Q. How about to direct -- sorry.

A. I believe so. Yes.

Q. How about to direct its policies?

MR. CERESNEY: Objection to form.

A. Yes.

Q. Did Ripple ever file a registration statement for any XRP offer or sale with the SEC?

A. Not of which I'm aware.

Q. If you decided -- if you, Mr. Garlinghouse, decided that Ripple should file such a registration statement, would you have the power to make that decision?

MR. CERESNEY: Objection to form.

MR. SOLOMON: Objection.

A. Yes.

Q. Is there anyone else who would have the authority at Ripple to make the decision to file a registration statement?

MR. SOLOMON: Objection.

A. I guess -- during what time period? After January 1st, 2017?

Q. Sure.

A. I mean, I think the -- the board of directors could act in some manner to facilitate that.

Q. And have you ever sat on the board?

A. I do sit on the board.

Q. Since when?

A. I believe I officially took the board seat in January of 2017.

Q. How many directors are on the board as of December of 2020?

A. December 2020. I don't recall exactly. I think seven.

Q. Okay. And who are they?

A. In -- in December of 2020, the board members would have been myself, Chris Larsen, Anja Manuel, Susan Athey, I think, depending upon what -- I think Ben Lawsky resigned from the board

in roughly December 2020. Craig Phillips, Yoski Kitao.

Q. That's seven.

A. Yeah, I feel like I forgot somebody.

Q. It's confidential. They won't see it. It's okay. If you don't remember, it's okay.

A. You don't want to forget one of your board members.

Q. Yeah.

A. I said Craig Phillips. Gene -- he's already off the board at that time. I think that's it.

Q. Who selects -- as of December 2020, who selected who would be on the board?

A. I mean, I'd say, generally speaking, Chris Larsen would be -- would have been the primary person, but typically what would happen if we were adding a board member is I would take point in interviewing candidates, discussing various -- you know, the possibility of the various candidates, and then would present to Chris and the rest of the board, you know, effectively a finalist or two for the board's consideration.

Q. Why was Mr. Larsen the primary person?

MR. SOLOMON: Objection.

A. Chris was the executive chairman of Ripple. And as executive chairman, you know, I think, generally speaking, you -- the Chair of the board as -- if the Chair of the board is not supportive of a candidate, that probably isn't a good path to push.

Q. And why did Lawsky resign?

A. Mr. Lawsky had been on the board for a few years. He was approaching his four-year tenure. He had worked at a digital asset investment group -- or he does work at a digital asset investment group, as an advisor, called [redacted] which I think stands for [redacted]

And by virtue of his position -- you know, his board position sometimes created knowledge he had about Ripple that couldn't be shared and needed to be kind of firewalled within the [redacted]. And I think over time he felt like, as [redacted] was growing and his time spent on [redacted] was growing, I think he felt that his -- that the conflict was becoming more problematic. Or the potential conflict was becoming more problematic.

Q. Before working for Ripple, Mr. Garlinghouse, did you have any experience with cryptography?

A. No.

Q. Did you have any experience before working for Ripple with distributed ledgers?

A. No.

Q. Did you have any experience before you joined Ripple with cryptocurrency?

A. Minimal.

Q. What was that experience?

A. I owned some bitcoin.

Q. Other than that, did you have any experience with cryptocurrency?

A. No.

Q. Did you have any experience with Byzantine fault theory?

A. No.

Q. When you joined Ripple, what, if any, work did you do to sort of educate yourself or familiarize yourself with distributed ledgers and blockchain technology?

A. I met with people at Ripple to better understand Ripple's technology.

Q. What people did you meet with?

A. Certainly [redacted] I believe was the CTO at the time. [redacted] was the VP of engineering at the time. Arthur Britto was an outside advisor to the company. That would be a handful of examples.

Q. Okay. When you joined Ripple, did you understand that Ripple owned XRP?

A. I actually don't recall what I actually understood at the time I joined Ripple.

Q. You're talking about, like, the day you started?

A. Yeah.

Q. Shortly after starting Ripple -- starting to work at Ripple, did you come to understand that Ripple held XRP?

A. Certainly during the course of calendar year 2015 I came to understand that Ripple owned XRP.

Q. Before you started at Ripple, who did you meet with about Ripple at Ripple?

A. Sorry. Maybe just restate the question, please.

Q. Sure.

Who did you meet with Ripple sort of -- let me start again.

Who did you meet with at Ripple in connection with starting your employment there?

A. Including interviews?

Q. Yeah.

A. So my first interview -- well, the interview came by virtue of outreach from a recruiter named [redacted] with a recruiting firm I can't recall the name of. Includes the name [redacted]

And I first met with Chris Larsen. I probably met people coming and going, but the first meeting was Chris Larsen. I think I was introduced to a couple of people on the way in and the way out.

I remember coming back and meeting with a number of people who would have reported to this newly created position of COO. That included [redacted], that included Monica Long, that included Patrick Griffin. I think that included Asheesh Birla.

I met with at least one board member, a gentleman named Arjan Schutte, who is no longer on the board. I can't -- that's all I can recall.

Q. So is it your recollection today that after these meetings, these sort of preliminary

meetings or interviews, you were not necessarily sure about whether Ripple owned XRP, is that right?

MR. SOLOMON: Objection.

A. Yeah, I actually remember -- and I think in my deposition from the investigation, you know, I remember interviewing with Chris Larsen. I remember leaving the meeting and thinking I did not know what he was talking about because I maybe hadn't done enough homework going into the meeting to understand some of the things that he was describing.

I remember him talking about billions of XRP and me -- the word "billions" is a notable thing. And so I was, like, what is he talk -- you know. So I did not understand and sought to better understand, but I don't recall, you know, what research I did.

Q. Sure.

So throughout the calendar year 2015, you -- you came to understand that Ripple held billions of XRP, is that right?

A. Yes.

Q. And how did you come to gain that understanding?

A. I don't recall.

Q. And throughout calendar year 2015, did you come to understand that Ripple's XRP holdings were a significant asset for Ripple?

MR. SOLOMON: Objection to form.

A. No.

Q. Did you ever come to understand that X -- Ripple's XRP holdings were a significant asset for Ripple?

A. Yes.

Q. At what point did you come to understand that?

A. I didn't consider Ripple's holdings of XRP significant probably until 2017.

Q. And why -- why in 2017 did you start to consider them to be significant?

A. Two factors: One is the liquidity in the XRP market had increased markedly and the value of the XRP that Ripple held increased markedly.

Q. And "the value," do you mean the -- does that include the price of XRP?

A. Price I think would be included in value, yes.

Q. Okay. So -- understood.

Has the regulatory status of XRP -- I'm not talking just about securities laws, but has the regulatory status of XRP been an important issue for you throughout your tenure as Ripple's CEO?

MR. SOLOMON: Objection to form.

A. No.

Q. Has -- at any time during your tenure as Ripple's CEO, has the regulatory status of XRP been important to you?

MR. SOLOMON: Objection to form.

A. Yes.

Q. At what time did that -- did it begin being important to you?

A. What I -- what I recall is Ripple received a letter from the SEC in spring, late spring, of 2018. And that was a time when I was, like, oh, okay, this needs to increase on the prioritization list.

MR. SOLOMON: And if I could just interrupt, when you say "regulatory status," do you mean across the board or just with respect to the Securities and Exchange --

MR. TENREIRO: No, I meant across

the board. And that's why I want to go back, because I think he might have --

MR. SOLOMON: That's what I was clarifying, yes.

BY MR. TENREIRO:

Q. So let me -- let me -- thank you for that. I want to get to that.

MR. TENREIRO: And thank you to Mr. Solomon, because my question was broader first.

A. Okay.

Q. So sort of the regulatory status of XRP.

A. Oh, yeah.

Q. You know, it doesn't just have to be securities laws.

Was that important in general to you when you were the CEO?

A. Well, maybe even going slightly more macro, you know, I -- I would say I spent -- certainly before the time I referenced earlier of the spring of 2018, early spring of 2018, you know, I was meeting with central bankers around the world. You know, that was primarily to provide clarity, transparency, education about Ripple, about how we used XRP.

You know, other governments around the world are, frankly, ahead of the United States in providing clarity about how they looked at digital assets broadly. You know, the UK created something called the Token Taxonomy Act. Other governments created various things.

So I spent time, energy -- directly, indirectly -- to educate myself as well as evangelize and hopefully educate the market on, you know, various constructs that I thought would allow for these industries to thrive.

Q. Okay. So -- and -- and in terms of the importance -- let me start again.

As the CEO of Ripple, throughout your tenure has it been important to you that Ripple comply with U.S. law?

MR. CERESNEY: Objection to form.

A. Yes.

Q. Okay. And to the extent that you spent time -- I think we said central bankers -- did this begin when you were COO? when you were CEO? Can you give me a point of reference as to when this sort of activity began for you?

A. I don't recall specifically. I think

it's fair to say that it has always been a priority for Ripple to act, you know, within and in concert with governments around the world in how the digital asset market was evolving.

As you probably are aware, I think in contrast -- and, frankly, one of the things that drew me to Ripple, I felt, having owned bitcoin and looked at the digital asset mark -- market broadly, I felt that the idea that bitcoin and some in the early origins of the kind of crypto industry were very anti-government, anti-bank, we're going to circumvent the government, we're going to circumvent the banks. And I always felt that that was, at best, shortsighted.

And one of the things that drew me to Ripple was Ripple's view that, hey, we're going to work with the banks, we're going to work alongside the governments, and use these technologies to provide benefit to customers, to consumers, to, you know, all segments of the population.

Q. Okay. And did you -- you -- you -- you mentioned a few moments ago sort of the late spring of 2018 as a moment where you got a letter from the SEC, is that correct?

A. That's correct.

Q. Did you get it personally or did you get it through counsel?

A. I believe I got it through counsel.

Q. Okay. And who was that?

A. [redacted] was our general counsel at the time.

Q. Okay. Do you know how [redacted] got it?

A. I do not.

Q. Okay. Did you read the letter?

A. And, by the way, to be fair, it may have come directly to me. Someone -- between the time it came into the building and got to me, I think [redacted] was probably the first recipient of it.

Q. Did you read the letter?

A. At some point I'm sure I did.

Q. Okay. Did you -- so I'm just going to use the late spring of 2018 as that moment in time.

Before the late spring of 2018, had you had conversations with your chief compliance officer about the regulatory status of XRP under U.S. laws?

A. I don't recall.

Q. And the chief compliance officer, just to be clear, was Antoinette O'Gorman at that time?

A. I believe so, yes.

Q. Okay. If XRP is deemed to be a security under United States law, would that have a significant impact on Ripple?

MR. CERESNEY: Objection.

MR. SOLOMON: Objection.

A. Well, part of -- I mean, I think, to answer that question, I'd be commenting on conversations I've had with counsel.

Q. So I'm asking you as the CEO of the business, you know. From your business perspective, would that determination have a significant impact on your company?

MR. SOLOMON: Only if you can answer the question without getting into conversations that you've had with attorneys.

THE WITNESS: Yeah.

A. When I arrived at Ripple, I knew nothing about securities laws. Probably in late spring of 2018, I had limited familiarity with securities laws.

So my understanding of how Ripple's business might, could have been, would be affected by -- if XRP were deemed to be a security was

certainly informed by legal counsel.

Q. Okay. If you -- if Ripple was not ever able to sell another unit of XRP again, would that be significant for Ripple?

MR. SOLOMON: Objection to form.

A. Possibly.

Q. What would it depend on?

A. How Ripple's business evolved without having XRP.

Q. We'll get back to that.

Let's -- you said when you arrived at Ripple you knew nothing about securities laws, is that correct?

A. I knew very little about securities laws.

Q. You've -- you've never gone to law school, for example, correct?

A. Correct.

Q. You've never practiced law?

A. I have never practiced law.

Q. Okay. In 2017 you read the SEC's DAO Report, D-A-O Report?

MR. SOLOMON: Objection to form.

A. I don't recall reading the DAO Report.

Q. You were aware of the DAO Report?

MR. SOLOMON: Objection to form.

A. I was aware of the DAO Report.

Q. And -- all right.

So do you understand that one of the issues in this case is whether XRP was offered and sold by -- by Ripple as a security subject to regulation by the SEC?

MR. SOLOMON: Objection to form.

A. Can you repeat that question?

Q. Yes.

Do you understand that one of the issues in this matter, in this litigation, is whether Ripple offered and sold XRP as a security?

MR. SOLOMON: Objection to form.

A. Yes.

Q. Has anyone at the SEC ever told you that they did not view Ripple's offers and sales of XRP as securities transactions?

MR. CERESNEY: Do you mean other than with discussions with counsel?

THE REPORTER: I'm sorry, I can't hear you.

MR. CERESNEY: Do you mean other than through discussions with counsel?

MR. SOLOMON: I think he was

saying at the -- has any SEC employee --

MR. TENREIRO: Has any SEC employee told him --

THE WITNESS: Will you repeat the question, please?

MR. TENREIRO: Yes.

THE WITNESS: Thank you.

BY MR. TENREIRO:

Q. Has any SEC employee ever told you that they did not view Ripple's offers and sales of XRP as securities transactions?

A. No.

Q. Has any SEC employee ever told you that they did not view your offers and sales of XRP as a securities transaction?

A. No.

Q. Has any SEC employee ever told you that the SEC does not view Ripple's offers and sales of XRP as a securities transaction?

A. No.

Q. Has any SEC employee ever told you that the SEC does not view your offers and sales of XRP as a securities transaction?

A. I think implicit in that question is that -- sorry, could you repeat the question?

Q. Has any SEC employee ever told you that the SEC does not view you, Mr. Garlinghouse's, sales of XRP as securities transactions?

A. I'm not trying to be -- I'm having trouble following that whole thing. One more time. I apologize.

Q. Yeah. No problem.

Has any SEC employee ever told you that the SEC itself --

A. Yes.

Q. -- does not view Mr. Garlinghouse's transactions as securities transactions?

A. No.

Q. Okay. Are you aware of anyone affiliated with the SEC communicating to anyone at Ripple sort of in sum and substance that Ripple's transactions are not securities transactions?

A. Well, when you include anyone at the SEC and anyone at Ripple, I guess that includes public statements that the SEC and individuals at the SEC may have made to the public.

Q. Well, we can talk about those, but I -- here I was asking about conversations between SEC employees or, you know, people affiliated with the SEC, working for the SEC, and people working for

Ripple.

A. Not of which I'm aware.

Q. Okay. And are you aware that in approximately September of 2019, SEC staff informed Ripple that they were likely to conclude that it did view Ripple's offers and sales of XRP as securities transactions?

MR. SOLOMON: Objection to form.

MR. CERESNEY: Also, here again, this is other than discussions with counsel. So if the only discussion you had was with counsel in this regard, then I would instruct you not to answer.

MR. TENREIRO: So you're going to instruct him not to answer the transmittal information simply repeating what the SEC said. Okay.

MR. CERESNEY: Yes, I am.

MR. TENREIRO: Go ahead.

MR. CERESNEY: And not -- and not simply repeating. Your question was broader than that. In any event, the discussion between counsel and Mr. Garlinghouse would be privileged.

MR. TENREIRO: My question is not

broader.

BY MR. TENREIRO:

Q. My question is: Are you aware -- yes or no. Are you aware that in September of 2019, SEC staff informed Ripple that the SEC staff was likely to conclude that it viewed Ripple's offers and sales of XRP as securities transactions?

A. No.

MR. SOLOMON: Objection to form.

MR. CERESNEY: And I'm going to instruct the witness that if that discussion was with counsel, he should not answer the question.

Q. So are you -- you're -- go ahead.

A. My testimony is no.

Q. Okay. In 2018 you met with certain SEC Commissioners at the SEC's headquarters in Washington, correct?

A. Sorry. Could you repeat the dates?

Q. In 2018.

MR. SOLOMON: Objection; form.

A. I don't know the exact dates. I -- in, I believe, June of 2018 -- you know, to be honest, I don't remember the exact dates. It was later in the summer of 2018 I met with Chairman Clayton and

subsequently had meetings with Commissioner Roisman and Commissioner Pierce.

Q. What was the purpose of the meetings?

A. To discuss, as I had with, you know, kind of many government officials around the world, what Ripple does, how we use XRP, our views on the crypto markets.

Q. How did you procure the meetings?

MR. SOLOMON: Objection to form.

A. Which -- well, I recall the meeting with Chairman Clayton was organized by individuals at the White House. I don't recall how the meetings with Commissioner Pierce or Commissioner Roisman came to fruition.

Q. Okay. What individuals at the White House were you referencing in your prior answer?

A. A gentleman, [redacted] had taken an interest in what was going on and he had been helpful in organizing the meeting.

Q. Had taken an interest in what had been going on. Can you be a little more specific?

A. So I think this was after the SEC had -- let me back up a little bit.

One of the things that I came to feel in, you know, early 208 -- sorry, early summer of

2018, as evidenced by the letter we received from the SEC, is that we had not been -- I had not been particularly proactive or, frankly, I don't think I made any trips to Washington, D.C., despite talking to governments in other parts of the world to talk about what Ripple's doing, how we use these technologies, how the crypto markets were evolving.

So I came to feel that we needed to be more proactive in Washington. And John Roscoe had taken an interest in, I guess, the crypto markets and had offered to help arrange a meeting.

Q. Did someone at Ripple know him or did someone just contact him randomly?

MR. SOLOMON: Objection.

A. No, it -- it was even more circuitous than that. The [redacted] a gentleman, as I recall, named [redacted], he proactively reached out to me via an introduction by a gentleman named [redacted]. [redacted] reached out to me -- he's a friend -- and said [redacted] would like to talk to you." Again, I don't remember exactly. But, "Hey, would you be open to an introduction to the [redacted] He's, you know, pro crypto. You might enjoy

talking to him."

I talked to him. And he mentioned -- I think [redacted] used to work for him. And the three of us did a phone call -- [redacted] and myself -- and then after that [redacted] arranged -- or, actually, I don't know how [redacted] arranged the meeting, but he -- [redacted] attended the meeting.

Q. So you're talking about the Clayton meeting?

A. Yes.

Q. Let me put a pause on that because I want to go back to something we were discussing a moment ago.

I had asked you if you were aware of anyone affiliated with the SEC communicating to anyone at Ripple that they did not view Ripple's transactions to be securities transactions. And I'm paraphrasing, but you said -- you referenced public statements that the SEC and individuals made.

Do you recall referencing that a few moments ago?

A. I do.

Q. What were you referring to when you were

referencing public statements?

A. I mean, there have been a number of interviews by people who are currently at the SEC, people who were at the SEC, who have given interviews about crypto and about the regulatory status of crypto.

Q. Did any -- in any of those interviews someone at the SEC mention a view that XRP transactions by Ripple were not securities transactions?

A. Well, I think members of SEC staff, both at that time and members of the SEC today, have made comments which have suggested that they did not view XRP as a security.

Q. What -- and what comments are you referencing?

A. Well, I happened to see on Twitter yesterday Chair Gensler was saying in 2018 that he viewed 75 percent of the crypto market as not securities, as one example.

Q. Right.

So Mr. Gensler was not associated with the SEC in 2018, correct?

A. As far as I know, yes.

Q. Okay. So let me frame the question in

time.

Before the filing of the lawsuit, did anyone at -- at the SEC, who was at the SEC at that time, make public statements that they did not view Ripple's transactions in XRP as securities transactions?

A. Well, I mean, again, referencing public statements, the director of corporate finance, Bill Hinman, had given an in-depth speech. One of the topics he covered in that was that X -- excuse me, ETH was not a security and, in large part, because of the decentralization of ETH, which I viewed -- and I think others viewed as well -- XRP in many ways is more decentralized than ETH. And if decentralization was an important component of the SEC's determination that ETH was not a security, that seemed like a positive indicator for how the SEC may view XRP.

MR. SOLOMON: That was your inference. I think what he's asking is specifically about XRP. If you recall anybody from the SEC specifically commenting on the regulatory status of XRP, whether it was or was not a security, if I have that right.

08:56:22 A. No.

MR. TENREIRO: You do.

MR. SOLOMON: Okay.

BY MR. TENREIRO:

08:56:24 Q. Okay. So let's go back to the -- the meeting, I think with Clayton. Generally your recollection is somebody named [redacted] might have helped secure that meeting, correct?

A. Not might have. He did.

08:56:39 Q. Oh, he did. Okay.

And what about -- did he also help you set up the meeting with Commissioner Pierce?

A. I don't recall.

Q. Okay. And did Ripple give [redacted] 08:56:54 anything of value in connection with him setting up the meeting?

A. Not that I'm aware of.

Q. Okay. Did you meet with Commissioner Pierce?

08:57:01 A. Yes.

Q. Who was present? Sorry.

A. Yes. I believe so.

Q. Okay. Where?

A. I believe it was at the SEC's offices.

08:57:11 Q. Who was present?

A. Commissioner Pierce was present. I was present. And I don't recall who else.

Q. Were any of your lawyers present?

A. Not to my recollection.

Q. And at the meeting with Commissioner Roisman, who was present?

A. Commissioner Roisman was present. I believe his chief of staff was present. Actually, I do believe at that meeting that maybe his -- to the extent he has counsel, I think there was a lawyer that attended from the SEC.

Q. You mean for Mr. Roisman?

A. Yes.

Q. Commissioner Roisman.

A. Sorry. Yes.

Q. Did -- was your counsel present?

A. No. Actually, let me restate that. Not to my recollection.

MR. SOLOMON: And just for clarification, when you say "your counsel," do you mean Ripple's counsel, Brad's personal counsel, or both? I just want to make sure that we're clear on that.

BY MR. TENREIRO:

Q. Were either of -- either your personal counsel or Ripple's counsel present?

A. I didn't have personal counsel until 2020. So I'm certain that my personal counsel was not present.

Q. Sure. And -- okay.

And, now, at the meeting with Chair Clayton, was -- since you did not have personal counsel, was Ripple's counsel present at that meeting?

A. No.

Q. Who was present?

A. From Ripple?

Q. Yes. Well, anybody. Who was present?

A. I -- I doubt I can -- I mean, my recollection, Chair Clayton was certainly there, Director Hinman was there. I believe Chair Clayton's chief of staff was there, David Schwartz was there, I was there, and [redacted] was there. And I think that's a comprehensive list.

Q. How long did that meeting last?

A. I believe an hour.

Q. Did -- have you ever met with any other sitting SEC commissioner? I understand, you know, there's some former commissioners, but have you

ever had meetings with sitting -- sitting SEC commissioners?

A. Not to my knowledge.

Q. Other than the meetings with Chair Clayton, Commissioners Roisman and Pierce, other than those three meetings -- sorry.

Did you meet with any of them more than once?

MR. SOLOMON: Objection to form.

A. Sorry. One recollection I just had is I did -- I don't remember when Commissioner Jackson left his tenure. I think I may have met with him immediately before, within like the week before he exited his commissioner status.

Q. Okay. For what purpose did you meet with him?

A. I mean, similar to talk about what's going on in crypto, to talk about with what's going on with Ripple. Evangelizing, you know, what Ripple's up to and our views of, you know, U.S. regulatory dynamics.

Q. Did you meet with him at the SEC?

A. No.

Q. Where did you meet with him?

A. Here in New York.

Q. Where in New York?

A. I don't recall the name of the place, to be honest with you. It was a coffee shop, I think.

Q. In these meetings with the Commissioners, did any of the commissioners tell you that they did not believe that XRP is a security?

A. Yes.

Q. Who?

A. I recall Commissioner Roisman very specifically saying "I'm sorry you've even had to come here." I think that the confusion about the status of XRP he viewed as not healthy for the market. I -- I don't -- I recall less about the meeting with Commissioner Pierce.

Q. Okay. Did the Chair tell you he did not believe XRP was a security?

A. No.

Q. Okay. And Commissioner Roisman, you -- you referenced he said he was sorry you had to come here, but did he tell you that he did not view XRP as a security?

MR. SOLOMON: If you recall.

A. Yeah. I don't recall the exact words

that were used. I -- I think -- I mean, understandably, you're asking me did I have clarity -- you're asking about each of these meetings and did someone make an affirmative statement they didn't view XRP as a security. In none of these meetings did everyone -- anyone ever say they viewed that XRP was a security.

Q. Okay. So you recall that -- you recall that at none of these meetings anyone said that they viewed that XRP was a security? You recall that, is that fair?

A. I think I would certainly recall if a -- if a -- and as I testified earlier in this deposition, if a SEC member, commissioner or otherwise, had said they viewed XRP was a security, I would remember that.

Q. And would you remember if one of them had said they viewed it as not a security?

A. Well, I -- I recall Commissioner Roisman, without knowing exactly the words that were said, making statements that in the -- you know, there may be contemporaneous emails, although those may have been internal with counsel, but said that, you know, having had these meetings, I -- I think it's worth pointing out,

you know, I didn't go to any of these meetings with a lawyer because there never was a viewpoint that that would have even have been necessary. And certainly no one at the SEC ever said anything to suggest that perhaps the SEC might view XRP as a security and perhaps they might view Ripple's sales of XRP as unregistered such that a lawyer would have even have been necessary.

Q. Okay. But let's just go back because I'm trying to get an answer on the Rois -- the Commissioner Roisman question.

You have a recollection that none of the Commissioners told you they viewed it as a security. And my question is, do you have a recollection of any of the Commissioners telling you they did view it as a security specifically?

MR. SOLOMON: Objection to form.

A. Can you repeat the question?

Q. Yes.

Do you have a recollection of any of the commissioners at these meetings telling you they viewed XRP as a security?

A. I think I testified the answer to that is no.

Q. Okay. And do you have any recollection

of any of the commissioners at these meetings telling you they did not view XRP as a security?

A. And I think I testified yes.

Q. Okay. And that's Commissioner Roisman?

A. Correct.

Q. And did any of the commissioners' staff members share with you their views as to whether XRP was a security?

A. I don't recall.

Q. Okay. Did you convey what Commissioner Roisman told you to anybody else?

MR. SOLOMON: And, again, be careful here not to --

THE WITNESS: Yeah.

MR. SOLOMON: -- disclose information that you may have conveyed to counsel in connection with privileged conversation.

A. Could you repeat the question?

Q. Did you convey what the commissioner told you, Commissioner Roisman told you, to anybody else?

A. Not that I can specifically recall.

Q. At the time of the meeting with Commissioner Roisman, you are aware that the SEC

was investigating Ripple, correct?

A. No.

Q. You had not received -- you had not received the letter from SEC when you met with Commissioner Roisman?

A. I definitely did not and I don't think even from the SEC's definition that that would have been considered an investigation at that time.

Q. Okay. You had received -- you definitely did -- had not received a letter from the SEC by the time you met with Commissioner Roisman?

A. No, that's not my testimony.

Q. Okay. I -- I apologize. Can you clarify?

A. Ask the question again, please.

Q. Yes.

At the time that you -- that you met with Commissioner Roisman, had you received a letter from the SEC?

A. Yes.

Q. Okay. So you were aware that the SEC was asking questions about Ripple's activities at that time?

09:04:38 A. I don't remember, and I haven't reread the -- that letter from the SEC. I think my understanding at the time was that the SEC wanted to discuss the status of XRP, not necessarily
09:04:54 Ripple's activity with it.

Q. The status of XRP under the securities laws?

A. Under the securities laws.

Q. Okay. What was the understanding based
09:05:02 on?

MR. SOLOMON: Again, be very careful in responding that you don't disclose attorney-client privileged information you may have had with counsel.
09:05:13 Not me, other counsel.

A. Okay. Can you ask the question again?

Q. Sure.

You said "my understanding at the time was that the SEC wanted to discuss the status of
09:05:21 XRP, not necessarily Ripple's activity with it." And my question is, what was that understanding based on?

A. I think I can't really comment to that outside of attorney-client privilege.

09:05:32 Q. Okay. So you had -- but you had an

understanding that the SEC wanted to discuss the status of XRP when you met with Commissioner Roisman?

A. Yes.

Q. Did that understanding that the SEC wanted to discuss the status of XRP change after your meeting with Commissioner Roisman?

A. You know, even today I don't fully understand the dynamic between a commissioner and staff. And so I would not have expected that a commissioner having a viewpoint, whether or not that affected staff's activity.

And, again, I think it's worth pointing out I never would have used the word "investigation" to describe the SEC's activities. I think it was primarily led by corporate finance as it related to XRP in this time period.

And so I kind of viewed it as, okay, you know, as I had with many government -- governments around the world, this was an opportunity to explain, discuss, educate. And in part, frankly, because other governments around the world had taken express clarifying views that XRP was a currency, I viewed it as, okay, you know, let's have conversations with the SEC as well.

Q. You said "other governments around the world have taken express clarifying views that XRP was a currency." As of the time you were having conversations with the SEC?

A. I think that's right, yes. I believe so.

Q. Can you recall which ones?

A. Well, certainly the UK, Japan, and Singapore would all come to mind.

Q. Any others?

A. Switzerland has taken a -- I mean, my one qualification here is I don't remember exactly what timelines and, you know, the fuzzy -- fuzziness of, you know, what happened in 2017, 2018. But certainly in -- my recollection is that a number of governments around the world in 2017, because of what I would describe as an ICO boom, an initial coin offering boom, got more active and provided clarifying statements.

And so I would probably highlight Japan, UK, Singapore, maybe Switzerland.

Q. Okay. And, again, this issue of regulatory status was important to you as CEO. You were meeting with, I think you said, central banks, et cetera.

MR. SOLOMON: Objection to form.

A. I don't think that was my testimony. I think my testimony -- I didn't consider regulatory status. I thought it was important that central banks understood that how Ripple uses its technology doesn't circumvent any of the financial, you know, rules and regulations associated with money laundering, KYC, OFAC compliance.

And I think -- my experience was that when central banks, when various regulators understood that the nature of Ripple's technology, and even how we use XRP, doesn't circumvent a regulated end point in a financial institution, that the laws that they apply for whatever financial regulations they want to put in place don't change based upon using Ripple's technology in their markets.

Q. Separate from meetings with central banks, was the regulatory status of XRP important to you as CEO in 2017?

A. No.

Q. Okay. Did it ever become important to you?

A. Yes.

Q. When?

A. I -- I think my testimony earlier was when we received a letter from the SEC, it -- it raised on my prioritization list.

MR. SOLOMON: Again, I just want to clarify. His regulatory status in relation to the SEC or generally?

MR. TENREIRO: I was talking generally.

MR. SOLOMON: Okay. That's not the question. He was asking you --

THE WITNESS: Yes.

MR. SOLOMON: -- as to whether the regulatory status was important to you at any point in time.

THE WITNESS: Repeat the question one more time. I apologize.

BY MR. TENREIRO:

Q. Was the regulatory status of XRP important to you as CEO in 2017?

A. The thing I'm trying to separate is regulatorily -- regulatory status as opposed to, you know, regulatory, you know, rules and regulations associated with money transmission. The latter would have always been important to me.

Q. Okay.

A. The former generally wasn't because I didn't think of it as an important, critical issue, because it seemed so obvious to me that it was a currency and is being regulated as a currency by many governments around the world. I didn't think of it as a critical, important issue that needed lots of attention because it seemed obvious to me.

Q. So the regulatory status of XRP, for example, with respect to money transmission rules, were important to you throughout your tenure as CEO, is that correct?

A. Yes.

Q. Okay. Were there any other sort of regulatory frameworks that were important to you? So I think you -- we've been talking about securities and -- and money transmission. Other regulatory frameworks that were important to you with respect to XRP in 2017?

A. It's a very broad question. You know, well, maybe ask the question one more time so I -- or if you could maybe narrow it a little bit, that would be helpful.

Q. Well, other -- just -- I'm just asking

for a recollection.

So other than, you know, money transmission type rules, securities-related issues, were there other regulatory issues that were important to you with respect to XRP in 2017?

A. Is KYC considered a money transmission rule?

Q. So KYC is another.

Any -- anything else you can recall?

A. So I view -- I viewed -- my recollection from really the earliest days, in part because of the settlement that Ripple had with FinCEN, from the earliest days thinking that any rule, regulation, law, as it related to banking, whether it's, you know, OFAC compliance, anti-money laundering, terrorist finance protection, you know, all of those constructs as very important -- our work with banks meant that all of those were very important and needed to be -- we needed to educate, both internally/externally, how Ripple did or did not impact those dynamics.

Q. Okay. And then after you received the letter from the SEC, I think you said that the securities issues raised in importance for you.

A. Yes, as a -- as a prioritization matter,

I had not considered that a high priority. And after receiving the SEC's letter, it became a higher priority.

Q. Okay. After your meeting with Commissioner Roisman, did you come to understand that whatever questions the SEC had about Ripple's XRP activities had ceased?

MR. SOLOMON: Objection.

A. No.

Q. And did the issue of XRP status with the SEC, did that lower in priority after your meeting with Commissioner Roisman?

MR. SOLOMON: Objection to form.

A. I -- probably directionally, yes. Right? I mean, if you meet with a commissioner of the SEC and you come away feeling like there's, you know -- at no point did it seem like there was a -- at least at that point it did not seem like there was an investigation. At no point did it seem like, you know -- the posture of an important U.S. regulator was kind of, hey, we're exploring and trying to figure this out ourselves. And it seemed very cooperative and -- to me. Even meetings I recall you sitting in, you know, there were 20 people from the SEC attending and, you

know, 18 or 19 of them were not from enforcement.

Q. So I guess I'm trying to understand. At no point you said -- I'm reading. You said "At no point did it seem like -- the posture of an important U.S. regulator was kind of, hey, we're exploring and trying to figure this out ourselves."

So what did it seem like to you that it was?

MR. SOLOMON: Objection to form.

Q. So --

A. I'm not sure that's exact -- I mean, I understand that's what you're reading, but I don't recall saying exactly that. But maybe just to answer your question, I think my recollection is that a letter was received from the SEC and our engagement with the SEC was not with enforcement. It was with corporate finance.

And we spent a fair bit of energy with, generally speaking -- I mean, I think I used -- I think there were about 20 people from the SEC at one meeting I recall of which I think you may have been the only person from enforcement.

Q. (Indicating.)

A. A couple. All right. Very few.

And, you know, so my view was, hey, this is a -- a new asset class. The SEC was trying to understand how different projects work. I don't -- I mean, I think all those meetings happened after Director Hinman's speech about ETH. And, you know, I think we were pushing for further clarity. I thought the ETH speech, you know, begged many, many questions. Like, okay, now we know the SEC's position on bitcoin. Now we know the SEC's position on ETH. And that's all we knew. I mean, with the exceptions of enforcement cases that had come out against maybe more traditionally defined ICOs.

THE REPORTER: "I mean" -- repeat.

A. I mean, other than cases that had already been brought against what we would more formally consider traditional ICOs.

Q. And I think you said enforcement cases, but, okay.

So when -- what --

A. Are there cases that aren't enforcement?

Q. That's a good point.

So what did you understand the purpose then of the meetings with CorpFin were? With

CorpFin were, what was the purpose in your mind?

MR. SOLOMON: And I just want to know, with CorpFin, can you be more spe -- you can ask him the general question. He can say what he recalls. I don't know if you wanted him to be more specific in your answer. I don't know.

MR. TENREIRO: Yeah. I mean -- I guess let me try this.

BY MR. TENREIRO:

Q. You were talking about the meetings, there were 20 people. I was at one of them, you know.

What did you think the purpose of Ripple meeting with the SEC was at that point in time?

A. To learn.

Q. For the SEC to learn?

A. Yeah.

Q. Okay. To learn about what?

A. Ripple. To learn about XRP.

Q. Okay. Anything else you can recall sort of thinking the purpose was?

A. (Indicating.)

Q. Verbal, please. Verbal answer.

A. No. Sorry.

Q. The court reporter --
A. Right. Right.
Q. Okay. All right. So I think -- going back, you know, I think you said directionally your meeting with Commissioner Roisman was important given what he said to you. Is that --
A. I don't think that was my testimony.
Q. Okay. So was -- was the meeting with Commissioner -- given that you were having meetings with the SEC, was your meeting with Commissioner Roisman and what he told you important to you?
A. All of the meetings I had with the SEC were important to me. I mean, I traveled to Washington, D.C. as one evidence that I was prioritizing this and taking it seriously. I took all the meetings I had with individuals at the SEC as important and informative.
Q. Okay. But to the extent Commissioner Roisman conveyed to you or to the extent that -- to the extent that Commissioner Roisman conveyed to you his views about XRP, was that of particular significance --
MR. SOLOMON: Objection.
Q. -- in the role of these several

meetings?

MR. SOLOMON: Objection to form.

A. I mean, I wouldn't say it was of particular significance beyond the idea -- I viewed all the meetings with the SEC as significant. It was significant. I viewed all the meetings as significant. I didn't view the Roisman conversation as massively more significant or less significant.

Q. Okay. Now, is your understanding of the purpose of your meetings with the CorpFin staff based on advice from counsel or is it based on your own sort of understanding?

MR. SOLOMON: Objection to form.

A. Could you ask that question again?

Q. Yes.

Is your understanding of the purpose of your meetings with the CorpFin staff based on advice from counsel or is it based on your own understanding?

A. That's an excellent question. Meaning, you know, I had very little knowledge. As I testified earlier, I -- you know, I'm not a lawyer. I'm not a securities lawyer. I had very little knowledge about how the SEC worked. And so

part of -- certainly part of the education of how the SEC worked and the significance of who was in the room for various meetings would have come from conversations with counsel.

Q. Okay.

MR. TENREIRO: Can we take a look at Exhibit 51, please?

(Whereupon, exhibit is presented and marked SEC Garlinghouse Exhibit 51 for identification.)

MR. TENREIRO: Here's to you, Matt, and then the rest down there. One for Bridget, please.

BY MR. TENREIRO:

Q. All right. So I'm going to just read into the record while you take a look at the exhibit, Mr. Garlinghouse. This is BG-51, Bates RPLI_SEC 235167. It appears to be an email of November 11, 2018, from Mr. Garlinghouse.

Do you see all that?

A. I do.

Q. Okay. And it appears to be addressed to a [redacted], is that correct?

A. Yes.

Q. Who is that?

A. [redacted] is a friend of Chris Larsen's.

Q. But what does he do in life?

A. I don't know exactly. I know he's been a very successful businessman.

Q. Why did you send him this email?

A. Can I read the email first?

Q. Yeah. Oh, I thought you had. I'm sorry.

A. No.

(Pause)

A. Okay.

Q. Why did you send him this email?

MR. SOLOMON: Objection to form.

A. I don't recall.

Q. Did Mr. Larsen ask you to send this email?

MR. SOLOMON: Objection to form.

A. I don't recall.

Q. The subject is "Notes for Eli."

Who is Eli?

A. I believe Eli -- well, I'm not a hundred percent sure. I believe Eli is Secretary Mnuchin's Chief of Staff.

Q. Was, right? Back then.

09:22:15 A. Yeah.
Q. Okay.
A. Well, actu -- I don't know.
Q. Why -- why were you sending notes for
09:22:19 Eli?
A. Maybe can you clarify the question a
little bit?
Q. Yeah.
Why were you sending [redacted] notes
09:22:30 for Eli?
A. My recollection is that [redacted] has
a personal relationship with Mnuchin, with the
then-sitting Secretary Mnuchin. And in an effort
to, you know -- my understanding is that the Chief
09:22:46 of Staff to the Secretary of the Treasury might be
a facilitator of things that the Secretary might
choose to engage or not engage in.
Q. Okay. Was one of the purposes to see if
he might engage in statements about the regulatory
09:23:04 status of XRP?
MR. SOLOMON: Objection to form.
A. I don't recall. I obviously read the
email, but I don't recall.
Q. Okay. The email -- let's -- let's go
09:23:15 through it.

09:23:16 You say "As briefly discussed, my meetings in D.C. went very well and I continue to gather evidence that the SEC (and those tangential to the SEC) do Not" -- and "not" is capitalized -- 09:23:28 "believe that XRP is a security."

Do you see that?

A. I do see that.

Q. Who are you talking about there? What evidence are you referring to? Let's start with 09:23:36 that.

A. I guess the first thing, I think the absence of anyone saying that they view XRP as a security, to me, would be evidence that they don't view XRP as a security.

09:23:50 Q. Any other evidence?

A. As I testified earlier, I think my conversations with Roisman -- I mean, I don't remember the -- the exact time frame of -- it's been years. I remember certain nuggets of my 09:24:03 conversation with Commissioner Roisman. As I mentioned, I don't particularly recall my meeting with Commissioner Pierce. Based upon her other public statements, it certainly is reasonable in my mind to imagine that I left those meetings, as 09:24:25 I describe here, that I feel they went very well

and felt like good news.

Q. Let's situate -- let's look at 49 just so we can have some timing.

(Whereupon, exhibit is presented and marked SEC Garlinghouse Exhibit 49 for identification.)

MR. TENREIRO: All right.

BY MR. TENREIRO:

Q. I'm just going to -- I'm not going to spend any time on this, but I just want you to take a look because it seems to reference the date of your meeting with Commissioner Pierce. This is BG-49 which is an email, RPLI_SEC 766852.

And just take a look -- have you read the email?

A. I have.

Q. Okay. Do you have -- you're probably not going to remember the exact date of your meeting with Commissioner Pierce, do you?

A. No.

Q. Okay. Do you have any reason to believe it was not on or around November 9th, 2018?

A. No.

Q. Okay. And who is [redacted], by the way?

09:25:50 A. She was my executive assistant at the time.

Q. Okay. And you see this email, Exhibit 49, references Mr. Roscoe?

09:25:56 A. Yes.

Q. Does that refresh your memory as to whether Mr. Roscoe also helped you procure the meeting with Commissioner Pierce?

A. It doesn't refresh my memory. Obviously 09:26:04 I see what the email says.

Q. Okay. All right.

So back to Exhibit 51, which is a November 11th email -- and I'm going to get you the date of the Roisman meeting in a second. 09:26:19 Okay. My understanding is that it was also on the 9th, the same day.

Do you recall if you met with both of them on the same day?

A. I don't recall.

09:26:27 Q. Okay. Any reason to believe that that is not true?

A. No reason to believe that.

Q. Okay. So back to Exhibit 51. We're talking -- I was asking you what evidence you had 09:26:39 gathered. Can you -- I'm sorry. I'm going to ask

you just repeat, please. Can you repeat for me what evidence you had gathered that you're referencing in this email?

A. Yeah. I think my earlier testimony was that the -- you know, if you have lots of meetings with the SEC and no one says that XRP is a security, or even at that point no one said they think it is a security, the absence of that information would certainly be a -- I view a positive.

Q. Okay. Any other evidence that you have gathered?

A. Well, as I -- I testified earlier, my -- my recollection from -- my recollections from my meeting with Commissioner Roisman were more specific in his viewpoints that he did not view XRP as a security. And I remember him apologizing that I felt like I needed to even come meet with him.

Q. Are you referencing any other evidence?

A. I don't recall other evidence.

Q. Okay. And then you say "and those tangential to the SEC." That's in the parenthetical.

Do you see that?

09:27:39 A. I do see that it's a parenthetical.
Q. Who are you referring to as "those tangential to the SEC"?
A. I do not recall.
09:27:51 Q. Okay. Further down you say "I've outlined some key bullets that I believe capture the major points for outreach to Eli."
Do you see that?
A. I do see that.
09:28:00 Q. Okay. So I'll get to the bullets in a minute, but is it fair to -- am I correct in understanding that you were transmitting proposed sort of bullet points or ideas that [redacted] could decide to transmit to -- to Eli?
09:28:12 MR. SOLOMON: Objection to form.
Q. Is that what -- what's going on here?
MR. SOLOMON: Objection to form.
A. That's my interpretation of what's going on here, yes.
09:28:18 Q. Do you have any reason to believe that that's not what happened?
A. No.
Q. Okay. Well, that's not --
A. Actually, I have no idea what happened, just to be clear. I know I sent an email as
09:28:23

09:28:25 evidenced here. I don't recall sending the email. But I have no idea what happened after [redacted] received the email.

Q. Right.

09:28:33 So, for example, you don't know if he did or did not contact the Chief of Staff of the Secretary of the Treasury?

A. Correct.

Q. Okay. Did you ever speak to the

09:28:40 Secretary of the Treasury about XRP?

A. Yes.

Q. Okay. When?

A. I don't recall. Around this time frame.

Q. Did he express any views as to the

09:28:50 status of the XRP under the securities laws?

A. I don't recall.

Q. Did his Chief of Staff, Eli? I don't remember his last name. I apologize.

A. Miller maybe? I don't remember. I

09:29:02 don't recall.

Q. Okay. All right. So you don't know if [redacted] sent these talking points or conveyed the talking points, but -- to Eli, but you did talk to Eli or the Secretary of the Treasury at

09:29:14 some point?

MR. SOLOMON: Objection to form.

A. Yes.

Q. Okay. Did you convey to them what -- the evidence that you had gathered about the SEC's views of XRP under the securities laws?

A. I don't recall. I think it's unlikely I would have taken that approach in a meeting with the Secretary of the Treasury. My recollection is a meeting with the Secretary of the Treasury, as my meetings with other senior officials at governments around the world, is usually to talk about what Ripple is doing as a company, how we use XRP in our technology stack, how...

You know, one thing I do recall from that meeting is there are -- a number of those people at the meeting with the Secretary of the Treasury, and there was a particular interest in how crypto flows could or could not be used to circumvent regulatory -- financial regulations in ways that, you know, could be used for terrorist financing and things like that.

Q. This evidence that you were gathering that's referenced in this email, did you convey it to any other government official in the United States?

09:30:25 A. I don't recall.
Q. Did you convey it to any Ripple employee?
A. I don't recall.
09:30:30 Q. Did you convey it to anybody?
A. Apparently I did.
Q. Other than -- other than [redacted].
A. I don't recall.
Q. Okay. Did -- in your meetings with the
09:30:41 commissioners, did the commissioners or their staff, you know, tell you not to discuss publicly the conversations you had with them?
A. I don't recall.
Q. Did the commissioners or their staff
09:30:52 warn you not to talk about the SEC's investigation?
A. No.
Q. Okay.
A. Again, I will reiterate earlier
09:31:00 testimony. I -- at that point I certainly did not view what -- the SEC's engagement with Ripple to be an investigation.
Q. At what point did you start to view this as an investigation?
09:31:11 A. I don't know. I don't recall.

Certainly in 2020 it reached that point in my mind.

Q. Okay. You don't recall the point. It could have been in 2019?

A. Could have. I don't recall.

Q. Okay. Okay. So you say -- sorry. "Those tangential to the SEC," who are you referring there to again?

MR. SOLOMON: Objection; asked and answered.

A. I don't recall.

Q. You don't recall. Okay. All right.

The third bullet point says "Brad Garlinghouse, Ripple's CEO, has met with SEC Chair Clayton, Commissioners Roisman and Pierce to discuss the above and the Ripple team has had several meetings with SEC staff. All indications have been that they do not believe XRP is a security."

Do you see that?

A. I do.

Q. Who does "they" refer to in that sentence?

A. I -- I -- I don't believe that I wrote the sentence. I think that the sentence seems to

be referring to all of the people referred to in the previous sentence.

Q. Who wrote the sentence?

A. I don't know.

MR. TENREIRO: Let's look at Exhibit 50, please.

(Whereupon, exhibit is presented and marked SEC Garlinghouse Exhibit 50 for identification.)

MR. TENREIRO: Here you go.

MR. SOLOMON: Thank you.

MR. TENREIRO: All right. I'm just going to read into the record while Mr. Garlinghouse takes a look. This is a two-page email, RPLI_SEC 626652.

BY MR. TENREIRO:

Q. Do you -- do you see this appears to be an email from you to Mr. Larsen on November 11th, 2018?

A. Yes.

Q. Okay. And you tell Mr. Larsen you're planning to send [redacted] these points later today.

Do you see that?

A. Yes, I do see that.

Q. Okay. And it says "I've outlined some key bullets that I believe capture the major points for outreach to Eli."

Do you see that?

MR. SOLOMON: Did you read the email?

THE WITNESS: Yeah, let me just do a quick, full read of it. Sorry.

(Pause)

A. Okay. Can you repeat the question, please?

Q. Yes.

Do you see the part of the email that says "I've outlined some key bullets that I believe capture the major points for outreach to Eli"?

A. Yes.

Q. Okay. Does that refresh your recollection that you did, in fact, write these bullets?

A. Certainly no.

Q. Okay. Do you have any reason to believe, though, that what you told Mr. Larsen in your email, where you say "I've outlined some key bullets" is not true?

A. Yes.
Q. What is the reason?
A. I -- I think my experience in how I work with my team is that somebody on my team probably put these together.
Q. Okay.
A. I -- I use the pronoun "I" in talking about work that my team does. I take credit for their work all the time.
Q. Got it. Got it.
So, in fact, you took credit for these bullets?
A. Yes.
Q. All right. And you read them, right?
A. I think it's almost certain that I would have read them, yes.
Q. Okay. And you -- all right.
So going back to Exhibit 51, my question was the third bullet talks about "All indications have been that they do not believe that XRP is a security." I asked you who "they" referred to. And you said "I don't believe that I wrote the sentence. I think that the sentence seems to be referring to all of the people referred to in the previous sentence."

So is it your understanding that "they" means the SEC staff, SEC Chair Clayton, Commissioners Roisman and Pierce? Is that your testimony?

A. Yes.

Q. Okay. And on what basis did you have a belief that all of those people did not believe that XRP was a security?

A. Given the opportunity, none of them chose to express to me they did believe XRP was a security.

Q. Anything else?

A. As I've already testified, I think I do have some recollections today of my conversations with Roisman. I don't recall anything specific in my conversations with Commissioner Pierce and I only had one meeting with Chair Clayton.

So sitting here today, I can't recall other reasons why I may have said that.

Q. Is there any document that might help refresh your memory with respect to any other reasons why you may have said this?

A. I don't recall.

Q. To the extent that your staff is the one who wrote these bullet points, what information

did you give your staff so that they were able to write a bullet point saying that all indications have been that they do not believe XRP is a security?

A. I probably had contemporaneous verbal conversations to debrief on various meetings.

MR. SOLOMON: Would the SEC's notes of these meetings refresh your recollection perhaps?

THE WITNESS: If the SEC has notes about these meetings, that would be super helpful.

BY MR. TENREIRO:

Q. Wait a second. Wait a second. I'm not talking about the meetings between the SEC. I'm talking about your meetings with your staff first. That's what I'm talking about.

A. Okay.

Q. I would hope the SEC does not have notes of those meetings.

Do you have notes of those meetings, though?

A. No.

Q. Okay. Do you have recordings of those meetings?

A. No.

Q. Okay. So you're saying these meetings were in person?

A. I believe you told me those meetings were in person.

Q. No. I'm talking about your meetings with your staff, Mr. Garlinghouse.

A. Oh, I apologize.

Q. Were the --

A. Let me -- yeah, let me back up. I think I misunderstood a number of those questions. Maybe we should rewind for a moment.

Q. Let's rewind. I think you were telling me that your staff might have drafted these bullet points and I'm asking you what information you gave them so that they were able to draft the bullet points. And so I think you said, generally, that you had meetings with them and I'm trying to understand where, when, how these meetings occurred.

MR. SOLOMON: Objection.

Q. So were these meetings in person?

MR. SOLOMON: Objection.

A. So let me rewind just so I now have clarification of the questions you're asking.

I expect, based upon my behaviors of how I would operate, is after I left the meeting, I would probably --

Q. Sir, I'm going to stop you. The meeting with the SEC?

A. Correct.

Q. Okay.

A. Well, with members of the SEC.

Q. Uh-huh.

A. I would have had a verbal conversation, a telephone call, to debrief about, hey, just had this meeting. Here's how it went. Here's a couple bullets about it.

Q. And who would that conversation have been with?

A. I mean, amongst others, it would have included general counsel. I -- I don't recall.

Q. After your meeting with Commissioner Roisman, who did you debrief?

A. I don't recall.

Q. Okay. Mr. -- Commissioner Roisman telling you his views that XRP was not a security and apologizing to you, I think you described that as -- as significant. I think you said all the meetings were significant, is that right?

A. I did view all of the meetings with the SEC as significant.

Q. Okay. So did you ask -- did you memorialize that anywhere in writing, what he told you?

A. I don't recall.

Q. Did you ask anyone to memorialize it in writing?

A. I don't recall.

Q. Okay. So can you tell me which of your staff members wrote the drafts of these bullet points?

A. I don't recall.

Q. Would they have taken notes --

A. Just to clarify, I believe my testimony was I don't recall who wrote these bullets. I'm not saying definitively I didn't or did. I'm just saying my experience is it's unlikely I wrote these bullets.

Q. To the extent that you did not, which of your staff members would have, you know, given past practice?

A. I don't recall.

Q. Well, just give me a list of staff members that wrote bullets for you.

MR. SOLOMON: For the entire time he was at --

MR. TENREIRO: Yeah.

A. I mean, all of my direct reports at one point or another would have drafted bullets for me.

Q. Okay. Would your assistants have drafted bullets for you, your administrative assistants?

A. Probably not.

Q. Okay. So when you talk about your direct reports, you're talking, for example, Ms. Long, as one example?

MR. SOLOMON: Objection.

A. Yes, that would be one example.

Q. Mr. Schwartz was not your direct report, at least in 2017?

MR. SOLOMON: Objection to form.

A. I don't recall when Mr. Schwartz started reporting to me, but he would not have been someone who is likely to have written bullets for me.

Q. Mr. Griffin was a direct report?

A. Mr. Griffin in 2017 would have been a direct report, yes.

Q. Okay. So is there anything other than the absence of statements and the conversation with Commissioner Roisman upon which you base all indications that the staff and these commissioners do not believe XRP is a security?

MR. SOLOMON: Objection; asked and answered.

A. I don't recall.

Q. Okay. The next bullet says "Ripple is seeking from the SEC to proactively make a statement that XRP is not a security."

Do you see that?

A. Yes.

Q. Was that true at that time?

A. I -- I don't recall, but I believe it to be true based upon what's written here.

Q. And then it references a speaking engagement that the Chair had, a coming speaking engagement in New York. And a statement -- you make a statement -- or the bullet makes a statement about the opportune time for him to make a statement such as "we continue to look carefully at this developing landscape," et cetera.

Do you see that?

A. I do see that.

09:41:16 Q. Okay. Did the Chair make this statement at that public engagement?
A. Not that I'm aware of.
Q. Okay. Did -- is -- was one of the
09:41:24 purposes of this email to [redacted] to suggest a way in which to convince Clayton to make the statement?
A. Could you repeat the question?
Q. Yeah.
09:41:36 Was the purpose -- was one of the purposes of this email to sort of see if [redacted] could help in outreach to the Chair so that he would make that statement on the public engagement?
09:41:48 MR. SOLOMON: Objection to form.
Q. Perhaps to Eli or the Secretary of the Treasury, but...
MR. SOLOMON: Objection to form.
A. I believe so.
09:41:57 Q. Okay. Okay. Did -- did anyone at the SEC proactively make a statement that XRP is not a security after this date, as you describe it here?
A. Not that I'm aware of.
Q. Okay. Why did you want the SEC to
09:42:10 make proactively --

MR. SOLOMON: A -- a -- a public statement?

THE WITNESS: Oh, that's an excellent clarification.

MR. SOLOMON: No, I'm asking what the question was.

MR. TENREIRO: Well, I said statement.

BY MR. TENREIRO:

Q. Let's start with public.

A. I'm unaware of a public statement.

Q. Okay. And private?

A. After --

Q. I'm talking about after this.

A. Sorry. Not of which I'm aware.

Q. Okay. All right. Why did Ripple want the Chair to make this statement?

A. In making a statement about the status of bitcoin -- at the time that -- I believe at the time that Director Hinman made an affirmative statement about the status of ETH, I believe XRP was the second-most valuable digital asset ahead of ETH.

In making this clarification and statement, it was ETH performed better in the

markets and became more valuable than XRP. Many people in the XRP community were concerned about the lack of clarity, including myself, and felt that it was -- given the clarity that had been provided to bitcoin and Ether and given that XRP was one of the most important and valuable and liquid digital assets, we felt that it was only a step of responsibility -- to the extent the SEC's mission is around orderly markets, I felt like the SEC should seek to provide that clarity.

Q. I -- I -- my question, though, is why did Ripple want the Chair to make the statement? Maybe the answer's in there and I just didn't understand. Why did the -- why would Ripple want the Chair to make the statement?

A. Ripple is one stakeholder, and an important stakeholder, in the XRP ecosystem. To the extent that -- that public statements from the SEC had not provided clarity -- and, in fact, some would argue had actually added to confusion in the crypto landscape -- we sought to provide that clarity.

Q. Okay. And why did you seek to provide that clarity?

A. I think a community's interest in having

clarity about the laws in which they operate is useful.

Q. For what purpose?

A. To follow the law.

Q. Okay. Anything else or any other purpose?

A. That would be the most important one, I think.

Q. And you said "in making this clarification and statement, ETH performed better in the markets."

Are you talking about -- what are you talking about that it performed better? Its price went up?

A. I -- to be fair, I don't remember exactly. At various times XRP has been by market capitalization the second-most valuable digital asset. I was making an observation that there are three -- at the time there were three that were kind of above the rest of the noise in the crypto market. The SEC had provided clarity about two of those top three and not provided clarity about the third.

It's apparent, I believe, that Director Hinman and Chair Clayton wanted to provide that

clarity around bitcoin and ETH, presumably, because there wasn't clarity. They made a public statement. They provided that clarity. That helps market participants in those -- those that choose to participate in trading those digital assets, speculating on those digital assets, to provide that clarity.

The absence of that clarity around XRP, which at the time was second or third in terms of overall value in liquidity, seemed like it was only in the market's interest, and I would assume the SEC's interest, to provide that clarity.

Q. When you say, though, X -- you said in your prior answer, X -- XRP was one of the most important assets.

How did you measure that importance? Was it market --

A. Liquidity and market cap.

Q. Okay. And market cap is measured by the price and the units outstanding?

A. That's how I calculate market cap.

Q. I understand there's -- we'll probably get to this later. I understand you had some conversations with people about whether the market cap was based on the number of units that had been

created or the number of units that were in the market.

But setting aside that sort of debate, how do you measure market cap?

A. I -- I was making a macro general observation. Regardless of how you measure market cap --

Q. Right.

A. -- actually, let me just answer your question. How do I measure market cap? Yes, I measure market cap by multiplying price by number of units.

Q. Okay.

MR. SOLOMON: When you're done with this line of questioning, whenever that is, it probably would be a good time to take a break.

MR. TENREIRO: Oh, okay. Yeah.

MR. SOLOMON: There's no -- whenever you're done.

MR. TENREIRO: Just one -- one or two more questions.

BY MR. TENREIRO:

Q. Okay. So -- so when you were saying that XRP was one of the most important assets, the

measure of importance is the market cap or is there any other measure?

A. I think my testimony was I -- in my mind there's multiple measures. I think my testimony was liquidity and market cap were two things that make digital assets more prominent than others.

Q. And so are you saying that XRP was one of the most liquid digital assets at that time?

A. Yes, I believe so.

Q. Okay. In the top three?

A. I believe so.

Q. Okay. And just -- again, I'm trying to understand. When Hinman -- when Director Hinman made statements about ETH, you -- your view was that ETH performed better in the markets and became more valuable than XRP.

So are you referring there to the market cap? to the price? What were you referring to there that it became more valuable than XRP?

A. Well, I'm probably referring to the same components that I was referencing earlier. It probably became more liquid. It probably became more valuable in price.

Q. Okay. And how do you measure liquidity?

A. I tend to use CryptoCompare or

CoinMarketCap as reporting mechanisms for overall liquidity in the crypto landscape.

Q. Does it have -- do those have a page that report liquidity?

A. Yes.

Q. Okay.

A. Actually -- yes.

Q. What -- what -- what measure -- what's the -- what's the measure for liquidity that they use?

MR. SOLOMON: Are you talking about today?

MR. TENREIRO: Sure. Today.

A. Dollar volume.

Q. Volume is a measure for liquidity?

A. Yeah.

Q. Okay. That's -- your understanding of liquidity is volume?

A. One measure of liquidity is trading volume.

Q. Why don't you tell me what your understanding of liquidity in the market means.

A. I believe that liquidity in a market from my point of view is -- one of the measures is how much is trading.

Q. And you don't understand that to be volume?

A. I think I just said that. I apologize. Yes, I understand that to be volume.

Q. So liquidity and volume are the same?

MR. SOLOMON: Objection.

A. I think my testimony was I think one important input into liquidity is volume.

Q. Okay. Do you understand liquidity to be the existence of willing buyers and the existence of willing sellers?

MR. SOLOMON: Objection to form.

A. I think that's a fair description.

Q. Okay. Where did you derive your understanding of what liquidity in the market means?

A. I don't recall.

Q. Did you have experience in financial markets before you joined Ripple?

A. I mean, frankly, it depends how you define financial markets, I guess.

Q. What --

A. I was an active trader in public securities. I had spent time at venture capital firms. I received my MBA from Harvard. So I -- I

felt educated about generally how markets work and how to think about liquidity.

Q. Okay.

MR. TENREIRO: Why don't we take a break.

THE VIDEOGRAPHER: Okay. Going off the record at 9:51.

(Whereupon, a recess is taken.)

THE VIDEOGRAPHER: Okay. Back on the record, 10:10.

Go ahead.

MR. TENREIRO: Okay. Thank you.

BY MR. TENREIRO:

Q. Mr. Garlinghouse, who is [redacted]?

A. [redacted] in the context of Ripple is a -- I guess simplistically defined as a legal advisor.

Q. Okay. Outside of the context of Ripple, who is he?

A. I certainly don't know that I can do a robust job of biography, but I believe he's been a practicing criminal attorney and teaches law at [redacted] in some construct. He also, I think, is a legal advisor employed by [redacted].

Q. Okay. And so in the context of Ripple, you said he's a simplistically defined legal advisor?

A. I think that's a fair characterization, yes.

Q. When was he hired as a legal advisor?

A. Sometime in the summer of 2018.

Q. Who decided to hire him?

A. I'd say Chris Larsen decided to hire him.

Q. For what purpose was he hired?

MR. CERESNEY: I'm going to instruct the witness to answer at a high level and not to get into any details.

A. To be a legal advisor.

Q. Was he advising with -- was he supposed to advise with respect to the federal securities laws?

A. I would say he was advising on all matters associated with reg -- the SEC's -- yes, I guess. Yes, I should say. Yes.

Q. The SEC's what?

A. I don't know what I was going to say so I stopped.

Q. That's okay.

So he was advising on all matters related to the SEC?

A. And others.

Q. What are the others?

A. I think that would definitely encroach on attorney-client privilege.

Q. No, I'm not asking you to -- I'm asking you, was he advising you with respect to labor law?

A. He may have. I don't recall specifically.

Q. Okay. What other subject areas of law was he a legal advisor for?

A. I --

MR. CERESNEY: Hold on. Hold on. You know, I want to be sensitive here. He was a legal advisor to the company. He was retained as a lawyer. He's already said he's -- he's advised the company in connection with the SEC.

What else is relevant to this proceeding?

MR. TENREIRO: I don't think there's a relevance issue here. I'm just asking what he was retained --

BY MR. TENREIRO:

Q. Was there a retention letter?

A. I don't recall.

Q. Okay. Did -- so Mr. Larsen made the decision to hire him. Did you have to approve the decision or...?

A. I implemented the decision.

Q. Okay. How did you implement it?

A. He was compensated, and by virtue of being compensated, he -- his engagement with the company needed to be implemented and to some degree integrated into our operational -- you know, he hears legal matters of which we would seek his counsel.

Q. Okay. So you don't recall if there was a retention letter but there was some compensation?

A. I would --

MR. SOLOMON: Objection to form.

A. I believe there's likely some sort of engagement letter with [redacted] I don't recall specifically.

Q. Okay. Let's take a look at Exhibit 53, please.

(Whereupon, exhibit is received

and marked Garlinghouse Deposition Exhibit 53 for identification.)

BY MR. TENREIRO:

Q. While they pull it up, was he on Ripple's board at any time?

A. Board of directors?

Q. Uh-huh.

A. No.

Q. And do you know -- do you know who Mr. [redacted] is? [redacted]

MR. CERESNEY: Do we have --

MR. TENREIRO: One second.

A. I do not.

Q. Okay. That's fine.

All right. Here we go, 53. And this is a multipage email with Bates 971415, RPLI. Most of it is redacted. The front page is what I'm going to ask you about.

A. Okay.

Q. This appears to be an email from you on December 13, 2018, to [redacted] and Monica Long. Subject "Re: Clayton."

Do you see that?

A. Yes.

Q. Who is [redacted]

A. [redacted] --

MR. SOLOMON: Did you read the email?

THE WITNESS: I have not read the email.

Q. Oh. Read it, please.

THE WITNESS: I thought I --

MR. SOLOMON: Sorry. Sorry. Yeah. Just read it. Everything he hands to you, just read it first.

THE WITNESS: Okay.

A. Okay. [redacted] is currently SVP of communications and people at Ripple.

Q. And what about around the time of the email, December 18 -- December 2018?

A. I don't know when she became a full-time employee top of mind. Prior to Ripple, she was a principal at a public relations firm -- a public relations firm called [redacted] and Ripple used [redacted] as our outside PR firm.

Q. Okay. And when did you meet her?

A. Oh, my gosh. I met [redacted] in 2004 probably.

Q. Under what circumstances?

A. We both worked at [redacted]

Q. Okay. Here she refers to [redacted]
Do you see that?
A. I do see that.
Q. And what is [redacted]
A. I do not know.
Q. The [redacted] website?
A. I have no idea.
Q. Okay. It says "An update here on outreach and plan of attack. I've reached out to both [redacted] (reporter and his editor) to correct the below. They are in Hong Kong so we're also tracking down phone numbers so I can follow up with a phone call."
Do you see all that?
A. Yes.
Q. And then there's a reference to [redacted] and there's a request to correct some -- something or -- as well.
Do you see all that?
A. Yes.
Q. What is she trying to correct?
A. I don't recall.
Q. Okay. The subject of the email is "Re: Clayton."
Do you see that?

10:16:24 A. Yes.
Q. Okay. Was there a -- was there a point in time where Ripple became aware that there might be a publication claiming that the SEC had
10:16:36 determined that XRP was a security and seeked to -- and sought to correct that publication?
A. I don't recall.
Q. Okay. It says "We're also drafting a suggested tweet for Brad to post."
10:16:50 Do you see that?
A. I do see that.
Q. Okay. Did you make a tweet after the draft reflected in this email?
A. I don't recall.
10:17:01 Q. Okay. And did [redacted] -- [redacted] frequently draft tweets for you to make?
A. Depends how you define "frequently." And I don't recall in 2018 how frequently that may
10:17:15 have happened.
Q. Did others at Ripple draft tweets for you to make while you were CEO of Ripple?
A. While I was CEO?
Q. Yes.
10:17:25 A. Yes.

Q. And Monica Long was copied. What was her role at this time?

A. In 2018 I believe she was SVP -- or VP of marketing.

Q. Okay. Did she draft tweets for you to make?

THE REPORTER: I'm sorry?

Q. Did she draft tweets for you to make while you were CEO?

A. Not that I recall.

Q. So to the extent others at Ripple drafted tweets, who would the others be? [redacted]. Who else?

A. Under what period of time?

Q. While you were CEO.

A. So during my tenure as CEO, [redacted] would be on that list. [redacted] would be on that list. Other people on the Ripple communications team would have participated as well.

Q. Did you typically, just generally typically, when they drafted a tweet, did you -- did you actually tweet those tweets?

A. Sometimes.

Q. Okay. Were there times when you did

not?

A. Yes.

Q. Okay. What was the result of her outreach to [redacted] and the reporter, the editor and the chief tech correspondent for [redacted]?

MR. SOLOMON: Objection to form.

A. I don't know.

Q. Okay. We can set that aside, although we should definitely keep the exhibits somewhere in case we need to go back to them, but I'm done with them now.

So, Mr. Garlinghouse, other than this litigation, are you a party to any action currently?

MR. SOLOMON: Do you understand the question?

A. Yeah. Could you --

Q. A party in a lawsuit.

A. I believe, yes.

Q. What lawsuit or lawsuits?

A. Is -- is that a question of me individually or me as CEO of Ripple?

Q. You in -- well, you, Mr. Garlinghouse.

A. Right. The distinction I'm making is you're -- the SEC is suing Ripple. I'm the CEO of

Ripple. You're also suing me personally. I believe the answer is yes.

Q. What lawsuit or lawsuits?

A. I -- I would need to get clarity from counsel to answer that with certainty.

Q. Let's not -- let -- we'll use -- is there a pending class action involving Ripple?

A. Yes.

Q. Okay. Are you named in that class action?

A. I believe, yes.

Q. Okay. And was the first class -- there was a series of class actions filed, correct?

MR. SOLOMON: Objection to form.

A. I believe that's correct.

Q. And consolidated into one?

MR. SOLOMON: Objection to form.

A. I believe that's correct.

Q. Okay. And that -- I'll just refer to it as the class action pending in California, is that right?

MR. SOLOMON: Objection, form.

A. I don't know.

Q. Okay. And the class action was filed when, the first one?

A. I don't recall.
Q. Was there an allegation in the class action that you committed fraud?
A. I don't recall.
Q. Okay. And the class action is filed by a group of XRP holders, is that right?
MR. SOLOMON: Objection to form.
A. My vague recollection is it was filed by one XRP holder to begin with and I don't know if others have joined. I don't understand the nuances of how class actions work.
Q. Do you have counsel that represents Ripple with respect to that class action?
A. Yes.
Q. What's the law firm?
A. I don't know.
Q. Okay. How often do you meet with them about that lawsuit?
A. I am not aware that I've -- I don't recall.
Q. Okay. Are you, Mr. Garlinghouse, represented by counsel in connection with that class action?
A. Not to my knowledge.
Q. Okay. The class action is pending,

right?

A. As far as I'm aware.

Q. Okay. And I don't want to get into advice, the substance of advice, but you've received advice about that lawsuit, correct?

A. I suppose, yes.

Q. Ripple has received advice as well?

A. Yes.

Q. Okay. And that class action alleges that Ripple engaged in unregistered offers and sales of securities, correct?

MR. SOLOMON: Objection to form.

A. I don't know.

Q. Okay. And you have never moved to dismiss that claim in the class action, correct?

MR. SOLOMON: Objection; form.

A. I don't know.

Q. Okay. Did Ripple continue to sell XRP after that lawsuit was filed?

A. I -- I believe, yes. I don't know exactly when that was filed, so if you could help me with specifics, I would -- could be more precise.

Q. I don't have the exact date, but my understanding is the first one was filed on or

around April of 2018. And your counsel probably remembers better than I do.

A. Then, yes.

Q. Okay. And did you continue to sell XRP after that lawsuit was filed?

A. Yes.

Q. Did you rely on legal advice to do that?

A. I don't recall.

Q. Did Ripple rely on legal advice to sell XRP after the lawsuit was filed?

A. I don't recall.

Q. Okay. Is it fair -- well, did you learn of -- how did you learn of the class action lawsuit?

A. I don't recall.

MR. SOLOMON: Objection.

Q. Okay. Do you recall learning of it around the time it was filed?

MR. SOLOMON: Objection; form.

A. Or did you come to find out at some point that it had been pending for months and you just found out about it?

MR. SOLOMON: Objection; form.

A. I doubt that it's the latter and very likely the former.

10:23:07 Q. Okay. When did you first hire Mr. Ceresney?

A. Around the summer of 2018.

Q. Okay. Earlier this morning we talked about how there was an SEC letter that either you received or [redacted] or whomever in the late spring of 2018, is that correct?

A. I believe that was my testimony.

Q. Okay. Is that the first time that you heard about the SEC's, you know -- I call it an investigation; I understand you have your own view of it -- but the SEC's reach out to Ripple? Is that the first time you learned of it?

A. Yes.

Q. Okay. And did you become aware that the SEC had asked Ripple to preserve documents in connection with the inquiry?

A. Yes.

Q. Okay. Did you follow these directives?

A. Yes.

Q. Okay. Did Ripple have a document retention policy at any point in time since -- well, since you've been working there?

A. I believe so.

Q. And what is the document retention

policy?

A. I don't recall.

Q. Who drafted it?

A. I don't know.

MR. SOLOMON: Separate and apart from any document retention policy in connection with a pending litigation you're asking him?

MR. TENREIRO: That's right.

MR. SOLOMON: Okay.

MR. TENREIRO: I'm going to get -- Matt's in my head today and he's right every time. I'm going to -- I'm going to ask about that in a second.

MR. SOLOMON: Okay.

BY MR. TENREIRO:

Q. So just generally, document -- corporate document retention policy, your testimony is you believe there is -- there's been one at some point in time; don't recall who drafted it.

Have you read it?

A. I expect I have.

Q. And when?

A. I don't recall.

Q. Where is it stored? Maybe I should ask,

is it a written policy?

A. I believe it's a written policy and I would expect that it's in the employee handbook.

Q. And it was given to employees -- was the employee handbook handed out to employees when they begin to work the company?

A. Well, I guess I should clarify. When we say it's written, I'm not sure that we have ever printed the employee handbook. I think when you're -- when you join the company, I believe we share various things like code of conduct; like a handbook that I expect would likely, to your question, include a document retention policy.

Q. Okay. But sitting here today, you just -- you don't -- you don't know who wrote it, for example?

A. That's correct.

Q. Okay. Do you have any specific recollection of the retention policy?

A. No.

Q. Do you know generally what the retention policy says?

A. No.

Q. Okay. Now, in connection with the lawsuit, the -- the class action lawsuit, was

there a document retention policy implemented by the company?

A. I believe so.

Q. Okay. And what did it provide?

A. I don't know specifically.

Q. Is that in some sort of -- is that documented, maybe not printed, but documented in some form of, you know, electronic record?

A. I believe so.

Q. And where is that record stored?

A. I believe it's stored somewhere in Ripple's data infrastructure.

Q. Ripple's data infrastructure? What is Ripple's data infrastructure?

MR. SOLOMON: Don't guess. If you know where it's stored, tell him. If you don't know where it's stored, say you don't know.

A. I don't know.

MR. SOLOMON: I don't want to waste time with these questions if you don't know. If you do, say so.

A. The -- the distinction I was making in describing Ripple's data infrastructure, my recollection is that when Ripple sends a document

hold -- when Ripple's legal team sends a document hold, I believe it's in a Google Doc form and it's collected as a Google form.

So when I describe Ripple's data infrastructure, I'm being inclusive of infrastructure that we may not -- it may not be our servers. I would include Ripple -- sorry, Google's data infrastructure in that context for us to have some license. I don't know the relationship there, but I believe that the data you are asking about would be stored on a Google Doc somewhere.

Q. Maybe Google Drive that the company accesses, for example?

A. That's my best guess. I don't know.

Q. Okay. Is it -- just -- your best recollection is that it might be in some sort of Google Doc, a document hold that the -- that the legal team sends.

Do you know why it's a Google Doc? Are people able to sort of check that they read it or is there any other reason?

MR. SOLOMON: Objection; form.

Q. Is there any reason, sorry, that it's a Google Doc that you know of?

MR. SOLOMON: Objection; form.

A. I don't know.

Q. Okay. Did -- and let me just go back.

Did the company implement a document retention policy after -- or with respect to the class action?

A. Sorry. Could you repeat the question, please?

Q. Yes.

Did the company implement a document retention policy with respect to the class action?

A. You mean a document hold?

Q. A document hold.

A. Thank you. Yes.

Q. What did it provide?

A. I don't recall.

Q. Did you -- but you read the whole thing?

A. I believe I received that and I believe I would have reviewed it, yes.

Q. Did you follow it?

A. Yes.

Q. Okay. And did the document -- did the company implement a document hold policy with respect to the SEC's letter?

A. Yes.

Q. Okay. And what did that provide?
A. I don't recall.
Q. Okay. Who -- do you know who drafted the hold?
A. I do not.
Q. And where is that hold -- where is it? Is that also -- where is the document?
A. I don't know.
Q. Okay. Did you abide by that hold?
A. Yes.
Q. Okay. You used a messaging app called Signal, right?
A. Yes. I use, current tense, as well.
Q. When did you start using it?
A. I don't recall when I was first introduced to Signal. I -- I expect it predated my experience at Ripple, but I used it while at Ripple, also.
Q. Ripple didn't give you, like, a company phone, right?
A. Not when I joined.
Q. Do you have one now?
A. I guess you could describe it as a Ripple phone, yes.
Q. What do you mean, "you could describe it

as a Ripple phone"?

A. It's actually provided by a third-party security firm that Ripple contracts to improve the security posture that Ripple has on the company from bad actors.

Q. Do you have a separate personal phone other than that phone?

A. No. My -- my hesitation there is I do have more than one phone. I use my Ripple phone which is provided by a third-party security firm as my primary phone.

Q. You have another phone device?

A. I have more than one, yes.

Q. How many?

A. I would say I have three phones and a Google Voice number. So maybe four phone numbers.

Q. Phone -- four phone numbers, but three devices?

A. Yes.

Q. Are they all Apple?

A. Yes.

Q. Okay. And is Signal installed on all three of them?

A. I don't know.

Q. Is Signal installed on the phone you

have with you now?

A. I don't have a phone with me right now.

Q. Okay. Is Signal installed on the phone that you're going to go to when you leave here today?

A. Yes.

Q. Okay. And which one is that phone? Is that the Ripple one, the one that Ripple --

A. Oh, yeah. Yes. My primary phone that I consider my, you know, 99 percent use case phone is a -- my personal phone, my Ripple phone, it's provided by a third-party security firm for various security management.

Q. And that -- and Ripple pays for that phone?

A. Yes.

Q. Okay. So my questions are going to focus on that phone for the moment.

When did you install Signal on that -- on that phone?

A. Well, to be precise in answering the question, I got a new phone within the last 60 days and I reinstalled all of the apps that I'd had. And so --

Q. When did you first install the app in

your Ripple phone? I understand that it, you know, moves along when you get a new phone.

A. Yeah. Well, my -- you're asking specific to my Ripple phone. I would have installed Signal when I first got the Ripple phone.

Q. Which was when?

A. Probably the summer of 2017.

Q. Okay. Why did you install it?

A. I was using it prior to that and I was using -- I was getting a new phone and I was switching phone numbers at the time. And so I was kind of re-establishing the same applications I had on my old phone, old phone number, to a new phone.

Q. When did you first install -- install Signal on your old phone?

A. I don't recall.

Q. For what purpose did you install Signal?

A. To communicate with people.

Q. Any other purpose? Any other reason? Sorry. Any other reason that you installed it? Did you like that app better than others, you know?

A. You know, Signal particularly -- you

know, I was using it before I joined Ripple, but I probably started using it more at Ripple. I think a lot of people in the crypto industry use Signal. It's, I think, viewed -- fairly or unfairly -- as more secure and more private.

Q. What about Telegram? Why not Telegram? You know, what's the difference?

A. I've never used Telegram to my knowledge so I don't have a comparison.

Q. All right. Did you clear your use of Signal with any counsel?

MR. SOLOMON: Objection; form.

A. My use of Signal predates my employment at Ripple and so I doubt that I would have reached out to personal counsel to use a messaging app.

Q. You understand that messages on Signal are ephemeral?

A. I'm aware that messages on Signal can be set to disappear.

Q. Okay. And when did you become aware of that? I'm sorry, who told you about the existence of the app or how did you find out?

A. I -- I don't recall.

Q. Okay. When did you become aware that messages on Signal can be set to disappear?

10:34:11 A. I expect when I first started using it.
Q. Okay. And did you set your messages to disappear when you first started using it?
A. Yes. I -- I've always taken the point
10:34:21 of view that I'm going to set it on the longest time period of expiration so that I don't forget things. But I -- so I generally set it at the one-week interval.
Q. That's the longest period of expiration?
10:34:35 A. It was, I -- I think, until very recently, it was the longest period of expiration.
Q. Okay. And what is it now?
A. I think it may now be four weeks.
Q. And is it fair to say that you can have
10:34:47 on Signal conversations only with other Signal users?
A. I believe that's correct.
Q. And can you have group chats on Signal?
A. Yes.
10:34:58 Q. Okay. And is it correct -- is my understanding correct that if I have a conversation with you on Signal and I set it to auto delete in one day and you set it in one week, it deletes in one day?
10:35:08 A. That's correct.

Q. Okay. But --
A. But that's my understanding.
Q. Right.
You're saying that your recollection is for your setting it was typically one -- a one-week setting, is that right?
A. Correct. As you described, either party can set the expiration of a message. You can't override the other person. It goes to whatever is set for the -- whoever sets the shortest duration.
Q. Shorter.
A. It uses that setting.
Q. And do you have -- how many Signal accounts do you have?
A. I'm not even sure I understand the question.
Q. Well, do you have more than one login?
A. It's my understanding that Signal -- in order to authenticate on Signal, it's by a phone number. I use one -- I mean, is your question do I use Signal on my other phones? I think you answered that -- or asked that. I don't use Signal on my other phones. To my knowledge, it's not installed there.
Q. Okay. So just one account, one phone,

that you associate with Signal?

A. Yes.

Q. Okay. What setting -- what auto delete setting do you have on the app now?

A. I -- I prob -- I set one week typically.

Q. Okay. And did you -- have you at any time discussed, you know, your employment -- things related to your employment at Ripple on Signal?

A. Yes.

Q. Have you at any time discussed XRP on Signal?

A. I suspect at some point I have, yes.

Q. Who do you communicate with on Signal?

A. I'd say about 95 percent of my activity on Ripple is either communicating with my executive assistant or communicating with the security team within my work.

MR. SOLOMON: You said "on Ripple."

THE WITNESS: Oh, sorry.

MR. SOLOMON: No, and I didn't mean to scare you. I just want to make sure you're answering his question.

MR. TENREIRO: Yes, that was very

confusing to me as well.

BY MR. TENREIRO:

Q. Let me -- let me -- so I didn't ask -- ask the best question.

So on Signal -- let's -- let's take it step by step.

Do you talk to friends and family members on Signal?

A. Yes.

Q. Okay. Set those aside.

Do you talk to coworkers on Signal?

A. Yes.

Q. Okay. Now back to the friends and family members.

Do you discuss Ripple or XRP with them? Have you ever discussed Ripple or XRP with them on Signal?

A. I suspect at some point I have, yes.

Q. Have you ever discussed the -- conversations with the SEC on Signal? Still focused on family and friends.

A. Not to my knowledge.

Q. Okay. Now coworkers. What coworkers do you chat with on Signal about anything?

A. So when I misspoke a moment ago, what I

was describing is about 95-plus percent of my Signal activity consists of communication with either my executive assistant or the security team that -- with whom I work.

Q. Is the security team, generally speaking, related to safeguarding your XRP or Ripple's XRP or something else?

A. Physical security, kind of all aspects of security associated with my position as CEO of Ripple.

Q. Okay. And the not 95-plus percent of communications, who are they with?

A. I mean, I don't have a list available off the top of my head. You know, certainly a lot of crypto people use Signal. So if I'm communicating with other members of the crypto community at other companies, a lot of those messages would be via Signal.

Q. Right. So I was going to get to that third bucket.

A. Okay.

Q. But right now I'm focused on coworkers at Ripple. So you said that for the 95 percent, executive assistant or security team, but I'm focused on that -- the not 95 percent.

What are -- who are those conversations with that you've had on Signal?

MR. SOLOMON: Who today? Who during the time?

MR. TENREIRO: Who during the time period I mean.

MR. SOLOMON: The entire time period? Okay. Generally what you remember during the entire time period.

BY MR. TENREIRO:

Q. Who at Ripple have you communicated on Signal? You've told me your executive assistant and executive team.

A. I've communicated with Chris Larsen on Signal. I've communicated with Asheesh Birla on Signal. I've communicated with Monica Long on Signal. I don't recall communicating with Patrick Griffin, but I probably have communicated with Patrick Griffin on Signal. I don't recall communicating with David Schwartz on Signal. You know, I mean, as we go through -- I've communicated with [redacted] on Signal. I've communicated with [redacted] on Signal.

In general, I think many employees at Ripple know that I use Signal and they know that

I'm quite responsive. And so to the extent they are trying to reach me about something, they know that Signal's a good way for me to be responsible in that regard.

Q. And how do they know that?

A. Experience.

Q. So, like, did you ever tell anyone that you might be more responsive if they reach out to you on Signal and then the word of mouth got out or --

A. I don't recall specifically, but I think -- I don't hide the fact that I use Signal from the team. And so people know that I use it and they -- you know, trial and error. They -- if they send me a Slack message, sometimes I may not reply for days. If they send me a Signal message, I'm more likely to be responsive.

Q. Did you ever -- of these people you recall communicating with, the communications were messages, right, not phone calls?

A. Both phone calls and messages.

Q. Can you have phone calls using the Signal app?

A. Yes.

Q. Sort of like WhatsApp, you can have a

message -- are you familiar with the app WhatsApp?

A. I am.

Q. Okay. With WhatsApp you can call someone or send them a message, correct?

A. I believe so.

Q. So that's the same on Signal?

A. Yes.

Q. Okay. Are the records of the phone calls also -- do they also auto delete on Signal?

A. I don't believe so. I don't know to be honest.

Q. Like the call log? You know what I mean?

A. Yeah, I -- I believe the call log is maintained.

Q. Okay. But when you -- just to be clear, you -- you said you communicated with Larsen, Birla, Long, Griffin -- actually, you said I don't recall Griffin, but probably.

To the extent you communicated with those people, it was on Signal, both phone calls and messages?

MR. SOLOMON: Objection; form.

A. I believe at one point or another I may have had phone calls with all of those people.

And to make sure I'm being clear, I don't view that list as exhaustive --

Q. Sure.

A. -- because I don't have a list of all the Ripple employees. But --

Q. Absolutely.

A. Okay.

Q. I'm just trying to make sure that it was messages and phone calls that you recall.

A. Yes.

Q. And did you discuss -- in these, you know, conversations, did you discuss, for example -- did you discuss Ripple business?

A. Yes. At some point I'm sure with all of those people I would have discussed Ripple business.

Q. And what about XRP?

A. During some period of time, yes.

Q. Okay. What about conversations with the SEC?

A. I didn't have any conversations with the SEC via Signal.

Q. Did you discuss with those people conversations that the company was having with the SEC?

10:42:47 A. I don't recall.

Q. Okay. What about -- so now we've talked friends and family, coworkers. Now other parties, third parties.

10:42:58 Did you discuss -- did you have communications on Signal with GSR?

A. Yes.

Q. Go ahead.

A. One particular person at GSR. To my

10:43:09 knowledge, I only communicated with [redacted].

Q. Uh-huh.

Before I get to [redacted], did you ask any of the Ripple employees to communicate with you via Signal? Did you affirmatively ask them to

10:43:22 do that?

A. I -- I don't recall specifically. I'm sure that there's times when I -- people are aware that I respond to -- I think people know that I communicate regularly with my assistant and the

10:43:34 securities team and I'm in communication with them frequently. And so I think they know that. And I certainly expect at some point I've said, Hey, you know, send me a message on Signal.

Q. I see.

10:43:45 Did you -- what about with Mr. Larsen?

Did you ask -- did you suggest to him that he install the app or did he have it before you?

A. I don't recall.

Q. Okay. Okay. Now back to third parties.

So you communicated -- it seems like you remember communicating with [redacted] about -- on -- on Signal, correct?

A. Yes.

Q. And generally what were those communications about?

A. GSR -- I -- I used GSR to sell some XRP. We would share via Signal wallet information to securely -- make sure that various transfers were done securely.

Q. So you discussed sales of XRP with [redacted]?

A. No. I don't recall speaking of sales. I recall speaking of the -- the logistics of administering movement of XRP through Signal.

Q. Logistics of sales? The logistics of administrating some of your sales?

A. Sure. Yes.

Q. Okay. What other third parties have you communicated with on Signal about Ripple or XRP?

A. I -- I -- I don't have an exhaustive

list. Certainly around the time I started using Signal more, which was kind of 2017, there was a group of -- a group of Signal -- as you described, a group chat, effectively, of various leaders in the crypto industry that had a -- a group chat sharing various best practices around securities.

Q. Okay. And what about members of the XRP Army? Have you communicated with them on Signal?

A. No. I mean, the XRP Army is an amorphous nonspecific. Like, I don't know who is -- who's included on that list. I didn't really count.

Q. Secretly being part of it.

To your knowledge, have you been -- you know, communicated -- have you communicated with members of the XRP Army on Signal?

A. Again, I don't know how to define the XRP Army and so...

Q. Fine.

Have you communicated with holders of XRP on Signal?

A. Yes.

Q. Third parties. Third parties. I know employees of Ripple have XRP.

A. I mean, I'm almost certain the answer to

that is yes.

Q. Okay. And why are you almost certain?

A. Well, as I described, there's a group chat of other leaders in the XRP -- excuse me, in the crypto community with whom I -- there's a group chat around security. I'm certain that some of them own XRP. I believe some of them own XRP. So I'd expect the answer is yes, as I said.

Q. I was just --

A. I mean, I think there's 15-ish people on that group chat. I'd have to go through it and look at who all's on there.

Q. Just at top of -- top of mind. You know, who's on there that you think --

A. [redacted].

Q. Anyone else?

A. My -- my connective -- I think the -- the CEOs of other exchanges are on there. I -- I -- I don't recall who all's on there.

Q. Okay. Other than this group chat with leaders of the crypto industry, any other holders of XRP you have communicated with on Signal?

A. That aren't Ripple employees?

Q. That's right.

A. I think [redacted] owns some XRP.

Q. Okay. Others?
A. I -- I -- I don't have a recollection without the benefit of -- if I went through the list with whom I've communicated on Signal, perhaps I could come up with some others.
Q. And where's that list?
A. On the Signal app.
Q. So the Signal app has a list of who you communicated with but not the messages?
A. Correct. I mean, sim -- using WhatsApp, it sounds like you're familiar with, you know, you see with whom you've communicated. And so that would refresh my memory.
Q. By looking at the list?
A. Correct.
Q. But the messages won't be there?
A. That depends.
Q. Well, messages beyond the week or four weeks or whatever?
MR. SOLOMON: Objection; form.
A. I mean, there's some messages on there. I mean, some people don't set an expiration at all and so the messages would still be there.
Q. Well, I'm talking about your messages. Have you always had the expiration of a week or

maybe four weeks more recently?

MR. SOLOMON: Objection; form.

A. I have always intended to, you know, in the interests of data security, data privacy, to use Signal with that feature. I'm certain there are times when I have not done that.

Q. Okay.

MR. SOLOMON: You said you started using it more in 2017. You might want to explain to the SEC the circumstances around that. It might be helpful.

MR. TENREIRO: Yeah. I think I'm familiar, but go ahead.

MR. SOLOMON: Yeah, I'm sorry. It's their question, but you had mentioned it.

A. In the late spring/early summer of 2017, my phone was compromised by hackers and a lot of my personal data was accessed, including financial. You know, lots of money was stolen. And after that I took and prioritized uses of -- of Signal more highly in the interest of data protection such that if my phone is compromised, my phone is stolen, I have better protection of --

or I felt that there would be better protection of my data.

Q. Okay. And with respect to the litigation hold note and documents or -- or policies that Ripple had with respect to class action and the communications with the SEC, what steps, if any, did you take to ensure that Signal messages were preserved for those hold notices?

MR. SOLOMON: Objection to form.

A. I generally follow the same practices I had been practicing. I continued to make phone calls. I continued to write emails. I continued to use Signal. And so I'd say my communication practices didn't materially change.

Q. Did you seek -- without getting into substance, did you seek the advice of any counsel with respect to using Signal after you got these hold notices?

A. No.

Q. Okay. And without getting into the substance, did you receive any advice from any counsel with respect to using Signal after the hold notices?

A. Not that I recall.

MR. TENREIRO: Let's look at

Exhibit 106, please.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 106 for identification.)

BY MR. TENREIRO:

Q. While Mark gets the exhibit, did you ever use the desktop version of Signal?

A. Yes.

Q. Okay. Do you have it installed on your computer now?

A. I do.

Q. Okay. And the computer one that you use, your primary one, is that a Ripple computer?

A. Yes.

Q. Laptop?

A. Yes.

Q. Apple?

A. Yes.

Q. Okay. And did -- did you use WhatsApp? Do you use WhatsApp?

A. I had a WhatsApp account. I would say, you know, define "use." Minimally.

Q. With Ripple employees?

A. Not to my recollection.

Q. Did you communicate with [redacted] on Signal?

10:51:31 A. No.

Q. Did you communicate with anyone here on Signal?

A. I -- I have communicated with Matt Solomon on Signal.

10:51:37 Q. Okay. This is Exhibit 106. This is GARL Civil 1344. It appears to be a series of text messages.

Take your time.

10:52:20 (Pause)

Q. Okay. Who is [redacted]?

A. [redacted] is currently the chief business officer at Ripple.

Q. Who was he in 2020? This email -- 10:54:06 this -- this appears to be a series of text messages.

Do you agree?

A. It appears to be a series of text messages, yes.

10:54:12 Q. Okay. And they appear to be from Monday, 27 January 2020.

Do you see that?

A. I don't see that it's Monday, but I accept that it may be Monday. I see that it's 10:54:21 January 27, 2020.

Q. And there's a little thing here on top that says "Monday," but that's fine.

A. Okay.

Q. Did you provide your phone to counsel to sort of, like, download messages? Do you know the origin of this document?

MR. SOLOMON: Objection; form.

A. I do not know the exact origin of this document, no.

Q. Did you provide your phone to counsel to sort of --

THE REPORTER: I'm sorry?

Q. Did you provide your phone to counsel in connection with this litigation to gather information?

A. I mean, I think the technical answer to your question is no. I mean, I think I understand the question you're trying to ask.

Q. So go ahead and answer that question.

A. I think the question you're trying to ask is did counsel arrange for my phone to be reviewed or otherwise. And so I believe my counsel engaged a third party that came -- I guess, shipped me a collection -- during COVID the mechanisms for collection I think were unique,

perhaps.

But, in effect, I think the answer to your question is, yes, my phone was made available and -- to provide data as part of this litigation.

Q. And you -- was that true with respect to all three of your phones or just your primary Ripple phone?

A. No, all of my phones.

Q. All of your phones. Okay.

Do you recognize your phone number on this document? Don't read it into the record. Just yes or no.

A. Yes.

Q. Okay. All right. So having had a chance to read this document, at some point on the third page, the one that says 1346 at the bottom, you say "Speaking of nothing. Do you use Signal?" Do you see that?

A. I do see that.

Q. Okay. And is it fair to say that before that you were having a text conversation with [redacted] about the amount of XRP hitting the market and some sort of deal with someone referred to as [redacted]?

A. You have put a description of the

conversation that I don't totally agree with, but, yes, before that I see a text message exchange between me and [redacted].

Q. Why don't you describe for me what this conversation was about before we get to the part where you ask "Do you use Signal?"

A. It appears to be about some frustrations I'm having with the CFO of Ripple.

Q. With Ron Will?

A. That's correct.

THE REPORTER: I'm sorry?

MR. TENREIRO: With Ron Will.

Q. What -- what were the sources of your frustration?

A. My -- my recollection, in part informed by what I'm reading, is that he had made a decision of, you know, over a million dollars without asking me for my opinion or input. That seemed surprising.

Q. Over a million dollar sale of XRP?

A. No. It looks like -- there's a discussion -- my -- from what I'm reading here, no.

Q. So like a -- sort of -- some sort of investment of some sort?

A. No.
Q. So what is the decision of $1 million? What -- what is it? About what?
A. I think it's a payment.
Q. Uh-huh.
A. And it's $1.75 million. And as described in the thread, it says they would take XRP or cash.
Q. A payment for what?
A. I don't recall.
Q. And where are you seeing $1.75 million?
A. Didn't I see that?
MR. SOLOMON: Yeah, you did.
THE WITNESS: Okay.
MR. SOLOMON: It's about three-quarters of the way down the first page.
Q. Oh, sorry. Yeah. "Ron makes a decision on $1.75 and doesn't check with me."
You were frustrated about that?
A. It seems like it's a big enough number. You're the CFO of the company. It feels like something that would -- in the normal course of business that you would talk to the CEO about.
Q. Were there not sort of, like, approval

matrices at Ripple?

A. Yes, Ripple had approval matrices.

Q. And was this above his approval grade or whatever the term is?

A. I don't recall exactly. I think almost certainly the answer would have been yes. Moreover, it just seems like this would be something that you would, as CFO, communicate about.

Q. Were you ever involved in decisions about, you know, firing Ripple employees or letting people go?

A. Yes.

Q. Which ones?

A. Is the question which employees was I part of without actually firing over the course of my entire tenure of my --

Q. No, that you recall.

A. I mean, I'm sure there's many.

Q. Okay. Which ones do you recall, though?

A. Maybe repeat the question so I get -- make sure I get it right.

Q. What Ripple employees were you involved in decisions about letting go?

A. Well, we can start chronologically of my

recollections. [redacted] (phonetic), [redacted].

I mean, if I may, if you'd like me to try to remember all of them -- I mean, there's scores, you know. There's no way I'm going to get them all.

Q. Okay. So there's a lot? Does Mr. --

A. If anyone was terminated from Ripple involuntarily during my tenure, generally speaking, I probably had some visibility into it. And if I had an opinion on the topic, I would have shared that.

Q. Well, did -- let me ask you this: Did you ever make the decision? Was it ever your decision initiated by you to terminate a particular employee?

A. Yes.

Q. Who?

A. Well, anyone who reported to me directly it would have been my decision.

Q. So who did you decide to terminate?

A. I mean, again, over the six and a half years I've been there, you know, it would -- I would have to look at a list of who departed during that time frame.

Q. Was Ron Will one of those people?
A. No, Ron Will quit.
Q. Okay. What about Patrick Griffin?
A. That's more of a gray area.
Q. Please explain.
A. You know, Patrick is a talented, smart, energetic guy, who -- I guess I -- I look at the growth of a start-up in kind of various phases and having the right people for the right phase is important. And I think Patrick was very useful and constructive in an early phase, but as the company scaled, his efficacy managing and building teams and keeping teams organized and on target for their objectives wasn't as strong as other people over time.
Q. So the decision was a mutual decision or you decided --
A. I decided --
MR. SOLOMON: Objection; form.
A. I -- I let Patrick know that I thought it was time for him to transition and I wanted to work with him to facilitate a constructive transition.
Q. That's what the law firms do, by the way.

Of the -- what about Antoinette O'Gorman?

A. What about?

Q. Did you have a role in deciding that she should leave Ripple?

A. I was certainly involved in those conversations, but I was sad to see her leave. And she -- it was her choice to leave the company.

Q. So she was not someone that you said to, you know, you might -- this might be a time to transition or something like that?

A. No, I didn't say that.

Q. Okay. What about Ms. Madigan?

A. What about her?

Q. Same question.

A. No.

Q. Okay. She left Ripple --

A. To be fair, she didn't report to me so I was not a party to those conversations. I'm aware -- I think she reported to Monica Long. And Monica and I certainly discussed her tenure and whether or not she was doing a great job.

Q. Was she?

A. I wasn't close enough to have a strong opinion myself.

Q. Do you understand that her leaving was voluntary or -- or Ripple suggesting to her that she should leave?

MR. SOLOMON: Objection to form.

A. My recollection is that Ripple suggested -- that Monica, as her manager, suggested that it wasn't working out as well as she might do at another company.

Q. Okay. And what about Miguel Vias? Same question.

A. Maybe repeat the question so I get the whole --

Q. Sure.

Were you involved in the decision with respect to Mr. Vias leaving the company?

A. Miguel did not report to me. And, you know, was I involved in that? I'm sure that I was aware and a part of the conversations about the -- his exit. I'm -- I'm certain that I would have been. I don't recall anything specific about that -- those conversations.

Q. And, again, was that voluntary or was that Ripple more suggesting it's not working out?

MR. SOLOMON: Objection; form.

A. I don't recall.

Q. Okay. Who was -- who was his direct report?

A. His direct report or his manager?

Q. I'm sorry. His manager. His manager.

A. I think when he exited, I -- I don't know if his manager was Monica or Patrick Griffin.

Q. You have -- you mentioned start-ups a couple times today and the evolution of Ripple as a start-up.

Did you also -- do you recall mentioning that generally to me moments ago?

A. Yes.

Q. Okay. And I think you said you got an MBA from Harvard, is that right?

A. Yes.

Q. So what -- what is a start-up in your own words?

A. A start-up is a new company that a small group of people come together and typically raise some capital and start to build product solutions that they think will be adopted by their customers and grow into bigger businesses.

Q. From your experience prior to joining Ripple, either educational experience or professional background, did you come to

understand or become familiar with the various ways in which start-ups might "typically raise some capital"?

A. Yes.

Q. What were those ways that you learned about?

A. Is the question what ways do start-ups raise capital?

Q. Yeah. That you know. I'm not asking you for the world. That you know.

A. Well, at different phases of a start-up I think you see different approaches. At the earliest stages that we were discussing a moment ago, you know, there's something loosely described as friends and family, where a start-up might raise a small amount of money from friends and family.

As the company progresses to the extent it's seeing some traction in its vision of where the future might go, you might start to raise money from what have become known as seed funds. And that might be smaller or -- more money than you might raise from friends and family, but less money than you might raise from a traditionally defined venture capitalist.

And to the extent you raise seed funds, to the extent you continue to build and grow and have some evidence of success, you might go and raise a Series A financing or Series B financing. And that would be the way I think about raising capital.

Q. Okay. Sometimes start-ups eventually IPO?

A. I wouldn't have called them a start-up at that point.

Q. At that point it's no longer a start-up?

A. Yeah. I mean, the journey of company creation in Silicon Valley, in my experience, does not have, you know, clear lines between when even a Series A should happen versus a Series B; when it's a start-up, when it's something more than a start-up. So it feels more art than science in those descriptions.

Q. Okay. And why did you fire [redacted]?

A. My recollection is that when I joined the company in April of 2015, one of the first conversations I had with Chris Larsen was that I probably needed to fire [redacted]

Q. Why?

A. You'd have to ask Chris.

Q. So he told you from 2015 that you needed to fire him?

A. He -- he believed when I joined the company in April of 2015 that one of my direct reports at the time was [redacted]. And he expressed that I probably needed to fire [redacted]

Q. He just said that. He didn't tell you why?

A. I -- I don't recall.

Q. I see.

Back to Exhibit 106. Why are you asking [redacted] to use Signal here?

MR. SOLOMON: You've --

A. I did not ask him to --

MR. SOLOMON: Let me just stop you. You've just been asked a whole series of questions and intervening questions. If you need to look at the document again, do it; if you don't, don't. I just want to make that clear for the record.

MR. TENREIRO: That's also helpful. And let me correct my question.

BY MR. TENREIRO:

Q. Why did you ask him if he uses Signal?
A. I don't recall.
Q. Okay. And in the next page, he says "I have Telegram. Does that do the trick?"
Do you see that?
A. I do see that.
Q. Okay. And there seems to be like a question mark that probably is an emoji. Do you -- originally was probably an emoji.
Do you see that?
A. I do see that.
Q. Okay. Do you recall what emoji you responded with?
A. I do not.
Q. Okay. Whatever you said, he said, "Okay, Signal it is."
Do you see that?
A. I do see that.
Q. After that did you communicate with him on Signal?
A. I don't believe so.
Q. Okay. What's the basis of that belief?
A. Sorry. If the question is, Did I ever communicate with him after that on Signal? the answer is probably yes. To the extent I

communicated with him right after that, it looks like the answer is no based upon the context of this exchange.

Q. Any time after.

A. Yes.

Q. All right. Let's look --

A. Actually, to be totally honest, I don't know.

Q. Okay. You would have to look at that list you might have?

A. Right. Yeah.

Q. All right. Did you ever discuss with anyone on Signal the status of XRP under the securities laws?

A. I don't recall.

Q. Did you ever discuss with anyone your views as to whether XRP sales were securities transactions on Signal?

A. I don't believe so.

Q. Did you ever discuss XRP with anyone on Signal?

A. Yes.

Q. Who?

A. I don't recall.

Q. When?

A. I don't recall.
Q. Anyone outside Ripple?
A. I expect, yes.
Q. Did you ever discuss XRP's use cases -- or case or cases -- using Signal?
A. I -- I don't recall.
Q. Did you ever discuss Ripple's efforts with respect to the XRP ecosystem using Signal?
MR. SOLOMON: Objection; calls for a legal conclusion.
Go ahead.
A. Could you repeat the question?
Q. Did you ever discuss Ripple's efforts with respect to the XRP system using Signal? XRP ecosystem.
A. Sorry. Maybe one more time just to make sure I got it.
Q. Did you ever discuss Ripple's efforts with respect to the XRP ecosystem using Signal?
MR. CERESNEY: Objection to form.
A. I don't recall.
Q. Did you ever discuss the reasons why someone might buy XRP with anyone on Signal?
A. I don't recall.
Q. Did you ever disclose to a third party

the advice you might have gotten from counsel as to the legal status of XRP under the securities laws?

THE REPORTER: Could you repeat?

Q. Did you ever disclose to a third party the legal advice you might have gotten from counsel as to the legal status of XRP under the securities laws?

A. I don't believe so.

Q. Did you ever discuss you or Ripple's sales of XRP using Signal?

A. As we discussed earlier, with GSR, I would have facilitated to confirm appropriate wallet information to verify that we're being secure in those transfers. Beyond that, I don't recall.

Q. Okay. So when you say you don't recall, would you say it's possible you just don't know sitting here today?

MR. SOLOMON: Objection to form.

A. When I -- when I say that I don't recall on that --

Q. On this last question.

A. Remind me what the last question was exactly.

Q. Which was, did you discuss you or Ripple's sales of XRP using Signal?

A. Yeah, I don't recall. And so the answer to your second question -- I mean, generally speaking, Ripple's sales of XRP would not have been discussed via Signal.

Q. Okay. Is it possible you discussed them and you just don't recall?

A. It's possible and I don't recall.

Q. Okay. And separate from the sales, but is it possible that you discussed XRP with -- with anyone on Signal?

MR. SOLOMON: Objection; asked and answered.

You can answer.

A. Yes, it's possible.

Q. Okay. And is it possible you discussed XRP status under the securities laws on Signal?

MR. SOLOMON: Objection; asked and answered.

You can answer.

A. I -- I don't recall.

Q. Is it possible that you discussed on Signal things like the Hinman speech on Signal?

A. It's possible, yes.

Q. Okay. Let's look at 96.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 96 for identification.)

THE WITNESS: Oh, I have two.

MR. SOLOMON: Thanks. Sorry.

BY MR. TENREIRO:

Q. So this is RPLI_SEC 533153. It's a number of pages. Excuse me. It appears to me to be a series of screenshots. Please take a look, Mr. Garlinghouse. I'll want you to read it, but just by browsing it, does it -- do you know what this document is?

A. Not yet.

Q. Okay. Go ahead. Take a look at it.

(Pause)

A. Okay.

Q. Having looked at the document, do you know what this document is?

A. This document appears to be screenshots of a conversation. I don't actually know for sure, I'm assuming it's Breanne, but I don't...

Q. Is the assumption based on the reference to XRP-O?

A. The assumption is based upon the market

maker purchases.

Q. Market maker purchases of what?

A. XRP.

Q. Okay. Do you see -- who took these screenshots?

A. I don't know.

Q. Did you ever take screenshots of your Signal communications?

A. Other than for collection of -- for purposes of this litigation, no.

Q. Right.

So before the litigation, did you have a practice of taking screenshots of the conversations?

A. No.

Q. You might have taken some, but not a practice of it?

A. Not that I recall.

Q. Okay. Do you see that at least one of these seems to say -- the second page says "June 25th, 2020," and then further down there's some July dates.

Do you see all of that? Turn to the second page first.

A. Yes, I see that.

Q. Okay. And there's a reference to XRP-O somewhere in here.

Do you see that?

A. Yes, I saw that.

Q. Okay. So any reason to doubt that these conversations did not occur sometime in the summer of 2020?

A. I -- I don't have any reason to doubt that these conversations occurred in the summer of 2020.

Q. Okay. And do you see on the first page it says "Brad Garlinghouse set disappearing message time to one week"? Do you see that?

A. Yes, I do.

Q. Why does that show up there, do you know, on the app? Why does that pop up?

A. It's letting both parties -- it's letting both parties know who has set the expiration disappearing message feature.

Q. So you change the expiration feature, it puts a notice there?

A. Correct.

Q. Okay. And did you ask Ms. Madigan to communicate with you via Signal?

A. I -- I don't recall.

Q. Okay. Which -- which side of the conversation is you and which side is Ms. Madigan?

A. I believe Ms. Madigan is the dark -- the right side and I'm the light or the left side.

Q. Okay. So, for example, you say I just -- "I'm just off the phone with [redacted]" -- and that's [redacted]?

A. I presume, yes.

Q. You think that's you saying that to her?

A. I believe that's correct.

Q. Okay. On the next page, she talks about speaking with legal, Comms, tax, et cetera. "Given MMs need to execute these contracts, we will not start buybacks until earliest tomorrow."

Do you see that?

A. Yes.

Q. What is the reference to buybacks? Buybacks of what?

A. I believe this is in regard to the buyback of XRP. As you're probably aware, one of the things we're very cognizant of is minimizing any impact we have in the XRP markets. As some products scaled -- at the time what we're calling XRP-Os, XRP-Origination, which is now known as Wallet Send. And as that demand for that grew, it

meant we were introducing XRP into the market. And in order to minimize any potential impact on the market, we were creating the ability to buy back XRP such that there wasn't an unexpected significant increase to supply in the market.

Q. Later on she says, on page 3, "Hi Brad, hope you're well."

Do you see that message?

Further down, "Given ongoing regulatory conversations, I've asked legal for an opinion - pending from [redacted]."

Do you see that?

A. I do see that.

Q. What regulator -- regulator conversations are you discussing there?

A. I don't know. She's discussing it, not me.

Q. I understand, but you're having a conversation with her. So when you read that, what did you understand that to mean?

MR. SOLOMON: If you did.

A. Yeah, I -- I don't know that I knew exactly what she meant. I -- what you're describing, the conversation, I replied with "Sounds great. Thank you."

Q. You didn't ask her what regulator you're talking about -- are you talking about, Breanne? That was not your response?

A. No, that was not my response.

Q. Okay. Further down, if you turn a couple pages, the message says "[redacted] came back and after discussing with outside counsel" -- you're going to have to flip a couple. Yeah, there you go.

Do you see that?

A. Yes.

Q. Who's [redacted]?

A. I don't know.

Q. It says "[redacted] came back and after discussing with outside counsel, they mentioned some reg concerns given their SEC inquiry and suggested we may want to explore other ways to do this creatively that is more in line with our current contract, i.e., using derivatives."

Does reading that give you a hint as to who [redacted] is?

A. It does not.

Q. Okay. All right. And then you say to her, on the next page, "Can you send around an email update on what transpired over the weekend

on removing XRP-O supply from the market?"

THE REPORTER: Can you slow down, please?

Q. "Can you send around an email update on what transpired over the weekend on removing XRP-O supply from the market?"

Do you see that message?

A. I do see that message.

Q. Did she send around that email update?

A. I don't recall.

Q. An email update. To whom were you asking her to send the message to?

A. I don't believe I was specific about that.

Q. No, but just in your mind, you know, what was the practice -- when you asked her about sending email updates, what was your sort of expectation or practice about who it would be sent to?

MR. SOLOMON: Objection; form.

A. My expectation would have been she's a vice president of the company. I think maybe a senior director/vice president of the company. She would have had the knowledge to know, based upon the content of that email, who needed to be

involved in that email.

Q. Why did you want her to send this update on what transpired over the weekend on removing XRP-O supply?

A. I don't recall. I presume because I wanted to make sure everyone had the same set of understanding.

Q. Everyone at Ripple?

A. Well, not everyone at Ripple.

Q. Everyone involved in these issues about the buybacks or the XRP-O supply?

A. Yes.

MR. SOLOMON: Objection; form.

Q. Okay. All right. We can set that aside.

Who is [redacted]?

A. I don't know.

Q. Do you know if he did any work for Ripple?

A. Can you repeat the name?

Q. [redacted].

A. I don't know.

Q. Okay. Do you know of any relationship he had to Ripple?

A. I do not.

Q. Have you heard of an entity called [redacted]?

A. I don't believe so.

Q. Ripple has bank accounts at [redacted]?

MR. SOLOMON: Objection to form.

A. Yes.

Q. Do you have access to those bank accounts?

A. I believe the answer to that is technically, yes. I'm not sure that I know how to access them.

Q. Who accesses them on a regular basis?

A. I would be speculating.

Q. Do you have -- do you know of an entity called [redacted]?

A. I don't think I do.

Q. Okay. And do you have to approve disbursements from Ripple's bank account or accounts?

A. There's a threshold above which requires multiple approvals or more than one. I don't know what that threshold is. But there are times when I am asked to log in to approve certain wire transfers and disbursements of some size.

Q. Log into the bank account or log into some other system? Because you just said you don't know if you have access to the bank accounts.

A. I don't --

MR. SOLOMON: Objection to form.

A. -- believe that was my exact testimony. I think I said I believe I do have access. I don't know if I could immediately go and gain access.

Q. Okay. When you were asked to log on to approve certain wire transfers, what are you being asked to log on to?

A. A [redacted] --

MR. SOLOMON: Objection; form.

A. -- Bank website to which I would then approve or disapprove a transaction.

Q. What about checks? Do you have to approve those, the disbursements of checks from Ripple's bank accounts?

A. I don't -- I'm not aware that I've ever approved a check disbursement from Ripple's bank account. I suppose, to be fair, when I approve a transaction, I'm not sure I really know if it's going out by wire or a check or some other

mechanism.

Q. And what is that threshold amount that you have to -- above which you have to approve?

A. I'm not sure.

Q. Is it in the millions or hundreds of thousands?

A. Millions. I -- I believe it's millions.

Q. Okay. And did -- do -- does Ripple have more than one bank account at [redacted]?

A. Yes.

Q. How many?

A. I don't know.

Q. And does Ripple have banking accounts at other banks in the United States other than [redacted]?

A. Yes, I believe so.

Q. What bank or banks?

A. I believe we have an account at [redacted] and I believe we either have or are in the process of setting up an account at [redacted].

Q. For what purpose? Why are you setting up an account at [redacted]?

MR. CERESNEY: You're asking him about today? You're asking him a question

about something that Ripple is doing today?

MR. TENREIRO: Yeah.

MR. CERESNEY: Why is that at all within the scope of this deposition?

MR. TENREIRO: Are you instructing him not to answer the question?

MR. CERESNEY: Well, I'd like a proffer from you as to --

MR. TENREIRO: I'm not going to give you one. I'm asking you -- he's answering me where the bank accounts are and I'm asking him why he's setting it up at [redacted].

Are you instructing --

MR. CERESNEY: Yes.

MR. TENREIRO: Are you going to instruct him not to answer?

MR. CERESNEY: I would like a proffer from you as to why you think this is relevant to this action.

MR. TENREIRO: Where Ripple's funds are is relevant to this action even today. It's relevant. I mean, there's

remedies. There's all sorts of issues why it's relevant.

MR. CERESNEY: All right.

MR. TENREIRO: Go ahead.

MR. CERESNEY: If you can answer that without discussing any discussions with counsel or revealing discussions with counsel.

A. Could you ask the question again?

Q. Why is Ripple setting up a bank account at [redacted]?

A. Risk diversification. Concentration of deposits at one bank, it's probably prudent to have deposits at more than one bank.

Q. And when did the -- is it set up yet or not?

A. I don't know.

Q. Okay. Did this process begin after December 2020?

A. I believe so.

Q. Okay. Before December 2020, did Ripple have bank accounts other than [redacted] and [redacted] anywhere in the world?

A. I believe yes.

Q. Where?

A. I don't know.
Q. Who would know?
A. [redacted].
Q. Okay. Anyone else?
A. We have a relatively new CFO who has been there four-plus months. She might know. Her name is [redacted]. On [redacted]' team, who has subsequently left the company, [redacted] might know. And then there's some people underneath [redacted] that might have that knowledge.
Q. And, I'm sorry, how many bank accounts are there at [redacted]?
A. I don't know.
Q. Is it more than ten?
A. I don't know.
Q. Okay. And can you ballpark how many countries Ripple has bank accounts in outside of the United States?
A. I -- I -- I don't know.
Q. Okay. And the proceeds of Ripple's XRP sales while you were CEO, were they deposited in [redacted] accounts or others?
A. I don't know.
MR. SOLOMON: Objection; form.

Q. Okay. Do you know of -- do you know where they were deposited, the proceeds of XRP sales for Ripple's XRP?

A. I don't know.

Q. Okay. What about the proceeds of your XRP sales? Where were those deposited?

A. The proceeds from my XRP sales were deposited at [redacted] and subsequently I would transfer those to [redacted].

Q. Okay. Any other bank you might transfer them to?

A. Not that I can recall.

Q. Okay. And when you sold XRP, did you sell it for fiat or did you sell it for -- at times for other digital assets?

A. I believe I only sold it for fiat.

Q. What fiat?

A. I believe I only sold it for U.S. dollars.

Q. Okay. And so are you saying that all of the -- all of the proceeds went to Bitstamp somehow, even the GSR ones?

A. Yes.

Q. Okay. And then from there you would -- or somebody somehow would get them to [redacted]

11:29:15 [redacted]?

A. Yes.

Q. All right. And when did you open the Bitstamp account?

11:29:26 A. I believe I opened the Bitstamp account in the spring, kind of February/March, maybe April, of 2017.

Q. For what purpose?

A. To custody XRP.

11:29:45 Q. And was selling XRP one of the reasons to open that account?

A. Not at the time I opened it.

Q. Just to custody your XRP?

A. At -- at the time I opened it, my

11:30:00 recollection is -- so I was receiving a distribution of XRP associated with a grant from the company. Certain vesting provisions had been met. And so sometime in the, I think, March/April time frame of 2017, the first distribution and

11:30:21 vesting of XRP occurred and, thus, was distributed to me.

One of the things that in -- in risk mitigation I thought is I'm not going to send all of that XRP to one custody, one wallet. I'm going

11:30:39 to distribute it. And my recollection is I sent a

11:30:42 third to Bitstamp, a third to GateHub, and a third to a cold wallet. GateHub was the account that was hacked and they stole all that XRP.

Q. How many units?

11:30:57 A. I don't recall exactly.

Q. You divided it in thirds, equal thirds? Do you remember that?

A. Yes.

Q. Okay. And the cold wallet, who held the

11:31:04 keys?

A. I did.

Q. Okay. And the Bitstamp account that you opened was to -- at first just to custody you said?

11:31:13 A. Yes.

Q. So you made a decision later in time to sell XRP?

A. Yes.

Q. When was that decision made?

11:31:26 A. I don't recall. I would have to go back and look at records from 2017.

Q. Was it sometime in 2017 that you made that decision to sell your XRP?

A. I began selling some XRP in 2017.

11:31:40 Q. Why did you sell it?

A. I -- I don't recall specifically. My guess is diversification of assets.

Q. When you entered -- when you opened the account at Bitstamp for the custody, did you sign some sort of user agreement or check some box about your, you know, relationship with Bitstamp?

MR. SOLOMON: Objection to form.

A. I -- I suspect I did.

Q. Okay. And how did you open this account? Was it on a computer? on your phone, or did you call them up?

MR. SOLOMON: Objection; form.

A. I don't recall specifically.

Q. Were you in the United States when you did this or did you travel to some country to open the account?

MR. SOLOMON: Objection; form.

A. I don't recall.

Q. Okay. And the vesting conditions that had met -- been met, are you talking about pricing volume conditions that were in your option or granting contract with Ripple? I'm describing it incorrectly as a "contract," but...

MR. SOLOMON: Objection; form.

A. I mean, I think we're saying the same

things. I don't recall all the provisions of what had to occur in order for vesting to occur. Some of that was time-based employment. I thought that the other one was just volume based.

Q. Uh-huh.

A. But I don't recall.

Q. Okay. We'll look at the pricing one in a minute.

Let's go back to [redacted] who you seem to not recall. Let's look at Exhibit 94.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 94 for identification.)

MR. TENREIRO: All right. Let's start here.

MR. SOLOMON: We're also about five minutes away from another 90 minutes. So we can -- happy to go through whatever this line of questioning is, but at a good point we may want to take another short break. We can make this one short.

MR. TENREIRO: Let's do this.

MR. SOLOMON: Okay.

MR. TENREIRO: All right. For the record, this is a document,

RPLI_SEC_1028005, a multipage email. It appears to be a thread occurring -- actually, it might -- yeah, it's a couple emails. Seems to be on July 11, 2018.

(Pause)

BY MR. TENREIRO:

Q. Okay. Mr. Garlinghouse, having reviewed the email, do you see in the last page [redacted] writes "I would like authorization to communicate with the SEC on Ripple's behalf"? Do you see that?

A. I do see that.

Q. Was that authorization given?

A. I don't know.

Q. Who would know? So let me ask this. In -- in this email thread, I see [redacted], [redacted], yourself, some of your counsel, and [redacted] copied.

Do you see that at the top?

A. I do see that.

Q. Did you forward --

A. Yeah.

Q. Sorry.

Did you forward this email to anyone?

A. I don't know.

Q. Did you discuss the substance of this email with anyone?

A. I don't recall.

Q. Okay.

MR. SOLOMON: Did you read this email?

THE WITNESS: I don't know. Oops, that was not your question. It was his question. But I don't know.

MR. TENREIRO: That's okay.

BY MR. TENREIRO:

Q. Did you have a practice of not reading some of your emails?

A. I mean, I got a lot of email every day and the longer the email, the less likely it is I read the whole thing. So, you know, just by virtue of trying to prioritize and manage my inbox, there's definitely some emails that I haven't read. I think, according to my iPhone, there's ten thousand of them.

Q. Right.

So there's some that are, like, marked as unread --

A. Yes.

Q. -- in your iPhone.

But if you -- if you click on it -- you're saying that even if you click on it, you might still not read it? Is that what you're saying?

A. I -- it's definitely possible.

Q. Uh-huh.

A. In part based on who the sender is.

Q. Right.

Would you read an email from -- the top of this is from [redacted], right?

A. Yes.

Q. He's a legal advisor, right?

A. Yes.

Q. Okay. And so do -- how often did you not read your emails from your legal advisors?

A. I don't know.

Q. You can exclude Mr. Solomon if you want.

But did you -- did you have a practice of not reading emails from legal advisors around the time of this email in July of 2018?

MR. SOLOMON: That's not what he's saying. Just ask him the questions.

MR. TENREIRO: Let me just -- let me just ask.

BY MR. TENREIRO:

Q. Did you -- did you have any practice with respect to emails from your legal counsel or legal advisors?

A. Did I have any practice? What does that mean?

Q. Yeah. You know, did you think to yourself, you know, if I get an email from my legal advisor, I better read those, or did you have a practice that said I don't really trust the guy, I'm not going to ask it? I mean, that's what I'm asking.

MR. CERESNEY: Objection; form, among other things.

A. I don't even know what the question is. I apologize.

Q. My question is, did you have a practice of reading or not reading emails from your legal advisors?

A. I wouldn't -- I didn't have a different practice from my legal advisors than I had from anybody else.

MR. SOLOMON: Objection.

Q. Did you consider emails from your legal advisors to be important?

A. It depends who the legal advisor was.

Q. What about [redacted] -- [redacted]? Sorry. [redacted].

MR. SOLOMON: You're under oath. Just kidding.

A. There are other lawyers I would have prioritized more highly.

Q. Than [redacted]?

A. Yes.

Q. Okay. So based on that, you can't recall either way if you actually read the substance of this email, is that correct?

A. I don't recall this email.

Q. Okay. Is it possible that you did read it, though?

A. For certain.

Q. Okay. And the authorization, you just don't know if that was given, the authorization that he requests?

A. That's correct.

Q. Okay. And having read the email, you know, I don't -- I'm not going to spend a lot of time on some of these things, but it appears that he's suggesting that there's some report that's going to be presented to the SEC.

Do you see that?

A. I do.

Q. And there's a reference to Val. Do you know who that is?

A. I do.

Q. Who is that?

A. Val Szczepanik, as described -- although I think they spelled "czar" wrong.

Q. They did.

A. Is, I think, publicly pronounced from the SEC as the Crypto Czar.

Q. And had you met Ms. Szczepanik at this point in time?

A. I believe Ms. Szczepanik was in the meetings that I attended at the SEC, but I had only met her in that construct.

Q. Do you remember if she was in the Division of Enforcement back then?

A. I don't.

Q. At the top [redacted] says "Got it. Meanwhile let's avoid contact with Val so we can coordinate. Andrew will be in touch with you today. Thanks."

Do you know who the reference to Andrew is there?

A. Well, I'm assuming, because Andrew

Ceresney is on the cc, that they're referring to Andrew Ceresney.

Q. Okay. Did [redacted] have sort of the authority to direct Mr. Ceresney who to call back as suggested by this email?

MR. SOLOMON: Objection; form.

A. That's unclear.

Q. I feel like I'm missing something here about the relationship with [redacted]. So why don't you go ahead and tell me, because there's some chuckling going on. What --

A. [redacted] is a very -- you all have, I believe, met [redacted]. Fair? Yes? No?

Q. Just answer the question.

MR. SOLOMON: Brad is referencing -- referencing the SEC side of the table just for the record.

Go ahead, Brad.

A. [redacted] is an intelligent, opinionated, cantankerous advisor.

Q. Uh-huh.

A. So I -- particularly in this time period, I think there were a group of people --

MR. CERESNEY: You know what, Brad? Let's end the answer there.

11:41:45 THE WITNESS: Okay.
MR. CERESNEY: I'm instructing the witness not to answer further because now he's going to tread into legal advice and we're not going to go there.
11:41:51 MR. TENREIRO: Well, I didn't think -- you should not tread into legal advice, but I thought he said there was a group of -- are you talking there was a group of advisors -- how does that tread --
MR. CERESNEY: He was about to tread into legal advice in his answer.
MR. TENREIRO: Okay.
11:42:04 BY MR. TENREIRO:
Q. Can you explain further what relationship [redacted] had to Ripple in this time period?
MR. CERESNEY: I think he's already explained that. Asked and answered.
11:42:13 Q. Okay. Go ahead.
MR. CERESNEY: Objection.
A. A legal advisor to the company.
11:42:18 Q. Okay. And did he have the -- did you

have a belief that he was sort of acting outside of the scope of the authority you had granted him?

MR. SOLOMON: Objection.

MR. CERESNEY: I'm going to -- I'm going to instruct the witness not to talk about the authority he's granted [redacted] because that gets into the substance of legal advice.

MR. TENREIRO: The authority he's granted him gets into the substance of legal advice?

MR. CERESNEY: Yeah, it does.

MR. TENREIRO: Okay.

MR. CERESNEY: And, by the way, it's a good time for a break. So if you want to finish this document.

MR. TENREIRO: Sure.

BY MR. TENREIRO:

Q. Did -- after -- after this email exchange, did you avoid -- did Ripple avoid contact with Val to coordinate with [redacted]?

A. I don't know.

MR. SOLOMON: Objection.

MR. TENREIRO: Okay. Let's go off.

THE VIDEOGRAPHER: Okay. Going off the record at 11:44.

(Whereupon, a recess is taken.)

THE VIDEOGRAPHER: Back on the record, 11:59.

BY MR. TENREIRO:

Q. Okay. Just to finish up on 94, Mr. Garlinghouse, do you see that the subject matter -- the subject is "Heads up: Adverse action by [redacted] Re: XRP and Ripple"? Do you see that?

A. I do.

Q. Okay. So do you think, based on that and based on who the email is from, that you would have read it or not read it?

MR. SOLOMON: Objection to form.

A. I think it's likely I opened this email. I think it's likely I read it. I don't recall specifically reading it.

Q. Okay. Now, I --

A. I do now recall who [redacted] is, but it's not a name that I knew.

Q. Who is [redacted]?

A. [redacted] was, I think, maybe affiliated with [redacted], but he and two partners had a

firm that were trying to advise. And my general view is [redacted] and his partners were trying to take advantage of what they viewed as an opportunity to make money. And I -- my experience with the group was they embellished realities and overpromised, you know, what they were capable of.

Q. So let me try to unpack that.

They were trying to advise -- you said "[redacted] was, I think, maybe affiliated with [redacted], but he and two partners had a firm that were trying to advise."

Trying to advise Ripple?

A. Yes.

Q. Okay.

A. And I do believe we actually paid them some money to be advisors for some period of time. I was not an advocate and I found it to be -- you know, one of the things -- or particularly early, after we received the SEC letter, you know -- I think, you know, having more people involved is not necessarily better. And I think Chris Larsen and I didn't always agree on that.

And so for me, this was yet -- yet another group that was trying to extract money from Ripple that promised to be helpful in some

11:59:31 way.

Q. So when you said earlier they saw -- "they were trying to take advantage of what he viewed as an opportunity to make money," are you 11:59:39 referring to an opportunity to make money by advising Ripple with respect to the SEC issue?

A. I believe that's correct.

Q. Okay. And you also said you paid them some money. How much?

11:59:54 A. I don't recall. I do recall thinking they were offensively expensive.

Q. Was it at least [redacted]?

A. Order of magnitude. That would be what I would have guessed, but I don't recall.

12:00:06 Q. If you thought they were offensively expensive, why did you pay them? Why did Ripple Pay them?

A. Chris Larsen hired them.

Q. So it was Mr. Larsen's decision?

12:00:14 A. I believe it was Chris Larsen's decision to engage this particular group of, the triumvirate of [redacted] and his compatriots.

THE REPORTER: Repeat. "I believe it was Chris Larsen's..."

12:00:27 A. I believe it was Chris Larsen's decision

12:00:27 to engage [redacted] and him compatriots.

Q. Did you express to Mr. Larsen your differing views as to whether it was a good idea to have Shrier?

12:00:35 MR. SOLOMON: Outside the presence of counsel.

A. I -- I think Chris was aware of my view that more doesn't always equal better. And that applied to this group and just in general our

12:00:54 partnership and working together at Ripple over the six and a half years that we've worked together.

Q. But Mr. Larsen had the authority to hire this group irrespective of your views on whether

12:01:05 you should hire that group?

MR. SOLOMON: Objection to form.

A. Mr. Larsen's the chairman -- executive chairman of Ripple. If he wants to hire an advisor, you know, unless I'm going to lay in the

12:01:22 tracks, I'm not sure that's, you know, okay.

Q. Does he ask you, like, for your permission when he wants to hire an advisor? Has he ever done that?

A. I mean, we don't really have a dynamic

12:01:38 where somebody asks permission. We discuss

professional courtesy and respect, but, you know, Chris and I don't always agree.

Q. Sure.

If Mr. Larsen had wanted to file a registration statement with the SEC for XRP sales, could he have done that?

MR. SOLOMON: Objection; calls for speculation.

Q. As far as you know.

A. I don't think any one individual could have filed a registration statement. It would have taken a collaboration of lawyers, advisors, work, time. And so I don't think Chris Larsen could have. I don't think I could have. I think a team effort would have enabled that.

Q. Right. I'm not talking about actually doing it. I'm talking about making the decision. I'm sorry.

Could he have made that decision? Hey, this is what we're going to do. We're filing a registration statement.

A. I --

MR. CERESNEY: Objection to form.

MR. SOLOMON: Objection.

A. I think Chris Larsen, as the executive

chairman, had immense influence. And, by extension, if he came to me and said, you know, we're -- hey, absolutely there should be a registration statement filed, I think we would have gotten behind that and made it happen.

Q. Did Mr. Larsen tell you why he decided to hire [redacted] outside of the presence of counsel?

A. I don't recall.

Q. Okay.

A. I didn't recall who he was.

Q. Sure.

MR. TENREIRO: Let's do 41, which is an email I think a day later than 94.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 41 for identification.)

MR. TENREIRO: And while you take a look, it's a two-page email, RPLI_SEC 949371.

(Pause)

BY MR. TENREIRO:

Q. Okay. Mr. Garlinghouse, do you see that the title of the email, the subject, is "FYI: [redacted] report was changed to be more favorable"? Do you see that?

A. I do.
Q. Do you think you would have read an email that said that?
A. I don't think subject lines are a major determinant of whether or not I read an email. So I don't think that would have necessarily impacted whether or not I read it.
Q. How about who it's copied to?
A. Well, when you look at your inbox, you don't see who is copied on an email. So I don't think that would be a primary determinant.
Q. What would be the primary determinant then?
A. How busy I was that day.
Q. Did you read this email?
A. I don't recall.
Q. Okay. Did you -- Mr. Larsen does not appear to be copied on this email, right?
A. That's correct.
Q. Given that Mr. Larsen had hired [redacted], did you convey to him what [redacted] was reporting to you here?
MR. SOLOMON: Objection to form.
A. I don't recall.
Q. You -- you were at this time -- this is

12:05:44 the summer of 2018, so you were having conversations with the SEC. I think you mentioned meetings where I was, commissioners, et cetera, et cetera, is that correct?

12:05:51 MR. SOLOMON: Objection to form.

A. Certainly in the summer -- well, I don't remember when I met with the -- you or the SEC specifically. By virtue of the emails you've shown me today, I have seen that I apparently met 12:06:07 with some people at the SEC on November 9th. But I think your question was did I meet with --

Q. Just --

A. -- in the summer of 2018? And I think -- I don't recall the summer of 2018.

12:06:18 Q. Fair to say that in late 2018, from, like, the middle to the latter part of 2018, you were having SEC meetings with SEC staff?

MR. SOLOMON: Objection to form.

A. I don't know how many meetings we had at 12:06:31 the SEC in that time period.

Q. Was Val in some of the meetings? Ms. Szczepanik.

A. I'm re meeting -- I remember meeting Val Szczepanik at one of the SEC meetings. I don't 12:06:45 know when that meeting took place.

Q. And in these meetings, I think, generally -- generally speaking, you were -- one of the things you were doing was providing information about Ripple and XRP, is that right? Educating I think you said?

MR. SOLOMON: Objection to form.

A. Answering questions, sharing perspectives about what's going on in crypto and what's going on in the XRP markets, what -- what Ripple is doing.

Q. In any of the meetings with the commissioners, did -- or with any SEC staff, did you tell them when you were discussing what Ripple was doing that Ripple had to pay [redacted] to [redacted]?

A. I seriously doubt that I would have done that. I -- I mean, even today I didn't know who [redacted] was until you refreshed my memory. I would not have considered -- what's the name of this group? [redacted]? [redacted] thing? I didn't consider them a particularly relevant or impactful point in our conversations with the SEC.

Q. [redacted] references that "a negative mention of Ripple was removed - but swung to a somewhat positive."

Do you see that?

A. I do.

Q. Okay. Did you mention that to the SEC when you met with the SEC?

A. I am certain I would not have. I mean, I don't consider [redacted] to be a particularly credible person, and so I wouldn't want to present not credible information to the SEC.

Q. Right.

Did you have -- did there come any time on or after 2018 where Ripple engaged in activities relating to removing negative mentions of Ripple from public statements?

MR. CERESNEY: Objection; form.

A. Could you repeat the question?

Q. Did there come any time on or after 2018 where Ripple engaged in activities relating to removing negative mentions of Ripple from public statements?

MR. SOLOMON: Objection; form.

A. I guess the way I think about this is we engage a PR firm with the goal of educating, sharing and communicating with the world about what Ripple is doing. To the extent a reporter has signaled that they have a negative viewpoint

about X or Y or Z, would we, meaning Ripple and/or our PR firm, seek to obviate, minimize, or otherwise dampen a negative reference? Yes, I'm sure we did that.

12:09:35 Q. So, like, letters to The New York Times, for example, is that included in those efforts?

MR. SOLOMON: Objection; form.

A. What -- what do you mean, a letter to The New York Times?

12:09:46 Q. About [redacted].

MR. SOLOMON: Objection; form.

A. You mean -- maybe you could be more specific with your question if you would.

Q. Yes. Was a letter to The New York Times

12:09:54 about [redacted] a part of the efforts to -- seeking to obviate, minimize or otherwise dampen negative references?

A. Well, I think what you're referencing is an email to -- to an editor to -- with whom I had

12:10:10 a previous -- well, I don't know exactly what you're referencing. I didn't send a letter to The New York Times.

Q. Did you send an email to The New York Times?

12:10:18 A. I sent an email to an editor on the West

Coast with whom -- I had known for some years seeking to sit down and talk about [redacted]'s posture towards Ripple.

Q. Okay. So to the extent that Ripple hired a PR firm to, again -- the reporter has signaled that they might have a negative view about X, Y or Z, Ripple and the PR -- the PR firm might seek to obviate, minimize or otherwise dampen negative references.

To the extent Ripple did that, is that any different than what Ripple hired [redacted] to do?

MR. SOLOMON: Objection; form.

A. Look, sitting here today, I can't tell you why we hired [redacted] and what he was supposed to do or what he did do.

Q. Okay.

A. I did not consider him a particularly credible person/resource. I found his -- as I, I think, testified earlier, I found him to embellish, overstate. I didn't -- I didn't basically trust him.

Q. Okay. But Ripple did hire a PR firm -- and we're talking about [redacted], right? -- to dampen/obviate negative references, right?

MR. SOLOMON: Objection; form.

A. Well, I mean, you hire a PR firm to do lots of things. You're -- a subset of that would be what you're describing.

Q. Any other advisor that you might have hired for the purpose -- and understanding that you might hire an advisor for several purposes, but is there any other advisor that you hired for that purpose, seeking to obviate, minimize or otherwise dampen negative references about Ripple?

A. I -- we definitely have other PR firms. I can't name them all. I think we have one in -- I think we might have two in Asia and one in Europe that are on some sort of retainer. And those are the only PR firms that -- I mean, again, it depends a little bit -- dampen, obviate, otherwise minimize -- I can't remember exactly the phrases I used, but I think my experience in Silicon Valley, my experience professionally, is many, many, many, many companies hire PR firms to engage in reactive and proactive communication with press.

Q. But other than PR firms, did Ripple hire other advisors to either, you know, dampen negative references or engage in reactive or

proactive communications with press?

A. Yes.

Q. Okay. Who?

A. I -- I -- I can't name all of them. As I said, [redacted] was the primary one, based in San Francisco, with whom we had some relationship. I actually don't think we use [redacted] anymore. I don't know who replaced them. Maybe [redacted]? I'm not a hundred percent sure.

We have worked with -- in Washington we worked with a group called [redacted]. And the firms outside in -- in Japan and otherwise I don't know the names of.

Q. Right. But I'm asking for other advisors who are not PR firms.

A. Oh. Oh, to work on those --

Q. Yeah.

A. I mean, I couldn't -- I guess the answer to your question is yes. [redacted] apparently falls in that. As we saw earlier, I had no recollection of who [redacted] was until I saw this email. And so I would imagine there's someone else who we may have hired during that time period. I think the answer's yes.

Q. But you just can't recall who?

12:13:57 A. I don't recall.
Q. Okay. And so who -- what about -- who is [redacted]?
A. [redacted] was a board member at Ripple.
12:14:08 Q. Okay. When did you meet him?
A. I met him as an introduction from Chris Larsen. And I don't remember exactly when. I guess I would -- somewhere, I'm guessing, 2017.
Q. And is he still on the board?
12:14:27 A. He is not.
Q. Do you recall when he left?
A. I don't recall the exact timing. I think it was right before the presidential election. So probably about a year ago. Is that
12:14:45 right? Twenty -- yeah.
Q. Why did -- who asked him to join the board?
THE REPORTER: I'm sorry?
Q. Who asked him to join the board?
12:14:51 A. Chris Larsen, I guess, nominated him to join the board. I believe he met with a couple of the other board members, including myself. And he joined the board, I think, in 2017.
Q. And does he own XRP?
12:15:14 A. I believe the answer to that is yes. I

generally had a practice of not asking people about their personal XRP transactions outside of Ripple.

Q. Okay. And let -- let's take a look at Exhibit 27.

And while we get that exhibit, other than being on the board, what other relationship, if any, did Mr. [redacted] -- sorry, [redacted], have with Ripple?

A. I don't recall specifics. I think he may have been an advisor to Ripple prior to -- oh, two things. One, I think he was a -- prior to joining the board, I think he was an advisor of some sort, about which I don't remember the specifics.

He also started a website called [redacted], of which he was -- I don't know what his role was at [redacted] Owner? And Ripple did a sponsorship of [redacted] for a couple of years.

Q. Why did Ripple do that sponsorship?

A. I think -- I think having more reputable, good journalism around crypto is good for the crypto industry. I personally have never thought [redacted] as one of the primary -- you

know, I think the lexicon -- you know, trade rags of the crypto industry. I've never thought [redacted] was that great. And so to the extent that there are other more reputable outlets that have financial success, that's good for the crypto industry. And I generally think what's good for the crypto industry is probably good for Ripple.

Q. And [redacted] had experience as a journalist?

MR. SOLOMON: Objection; form.

A. He did. He did have experience as a journalist. I believe he was publisher or editor of a New York-based publication called The Observer.

Q. Okay. And [redacted] offered to introduce Ripple to people connected to the Trump administration?

MR. SOLOMON: Objection; form.

A. I believe that's fair, yeah.

Q. And did he?

A. Yes.

Q. Who did he introduce you to?

A. He introduced me to Jared Kushner.

Q. Okay. You personally?

A. Yes.

Q. What was the purpose of the introduction?

A. You know, it was, frankly, I'd say, more social than it was professional. We met on a Sunday morning at a country club and we sat informally around a pool table -- or, sorry, a swimming pool at a country club and I don't remember all the things we discussed.

Q. So I only -- I'm only interested in whatever part of it that was professional.

Do you recall what the purpose of the introduction was?

A. You know, I think the more we have -- the more there are influential senior people who are believers in the crypto industry and how it's evolving and the need for clear regulation in the United States to help that industry thrive in the United States, I think that's good for the crypto industry. I think it's good for Ripple. You know, good for the industry.

Q. And so Mr. Kushner was one of those people?

A. One --

Q. One of those people who believed in the crypto industry and how it's evolving?

A. No, I don't think that was my testimony. I -- I -- I think I said we wanted to evangelize and educate people of influence about --

Q. I see.

A. And I would think many people in the room probably agree that Mr. Kushner was a person of influence.

Q. I see.

So you -- so more -- sorry. More -- more to educate/evangelize to him about crypto? That was the professional purpose of the meeting to the extent there was one?

MR. SOLOMON: Objection; form.

A. Yeah, again, I don't think I'd call it a meeting. I think I might have been wearing a swimsuit.

Q. Did you ask him to introduce you to other people?

A. No.

Q. Did you ask him to talk to the SEC about, you know, XRP?

A. No.

Q. Did you ask -- did you or anyone at Ripple ask the staff of Senator Cotton to talk to the SEC about XRP?

A. I don't recall. I don't know.
Q. Did you have conversations with the staff of Senator Cotton about XRP?
A. I don't recall.
Q. And who -- what documents might refresh your recollection about that? Would it be your meeting agenda, your calendar, or something else?
MR. SOLOMON: Objection; form.
A. I recall meeting with Senator Cotton. I don't recall meeting with any of his staff. I don't recall speaking to any of his staff. And I don't know what documents would refresh my memory.
Q. You recall meeting with him.
Did you discuss Ripple or XRP at the meeting or was it about something else?
MR. SOLOMON: Objection; form.
A. We did discuss Ripple and I don't remember the specifics. It was, you know, I think two years ago? I don't remember exactly. It was a while ago. And he came to our office and we talked about what Ripple's doing and -- I guess it may have been more than two years ago just given COVID time. So two and a half years ago maybe.
Q. After the SEC letter? After you received the SEC letter?

A. I -- I actually don't recall, but that's certainly possible.

Q. Did you discuss the SEC with him?

A. I don't recall.

Q. Did anyone take notes at the meeting?

A. I don't know.

Q. Do you have a practice about taking notes?

A. Me personally? No.

Q. You or, you know, maybe your assistant, the people who came with you to the meetings.

A. Generally speaking, no. I -- there was not a practice. Maybe one of the blessings and curses of being a start-up is things don't have a practice as opposed to you're kind of trying to figure it out every day.

Q. Did Mr. Kushner offer to speak with anyone about Ripple?

A. I suspect yes. I -- I don't have a specific -- well, I mean, he offered to organize a -- what was largely a social visit with Mr. Kushner. I --

Q. Sorry. I asked if Mr. Kushner offered to speak with anyone at Ripple.

A. Oh, sorry. I thought you asked

12:22:12 [redacted] Sorry. I apologize.

Q. No, no. Kushner.

A. I don't recall.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 27 for identification.)

BY MR. TENREIRO:

Q. Here's Exhibit 27.

(Pause)

12:24:43 Q. Okay. Sorry.

Mr. Garlinghouse, do you see this email thread with you, Ms. O'Gorman, and Monica Long?

A. I do.

Q. Okay. And here Ms. O'Gorman references

12:25:08 [redacted] asking Chris Giancarlo to state certain things in an upcoming speech.

Do you see that?

A. I do. I'm not sure if your characterization is correct about who wrote that.

12:25:21 Q. Who wrote it?

A. I don't know.

Q. Well, I -- I wasn't -- I wasn't saying who wrote it. I'm simply asking you --

A. I think you asked me do you see what

12:25:35 Ms. O'Gorman asked as it relates to [redacted] asking

Giancarlo. And I'm just saying I don't know. Given the indented structure of this email, I'm not sure who wrote the email part you're referencing.

Q. Right.

I'm simply saying there was some idea going on that [redacted] might ask Chris Giancarlo to say certain things, is that correct?

MR. SOLOMON: Objection; form.

A. It looks like there's a -- I'm sorry, repeat the question one more time.

Q. Is there this sort of idea being discussed at Ripple at this time that [redacted] might ask Chris Giancarlo to make statement -- certain statements?

A. It looks like there's some desire to get the then-chair, I think, of the CFTC to differentiate between consumer-facing digital currency use cases versus institutional.

Q. What is consumer facing?

A. Could you elaborate on that question, please?

Q. What does consumer-facing digital currency use cases mean?

A. I mean, I don't know. I didn't write

it.

Q. Just generally, forget the email, what is -- if you hear "consumer-facing digital currency use cases," what do you understand that to mean?

A. Well, if I heard that in 2017 versus 2021, I might have a different answer. In 2017, when this email was written, I'm probably thinking about -- you know, this is around the time when there had been an explosion of ICO activity and you had things like Bananacoin being launched and you had, frankly, I think, lots of craziness going on in the market.

Some of those had consumers in mind as direct -- direct adopters or direct, even, investors. And so I don't know beyond that what they're referencing.

Q. And back in 2017, you would distinguish XRP from that? You know, you're absolutely welcome to look at the email, but I'm just asking you, if you're sitting back in 2017, would you distinguish XRP from consumer-facing digital currency use cases?

A. When you ask that, what are you thinking of as a consumer-facing --

Q. It's whatever you mean as consumer-facing digital currency use cases.

MR. SOLOMON: I think those questions are -- are vague and hard for me to follow. I don't know if you can follow them, but...

A. I don't know what -- I don't know who wrote this. I don't know what they meant when they said "consumer-facing digital currency use." You're asking me a question about using the expression digital facing consumer -- or digital -- whatever the -- and I'm asking what you mean by that.

Q. Do you not understand the phrase, the term then, "consumer-facing digital currency"?

A. I think there's lots of potential interpretations of what that means.

Q. Okay. Is -- you also mentioned that your understanding might be different in 2017 than in 2021.

How has that evolved?

A. I think in the four years since this email was written, the crypto markets, digital currencies, have changed and evolved a lot. You know, there's lots of ways to measure that. And

so, you know, without knowing who wrote it, without knowing what they meant, it's just hard for me to know how to answer the question.

Q. Again, setting the email aside, you know, did there come times in, say, 2017 and 2018 when you stated publicly your view that you did not think of the use case for digital currencies as, you know, buying things, like going to Starbucks and getting a cup of coffee?

A. That's directionally accurate. It's a little bit incomplete. I -- you know, I think what I have said publicly is I more often than not, particularly in that time period, referred to these as digital assets or crypto assets. What I typically pointed out is to the extent you're thinking of these as fiat currencies, I had said that I view the G20 fiat currencies -- and typically I call it the dollar or euro or yen -- as very effective in solving the use case and problems that -- for consumer -- consumer-facing experiences.

I have often gone on to explain there are some markets where that's less true outside the G20 where governments have effectively lost control of their currencies already and, by

extension, there might be more consumer interest, consumer demand, consumer usefulness.

But I typically have pointed out for a U.S. audience, whether it be media or a panel, that for those that are saying we're going to use bitcoin to buy coffee at Starbucks or bitcoin at Amazon, I've found that to be, particularly in 2017, less likely.

Q. Has that view changed?

A. A little bit.

Q. How so?

A. Maybe I'm wrong.

Q. But how -- how -- how has your view changed? Do -- do you view --

A. The adoption, usage and custody of cryptocurrencies here in the United States by consumers has exceeded what I might have forecast four years ago.

Q. In your last couple of answers, you -- you have used the word "consumers" a number of times. And I think I understand when you're using that word you're talking about people who might go to Starbucks with a digital currency. Is that fair?

A. Sure.

Q. Okay. In this email -- I know you don't know who wrote it. In this email, do you see a distinction between Ripple's XRP and that sort of consumer use case?

MR. SOLOMON: Objection; calls for speculation, asked and answered.

You can answer as best you can.

A. You know, as you're well aware, there are lots of ways that XRP is used outside of what Ripple does with XRP. There are today, and there were in 2017, consumer-facing experiences of how people used XRP.

Ripple's approach, both then -- well, I'll just talk about then and when it was written. Ripple's approach and how we pri -- focused on using XRP was using XRP to solve an institutional liquidity management problem. And so I think for purposes of this email, my guess is they're trying to make that distinction.

Q. So Ripple's approach back then was not -- Ripple's approach was not the consumer-facing experience. Is that fair?

MR. SOLOMON: Objection; form.

A. I think what I said is, you know, lots of people in the XRP ecosystem, and including

2017, there were certainly consumer use cases of XRP in 2017. Ripple's focus and the customers we were targeting was more to use XRP at an institutional level for liquidity management.

Q. Not to go to Starbucks to buy their coffee?

A. Not to go to Starbucks to buy their coffee.

Q. Okay. And has that charged?

A. I mean, Ripple's --

Q. I'm not talking --

(Indiscernible cross talk; reporter requests one speaker.)

A. I don't think Ripple's focus has changed.

Q. Okay.

A. As I said, to the extent my opinion about this topic has changed over the years, I have been surprised by the breadth of consumer adoption of cryptocurrencies, including XRP, and how people are using them beyond what I might have thought given the strength of the dollar and what have you.

Q. Sure.

(Whereupon, exhibit is received

and marked Garlinghouse Deposition Exhibit 97 for identification.)

BY MR. TENREIRO:

Q. All right. let's look at Exhibit 97.

MR. SOLOMON: Just for the record, pages 3, 4 and 5 are something akin to an Excel spreadsheet-like chart and it is impossible for me to read and I have 20/20 vision.

So I want you to be careful about answering questions on those last four pages.

MR. TENREIRO: Sure. And it's there for completeness. I don't think I have questions on those sheets. I might.

MR. SOLOMON: Right. And I'm not being difficult. I just wanted to point out I just can't read it.

MR. TENREIRO: We can blow it up on the laptop if we need to read it.

MR. SOLOMON: Yeah, that's perfect.

(Pause)

BY MR. TENREIRO:

Q. Can you read the attachment?

12:36:15 A. Not all of it. I wear glasses, which helps. No.

Q. Focus in on the email first. If you're -- if you're still reading, go ahead.

12:36:44 MR. SOLOMON: Why don't you just -- would it be okay if he just read the email or do you want him to make sure that he's read the whole thing?

MR. TENREIRO: I want to ask

12:36:50 about the email, but I don't want to stop him from reading if he wants to read it.

THE WITNESS: I'm good.

BY MR. TENREIRO:

Q. Okay. What is -- what is this email

12:36:56 about in your own words, Mr. Garlinghouse?

A. This is an email from [redacted] soliciting a renewal of previous marketing spend on the website [redacted]

Q. The -- at the bottom of the email,

12:37:10 there's a reference to "[redacted] the same as Ripple had paid over the last three years."

Do you see that?

A. I do see that.

Q. Is that accurate, that Ripple --

12:37:21 A. I don't actually think it is.

Q. Okay. What do you think the payments were?

A. I think that that's an increase, but I'm not sure.

Q. Did you -- did Ripple approve this -- did Ripple respond to this request?

A. I don't recall.

Q. Okay. Would it be reflected in bank records?

A. Well, I thought you meant did someone reply to the email.

Q. No. Did Ripple simply respond to the request in any way?

A. I -- I think we ended up spending maybe [redacted] in 2021 on [redacted]

Q. Okay. And you referred to it as a marketing spend?

A. It would have been considered a marketing spend, yeah.

Q. What does that mean?

A. I mean, my recollection is that we actually got ads on the website.

Q. In the -- in the email he's referencing all the stories about XRP and Ripple that he's published.

Do you see that?

A. Well, if you look at the list, I mean, there's a bunch of stories that have nothing to do with Ripple or XRP.

Q. I understand that. But in the email, is he not referencing -- I mean, why don't we just go through it.

"I have been able" -- "I believe we've been able to show over the course of the year that the site has been incredibly valuable in advancing Ripple's aims. I've attached a spreadsheet that contains almost 50 stories that align with Ripple's goals."

Do you see that?

A. Yes, I see that.

Q. Okay. So why is he referencing stories that align with Ripple's goals in his request for funding?

MR. SOLOMON: Objection; calls for speculation.

A. I don't know.

Q. Were the ads for Ripple or for XRP?

A. Ripple.

Q. If I -- if I clicked on the ad, what would it take me to?

12:39:05 A. I think it would take you --
MR. SOLOMON: Objection.
A. I think it would take you to the Ripple website.
12:39:10 Q. The how to buy XRP part of it? Which part of it?
A. I don't know.
Q. Okay. You don't know either way, so it could have been that part?
12:39:19 A. I would be very surprised if that were the case.
Q. Why?
A. When Ripple thinks about its marketing of Ripple, its primary goal is signing up
12:39:31 financial institutions to RippleNet or other goals.
Q. And one of the ways you sign up financial institutions is ads on [redacted]?
12:39:39 MR. SOLOMON: Objection; form.
A. We spend marketing dollars to generate leads on financial institutions globally in lots of different ways. One of them has been spending money on [redacted]
12:39:53 Q. And has [redacted] ever sort of given

you any, like, traffic numbers to show that financial institutions are visiting his web to -- you know, so that it's sort of worth your money?

A. I mean, if -- maybe I can save us both some time on this. I will stipulate up front that I don't think this is the best marketing spend we ever spent. I think a board member is championing -- and as I testified earlier -- the creation of a new website. It hopefully improves the overall coverage of crypto and blockchain in a way that matures the industry.

Even if that doesn't yield a direct lead, as a board member it's probably something that I'm going to be slightly more sympathetic to than the specific measurement of how many financial institution leads did we get from the website. But we also may have gotten some leads. I don't know.

Q. Sure.

And I guess my question is, do you have any understanding as to why Mr. [redacted] is giving you a list of articles published about crypto as opposed to a list of leads you got from the ads on his website?

MR. SOLOMON: Objection; asked

and answered.

A. I think he's trying to substantiate something that he's saying that is his opinion by providing data. I happen to have scanned some of the stories and I don't agree with him.

Q. You don't agree with the stories?

A. I don't agree with his characterization --

Q. Oh, I'm sorry.

A. -- that you read earlier.

Q. You don't agree with his characterization that the site has been valuable in advancing Ripple's aims?

MR. SOLOMON: Objection; form.

A. What he writes is "I believe we've been able to show over the course of the year that the site has been incredibly valuable in advancing Ripple's aims. I've attached" --

THE REPORTER: You're going to have to slow down.

THE WITNESS: Sorry.

MR. SOLOMON: Read -- read slower.

A. "I believe we have been able to show over the course of the year that the site has been

incredibly valuable in advancing Ripple's aims. I've attached a spreadsheet that contains almost 50 stories that align with Ripple's goals."

The font size makes it challenging, but I -- as I scan this, I have a hard time understanding how the Central Bank of the Bahamas launching the world's first central bank digital currency aligned -- sorry.

MR. SOLOMON: It's not just me even though you're wearing glasses, just for the record.

A. That power -- tourism economy -- you know, here's a -- "The nonprofit has already joined forces with the Libra Association and Celo Foundation to use blockchain technology to bring the" --

THE REPORTER: You're going to have to slow down when you read.

THE WITNESS: I apologize.

A. I don't think I need to read the headlines. My point is [redacted] is seeking -- he's selling. He's seeking money from Ripple and he's creating a narrative of why it would be good for Ripple to do that. I'm reviewing what he said and I'm reviewing his data he's substantiating it

with and I'm saying I don't know.

Q. In other words, you don't think that all of these articles advance Ripple's goals?

A. Yeah. Yeah. I -- it's not clear to me that what he is representing, that there's 50 stories that have -- "contains almost 50 stories that align with Ripple's goals," I don't know if that's true or not.

Q. There's a story, though, referenced about Chris Giancarlo's statement that XRP is not a security, right?

MR. SOLOMON: Let's focus in on that. I want to see that one.

MR. TENREIRO: It's in the last page that actually has language.

MR. SOLOMON: Okay. Give me a minute to read that one, please.

THE WITNESS: Actually, can somebody point to me where that is?

MR. SOLOMON: I really think you guys should put this up or give him a chance to really closely review it. I don't think it's fair.

MR. TENREIRO: Yeah. It's just on the last page with text on the middle

of the page. It's on 6/18/2020. "'Crypto Dad' Chris Giancarlo." And I'll just read it since I apparently have a little bit better vision.

"'Crypto Dad' Chris Giancarlo: XPR is not a security." That's the head. The subhead is "The former Commodity Futures Trading Commission chair was a leading force in removing the Scarlett 'S' from bitcoin and ether, and he remains influential. But making the same argument for XRP is weakened as his law firm works for Ripple."

BY MR. TENREIRO:

Q. Do you see that?

A. Yes.

Q. Does that article advance Ripple's goals?

A. Yeah.

Q. Okay. And did you provide [redacted] with talking points to share with Mr. Giancarlo before he made public statements about XRP's status under the securities laws?

A. Not that I'm aware of.

Q. Let's look at Exhibit 108, please.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 108 for identification.)

BY MR. TENREIRO:

12:44:49 Q. While they get it, do you think someone who was a board member for Ripple for three years understands Ripple's goals?

MR. SOLOMON: Objection; calls for speculation.

12:44:57 A. I would hope so.

Q. Okay. Did Mr. Larsen have any input in the decision to hire [redacted]?

MR WARD: Object to form.

A. I don't think we hired [redacted].

12:45:12 Q. To pay [redacted].

A. Yes.

Q. What input did he have?

A. He thought we should do it.

Q. And did you think that you should do it?

12:45:25 A. I didn't know. I believe that advancing journalistic credibility and journalistic professionalism in the crypto industry is a good thing. Whether or not [redacted] was the best way to achieve that, I don't know.

12:45:43 Q. Did Ripple have involvement in [redacted]

's preparation of articles it might publish on its website related to Ripple?

A. No. Well, wait, wait, wait. That's not fair. You're asking me did Ripple have involvement? I made myself available for interviews by reporters who worked for who then wrote articles about Ripple. As he references, sometimes I didn't like them.

Q. And in terms of journalistic professionalism, did you request that disclose payments from Ripple to when it was reporting on Ripple?

A. I believe -- you'd have to ask . I believe did have information on its website that disclosed that .

Q. My question: In terms of journalistic professionalism, did you request that disclose payments from Ripple to when it was reporting on Ripple?

A. I've never heard of any company -- that's a question for a journalist, not for the company. For me to request The New York Times -- I mean, I don't know. At some point we have sponsored things at Fortune Magazine. When they

write about Ripple, do they disclose that we have spent marketing dollars on Fortune related -- you know, that's a question for a journalist. I don't think it's a question for Ripple.

Q. Right. My only question, though, was whether you requested that.

MR. SOLOMON: Do you remember requesting that?

A. I don't recall ever requesting that.

Q. Okay. Here's Exhibit 108, which is GARL_Civil-1342. Two-page text messages.

THE WITNESS: Sorry. Could you make a copy available for --

MR. SOLOMON: He's bringing some more copies. Oh, do you have any more?

MR. TENREIRO: I gave you six. There's just one page there.

THE WITNESS: Oh, sorry. Oh, right. Sorry, sorry, sorry.

(Pause)

BY MR. TENREIRO:

Q. Okay. Having looked at that text chain, does that refresh your recollection as to whether you provided talking points to Mr. Giancarlo through [redacted]?

12:48:49 A. I -- I still don't recall. I see that on the piece of paper.

Q. So did you provide it? I mean, do you have any reason to believe that you did not

12:49:02 provide talking points?

A. No, I see that I provided some information to [redacted] via text messages. I -- I don't recall doing this.

Q. Why did you provide that information to

12:49:14 Mr. Kurson for ideas for -- let's be clear.

On the second page of the email -- of the text chain, there appears to be a text from you at 21:25:02.

Do you see that?

12:49:30 A. I do.

Q. Okay. Is that -- is that your phone number?

A. It is.

Q. Okay. And it says "Here are three ideas

12:49:37 for C."

Do you see that?

A. I do.

Q. Is that a reference to Chris Giancarlo?

A. I presume.

12:49:42 Q. Okay. And then you have three points.

I'm not going to read them.

Why did you provide those points to C?

A. I think I'm suggesting ideas at [redacted]'s request as to how Giancarlo could be helpful.

Q. Helpful to what?

A. To providing clarity in the market about the regulatory status of XRP.

Q. By removing the Scarlett S as he called it in the article on [redacted]?

A. I --

MR. SOLOMON: Objection; form.

A. I -- I mean, you're conflating -- you're merging two things that have a lot of distance between them in my mind, but...

Q. Well, the Scarlett S is a reference to security, right? Is that how you understand it?

A. I -- I believe so.

MR. SOLOMON: Objection; form.

A. I'm not sure I read the article.

Q. Okay. And did [redacted] provide these ideas to Mr. Giancarlo?

A. I don't know.

Q. In terms of advancing professional behavior in journalism, did you request to [redacted] that he disclose in his article about

Giancarlo that you had provided some of the talking points?

MR. SOLOMON: Do you remember doing that, Brad?

THE WITNESS: Well, hold --

MR. TENREIRO: Please don't coach, Matt.

Q. Did you ask -- did you ask --

MR. SOLOMON: That's the question you just asked.

MR. TENREIRO: No.

Q. I simply -- I asked you if you requested to Mr. Kurson that he disclose that you had provided talking points.

A. Okay. So the first thing, I think, is I am not aware that the article you're referencing was written by [redacted].

Q. Did you request to [redacted] that [redacted], whoever wrote it, make a disclosure about your talking points?

A. No. I don't think these talking points -- let's look at the date on the previous exhibit and see if --

Q. June 2020.

THE REPORTER: June?

MR. TENREIRO: 2020.
MR. SOLOMON: What's June 2020?
MR. TENREIRO: I think he's looking for the date of the article.
MR. CERESNEY: Right. The article is June 2020. His text is January --
MR. TENREIRO: I understand.
MR. CERESNEY: The subsequent email is December 2020.
A. Is your assertion that the text --
Q. I'm not making any assertions.
MR. CERESNEY: I think you interrupted.
MR. SOLOMON: I think he thinks you are. So maybe ask him questions.
BY MR. TENREIRO:
Q. My question is, did you request that [redacted] disclose in the [redacted] article about Giancarlo that you had provided talking points to [redacted]? It's a question.
A. I provided talking points to [redacted] in January. Someone at [redacted] wrote an article five months later, not [redacted]. And you're wondering if I asked [redacted] to disclose

12:52:29 in the article that I had provided talking points to a board member about a conversation with Giancarlo? Do I have that right?

Q. Yes.

12:52:39 A. No.

Q. Okay. Did you make public comments about Mr. Giancarlo's statement about XRP?

A. I don't recall.

Q. Okay. Did you, if you made public

12:52:50 comments about Mr. Giancarlo's statement about XRP, talk about [redacted]'s relationship to Giancarlo, for example?

MR. SOLOMON: I'm sorry. You said if he made comments?

12:53:01 MR. TENREIRO: Well, he says he doesn't recall. But I'm asking if he made, you know, public statements about [redacted]'s relationship to Giancarlo.

MR. SOLOMON: So, separately, do

12:53:11 you recall making statements about --

THE WITNESS: I don't know what [redacted]'s relationship with Giancarlo is.

BY MR. TENREIRO:

Q. Okay. Did he provide the talking points

12:53:18 you suggest in your text?

A. I believe you asked that and I said no.
Q. Have you ever --
A. I don't know.
Q. Have you ever met Mr. Giancarlo?
A. I don't know.
Q. Have you ever spoken to him?
A. I think I might have had a phone call with him once.
Q. About what?
A. I don't recall.
Q. And Ripple has hired his law firm?
A. I believe that's the case.
Q. Okay. And just to -- what's -- is this for legal advice?
A. I believe that's the case.
Q. Who -- when was the law firm hired? Is this Willkie Farr?
MR. SOLOMON: Objection; form.
A. Had you not said the name, I wouldn't have known the answer, but I believe that's correct. And I would have to ask one of the people at this table for when Willkie Farr was engaged.
Q. Right.
Have you ever provided anything of value

to Mr. Giancarlo?

A. Have I personally provided anything of value --

Q. Ripple.

A. I mean, to the extent that Ripple hired the law firm Willkie Farr, I think by extension that we provided some value to Mr. Giancarlo --

MR. SOLOMON: Objection to your use of -- of a legal term. Anything of value? I'm not sure what the insinuation is. They hired a firm. That's what they did.

MR. TENREIRO: I asked --

MR. SOLOMON: I was

(Indiscernible cross talk; reporter requests one speaker)

MR. SOLOMON: Are you asking something apart from hiring a law firm when you say "a thing of value"? I want to make that clear --

MR. TENREIRO: Yeah, I --

MR. SOLOMON: -- because that's confused. It has all kinds of legal meaning, as you know.

MR. TENREIRO: Thank you.

BY MR. TENREIRO:

Q. Other than the hiring of the law firm, has Ripple ever, you know, paid anything for Mr. Giancarlo? I was using "anything of value" just to be broad.

A. Not that I can recall.

Q. Okay. And have -- have you, Mr. Garlinghouse, directly or indirectly, ever provided anything of value to Mr. Giancarlo?

A. Not that I'm aware of.

Q. Okay.

MR. TENREIRO: Let's do 121, which I have. And this one, I don't know how many copies I have.

MR. SOLOMON: That's okay. We'll deal with it.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 121 for identification.)

MR. TENREIRO: All right. For the record, this is an email with Bates RPLI_SEC 235028. It appears to be around November 27, 2018.

BY MR. TENREIRO:

Q. I don't see you on the e-mail, but I'm

12:55:57 going to ask you some questions about the contents.

Have you read it?

A. Yes.

12:56:04 Q. Okay. Do you recall an article on [redacted] about infighting at CoinBase and the exclusion of XRP from CoinBase? Do you recall that?

A. No.

12:56:20 Q. Mr. Larsen says, "Nice. We're getting very friendly with them, by the way. Brian even apologized to me at a recent event."

Do you see that?

A. Yes.

12:56:30 Q. Do you know who the reference to [redacted] is to?

A. I assume [redacted] but I don't know.

Q. Who is [redacted]?

12:56:36 A. He's the [redacted] CoinBase.

Q. Okay. And then it says "Yes, Brad told me that. But I didn't put it in the story because I didn't want to blow you up."

Do you see that?

12:56:44 A. I do.

Q. Okay. Did you tell -- what did you tell [redacted] about the relationship with [redacted] before the article was published?

A. I -- I don't recall.

Q. Okay. Were you around November of 2018 getting more, you know, friendly with [redacted]?

A. No.

Q. Okay. And do you recall a story suggesting that there were personal reasons why CoinBase was not listing XRP?

A. Can you ask the question again?

Q. Do you recall a story in the media suggesting that there were personal reasons why CoinBase was not listing XRP?

A. The only recollection I have is there was a meme suggesting that I had dated [redacted] and there was somebody upset with somebody about it. And I -- I don't know where that came from, but I thought it was funny so I happen to remember it.

Q. Someone suggesting that and that could have been the reason why there was no listing?

A. Yeah.

Q. All right.

MR. TENREIRO: Let's look at 122.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 122 for identification.)

MR. TENREIRO: All right. So this is a two-page email, RPLI_SEC 591715. And it appears to be an email between Ms. Long and [redacted] on April -- May 28, 2020.

BY MR. TENREIRO:

Q. Now, before I get into the email, Mr. Garlinghouse, did you have an understanding as to what sort of authority [redacted] had at [redacted] with respect to content of articles?

A. I -- I don't know.

Q. Okay. And "XRP Facts" is the title of this email? The subject, rather. Do you see that?

A. Yes, I do see it.

Q. Okay. And Ms. Long says "Hi, [redacted] Below are facts or arguments to these 3-4 topics. I'm stalled coming up with expert sources, but will keep thinking on it."

Then he says "This is a great start for our reporting, thank you. Definitely would

benefit from an expert who could verify some of this."

Do you see that?

A. Yes.

Q. Okay. And what -- what is the purpose of Ms. Long, if you know, providing this information to [redacted]?

A. I'm going to read the document first.

Q. Yes.

MR. SOLOMON: He's not on this email. It's fine to show it to him, but I just...

MR. TENREIRO: Okay.

MR. SOLOMON: What do you think?

MR. TENREIRO: After this, let's do it.

A. Can you repeat the question?

Q. Yes.

The question is, what is the purpose of Ms. Long providing this information to [redacted], if you know?

MR. SOLOMON: Objection; speculation.

A. I don't know.

Q. Did she discuss with you providing XRP

facts to [redacted] for his reporting?

A. I don't recall.

Q. Did you approve of her providing XRP facts to [redacted] for her reporting?

A. I don't recall.

Q. Were there other occasions other than this where you -- whether anyone -- sorry.

Were there other occasions other than what's reflected in this email where people at Ripple might have provided facts about XRP for reporting on [redacted]?

MR. SOLOMON: Objection; speculation.

A. If [redacted] were writing a story about Ripple, we would have cooperated with them, as we would most media outlets, to clarify, correct, educate what is Ripple, what is XRP, and the differences between.

Q. And did the -- did other media outlets -- did other media outlets come to Ripple often to educate about what is XRP?

A. Well, they would come to us in covering Ripple and/or covering XRP. And to the extent they had questions, we would engage with them as constructively as we could.

Q. But my question is, did that occur often with other media outlets other than [redacted]?

A. Yes.

Q. Okay.

A. There was a lot of interest in crypto. And I think Ripple as a leader in the space gets a lot of media attention.

Q. And did a lot of media outlets come to Ripple for information about XRP other than [redacted]?

A. Yes.

Q. Is that it? Okay.

MR. SOLOMON: He's saying "a lot." If there's just something -- I just want to make sure.

MR. TENREIRO: I think he answered.

A. Yeah. I think my -- my testimony is Ripple has a lot of attention in the marketplace. Ripple is known as having expertise as it relates to XR -- XRP, both by virtue of our engineering resources, the fact that we use it in our technology stack. And so to the extent people are interested in XRP, they would come to us on

occasion.

Q. When you said "people," you're referring to the press, right?

A. Yeah.

Q. Okay.

A. Well, press and analysts. I mean, apparently [redacted]

Q. Members of the public?

A. Sometimes, yeah.

Q. Okay.

MR. TENREIRO: Let's go off the record.

THE VIDEOGRAPHER: All right. Going off the record at 1:04.

(Whereupon, a luncheon recess is taken.)

13:03:14

A F T E R N O O N S E S S I O N

THE VIDEOGRAPHER: Okay. Back on the record at 1:53.

Go ahead.

13:52:21 BY MR. TENREIRO:

Q. Mr. Garlinghouse, I see you brought your phone.

A. I did, actually.

Q. Can you tell me who you communicated on

13:52:26 with Signal, please?

A. My -- I was -- I did communicate on Signal --

Q. No, not now. Just generally, who have you communicated with on Signal, since you have

13:52:35 the list on your phone with the messages?

A. Oh, you want me to -- sorry. You would like me to open my phone and go through who on Signal I've communicated with?

Q. Yes.

13:52:50 A. [redacted] (phonetic)

Q. Why don't we do this. Why don't you just read me the people who work at Ripple first. I don't need to know anyone -- everyone you communicated with.

13:53:00 A. Okay. [redacted] Monica

Long.

I'm now back on July 3rd and I haven't hit any other names.

June, Chris Larsen.

May, Asheesh Birla. May 11th, [redacted]

I'm now back to the beginning of the year. Do you want me to keep going?

Q. Yes.

A. [redacted] He is no longer, but...

MR. SOLOMON: Are you able to clarify text versus phone calls versus email?

THE WITNESS: I'd have to open it to --

MR. SOLOMON: Okay.

THE WITNESS: -- see that.

MR. SOLOMON: Do you want him to sit here and do this now?

MR. TENREIRO: I just -- just the Ripple people. If you want him to clarify, you can clarify. I asked who he communicated with --

MR. SOLOMON: Okay.

Communications --

(Indiscernible cross talk; reporter requests one speaker.)

MR. SOLOMON: Communications may be either a telephone call or a communication. That's fine.

A. [redacted]. Now we're back in 2020, but [redacted] Patrick Griffin, [redacted]

Q. Just let me know when you get to 2018.

A. Oh, geez. [redacted]

Q. This is the last time you communicated with these people? Is that what it reflects?

A. To be honest with you, I don't -- well, actually, an -- an important clarification that Mr. Solomon has brought up, the [redacted] entry does not suggest I've communicated with her. It just says [redacted] is on Signal."

So I think what happens, if you were to -- if I had your mobile number in my address book and you started using Signal, I would get a notification. So all it says is that "[redacted] is on Signal." I apparently have never communicated with her on Signal.

So some of the names I've -- I'm reading to you the Ripple -- as you requested, I'm reading

to you the names of employees or those affiliated, like board members, at Ripple as they come up chronologically.

I'm now back in April of 2020. [redacted] is listed at April 2020.

Q. Okay. Well, we'll get the rest of the information from your counsel. Let's move -- let's move on then.

Thank you.

A. Well, if I may clarify.

Q. Please.

A. I believe, as part of discovery, you have received the information that -- this is information that was collected during discovery.

Q. Okay.

MR. SOLOMON: Yeah, I'm not quite clear on what those names are relevant to or what they signify. We'd have to go through each of them to see whether it was a phone call, whether it was a message, whether it was them popping up as having joined Signal.

THE WITNESS: Right.

MR. SOLOMON: We haven't done that yet, but I think the SEC got a

sampling of the people in the last year or so whose names come up through your phone when you scroll through your phone. So that's fine.

MR. TENREIRO: Yeah.

BY MR. TENREIRO:

Q. Okay. Sorry, when you were scrolling there, was Mr. Solomon there as well? I know I asked you for Ripple people, but...

A. I believe I saw his name. I did not include him in the --

MR. SOLOMON: Right.

A. He's sort of a Ripple person.

MR. SOLOMON: Sure.

MR. TENREIRO: Okay. Let's do Exhibit 77.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 77 for identification.)

MR. TENREIRO: So for the record, this is an email, RPLI_SEC 765249, two pages. It appears to be around February of 2016.

(Pause)

THE WITNESS: Okay.

BY MR. TENREIRO:

Q. Okay. Mr. Garlinghouse, just generally, is it fair to say that this email, one of the things that it's about, it's about a potential how-to guide about buying XRP?

A. I believe that's fair, yeah.

Q. Okay. You say "Echoing Monica's sentiment, a how-to guide would be very valuable."

Why would it be valuable or why was it valuable in February of 2016 to have such a guide?

A. I -- I don't recall. What the email seems to suggest is that consumers are -- well, one point of reference. [redacted] at that point read -- ran customer support. And so he's getting, I'm sure, inquiries from people all over the world that -- to [redacted] and trying to address a question that I guess is coming up frequently. So it's answering a question.

Q. The question is how to buy XRP?

A. I believe that's what [redacted] is saying, yes.

Q. [redacted] references "consumers." And I think you just said that word, or maybe you said

customer, but -- oh, you said consumer. Okay.

So was there a practice at Ripple around February of 2016 to refer to potential purchasers of XRP as consumers?

A. I don't know.

Q. Okay. And so what is the reference to "consumer" here? "If you, as a consumer, heard about XRP from the news and wanted to buy some, there's a better than average chance you'd find the whole process too difficult and quit."

What is the reference to "consumer" there?

A. We'd have to ask [redacted].

Q. What did you understand it to mean when you read the email?

A. There's another reference to consumers above that. It says "Even though we don't serve consumers" --

Q. Uh-huh.

A. -- "they play a role in the broader Ripple ecosystem."

Q. Right.

A. So I think consumers are individuals around the globe that may be emailing [redacted]@ripple.com.

Q. And so Ms. Long says "We don't serve consumers."

Do you understand that to mean "we," Ripple, doesn't serve consumers?

MR. SOLOMON: Objection; form.

A. I -- I don't want to speculate what she meant. I -- I read it as that we, Ripple, don't have consumers as a target market.

Q. Right. And I definitely want to know what you read it as, not what you speculate as. So that's helpful.

And then the email says "Even though we don't serve consumers, they play a role in the broader Ripple ecosystem, and whether we like it or not, they go to ripple.com to figure out how to get started."

So, again, just reading that, do you have an understanding as to what she's talking about, the role that consumers play in the Ripple ecosystem?

A. I do not.

Q. Okay. What role do -- in -- what role in 2016 did consumers play in the Ripple ecosystem?

A. I don't think I could give you an

exhaustive list. As we've discussed during the deposition, there's many use cases for XRP. Some of them in 2016 were consumer oriented; some of them not consumer oriented. And so I don't know that I have a list. I don't remember in 2016 what consumer-facing projects existed in the XRP ecosystem.

Q. And who would know?

A. In -- who would know today or --

Q. Yeah. If I wanted to find out in 2016 the projects that might have existed.

A. I -- I -- I don't know.

Q. Okay. You say "We can run it by AOG to make sure we aren't overdoing/promoting."

Do you see that?

A. I do.

Q. Who's AOG?

A. I believe I'm referencing Antoinette O'Gorman.

Q. What were you trying to run by her? The how-to guide?

A. I believe that's what I'm suggesting, yep.

Q. Did the how-to guide actually get published at some point by Ripple?

A. I don't know.

Q. Did the how-to guide discuss potential use cases of XRP by the consumers that were reading the guide?

A. I don't know if the guide existed.

Q. Fair enough.

Why are you suggesting that you consult AOG?

A. I don't recall. I have -- I mean, I could speculate based upon, you know, what I wrote about five years ago. More than five years ago.

Q. You talked about -- you talk about "to make sure we aren't overdoing/promoting."

What are you referring to there? Overdoing what?

A. I -- I don't recall. I can speculate based upon what I might have meant five years ago.

Q. Go ahead.

A. So Antoinette O'Gorman was our chief compliance officer. We had signed a settlement with FinCEN that restricted certain activities and what have you. And so AOG would have been making sure we were living within the framework of that settlement agreement with FinCEN.

Q. Okay. Was there something in the

agreement that related to overdoing something or promoting something?

A. I -- I don't recall.

Q. So Ms. O'Gorman, one of her functions was to make sure that Ripple was complying with that -- with that settlement agreement?

A. As chief compliance officer, that would be part of her responsibilities, yes.

Q. And that settlement agreement has expired?

A. I don't know the details.

Q. Okay. Ms. O'Gorman -- was this how-to guide run by her?

A. I don't know if the how-to guide exists.

Q. Understood that maybe it didn't exist, but did someone consult her with -- about a potential how-to guide?

A. Beyond this email, I don't recall.

Q. Okay. And if typically -- I mean, were you typically following her directive about how to comply with the FinCEN settlement, if she gave any directives?

A. Yes, I --

MR. SOLOMON: Objection.

A. I took the advice of the chief

compliance officer seriously. And to the extent she felt we were acting outside the scope of the FinCEN agreement, I would certainly take that seriously.

Q. Okay. So would hers be emails you read? If you got emails from Antoinette O'Gorman --

THE REPORTER: Wait.

Q. If you got emails from Antoinette O'Gorman, would those be more likely to have been read or not?

MR. SOLOMON: Objection to form.

A. I -- I -- I believe my testimony earlier was my reading of emails probably has more to do with how busy I am that day on other projects, not filtered so much by who they're from. I found Antoinette's emails to be not dissimilar to other emails.

Q. Okay. Let's look at this one.

MR. TENREIRO: Exhibit 81.

MR. SOLOMON: Can I have one?

THE WITNESS: Oh, sorry, sorry, sorry.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 81 for identification.)

MR. TENREIRO: For the record, RPLI_SEC 761766, two-page email.

MS. FORBES: Which exhibit is this?

MR. TENREIRO: 81.

MS. FORBES: 81. Thank you.

(Pause)

BY MR. TENREIRO:

Q. Okay. This appears to be an email thread from October 31st, 2016, Halloween.

Do you see that?

A. I do.

Q. Okay. Ms. O'Gorman says to you and Mr. Griffin -- sorry. Mr. Griffin asks "Can XRP be both a currency (FinCEN territory) and a commodity, (CFC territory)" -- "(CFTC)?"

She responds, "Yes, it can, and more. IRS is of the opinion that virtual currency is 'property.' CFTC treats it as a 'commodity.' FinCEN has stated their opinion that 'virtual currency operates as "real" currency in some environments' and the SEC may well come out on the side that certain cryptocurrencies are securities."

And then she says something about

"interesting conundrum...that begs for a more uniform regulatory approach."

Do you see that?

A. I do.

Q. Okay. And is this some of the advice from your chief compliance officer that you took seriously?

A. I don't know.

MR. SOLOMON: Do you want to read the rest of the sentence to him rather than read just a portion of it?

Q. It says "Interesting conundrum and one that begs for a more uniform regulatory approach at the federal and state levels, but the probability of that ever happening is extremely low."

Do you see all that?

A. I do.

Q. Okay. And below Ms. O'Gorman -- sorry.

Below that, at the bottom, you have said that you and she had just caught up on the issue about some legal guidance.

Do you see that?

A. I do. I'm trying to understand the time frame here because it looks like this reply

happened on October 31st, but this happened on November 1st, which doesn't really make sense. But anyway, that maybe isn't relevant to your question.

Q. Yeah. I think that's because of the time, you know, 1:33 a.m. Emails report different times based on where you're sending them.

MR. SOLOMON: Maybe you were overseas or something. That is weird.

MR. TENREIRO: Yeah. All right.

BY MR. TENREIRO:

Q. Did you -- when you caught up with Antoinette O'Gorman on the issue here, did you discuss the possibility that different regulatory agencies can view XRP as different things under their regimes?

MR. SOLOMON: Objection; form.

A. I don't recall.

Q. Did Ms. O'Gorman ever state to you anything different, other than what she's stating here, that while FinCEN might have one classification for XRP, other agencies such as the IRS --

THE REPORTER: Slow down, please.

BY THE REPORTER:

Q. -- such as the IRS and the SEC might have different --

THE REPORTER: You're going to have to start the question over again.

MR. TENREIRO: Yes.

Q. Did Ms. O'Gorman ever state anything to you different other than what she's stating here, that while FinCEN might have one classification for XRP, other agencies such as the IRS, the CFTC and the SEC, might have different classifications?

A. I don't recall.

Q. And didn't she, in fact, reiterate this view to you a few years later, after she left the company?

A. I don't recall.

MR. SOLOMON: Objection; form.

Q. All right. Did anyone ever tell you something contrary to what Ms. O'Gorman said here, again, in sum and substance, that different agencies could have different classifications for XRP?

MR. SOLOMON: Objection; form.

A. I don't recall.

MR. TENREIRO: Here we go. This

is 44.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 44 for identification.)

(Pause)

BY MR. TENREIRO:

Q. Okay. So, first, is it fair to say that while you were Ripple's -- as Ripple's CEO, you send periodic updates to Ripple employees and board members and Ripple -- Ripple shareholders?

MR. SOLOMON: Objection to form.

A. Could you ask the question one more time?

Q. Is it fair to say that as Ripple's CEO, you send periodic updates about Ripple's business to employees, board members and shareholders?

A. Yes.

Q. Okay. Sometimes I think you did it quarterly, sometimes maybe even weekly, is that right?

MR. SOLOMON: Objection to form.

A. Depends on which audience we're talking about.

Q. Well, for Ripple board members and shareholders.

A. I think at various times over my tenure, we've sent them monthly and sometimes we've sent them quarterly.

Q. And some of the Ripple shareholders are also XRP holders, right?

A. I don't know.

Q. What about the board members? Some of them are XRP holders?

A. I don't know.

Q. Like Mr. Larsen?

A. Yes. Mr. Larsen, I do know he has XRP.

Q. And Mr. Kurson?

A. I don't know.

Q. And yourself?

A. Yes, I know that about myself.

Q. Okay. So some board members are XRP holders?

A. Yes.

Q. Okay. This email thread, Exhibit 44, there's a -- one of these updates to investor and advisors -- do you see that? -- from you.

A. Yes. Is that how I addressed it?

Q. "Subject: Re: Ripple's Q2 investor and advisor update."

A. Okay.

Q. Okay. And Ms. O'Gorman responds.

Do you see that?

A. I do.

Q. Okay. She says -- in the middle, she says "And please let's never say again our belief remains the same. XRP should be regulated as a currency," and then she goes on to repeat her view that XRP will be regulated "as a property, as a commodity, as convertible virtual currency and potentially a security, all depending on facts and circumstances."

Do you see that?

A. I do see that.

Q. Okay. So Ms. O'Gorman, in fact -- does this refresh your memory that Ms. O'Gorman repeated to you in 2018 the advice she had given to you in 2016 about the treatment of XRP in the United States?

A. It does not refresh my memory. I read what she has written here.

Q. Did you -- did she ever after this point have a conversation with you where she told you anything to the contrary, that it would be only regulated as a currency and not as a security?

A. I don't recall.

Q. Did you have a conversation with her after this email -- about this email after this email?

A. I don't believe I spoke to her about this email specifically. I've spoken to Antoinette since she wrote this email.

Q. Sure.

And did you discuss -- when you've spoken to her, did you discuss the issue of --

THE REPORTER: Slow down.

Q. When you spoke to her, did you discuss the issue of currency versus security?

A. Not that I recall.

Q. Okay. And in -- in your update -- I'd like to direct you on page 3 to the part where you say "That's one of the reasons we announced the University Blockchain Research Initiative."

Do you see that?

A. I do.

Q. Who drafted these emails for you, by the way, typically?

A. I don't recall.

Q. Did you have counsel review them?

A. I don't know.

Q. Okay. Whose decision was it to commit

14:20:32 50 million to the UBRI?
A. The company's decision.
Q. Did you approve it?
A. Yes, I did.
14:20:42 Q. Did Mr. Larsen?
A. I suspect he did.
Q. Okay. And the purpose of this funding was what?
A. For research and innovation in
14:20:55 blockchain.
Q. Did any of the companies that are involved with this administrative -- sorry. Companies.
Did any of the universities involved in
14:21:01 this initiative become -- start operating validators on the XRP Ledger?
A. I believe some of them did.
Q. Which ones?
A. I don't recall. I think the University
14:21:14 of Kansas was one of them. Just I know because I'm an alum.
Q. Did you ask them to?
A. No, I didn't.
Q. Who did? Did someone ask them to?
14:21:22 A. I don't know.

Q. Okay. Further down you say "Ripple has looked closely at this topic for several years, and our belief remains the same: XRP should be regulated as a currency."

Do you see that?

A. I do not.

Q. Sir, there's a heading that says "Global Progress on Regulation."

A. Yep.

Q. Two paragraphs in.

A. Yep. I'm with you now. Sorry.

Q. Okay. "Ripple has looked closely at this topic for several years."

Can you explain what you mean by that?

A. I don't recall.

Q. What -- well, what had Ripple looked into for several years?

A. I don't recall. I mean, I, as any reader of this email, could surmise, that we've been paying attention to U.S. regulation and other countries' regulation of digital assets.

Q. For years?

A. Yeah.

Q. Does that --

A. Yes. Sorry.

Q. Does that include you, Mr. Garlinghouse?

A. I think -- depending upon the time frame, I would say I looked at it closely at some times and less closely at other times.

Q. When was it more times -- sorry, more closely?

A. As I indicated in my testimony this morning, I looked at it more closely after receiving a letter from the SEC in late spring of 2018.

Q. Excuse me.

Sitting here today, are you aware that different agencies in the United States might treat crypto assets in different ways?

MR. SOLOMON: Objection to form.

A. Yes, which I think contributes to the U.S. confusion.

Q. And this belief that you state here, "Our belief remains the same: XRP should be regulated as a currency. FinCEN and the DOJ confirmed this," do you see that? And then it goes on to say "My team continues to educate the market, regulators and courts." Finally, you say "For XRP to be a security, as some have asserted, it would have to represent ownership in a company,

which it does not."

That paragraph, do you see -- do you see that?

A. I do.

Q. Okay. That idea, that belief, had you expressed it internally at Ripple before this email?

A. I don't recall.

Q. Had you expressed it externally into the market before this email?

A. I don't recall.

Q. How many times before April of 2018 did you express this view outside of Ripple?

MR. SOLOMON: Objection; asked and answered.

A. I don't recall.

Q. And how about internally? How many times did you express this view before April of 2018?

MR. SOLOMON: Objection; asked and answered.

A. I don't recall.

Q. Okay. Do you recall if you did at all? You just don't remember the number of times, or --

MR. SOLOMON: Objection --

Q. -- you just don't recall at all whatsoever?

MR. SOLOMON: Objection; asked and answered.

A. Yeah, I think the question was did I recall speaking to it publicly before 2018, and I don't recall.

Q. What about China's control -- well, what about the potential for China's control of blockchain? Did you speak about that publicly before 2018?

MR. CERESNEY: Objection; form.

A. Could you reask the question?

Q. Did you speak publicly about China's potential control of blockchain before 2018?

MR. CERESNEY: Objection; form.

A. I -- I think the vagueness of the question makes it difficult to answer.

Q. What's -- what -- I'm sorry --

A. There's lots of blockchains.

Q. How about let's start with the bitcoin blockchain.

Did you speak publicly about China's potential control of the bitcoin blockchain before 2018?

14:25:00 A. I don't know. I don't recall.
Q. Did you speak privately at Ripple about China's potential control of the bitcoin blockchain since 2018?
14:25:08 A. I don't recall.
Q. Okay. Did you have -- do you know, if I say the name "[redacted]" what I'm referring to?
A. Yes.
Q. What is [redacted]?
14:25:22 A. [redacted] is a -- is an investment group based here in New York that invests capital typically in debt financings.
Q. Thank you.
So I'm going to go back to one thing that I forgot. Just a second ago, we were talking about DOJ guidance or DOJ confirmation in 2015 based on your email.
Do you see that?
A. I do see that.
14:25:39 Q. Okay. And you are aware that in 2020, the DOJ issued guidance about how --
THE REPORTER: I'm sorry. You're going to have to slow down.
Q. You are aware that in 2020 the DOJ
14:25:48 issued guidance about how different regulators in

the United States could regulate digital assets?

MR. SOLOMON: Objection; form.

A. I'm aware that I think sometime about a year ago, in late Q3/early Q4, the DOJ did a report on cryptocurrencies that enumerated many different potential agencies and regulators in the United States who may have some oversight of digital assets and who, unfortunately, don't have an aligned view on those.

Q. And did you view that report as providing regulatory clarity or not?

MR. SOLOMON: Objection; form.

A. Well, no, I did not.

Q. Why not?

A. I -- I believe the report indicated that, as I recall, there are seven or eight different federal agencies or departments that all looked at digital assets a little bit differently, which, in my estimation, fuels confusion in the marketplace about the regulatory status of digital assets in the United States in contrast to other countries.

Q. And the DOJ statement in 2015, do you view that as providing regulatory clarity or not?

A. I don't know what statement the DOJ made

14:27:07 in 2015.

Q. The DOJ settlement with -- with Ripple, do you view that as providing regulatory clarity?

A. Oh, the FinCEN settlement.

14:27:20 Q. You referenced FinCEN and the DOJ confirmed this in 2015.

A. I actually don't recall the email, as I mentioned earlier. And so I actually read that differently than now you're reading it. I read it

14:27:31 as FinCEN and the DOJ separately, as two separate events. Since I joined in 2015, I thought maybe there was some other event that happened in 2015 that may have happened with the DOJ.

Recognizing the FinCEN settlement was

14:27:43 both, I guess, stamped by FinCEN and the DOJ, then I think those two entities described XRP as a currency, as a virtual currency, I believe.

Q. And did you -- when did you find out about that settlement, by the way?

14:28:03 A. Can you maybe ask the question who -- when did I find out the FinCEN settlement?

Q. Yeah.

A. You know, within the first few weeks of my tenure at Ripple.

14:28:15 Q. Okay. And who told you about it?

14:28:17 A. I don't recall.

Q. Did you ask for any sort of -- within the first few weeks -- first let me ask what I asked earlier.

14:28:26 Did you view the FinCEN settlement as providing regulatory clarity?

A. I suppose I was so new to the company and so new to digital assets that I wasn't

14:28:39 thinking about the fact that there may not have been regulatory clarity at that point. So I, at that point in time, don't think I had any thoughts about it.

Q. What about the point in time when you

14:28:51 write the email in 2018? Did you view at that point in time the FinCEN settlement as providing regulatory clarity?

A. I think any time a government is speaking authoritatively through a court system

14:29:06 and describing something in a certain way, it provides a certain level of clarity about, well, is it this government entity, which collaborates with other parts of the government, that the government has said they view XRP as a virtual

14:29:19 currency?

Q. Do you recall the public statements you made about a euphemism in the digital asset crypto world about when people said regulatory uncertainty, what they meant was they don't like the regulatory uncertainty and they would like for it to be different?

A. I made that comment in reference to initial coin offerings and -- those initial coin offerings that I thought were trying hard to avoid being construed as anything other than, you know, initial coin offerings that were raising capital for a project that didn't exist.

Q. Why -- why in your estimation were they trying hard to avoid being construed as such?

A. Because they didn't want to draw the ire of the SEC.

Q. Going back to -- you found out -- okay.

The first few weeks at Ripple, I think you said you find out about the FinCEN settlement, but you don't recall who told you about it. Is that fair?

A. Yes.

Q. Okay. Did you read it?

A. I don't recall.

Q. Did you understand that the FinCEN

settlement was a serious thing for Ripple?

A. Yes.

Q. You had, for example, Ms. O'Gorman to make sure you complied with the settlement, is that right?

MR. SOLOMON: Objection; form.

A. With -- the role of chief compliance officer we had for lots of reasons. One of them, which she took on, was making sure that we were complying with the FinCEN settlement. We took a number of other steps obviously to make sure we were complying with the FinCEN settlement, including winding down a consumer-facing product called Ripple Trade.

Q. Right. And when was that wound down?

A. I mean, I believe summer of 2015. Right around there.

Q. And is it fair to say you understood that, you know, the FinCEN settlement arose from essentially a dispute between Ripple and the U.S. government --

MR. SOLOMON: Objection; form.

Q. -- that leads to a settlement of the dispute?

A. To be honest, I wasn't at Ripple when

all this was going on, so I really can't speak to how it came to be or how it evolved.

Q. Right. And I'm not asking you to. I'm just asking you for what understanding you gave when -- when you -- you know, you find out about the settlement. I'm trying to figure out what understanding you gained about what the settlement was.

A. I -- I don't recall.

Q. Okay. But you understood it was a serious thing, something to be taken seriously?

A. Yeah. I recall there was a $700,000, maybe, fine which for us at the time was a material amount of money.

Q. Right.

At that time, when you found out that you -- you know, Ripple would have to pay a material amount of money to settle a dispute with the government, did you take any steps to ensure that Ripple would not get in trouble with the government again?

A. I guess my reaction is that we have always sought, as I testified earlier today, to work within the clear understanding of laws around the world and making sure we are partnering,

working, and collaborating with law enforcement, with governments, et cetera.

So I guess my reaction is I don't think we took any steps specifically -- I mean, the question kind of suggests that we didn't take steps beforehand that we started taking afterwards. And I guess my point is, as an organization and culture, of course we've always tried to live within the letter of the law.

Q. Right. I apologize. I'm not trying to suggest anything.

My question is, you know, you find out that there's this settlement and you're starting at Ripple -- you're starting to learn. What steps did you, Mr. Garlinghouse, take? You know, did you ask someone, This company's been around for a few years. I want to make sure that what we're doing is all aboveboard? Did you ask anyone something like that?

MR. SOLOMON: Objection; form.

A. No.

Q. Okay. Did you ask, for example, to see any legal opinions that the firm might have procured with respect to the potential legal consequences of its activities?

14:33:25 A. No.
Q. Why not?
A. Actually, to be more precise, I don't recall.
14:33:30 Q. So you might have, you might not have, you just don't recall?
A. Yeah.
Q. Okay. Do you think you would have done that? I mean, just knowing yourself, you started
14:33:37 at a new company --
A. No.
Q. I'm sorry? You don't think you would have done that?
A. I don't think I would have done that.
14:33:52 Q. Okay. So back to [redacted]. What relationship, if any, did [redacted] have to Ripple?
A. None to my knowledge.
Q. Potential relationship?
14:34:04 A. We had discussed with them participating in our Series C financing.
Q. What -- what is Project Raven?
A. I don't recall.
Q. And did [redacted] participate?
14:34:16 A. Not to my knowledge.

Q. Why not?
A. I think we chose a different path.
Q. You chose [redacted]?
A. Correct.
Q. Okay. But why?
A. My vague recollection is the terms of the [redacted] deal were more compelling to us than the terms of the deal [redacted] had offered.
Q. Was one of the terms of the [redacted] deal as offered a restrictive covenant with respect to potential regulatory action --
THE REPORTER: Repeat.
MR. SOLOMON: Objection. And you've got to slow down. I'm barely following.
Q. Was one --
MR. SOLOMON: You've got to slow down, too.
Q. Was one of the terms of the [redacted] deal as offered a restrictive covenant with respect to potential regulatory action by the SEC?
MR. SOLOMON: Objection; form.
A. Sitting here today, I am aware that at some point, let's see, [redacted] included a provision in their term sheet that that was the

case. When we were comparing term sheets, I had no idea that was the case.

Q. Fair enough.

A. I guess my point is that was not a relevant data point as to why we selected [redacted] and not [redacted]

Q. Okay. With [redacted] was there a covenant with respect to potential SEC action?

MR. SOLOMON: Objection; form.

A. Not specifically the SEC, but government, yes.

Q. Government what?

A. I think the -- in the Series C financing, as it completed, there was a provision that said, roughly, if there's an official determination by a government -- I'm not sure it said U.S. or SEC; I don't recall -- that XRP is a security on a go-forward basis, then X and Y and Z.

Q. Right.

And that was also a term in the term sheet with [redacted] even though I understand you didn't enter into that deal, is that right? Something similar?

A. I did not know that. I am aware of that

now based upon the [redacted] litigation, but I would not have known that then and --

MR. SOLOMON: That's what I want you to be careful of, because you've had discussions with lawyers, including Quinn Emanuel, about [redacted]. So testify about what you knew at the time --

THE WITNESS: Yeah, okay.

MR. SOLOMON: -- which is perfectly fine and fair for him to ask you. Not what you know now --

THE WITNESS: Okay.

MR. SOLOMON: -- from that litigation. It was a poor question from Mr. Tenreiro --

THE REPORTER: I'm sorry, you're talking over one another and you're talking too fast. I can't get that. I don't know how else to say it.

MR. SOLOMON: Let me say it again. Do not answer questions in relation to [redacted] to the extent it touches on any advice you received or were party to from Quinn Emanuel, Debevoise, or any other law firm. It is perfectly fair

game for them to ask you questions about what you understood about the relationship with [redacted] or this other company at the time.

THE WITNESS: Yes.

MR. SOLOMON: Please don't mix the two because it's just going to make for a very confusing record. Thank you, Brad.

THE WITNESS: Yeah, okay.

BY MR. TENREIRO:

Q. So take a step back.

What involvement did you have with the Series C negotiations?

A. Not a lot.

Q. Did you sign any agreements?

A. I don't recall.

Q. Did Mr. Larsen have involvement with the Series C funding?

MR. CERESNEY: Object to form.

A. Less than I did.

Q. Okay. And did you have involvement in poten -- in negotiations with [redacted]?

A. Not material.

Q. Who was involved? Mr. Will?

14:37:52 A. I actually --
MR. SOLOMON: Objection; form.
A. I don't know who was on point to negotiate the terms of Series C financing -- our
14:37:59 Series C financing.
Q. You didn't select someone to be on point for that negotiation?
MR. SOLOMON: Objection; form.
A. That would not have been something that
14:38:08 I would have selected, no.
Q. Who would have selected that person?
A. Probably Ron Will.
Q. Okay. And based on your knowledge simply of the facts, without getting into, you
14:38:23 know, conversations with counsel, I think you've told me there was some sort of provision in the [redacted] funding related to potential determinations about XRP as a security, is that right?
14:38:39 A. Yes.
Q. And did you know that fact when Ripple entered into the Series C?
A. No.
Q. When was that, by the way?
14:38:47 A. When was what?

Q. The Series C. Around 2019?
A. Our Series C financing closed I think in December of 2019.
Q. Okay. And you're saying at the time that it closed, you were not aware of this covenant that we're discussing?
A. That's correct.
Q. You came to find out because of the litigation or in between the funding and the litigation?
A. I don't know exactly when I came to find out, but it would have been much, much closer to the litigation.
Q. Okay. And did you ever ask anyone why that covenant was in there? Not lawyers. You know, anyone. Businesspeople or --
A. No.
Q. Okay. Did you ever ask that the covenant be removed?
A. No.
Q. Okay. And Ripple -- you have stated Ripple's view was that XRP was a currency, not a security, correct?
A. It was also FinCEN's view, but, yes.
Q. Why was that covenant in there? If

Ripple had that view, why was it necessary?

THE REPORTER: Repeat that. Why was?

Q. Why was it necessary?

MR. SOLOMON: Objection; calls for a legal conclusion. He's not a lawyer. He didn't write the contract.

Q. From a business perspective, why was a covenant of that nature necessary?

A. I think it's a covenant that [redacted] put in there. You'd have to ask them.

Q. You didn't ask them to take it out?

A. I was not involved in the negotiation of the term sheet or final documents to close the financing.

Q. Okay. Did you have, I guess, what one might call Investor Days with Ripple shareholders from time to time?

A. Yes.

Q. Okay. What was the purpose of those?

A. If you were a shareholder in Ripple, you were likely interested in how the company is doing. I also think it's good practice for Silicon Valley start-ups that might aspire to being a public company to start practicing

behaviors that are more public company-esque.

Q. Was [redacted] one of Ripple's shareholders before the Series C?

A. Not to my knowledge.

Q. What about an entity called [redacted]?

A. Not to my knowledge.

Q. When you had Investor Days from time to time, did you provide these people with truthful and accurate information?

A. I believe so.

Q. Okay. And would you consider the equity investors that Ripple had as sort of sophisticated players in the financial markets?

A. Could you repeat the question?

Q. Would you consider the equity investors that Ripple had as sophisticated players in the financial markets?

A. I don't know. I mean, Ripple has an order of magnitude of 1- or 200 shareholders. I'm sure some of them are sophisticated investors and I'm sure some of them are less sophisticated.

Q. The ones that you gave Investor Day presentations to, would you consider those to be sophisticated?

A. I don't know who attended Investor Day.
Q. Okay. When -- did -- where were these Investor Days held, at Ripple or at their offices?
A. I mean, perhaps I'm -- the only Investor Day I specifically remember was held at a hotel in downtown San Francisco. I think we had more than one, but that's the one that I happen to remember.
Q. Can you ballpark the date of that?
A. I don't know. Two to three years ago.
Q. And what the purpose of it was, can you tell me that?
A. I think my testimony earlier, I'd have to go back and read exactly, but I think to give our shareholders more information about what's going on with the company and to get better at practicing to being -- adopting behaviors that are more public company-esque.
Q. Okay. Do you know who [redacted] is?
A. I have met [redacted].
Q. Who is he?
A. I believe he's an associate at [redacted].
Q. Okay. And did he attend this Investor Day presentation?
A. I don't know.
Q. Okay. In July 2018 -- on or around July

2018, did you speak to Ripple's equity investors about what was going on in the company -- what was going on in the company?

A. I don't recall when, as I testified earlier. I -- I do recall now two different Investor Days. There was one that was here in New York at a hotel and one was at a hotel in San Francisco. So I remember those two, but I don't remember the dates of them.

Q. Were they after or before the SEC letter of April 2018?

A. I don't recall.

Q. Okay.

A. No.

Q. Did you express at invest -- at these Investor Days that you were optimistic about the SEC's investigation, but could not guarantee the outcome of the investigation?

MR. SOLOMON: Objection; form.

A. No.

Q. Okay. Did you express anything about the conversations with the SEC at these Investor Days?

A. That's a very different question. The first time you called it an investigation.

Q. It's a different question.
A. Yeah. I don't recall specifically. I would imagine we generally would practically talk about regulatory dynamics globally. Is it possible what you asked was included in that? That's quite possible.
Q. Okay. Separate from, you know, whether it's an investigation or the conversations with the SEC -- you understood that the SEC in 2018 had not made a statement about whether it viewed XRP as a security or not, correct?
MR. SOLOMON: Objection; form.
A. Yes. I am aware that to my knowledge the SEC had not made a determination in the summer of 2018 as to whether or not XRP is a security.
Q. And did you understand that the SEC was considering the issue?
A. I really didn't know.
Q. You didn't know --
A. It's -- sorry.
Q. You didn't know that the SEC was considering whether XRP was or was not a security in the summer of 2018?
A. I was very confused by the SEC's behavior in choosing, for example, to proactively

come out and say that Ether was not a security. And at the time we received a letter, which I would have described as an informal inquiry, to which we were cooperating, to learn more about XRP and to learn more about Ripple.

Q. But did you have an understanding, you know, just from attending meetings with the SEC -- we've talked about some of them -- that the SEC was determining the issue about whether it was or was not a security?

MR. SOLOMON: Objection; form.

A. I believe in the summer of 2018, which is when you're asking about, I had not had any meetings with the SEC other than with Chairman Clayton. And Chairman Clayton did not express a view that XRP was a security or that even it was being discussed.

Q. Okay. And in the fall -- after you had meetings in the fall, did you have an understanding that the SEC was considering whether maybe it was, maybe it was not a security?

MR. SOLOMON: Objection; form.

A. I -- again, I don't recall. My viewpoint -- you know, we were having conversations with almost entirely CorpFin. And

given the construct around decentralization as an important tenet of the -- Director Hinman's speech about Ether, it seemed like educating the SEC about how the XRP Ledger is decentralized was a step in the journey of -- maybe a similar journey to what Joe Rubin and metallic had done with the SEC previously.

Q. So a journey that might end with a statement publically about XRP?

A. I think market clarity would have been helpful as soon as possible.

Q. Okay. And so in -- in -- in or around July 2018, did you state to [redacted], or at a meeting that [redacted] attended, that you felt optimistic that the SEC will rule in XRP's favor, but could not guarantee that?

MR. SOLOMON: Objection; form.

A. I don't know what it means for the SEC to rule in XRP's favor. I mean, there had been a speech by Director Hinman. I -- I -- I don't recall saying that to [redacted].

Q. Do you recall saying whether -- you know, did you recall saying that you felt optimistic that the SEC could potentially conclude that XRP was not a security, but you could not

guarantee that?

MR. SOLOMON: Objection to form.

A. I don't recall speaking to [redacted] -- I don't recall meeting [redacted] I know more who he is, but I don't recall speaking to him about the SEC's inquiry into XRP and Ripple.

Q. What about not speaking to him necessarily but speaking at an event where he's at such as an Investor Day? Do you recall stating at one of these Investor Days, either in the New York hotel or the San Francisco hotel, and saying something along the lines of you feel optimistic that the SEC will determine that XRP's not a security, but you could not guarantee that?

MR. SOLOMON: Objection; form.

A. I don't recall making any statement like that.

Q. Okay. Do you have any reason to think you did not make that statement?

A. No. I mean, there's some interesting timing-related things there based on information you showed me this morning which is just hard to reconcile. And it depends a little bit when the Investor Day was.

Q. All right. Mr. Garlinghouse, over the

course of your time at Ripple, is it fair to say that Ripple has made efforts to get XRP listed on digital asset trading platforms?

A. Yes.

MR. CERESNEY: Objection; form.

Q. And what was the purpose for making those efforts?

MR. CERESNEY: Objection; form.

A. A precondition to Ripple's product strategy is liquidity between XRP and various fiat currencies around the world. And if XRP doesn't have trading pairs, then you don't have that liquidity. And so if that's a precondition to your product strategy, you want to make sure that that exists.

Q. To -- to provide that liquidity, for example, let's say between XRP and the Mexican peso, Ripple has engaged market makers to help provide that liquidity, is that right?

MR. SOLOMON: Objection; form.

A. I believe that's yes.

Q. Okay. And so why didn't Ripple do that, you know, just provide that liquidity by engaging market makers as opposed to putting it on exchanges?

MR. SOLOMON: Objection; form.

A. Well, in the example I think you're using, Bitso listed XRP independently of any work with Ripple. So that liquidity existed there. We then, as we brought customer flows, wanted to make sure there was adequate liquidity to address those customer flows and so we partnered with market makers in those markets.

Q. And Ripple from time to time publicly communicated the efforts it was making with respect to getting XRP on exchanges, is that right?

MR. SOLOMON: Objection; form.

A. Well, what time frame are we talking about here?

Q. You know, when -- at various times when you worked at Ripple. Well, if -- if there was a moment when Ripple stopped, you can tell me. But my question is: Ripple from time to time told the market that it was making efforts to get XRP listed, is that right?

MR. SOLOMON: Objection; form.

A. My recollection is that XRP, I mean, as of within the last couple of years, has traded at a couple hundred exchanges around the world, of

which Ripple partnered or facilitated a, you know, very small percentage of those. Kind of less than 5 percent of those did Ripple facilitate or partner in some way.

Separately, Ripple, in the interest of transparency, in the interest of trying to get what tended to be a little bit of a clandestine market, trying to encourage more transparency, trying to minimize misinformation in the market, Ripple started years ago to proactively communicate what's our view and what's going on in the XRP markets and what we are doing in the XRP markets.

Q. And did that include proactively communicating Ripple's engagement with exchanges to get XRP listed?

A. I think those would have included just updates on the number of exchanges XRP was listed independent of whether or not Ripple had facilitated that.

Q. Did Ripple disclose publicly if Ripple had facilitated a listing on the exchange?

MR. SOLOMON: Objection; form.

A. I don't know.

Q. Well, in terms of providing

transparency, did Ripple communicate its efforts to get XRP listed on exchanges?

A. Isn't that the same question you just asked?

Q. I'm trying to understand how -- you're telling me that you wanted to have transparency, but you don't know if there -- if these things were communicated.

So my question is, is communicating Ripple's efforts, would that have provided transparency?

MR. SOLOMON: Objection; form.

A. I guess hypothetically -- I mean, I'm not quite sure what you're asking me now. I apologize.

Q. Yeah.

Would communicating Ripple's efforts, to the extent they were made, to get XRP listed, would that in your view have provided more transparency to the market?

MR. SOLOMON: Objection.

A. Sure. I -- I don't know because, you know, we're kind of talking hypotheticals. If we could talk about a specific example, I'd be happy

to --

MR. SOLOMON: He'll show you documents. He's going to give you a memory test first. Just do your best to answer the questions.

A. Okay. I --

MR. SOLOMON: Qualify it however you have to.

A. I don't recall -- what I recall about our XRP Markets Reports is we tried to provide as much information, as you're probably aware -- and, frankly, I think the SEC -- well, any regulator would be concerned. There's a lot of misinformation out in the crypto marketplace. And so our goal with the Markets Report was to provide as much authoritative, clear information as possible. Some of that involved what Ripple's activities included and some of that certainly was about observations about what we were aware other people were doing.

You know, I guess part of your question is could we be more exhaustive in the type of information we provided in those XRP Markets Reports? And I guess that that answer is of course you can always include more information.

At some point you want them readable and accessible and -- you know, I don't know, I think they were roughly four to five pages long and that seemed about right, the level of detail that we provided about the markets.

Q. Thank you.

I'm not just talking about Market Reports, but let's -- that's -- that's fine. Let's be clear about something.

Did Ripple provide information to the market about its activities outside of the Market Reports?

A. You mean like the shareholder updates?

Q. Anything. The shareholder -- I'm talking beyond just the shareholder updates. I understand the shareholders are maybe a hundred to 200 people. I'm talking beyond that.

Did Ripple from time to time while you've been CEO provide information to the market that's not just in the Market Reports? For example, tweets by Ripple employees.

A. Oh.

Q. Interviews, et cetera.

A. Yes, Ripple employees and Ripple

corporate tweeted. Yes, Ripple employees participated in panels, interviews, what have you.

Q. In the Consensus forum Ripple participated?

A. Which one are we talking about?

Q. Let's say Ripple or its employees participated from time to time in conferences in the digital asset space.

A. For sure.

Q. Okay. So I just want to be sure. The Markets Reports were not the only way in which Ripple communicated to the market, is that right?

A. That's correct.

Q. Okay. Over the years, Ripple engaged in attempts to get CoinBase to list XRP, correct?

MR. SOLOMON: Objection; form.

A. Over the years ripple spoke to CoinBase about listing XRP.

Q. For what purpose?

A. Well, as I described earlier, the -- in order to achieve our product strategy, providing liquidity between XRP and fiat is foundational. It's a precondition that needs to exist.

CoinBase was particularly, you know, I think, robust in their own -- I viewed them as

kind of a white hat in the crypto space of having robust AML procedures, robust KYC procedures.

And so our goal was, as I've described many times, I think the more, quote/unquote, adults in the crypto space that were furthering the growth and expansion of the market, the better. I think CoinBase would have met some of those criteria. And so we sought to partner with them around our product strategy.

Q. And so I think you said earlier over the years Ripple spoke to CoinBase about listing XRP. And was the purpose of that to eventually get them to list XRP for the, excuse me, foundational precondition that you have?

A. Yeah.

Q. Okay. And you yourself met with CoinBase people over the years, right?

A. Yes.

Q. And do you recall approximately your first outreach to CoinBase was?

A. I don't. My recollection is that [redacted] and I went over and had lunch at the CoinBase offices at some point. And maybe we had lunch with [redacted] and I can't remember who else.

Q. Okay. Separate from CoinBase, did you offer Gemini money to list XRP?

A. I did not.

Q. Did Ripple?

MR. SOLOMON: Objection; form.

A. I actually don't know. I've read that speculation, but I don't know if that's true or not.

Q. Okay. Did you meet with CoinBase officials more than once about -- I'm sorry, CoinBase, you know, employees more than once about the potential listing?

A. Yes.

Q. Okay. And who did you meet with?

A. My recollection -- I only remember having two live meetings and one phone call. And I met -- the live meeting -- the first live meeting I described with [redacted], I don't remember who we met with. I think [redacted] was there. I'm not sure. Maybe he had left. And then the other conversations were with --

MR. SOLOMON: Slow down a little bit for the court reporter, please.

THE REPORTER: Thank you.

MR. SOLOMON: Why don't you start

over with your response.

A. So --

Q. Two live meetings, one phone call.

A. Well, at least one phone call. I -- to the extent -- I believe your question was with whom did I meet. The latter time periods, I met with [redacted] in person once and I think by phone once. I think I also reached out to [redacted], who joined as their head of Corp Dev. She had been a Yahoo employee and someone I knew personally.

Q. And at any point in time did you offer CoinBase $5 million to list XRP?

MR. SOLOMON: Objection to form.

A. They asked us to pay $5 million, to which we declined. And as time went by, I think we went back to them and said, Was that still on the table?

Q. And what did they say?

A. I believe they said no.

Q. Let's look at Exhibit 31, please.

MR. SOLOMON: It's three o'clock on the nose. Would this -- do you want to take a break before this one or after?

MR. TENREIRO: Either.

THE WITNESS: Let's do one more and then take a break. Probably because the coffee is going to be here in ten minutes.

MR. SOLOMON: You're the boss. One more document.

MR. TENREIRO: Thirty-one.

THE WITNESS: Oh, gosh, I forgot about that.

MR. SOLOMON: What's that?

THE WITNESS: I forgot I met with [redacted]

MR. SOLOMON: That's all right. That's why we're doing this.

(Pause)

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 31 for identification.)

BY MR. TENREIRO:

Q. Okay. Having read this email, do you see the part where you said, towards the bottom, "In order to be listed, they expect a 'listing fee' from all players to cover their costs. (I was transparent with him that we" had previously -- sorry, "that we have previously

offered $5 million U.S. to increase the prioritization/impact the decision about listing XRP)"?

Do you see that?

A. I do.

Q. Okay. So I'm just trying to understand, did you offer $5 million to CoinBase?

A. I think my previous testimony I stand by, which is I recall them asking us to pay them $5 million. We then later went and said, "Hey, is that still on the table?" I think what I'm regurgitating to [redacted] is that, hey, that had happened.

Q. So when the -- when they asked you originally, you declined or did not respond, or what occurred when you first asked?

A. When they first --

MR. SOLOMON: Objection; form.

A. My recollection is when they first asked, we didn't have the wherewithal from a capital point of view to meet the ask and so it was just kind of dismissed out of hand.

Q. Okay. And then at some point you went back and said "Is that still on the table"?

A. That's my recollection, yeah.

Q. And that's what you're reflecting in this email?

A. I believe that's correct.

Q. Okay. And did Mr. -- did [redacted] respond to that question?

A. I can't quite tell from this email.

Q. And what about from your memory?

A. I don't recall.

Q. A little bit above, it says "Some at Ripple felt that the criteria were designed to exclude XRP."

Do you see that?

A. I do.

Q. Who at Ripple are you referring to there?

A. I don't recall.

Q. What criteria are you referring to there?

A. My recollection is around this time, I guess, you know, Q4 2017, CoinBase published, as I recall, an application process to have a digital asset listed on CoinBase. And I don't remember what the criteria were. I remember it being laudable in its objective, a little bit chaotic in its implementation, because everybody had, you

know -- this is kind of the post-ICO window. And I think CoinBase was trying to do the right thing, but didn't execute it as seamlessly as one might have hoped.

Q. Why did you think they were designed to exclude XRP, though?

A. I don't recall what the criteria were so I don't recall why I wrote that.

Q. The email is to "Leadership."

Do you see that?

A. I do.

Q. Who is leadership?

A. Leadership is an email distribution list that, generally speaking, just includes all my direct reports. Chris Larsen would be included on there and at various times there might have been other people that were on that list.

Q. All right. Eventually CoinBase listed XRP on or around February 2019, is that correct?

MR. SOLOMON: Objection to form.

A. It sounds correct. I -- I don't recall exactly.

Q. Speaking of not CoinBase specifically, but exchanges, did Ripple from time to time enter into agreements with exchanges?

MR. SOLOMON: Objection; form.

A. I think my testimony earlier was I think there were over 200 exchanges around the world with XRP of which I think five or six Ripple has had some sort of relationship with.

Q. The relationship include agreements, contracts?

A. Yeah. That's what I mean by "relationship." Yes.

Q. And, generally, some of these provide for payments to the platforms, for example, with respect to volume incentives and things of that nature?

MR. SOLOMON: Objection; form.

A. I believe that's correct.

Q. Okay. And what role, if any, did you have in entering into those agreements?

A. Minimal, if any.

Q. Did you have to approve or sign them on behalf of the company?

A. That probably depends upon the materiality. I don't recall sitting here today signing any of them or even being involved in negotiating any of them.

Q. Back to CoinBase. Who at CoinBase, if

anyone, communicated to you their decision that now they're going to list XRP?

MR. SOLOMON: Objection.

A. I didn't know CoinBase was going to list XRP until it was public. I actually specifically asked [redacted] not to tell us or anyone at Ripple because I felt like it only invited scrutiny.

Q. By whom?

A. The media. Anybody. At -- you know, at the time this was going on, every time CoinBase listed a digital asset, that tended to drive the price. I thought the best way to mitigate any accusations, observations, was just we don't want to know.

Q. Ripple understood that announcements about listing of XRP could have an impact on the price of XRP, right?

MR. SOLOMON: Objection. Are you asking him if he understood or if the company understood or everybody at the company?

MR. TENREIRO: No, the company.

A. Well, I mean, when you say "the company," I mean, I don't know what all the employees at Ripple thought.

Q. What did you think?

A. Well, it was my testimony before. It's just that when CoinBase listed a new digital asset on its platform, my observation of the market was that it drove the price of that digital asset.

Q. Drove the price up?

A. And sometimes down.

Q. And do you have a belief as to why it would go down?

A. If I had had the foresight, even hindsight, to be able to explain the gyrations of the digital asset markets, I would probably be in a different job.

Q. But it moved the price in one direction? That was your observation?

A. Well, my observation was it would drive volatility in that digital asset. It sometimes would drive it up; sometimes it would drive it down; sometimes it would drive it up, then down. My experience was -- I actually remember a meeting with the SEC discussing this exact point, as I recall.

Q. Did -- did Ripple ent -- enter into a custodial agreement with CoinBase?

A. I believe so.

Q. For what purpose?

A. Yeah. I mean, similar to kind of my comments around [redacted], anything that is helping drive the maturity, expansion, growth of the digital asset market, I view that as good for Ripple. And so seeing robust custody providers that worked with institutions and regulators I viewed as a good thing.

Q. And did you -- a good thing just for the market generally or for Ripple specifically?

A. Well, as I've testified, my general view is if it's good for the market, it's good for Ripple.

Q. Okay. And what conversations did you have with CoinBase -- you, Mr. Garlinghouse -- in connection with the custody asset -- custody agreement?

A. I don't recall having any conversations with CoinBase about the custody agreement.

Q. Okay. Did you sign the custody agreement?

A. I don't recall.

Q. After the listing, I think your testimony is you had asked CoinBase not to tell you about the listing and you found out when the

public found out about the listing of XRP, is that right?

A. Yeah. I -- I mean, I'm not sure I agree with exactly what you said, but I -- I didn't want -- I didn't ask -- I didn't know they were going to list XRP. So I think your -- I just -- my answer is I don't want to know. You guys should do what you want to do. If it makes sense for your business, CoinBase, then you should list XRP. If it doesn't make sense for your business --

THE REPORTER: Wait. Slow down.

THE WITNESS: Sorry.

THE REPORTER: "If it makes sense for your business..."?

A. You should list XRP. If it doesn't make sense for your business, then you shouldn't list XRP. I said to the extent you decide to list XRP, we don't want to know.

Q. And is it your testimony that when it was announced publicly that XRP -- that CoinBase was going to list XRP, that you, Mr. Garlinghouse, did not know that until it was announced publicly?

A. That's my recollection, yes.

Q. Why the change between negotiating -- or

discussing with CoinBase $5 million, potentially listing, and going to do whatever you want?

A. You know, when those conversations first started with CoinBase, there was a lot less liquidity in the XRP markets. There were far fewer exchanges. And CoinBase -- CoinBase's importance would have been more important.

By the time I, you know, met with [redacted] and much later -- you know, and kind of this is -- I guess you said 2019. You know, by that time XRP was listed on lots of exchanges around the world, had much, much, much more liquidity. And so the importance of CoinBase, quite frankly, had gone down in the industry.

And I felt ultimately it's in their capitalistic interest as an exchange -- given they derive revenue from trading, it's in their interest to have more trading. And if listing XRP fueled that, then they would do that, or not, based upon their own self-interest.

Q. How do they derive revenue from trading of XRP?

MR. SOLOMON: Objection.

A. How does -- is the question how does

CoinBase derive revenue from trading?

Q. Yes.

A. I'm not an expert on that. I mean, I have a basic understanding. I'm not the right person to --

Q. No, just your basic understanding. That's fine. You know, you said you viewed that at some point it would be in their capitalistic interest because they derive revenue.

So just what was your understanding of how an exchange -- you can focus on CoinBase or not, I'm just curious. What was your understanding of how the revenue was derived?

MR. SOLOMON: Objection.

A. I think my understanding is CoinBase takes a percentage of -- has a fee on buying or selling the digital assets they list. And so the -- the more trading, the better.

Q. So you had an understanding that if it was in their financial interest, they would list XRP based upon their own self-interest essentially?

MR. SOLOMON: Objection; form.

A. Right. I think I read -- I don't know if it's accurate -- that 17 percent -- when the

SEC decided to sue Ripple and CoinBase subsequently halted trading of XRP, I believe it represented 17 percent of their revenue. XRP trading represented 17 percent of their revenue. I don't know if it's accurate because I'm not with CoinBase, but that's what I read.

Q. Okay. After CoinBase -- the decision to list was announced, did you speak to CoinBase about the decision?

A. I don't believe -- I don't recall.

Q. Is it possible you spoke to them about the decision and just don't recall?

A. I -- I -- I don't recall.

Q. Okay. Was the custody agreement some sort of olive branch, say, that Ripple extended to CoinBase with -- in connection with its conversations about listing XRP?

MR. SOLOMON: Objection.

A. No. I viewed the custody agreement as in the interest of the crypto landscape broadly. And if there's robust institutional custody, even -- I mean, obviously they didn't support or list XRP at the time, but the more institutional custody players, the better it is for Ripple's strategy.

15:13:56 Q. And was Ripple -- around the time that CoinBase actually did list XRP, which I'm telling you is around February of 2019, was Ripple disinterested in whether CoinBase would list XRP?

15:14:06 MR. SOLOMON: Objection.

A. Well, I think as I testified, I remember speaking to [redacted] and saying "List XRP or don't list XRP, you guys should do what's best for you."

15:14:21 Q. If you -- if you have to choose, which one would you have picked back then? Would you have preferred them to list it or not?

MR. SOLOMON: Objection; form.

A. Clearly the more -- as I've testified, 15:14:32 the more liquidity in the market, the better. So to the extent CoinBase listed XRP, I viewed that as a positive for the market.

Q. Did the --

MR. TENREIRO: Almost done, Matt.

15:14:45 MR. SOLOMON: Okay.

Q. Did the -- sorry. So I think I asked you, but let me just make sure I did.

After the listing was announced, did you talk to CoinBase about their decision, the basis 15:14:58 for their decision?

MR. SOLOMON: Objection; asked and answered.

A. I don't recall speaking to them.

Q. Did anyone at CoinBase tell you that the SEC had cleared their decision to list XRP under the securities laws?

MR. SOLOMON: Objection; form.

A. No. I don't recall anyone at CoinBase telling me that the SEC had cleared their decision.

Q. Because you'd remember something like that, wouldn't you?

MR. CERESNEY: Objection; form.

A. I -- I -- I don't recall.

Q. My question is, do you think you would remember if somebody like a CoinBase told you something like that?

A. I don't know.

Q. Okay. Do you think you would have made a public statement about the SEC clearing XRP for CoinBase's listing if CoinBase had told you something like that?

MR. CERESNEY: Objection to form.

MR. SOLOMON: Objection; form.

A. I -- I -- I mean, the only thing you've

refreshed in asking these questions, I remember CoinBase created some sort of framework for determining a scoring system for digital assets and they scored XRP at four or something. And I don't remember what the range was. And I believe I knew before that CoinBase had met with the SEC in creating that construct.

But, again, I think your question is, simply, did I speak to -- or would I remember? I -- you know, I don't know.

Q. Did anyone tell you that CoinBase's decision to list XRP had been affirmatively cleared by the SEC?

A. In what time frame?

Q. At any time.

A. I think that starts to encroach on attorney-client privilege.

Q. Other than counsel, did anyone tell you that CoinBase's decision to list XRP had been affirmatively cleared by the SEC?

A. I think I read it on Twitter, so I guess yes.

Q. People on Twitter told you?

A. I don't know. I -- I don't know.

MR. SOLOMON: Do you understand what he means by "affirmatively cleared"? I just want to make sure you understand the questions that you're answering. And if you do, that's perfectly fine. If you don't, you need to ask for clarification.

A. Can you clarify what you mean by "affirmatively cleared"?

Q. Well, did anyone tell you that the SEC had approved of CoinBase's decision to list XRP?

A. I don't recall.

Q. Okay. And did that include what you read on Twitter? Did anyone on Twitter tell you that the SEC had approved CoinBase's decision?

A. You asked me a question is there any period of time. Certainly during the period of time -- and this is outside of attorney-client privilege conversations --

Q. Yes.

A. -- I have read what I'm sure other people in this room have read on the Twitterverse, that people are speculating based upon various court filings that have become public about Exchange A meeting with the SEC and then subsequently listing XRP.

Q. At the time of the listing of XRP, were you aware of CoinBase meeting with the SEC?
A. I don't believe so, no.
Q. Okay.
A. I don't recall, but I'm not aware that I would have known that.
Q. Okay. When --
A. I don't know why I would have.
Q. Did CoinBase tell you "We met with the SEC"?
A. I don't recall.
Q. Did anyone at the SEC tell you "We met with CoinBase"?
A. I don't recall.
Q. Okay. Did anyone at Ripple tell you "CoinBase just told us they met with the SEC"?
A. I don't recall.
Q. Did anyone at Ripple tell you "The SEC just told us we met with CoinBase"?
A. I still don't recall.
Q. Okay. With respect to the rating -- last question and then we can go on break.
With respect to the rating, do you recall whether Ripple was classified as one of the most likely to be a security by CoinBase's ratings

of the assets they raised -- they rated? I'm sorry.

MR. SOLOMON: I didn't hear that question. I'm so sorry. Would you ask that one more time?

Q. With respect to the CoinBase rating, do you recall whether Ripple was classified as one of the most likely to be a security? And maybe I should have said XRP.

A. Yeah.

Q. Do you recall whether XRP was classified as one of the most likely to be a security of the ones they rated?

A. I remember on the scale they had, it was on the closer to security than -- where I think they had bitcoin at the lowest point. They had it, you know, below the threshold of where they viewed it as a security, and a whole lot of things falling to the side, but not as good as bitcoin.

Q. And did you -- and did you find that out, that rating out, before or after the listing decision?

A. I don't recall.

Q. Okay.

MR. TENREIRO: Let's take a

break.

THE VIDEOGRAPHER: Okay. Going off the record, 3:21.

(Whereupon, a recess is taken.)

THE VIDEOGRAPHER: Okay. Back on at 3:39.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 127 for identification.)

BY MR. TENREIRO:

Q. Let me show you Exhibit 127, Mr. Garlinghouse.

MR. TENREIRO: This is one of the ones I only have four copies of so I apologize in advance. In fact, I just gave you my copy.

(Pause)

BY MR. TENREIRO:

Q. Okay. So earlier I had asked you about whether Ripple had offered $1 million to Gemini to list XRP.

Do you recall that?

A. No.

Q. Okay. Did Ripple offer Gemini a million dollars to list XRP?

15:38:58 A. Based upon this e-mail, it looks like Patrick Griffin offered Gemini a million dollars to list XRP.

Q. Did Patrick -- Patrick Griffin have the 15:39:06 authority to do that without some sort of authorization?

A. I don't recall.

Q. And you were copied on this e-mail, correct?

15:39:26 A. Yes.

Q. Okay. Setting aside the email of payments for listing XRP, is it fair to say that Ripple facilitated some exchanges listing XRP with, like, integration services, support, things 15:39:39 of that nature, not necessarily monetary?

A. I think that's fair.

Q. Okay. And did Ripple provide that sort of help with respect to all the 200 exchanges that you mentioned that listed XRP at some point or 15:39:53 with respect to only a fraction of them?

MR. SOLOMON: Objection; form.

Q. Again, not -- not the monetary stuff, just helping with integrating or things of that nature.

15:40:02 MR. SOLOMON: Objection; form.

15:40:07 A. My understanding is Ripple had nothing to do with the listing of XRP on the vast majority of those 200 exchanges and change that have chosen to list XRP.

15:40:17 Q. That's fine.

What percentage of that 200 or so did Ripple provide integration support or something of that nature that's not necessarily monetary, but some support?

15:40:28 A. I don't know.

Q. And who would know?

A. I don't know.

Q. Okay. Let's move on from that.

I think earlier you testified that you

15:40:45 sold your XRP for fiat and only for U.S. dollars, is that correct?

A. I believe that was my testimony. I believe -- to the best of my recollection, I only recall selling my XRP for U.S. dollars.

15:41:01 Q. Okay. And when you were CEO, what about Ripple's sales of -- of XRP? Were those in exchange for -- for U.S. dollars or for other assets?

MR. SOLOMON: Objection; form.

15:41:15 A. I don't know. I don't recall.

Q. Well, while you have been CEO, are you aware that Ripple sold its XRP for dollars?

A. Yes.

Q. Okay. And did you approve, as Ripple's CEO, XRP sales?

A. Yes.

Q. Okay. And sitting here today, do you know whether XRP -- whether Ripple sold XRP for other digital assets such as bitcoin?

A. I believe the answer's yes, but I don't really know.

Q. Would you know the order of magnitude of the amount of bitcoin Ripple sold its XRP for?

A. No.

Q. Okay. And since, you know -- up until today -- I think you said your last sale of XRP was around -- your personal, Mr. Garlinghouse, sale of XRP, what is the total amount in U.S. dollars that you've sold?

A. I don't know.

Q. Ballpark.

A. My -- my ballpark estimate is from what the SEC has asserted in their litigation.

Q. So around $159 million?

A. I believe that's the number that the SEC

has put forth. I have not audited that.

Q. Do you have your own -- before you, you know, saw the SEC's allegation about the number, did you have your own sort of ballpark of how much you sold, or no?

A. I did not.

Q. You didn't keep track of it?

A. I did not personally keep track of it.

Q. Did you have someone keep track of it for you?

A. Indirectly I have tax professionals and accounting professionals that work for me which would have had that visibility.

Q. Okay. And so sitting here today, to the best of your understanding, it -- it's around $159 million?

A. I have no reason to doubt the accounting of the SEC, but I also have never taken the time to audit that information.

Q. Why not?

A. Why?

Q. Okay. That's fine.

A. I'm not trying to be argumentative.

Q. Why bother? Okay.

A. I don't think it has a bearing on

whether or not XRP's a security.

Q. Oh, I -- I certainly didn't mean to imply that. I -- I just was asking why you had never done that, if there was any particular reason. You know, I was too busy. It didn't matter to me. Was there any particular reason? Maybe there wasn't.

A. I've never added up how much I've paid in taxes for the last, you know, several years. I don't, you know --

Q. Probably a good idea.

So did -- sorry.

Ripple's sales of XRP since you've been CEO, how much has Ripple sold for -- you know, how much in U.S. dollars has Ripple obtained for the XRP it has sold?

A. During my -- I don't know.

Q. Could you ballpark that?

A. I mean, I believe the SEC's litigation asserts that it's order of magnitude of $600 or $700 million. I'm actually not sure about that either. But I have no reason to believe it's materially different.

Q. Is the -- I think you said you started selling XRP sometime in 2017. Is that fair?

A. Yes, I believe that was my testimony.
Q. And then I think your last sale was in Dec -- around December 2020?
A. Yes. That's -- to the best of my recollection, yes.
Q. In that period of time, between the first and last sales of XRP for -- Mr. Garlinghouse, for you, did you -- was -- were proceeds from your sales of XRP the largest source of your income?
A. I mean, like many things in life, it's a -- subject to your perspective and how you value option grants and equity and vested equity and those types of things. In terms of what I reported on my tax returns, the answer to that question would be yes.
Q. And can you give me the order of magnitude, what was, like, the second largest source of your income that you reported? Was it your salary or was it the sale of some assets or what was it?
MR. SOLOMON: I just want to caution you at this point to just maintain fidelity with the judge's order where she expressly said that the SEC -- it would

not be appropriate for the SEC to try to measure Mr. Garlinghouse's sales of XRP against other aspects of his financial portrait in order to try to build some motive argument.

I'm going to give you a little bit of latitude on this. I just want to make sure you're not going around that order. I'd just remind you of that.

A. I don't know.

Q. Would that be reflected, I guess, in your tax returns or your bank records or where?

A. The first place I'd probably look is my tax returns. My -- my salary would not have been the second highest source of income. But I am an investor in a bunch of private companies, in various investment funds. Some of those have been very successful and so I don't know.

Q. Okay. Without getting into the details of what those investments are, I'm just trying to get order of magnitude. Like, was it, you know, a small fraction compared to the XRP proceeds or was it about the same amount, for example, as your XRP proceeds?

A. I -- I -- I don't know exactly how to

compare those, you know. Maybe there's one, just, example. I invested in a start-up called [redacted], started by a guy who used to work for me, and it yielded, you know, somewhere north of $[redacted] to $[redacted] of proceeds from a relatively small investment.

So, you know, how does that compare in any one year against XRP grants? You know, I -- we'd have to go year by year and compare various sources of income and what is sold and not sold. So I don't know how to answer the question exactly.

Q. All right. Fair enough. Let's move on.

So going back to Ripple's sales of XRP, is it fair to say Ripple sought to raise U.S. dollars by its sales of XRP?

A. With -- in what time period, I guess?

Q. While you were CEO.

A. So while I have been CEO, Ripple has sold XRP to its customers and Ripple has sold XRP programmatically. As I believe the SEC is aware, we no longer sell XRP programmatically. I think, as I testified earlier, we have sold XRP both for dollars as well as, I think in some occasions, for other digital assets.

Q. And when you reference sales to customers, are you talking about customers that use a product that at some point was called ODL?

A. Yes, but a specific -- you know, there's a piece of -- one of the exhibits earlier referenced XR -- or XRP-O, XRP-Origination. We now call that Wallet Send. And that would be sales of XRP to customers who are using it for payment flows.

Q. And when did those sales begin?

A. I think the summer of 2020.

Q. Okay. Before those sales, for example, with respect to Ripple's programmatic sales of XRP, was Ripple seeking to raise U.S. dollars in exchange for its XRP sales -- for its XRP?

A. Ripple was seeking to sell XRP in exchange for dollars.

Q. Okay. Do you know how many decimals a unit of XRP is divisible into?

A. How many decimals?

Q. Yeah. How many zeroes can you get to?

A. I don't know.

Q. Do you know what the smallest unit of XRP is called?

A. I think it's called a drop.

Q. And so do you know what fraction of one unit of XRP a drop is?

A. I don't know.

Q. Okay. Are you -- is one unit of XRP distinguishable from any other unit of XRP as far as you know?

A. Effectively, I think that's true. I think -- I suppose there's some technical argument that an individual unit of XRP sits in one specific area of a blockchain, which may distinguish it from another, but I don't know the intricacies of that.

Q. Beyond that, is there anything else that might distinguish one unit from another as far as you know?

A. I can't think of anything right now.

Q. Okay. When -- when there is a change in the price of XRP in the market, does that change, as far as you know, apply to all the units of XRP or does it apply to some of them?

MR. SOLOMON: Objection; form.

A. I believe it applies to all of them.

Q. Okay. And have you ever had any different understanding than that?

A. I mean, I think I'm confused by the

15:51:45 question. Are there different prices for different units of XRP?

Q. Yeah.

A. I mean, I guess it depends a little bit on -- I mean, there have been times in my experience where some exchanges might have a slightly different price than another exchange despite the fact that there are effectively indistinguishable units of XRP between exchanges --

THE REPORTER: Slow down. "There are effectively indistinguishable"?

A. Unit of XRP between the exchanges. And that's where you have market makers facilitate -- you know, they're trying to make money by trading the difference.

Q. Okay. In connection with being Ripple's CEO, did you approve sales targets for XRP?

MR. SOLOMON: Objection to form.

A. I'm not sure I would characterize them as targets as much as forecasts. Maybe those are similar, but...

Q. Well, did Ripple ever have sales targets with respect to sales of XRP?

MR. SOLOMON: Objection; form.

A. I expect there are documents which would have referred to a sales target. I think in my mind that would have been relatively indistinguishable from a sales forecast of what we expected to be sold of XRP in a certain time period.

Q. Programmatic sales were based on volume?

MR. SOLOMON: Objection; form.

A. That's correct. Programmatic sales were based upon daily market activity of the overall XRP market.

Q. And so to the extent you might have had a sales forecast, was Ripple forecasting what they thought the volume would be, in essence?

A. In essence.

Q. Okay. Did Ripple grant XRP to employees from time to time when you were CEO?

A. Yes.

Q. Did you approve those grants?

A. Yes.

Q. To whom did Ripple offer XR -- I'm sorry.

To whom did Ripple grant XRP while you were CEO that you might have approved?

A. I wouldn't know how to start that list. I -- you know --

Q. What about your direct reports?

A. I would guess that most, if not all, of my direct reports have an XRP grant that vests over time.

Q. To the extent that you were involved with, you know, awarding them these grants that vest over time, why did you do it? Why did you grant them XRP?

MR. SOLOMON: Objection; form.

A. As a compensation tool.

Q. Okay. Why would you want to compensate them with XRP as opposed to U.S. dollars?

MR. SOLOMON: Objection; form.

A. I think people who work at Ripple are generally interested in digital assets and sought to receive, sometimes hold, and generally participate in the XRP market.

Q. In fact, sometimes -- I think you referenced that, but sometimes individual employees at Ripple asked you to be compensated in XRP, is that right?

MR. SOLOMON: Objection; form.

Q. Mr. Vias?

MR. SOLOMON: Objection; form.

A. Mr. Vias did ask to receive various compensation denominated in XRP.

Q. To the extent that you approved granting XRP to employees, was one of the reasons to do that to closer align the employees' interests with the company's interest?

MR. SOLOMON: Objection; form.

A. My own philosophy about compensation in Silicon Valley is that the best way to align incentives is the long-standing kind of tradition, if you will, of using equity.

And so, to my knowledge, every employee that joins Ripple receives equity either in the form of an option or in an RSU. And I think that's the best way to align interests between employees and shareholders.

Q. Now -- no, I understand your testimony about the best way to align interest. My question is slightly different, which is, to the extent that you granted employees XRP, was one of the reasons to further align their interests with the interests of the company?

MR. SOLOMON: Objection; form.

A. I -- I guess the distinction I'm making

is I guess they're already fully aligned if you -- they have equity. And I don't know that it further -- if you already have kind of fully aligned incentives, can you further align it? You know, I viewed it as a compensation tool.

Q. Okay. And did someone recommend to you that you grant XRP to employees from time to time as compensation?

A. I suspect, yes.

Q. Who?

A. I don't recall.

Q. Okay. Let's look at Exhibit 1 real quick.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 1 for identification.)

BY MR. TENREIRO:

Q. This is an employment offer letter. And I'm not going to ask you much about it -- it would take too much time to read it, I think -- but I do want to see if you see your signature in any of these pages.

A. I do see my signature.

Q. Okay. And do you see that on which page?

15:58:01 A. In my document they're not numbered.
Q. Well, there's a Bates at the bottom where it says GARL_Civil_465. Got it?
A. 471. Sorry.
15:58:08 Q. What about -- okay. 471 has your signature?
A. As does 465.
Q. Okay. If you go to the first page, is it -- does it refresh your recollection that when
15:58:28 you started at Ripple, you got a salary, a $[redacted] XRP grant structured as a four-year loan, and [redacted] shares of the company?
MR. SOLOMON: If you're going to ask him questions about the document, I'm
15:58:41 just going to ask that he has an opportunity to read the entire document. I'm not being difficult about that. I just do want him to read it, though.
BY MR. TENREIRO:
15:58:51 Q. Yeah. Go ahead.
MR. TENREIRO: It's up to you. I don't think he needs to read the exhibit, but it's a pretty straightforward front page.
16:01:26 (Pause)

BY MR. TENREIRO:

Q. Are you reading the Appendix?

A. Yeah. It references the exhibits, so I was going to take a quick look.

Q. Okay.

(Pause)

A. Okay.

Q. Okay. When you started working at Ripple, is it fair to say you received a salary in dollars, an XRP loan as it's described here, and shares in the company?

MR. SOLOMON: Objection; form.

A. No.

Q. What did you receive?

A. I received a salary, bonus and equity.

Q. The bonus was -- the salary was the U.S. dollars and the XRP?

A. No.

Q. What was the salary?

A. I believe it's correct. It was $[redacted]

Q. And what is that [redacted] XRP structured as a four-year loan?

A. I don't know.

Q. Did you receive that [redacted] XRP?

16:05:43 A. Not in 2015.
Q. In the bonus pool, your bonus is based on, at least for Q1, for the year ending Q1 2018, [redacted] percent of XRP revenue.
16:05:53 Do you see that?
A. Yes.
Q. And did you receive a bonus based on [redacted] percent of XRP revenue?
A. I expect I did, yes.
16:06:02 Q. Okay. So the higher the XRP revenue for Ripple, the higher the bonus for you?
A. Yes.
Q. Okay. And is it fair that in 2016 you entered into sort of an XRP unit bonus award or a
16:06:17 grant? I think we talked -- touched upon it earlier briefly.
A. I -- I -- I -- nothing in this document references that.
Q. Separate from that document. You can
16:06:31 forget that one.
Is it fair that at some point later in time, you entered into an agreement with Ripple whereby if you met certain metrics, you would get XRP that vested over a four-year term?
16:06:43 A. I -- I recall the macro construct. When

I was promoted to CEO, I received -- actually, to be honest, I don't know exactly when I received that, but, yes, I received a XRP grant.

Q. Who negotiated that?

A. No one.

Q. It was just given to you by someone?

A. That's correct.

Q. By whom?

A. Chris Larsen.

Q. You did not negotiate it with him?

A. No.

Q. Did you discuss it with him before he gave it to you?

A. No.

Q. Did you discuss it with him at any time?

A. Yes.

Q. And what did you discuss with him about this grant?

A. Well, as the grant -- the implementation of the grant became complicated for the company because of how taxes are accrued, earned, and paid by the company. And so we certainly had conversations about how to mitigate those risks, challenges, to the company.

Q. What do you mean when you say it "became

16:07:54 complicated for the company"?
A. It became complicated for the company because the dollars involved became large.
Q. Okay. So it became complicated for the
16:08:09 company how it would pay taxes on these grants?
A. That's correct.
Q. Where it would get the dollars to pay the taxes?
A. Yes.
16:08:18 Q. Okay. At any point in time, did the IRS accept XRP to pay taxes, to pay your taxes?
A. Not to my knowledge.
Q. Okay. So the macro level of the grant, it vested over four years, is that right?
16:08:35 A. Yes. My recollection, top of mind, is that the vesting construct was more complicated than that.
Q. What was the vesting construct?
A. I don't recall exactly.
16:08:45 Q. Okay. Did you have to meet a certain metric of how long you'd been at the company?
A. Yes. My -- my recollection is part of the vesting was a construct around time-based vesting.
16:08:59 Q. Okay. And was the other part based

around volumetric -- a volume metric for XRP?

A. I -- I believe that is correct.

Q. Okay. And what about was there a part of the vesting that had to do with a volume weight average price for XRP?

A. You'd have to explain that a little. I don't know. I don't know.

Q. Sitting here today you don't know?

A. No.

Q. Okay. Let's move on. Well -- yeah, let's move on.

MR. TENREIRO: Let's look at Exhibit 15, please.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 15 for identification.)

BY MR. TENREIRO:

Q. Here you go. Can you pass some of those --

MR. SOLOMON: Can we go off the record for 30 seconds --

MR. TENREIRO: Sure.

MR. SOLOMON: -- just 30 seconds?

MR. TENREIRO: Sure.

THE VIDEOGRAPHER: Going -- going

off the record at 4:11.

(Pause)

THE VIDEOGRAPHER: Okay. Back on at 4:12.

BY MR. TENREIRO:

Q. All right. Can you please take a look at the exhibit?

MR. TENREIRO: And, I think, Matt, you have some of the copies that --

MR. SOLOMON: Oh, yeah.

MR. TENREIRO: -- that you can pass down. Thank you.

MR. SOLOMON: Okay.

MR. TENREIRO: That one is for Bridget.

THE WITNESS: She's got one.

MR. TENREIRO: She's got it?

THE WITNESS: Yeah.

MR. TENREIRO: There's more.

All right. Just for the record, this is [redacted]58119, a three-page document.

THE WITNESS: Sorry?

MR. SOLOMON: I was just saying give it back. Sorry.

BY MR. TENREIRO:

Q. Have you read it?

A. No.

Q. Okay.

A. Do you have an extra pen?

Q. Just if you mark that --

A. You can have it.

Q. Okay. It's better if you don't.

A. Oh.

MR. SOLOMON: Don't --

Q. It's better if you don't.

A. All right.

MR. SOLOMON: If you want to make a check or a slash, that's fine. Don't put words on it.

THE WITNESS: Sorry.

MR. SOLOMON: Whatever helps you absorb it is okay.

THE WITNESS: All right.

(Pause)

A. Okay.

Q. Okay. Mr. Garlinghouse, from time to time, is it fair to say that you provided, you know, quotes for the press with respect to Ripple and XRP such as what we see in this exhibit?

A. Yes.

Q. And, again, I think we discussed this briefly, but from time to time you appeared on television -- CNN, CNBC -- to talk about Ripple and XRP, is that right?

A. Yes.

Q. And when you spoke publicly about Ripple or XRP, you spoke truthfully, right?

A. Yes.

Q. You spoke -- and when you stated your beliefs, you stated your true beliefs at the time, is that correct?

A. Yes.

Q. Okay. Here you say "We have had a significant rally in XRP prices," but is -- "but it is reflective of a lot of work we have done to make Ripple a very compelling solution."

Do you see that?

A. Yes.

Q. Okay. Is it fair to say that in April of 2017, you expressed to your mark -- to the market your view that part of the increase in XRP's price was due to Ripple's efforts?

MR. SOLOMON: Objection; form.

A. At -- at various times, I would say,

16:15:23 particularly in 2017, I believed, in trying to understand the market activity, that Ripple's activity was being positively received.

Q. In trying to understand the market activity with respect to XRP? Is that what you're talking about?

A. Yep.

Q. Okay. And are you talking about in part of the market activity with respect to XRP's price?

A. In part.

Q. Okay. And at some point did your -- did this belief change, the belief that in market activity -- that Ripple's activity was being positively receive -- received?

A. Yes.

Q. Was that after April 2018?

A. I -- I don't recall.

Q. Do you recall if it was before April 2018?

A. I don't recall.

Q. Okay. Do you recall what prompted the change?

A. As time has gone by in my kind of six and a half years of watching crypto markets more

attentively having joined Ripple, I'm not clear what drives any digital asset, including XRP. And as the article highlights, which I was going to underline, you know, there's -- even contemporaneously, obviously as evidenced by the article, there's disagreement about what's driving the XRP market.

Q. Okay. In the article they quote people thinking there's manipulation?

A. Well, they quote people suggesting that -- a number of different things. One of the things I think there's somebody quoted -- I have to go back and find it -- of saying there should be a pump-and-dump.

Q. Right.

But your belief in April of 2017 was that there was some relationship between price activity and Ripple's own efforts, correct?

MR. SOLOMON: Objection.

A. Well, first of all, I think you just said 2018 and this --

Q. 2017.

A. -- email is from 2017.

Q. 2017.

A. In -- in 2017 I think I had the

misunderstood belief that there was some rationality to the crypto markets, of which I still am not clear there is.

Q. And what I'd asked you earlier was at what point did that belief change? I think you said as time has gone by, you know, you're not clear what drives any digital asset. But what I'm trying to figure out is at what point did you go from believing that there was a relationship between Ripple's efforts and XRP's price and discuss -- deciding that you just don't know what's clear?

MR. SOLOMON: You're building words into your question, too. I think if you could just put the question to him instead of the preamble and the windup with your gloss, it would be -- I think make for a clearer record.

BY MR. TENREIRO:

Q. At what point did you --

MR. SOLOMON: I don't think he ever used the words "Ripple's efforts," for example. I'm not trying to be difficult. But if you just ask him questions about what he thought, he can

explain in his own words what he believed to be the case at this point in time.

BY MR. TENREIRO:

Q. You -- you testified you believed in 2017, in trying to understand the market activity, that Ripple's activity was being positively received.

At what point in time did that understanding change?

A. You asked that earlier. I think I testified I don't know.

Q. Okay. Can you pinpoint it at all by year?

A. No.

Q. Okay. The -- the article -- so you -- you provided this quote to [redacted], right?

A. I don't know.

Q. You were aware that this quote was provided as it was told to you by [redacted]?

MR. SOLOMON: Objection.

A. I have no recollection.

Q. [redacted] says "I don't see any glaring inaccuracy in the piece, but let me know if you disagree."

Do you see that?

A. Yes.

Q. And you responded "I agree on all points," right?

A. Yes.

Q. You did not disagree that there were no glaring inaccuracies?

A. We can -- you know, I mean, as I read the article today, I identify inaccuracies. We can debate whether or not they're glaring. And what I thought in 2017, I can't recall.

Q. Such as the consistent reference to Ripple instead of XRP? Is that one of the inaccuracies you would identify today?

A. That would be one example that, you know, market participants, particularly in 2017, had confusion around.

Q. In fact, the piece refers to "What's Driving Ripple's Price to All-Time Highs," correct? That's the title?

A. That is the title, yes.

Q. And then it says, in the second paragraph of the piece, "Ripple has surged more than 1,000 percent."

Do you see that?

A. No.

Q. It says "The cryptocurrency that powers the distributed Ripple Consensus Ledger, a business-focused distributed ledger technology platform developed by San Francisco start-up Ripple, has surged more than 1,000 per over the last 30 days."

A. Correct.

Q. Is that a reference to XRP?

A. I believe that's what the author references, yes.

Q. On the second page, right before "Growing Credibility," it says "As for the decline in price that soon followed" -- "that soon followed, analysts said this may have marked a period of profit taking where long-term Ripple holders sold and brought back at a lower price to increase the return on their investment."

Do you see that?

A. Yes.

Q. And that reference to Ripple is a reference to XRP?

A. I -- I believe that's correct.

Q. Would you agree that it was common in 2017 for market participants to refer to XRP and

Ripple interchangeably?

MR. SOLOMON: Objection; form.

A. I think in 2017 uneducated market participants mistakenly conflated Ripple and XRP, and Ripple worked hard to combat and clarify that.

Q. When did Ripple begin to work hard to combat and clarify that?

A. I remember in my -- I mean, earlier than 2017.

Q. And why didn't you combat it in this article, or did you?

MR. SOLOMON: Objection; form.

A. I don't recall.

Q. Okay. But you began combating that before 2017 is your recollection?

A. I am very confident that from the earliest days of Ripple, we sought to reduce, and ideally eliminate, the confusion through many media outlets.

Q. The confusion about equating Ripple and XRP? Is that what you're talking about?

A. That's correct.

Q. And when you say early Ripple days, you mean early when you joined, correct?

A. That's correct.

Q. And you said many --

A. Although, actually, my vague recollection is, even before I arrived, that employees had sought to clarify. One manifestation of that would be CoinMarketCap, which listed XRP as -- and used "Ripple" in the name.

Q. Called them Ripples?

A. I don't believe CoinMarketCap called them Ripples.

Q. Just called them Ripple?

A. I -- I don't recall. I remember encouraging CoinMarketCap to clarify and correct that.

Q. In 2017, at least with respect to this article, do you recall if you engaged in that effort to make that clarification?

A. I -- I don't recall as it relates to this particular article. I'm certain that if we looked at contemporaneous emails, we'd find scores of emails fighting the good fight, trying to get corrections, which, frankly, persist to some degree today.

Q. That confusion persists today?

A. I think that there are some media

outlets which incorrectly will quote a price and say Ripple when it's not a price of Ripple.

Q. Okay. So you -- you would say there's probably scores of emails that reflect this -- these efforts?

A. I'm hazarding a guess, but, yeah.

Q. And would that be true after 2017? So do you think Ripple engaged in scores of efforts to correct the impression in the market or the equation of Ripple and XRP? Do you think that's true in 2018?

MR. SOLOMON: Objection to form.

Q. Let me start again.

Did Ripple in the year 2018 engage in efforts to correct the impression in the market equating Ripple and XRP?

A. Yes.

Q. Did Ripple engage in those efforts in 2019?

A. I suspect, yes.

Q. And did Ripple engage in those efforts in 2020?

A. I believe so.

Q. To the extent that you -- I think you said -- you said that this persists to some degree

today.

Do you have any view as to why this persists today, equating Ripple and XRP?

A. Not of consequence. I think there's probably some people who with malintent seek to conflate and there's some that just don't take the time to correct. Frankly, if I may, in our conversation today, you have mistakenly used Ripple instead of XRP on a couple of occasions.

Q. If I may, you have as well --

A. Right.

Q. -- in -- in some of your conversations. We'll get to recordings, but you have as well in the past, correct?

A. I try really, really hard not to.

Q. Okay. To the extent that there's malintent by someone -- and I'm assuming you weren't referring to me but --

A. No.

Q. -- to the extent you were -- to the extent there's malintent by someone, you know, conflating XRP and Ripple, why would that -- why would that reflect malintent? To the extent that's the motivation. I'm trying to understand. How does it hurt Ripple if it's conflated?

A. I -- I don't want to speculate as to what other people think because I don't know. I think -- you know, one thing I think we have seen consistently in the crypto markets is there are people who put out misinformation intentionally.

Q. Just to sort of create chaos or -- I'm just asking what you --

A. I think there was an announcement last week that Walmart was accepting Litecoin -- or, no, Amazon. I can't remember. Somebody. And it looked like a press release from Amazon or Walmart. And the price of Litecoin for, you know, some period of hours went up a bunch. And then I think Walmart or Amazon had to come out and correct the record. It would be an example.

Q. So an example might be to manipulate the price of a token?

A. I don't know.

Q. Okay. In the quote you say "It is reflective of a lot of work we have done."

What work are you referring to?

A. I don't know.

Q. Okay.

MR. TENREIRO: Can I please have 16? Thanks. And 17. Sorry. You're

there.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 16 for identification.)

BY MR. TENREIRO:

Q. All right. Here's Exhibit 16.

A. Thank you.

Q. Yep.

So just so we're on the same page, the prior exhibit, which was 15, was an article -- or discussing an article on April 16th, 2017. Exhibit 16 is an email from you to Mr. Larsen and others on April 7th, 2017. The Bates stamp is SEC-[redacted]RIPPLE 10806.

Please take a look.

MR. SOLOMON: Thank you.

(Pause)

BY MR. TENREIRO:

Q. Mr. Garlinghouse, when was the last time you checked the price of XRP?

A. This morning.

Q. Okay. And how often do you check it?

A. I usually check it in the morning and then, depending upon how busy I am, you know, maybe once or twice during the day.

Q. Okay. Do you check it on an app?
A. No.
Q. How do you check it?
A. I typically use either CryptoCompare.com or CoinMarketCap.
Q. All right. A website?
A. Those are both websites.
Q. They don't have an app?
A. I don't know.
Q. Okay. This email that I just showed you refers to the "XRP rally" at the bottom.
Do you see that?
A. Yes.
Q. Okay. When we're talking about a rally in -- in XRP, are we talking about an increase in its price?
A. I think that's fair.
Q. You say "I don't usually address the price of the digital asset XRP," and then you feel compelled to share some of your thoughts, et cetera.
Do you see that part? It's on the second page.
A. I do.
Q. Okay. Again, just to ask, again, when

you were talking to Ripple's investors and other advisors, you were speaking your true beliefs at the time, correct?

A. Yes.

Q. Okay. You say "It's hard to pinpoint what drives any market activity," but you wanted to share some thoughts and then there's three bullet points.

Do you see that?

A. Yes.

Q. One bullet point refers to bitcoin capacity issues. Do you see that? And -- I'm sorry. Yes or no?

A. Yes.

Q. Okay. And if you want to go back to the prior CoinDesk article to refer to it, I think in the CoinDesk article there's also a discussion about, you know, bitcoin's capacity issues potentially relating to the increase in XRP's price.

Do you see that?

A. I saw that in the previous document, a reference to that, and I see that here in this document as well.

Q. Okay. Is it fair to say that around

April of 2017, you had the belief that if things did not go well for bitcoin, that might be good for XRP?

MR. SOLOMON: Objection.

A. I don't recall.

Q. Okay. And isn't that sort of what you were expressing here, that people are realizing that bitcoin has limitations as a solution for transactions? That is one of the things that might explain the XRP price rally?

MR. SOLOMON: Objection; form.

A. I -- I think that's a reasonable interpretation of what's here. I think, yeah, there won't be one digital asset to rule them all and I think bitcoin can be successful and XRP can be successful and serve different use cases.

Q. That's what you think today?

A. Yes, that is what I think today.

Q. Okay. Then you say "Investors may also be connecting the dots that bank adoption of Ripple's solution creates the opportunity for us to deepen those customer relationships and engagement by delivering on what" -- underlined -- "Project Xenon (our trial with [redacted] and 12 top global banks) demonstrated. While we are still

early in our work here - we are confident that we can lower liquidity costs for banks by leveraging XRP as a liquidity solution."

Do you see all that?

A. Yes.

Q. Does that refresh your recollection as to what work you were referring to in your quote -- in your quote in the [redacted] article?

A. No.

Q. Okay. Do you have any reason to doubt that the work you were referring to in the [redacted] article quote is the same work you are referring to in this email?

A. I don't recall.

Q. Okay. Is -- when you say "Investors may also be connecting the dots," who are you referring to? Investors in what?

A. I -- I presume I'm referring to invest -- I mean, we can debate the use -- it's a legal word, "investors," I think, versus "speculators" of the crypto markets. So people who are interested in the crypto markets are speculating on various digital assets.

Q. Including XRP?

A. I -- I think XRP was one of the most

valuable digital assets at the time; if not number two, number three. And, so, I think including XRP.

Q. Are you talking about most valuable by market cap or by price?

A. By market cap.

Q. Okay. And I -- I'm not interested in any sort of legal use of the word "investor." I think -- you said you have an MBA. So I want what you understand as investor. That's all I care -- I care about.

So when you said "investors," I want to know what -- who were you referring to? Investors in what?

A. I don't know.

Q. Okay. One second.

MR. TENREIRO: Let's do -- do we have 17 here? Let's do 17, which is an email two days later.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 17 for identification.)

MR. TENREIRO: Here you go.

(Pause)

BY MR. TENREIRO:

Q. So, Mr. Garlinghouse, is it fair to say that this email is an email to the board where you include the prior email we just saw and then some additional commentary on top?

A. Yes.

Q. All right. Here you're also discussing, in part, "the dramatic spike in XRP price and market activity." That's the third paragraph.

Do you see that?

A. Yes.

Q. You say "It's a game-changer for us on a bunch of levels."

Do you see that?

A. Yes.

Q. Is "us" Ripple in that sentence?

A. I believe, yes.

Q. Okay. Then you say "On an operating level, for XRP to serve the purpose of lowering liquidity costs for payments, it needs deep liquidity across fiat currency pairs. Speculative and market trading volume builds that liquidity - they are the catalyst to the XRP flywheel. The recent rally has us moved that flywheel into a much higher gear, which puts us in a much stronger position to execute on other

projects that continues to fuel the flywheel."

Do you see all of that?

A. Yes.

Q. Okay. When you refer to "speculative and market trading volume," are you talking about speculative and market trading volume in XRP?

A. I believe so.

Q. Okay. And can you explain in your own words why speculative and market trading volume in XRP are the catalyst to the XRP flywheel?

A. Typically, the more liquidity you have in a market, the tighter the spreads you would have in that market. The tighter the spreads, the more efficient the market. The more efficient the market, the more demand for those payment flows.

THE REPORTER: Those payment?

THE WITNESS: Flows.

Q. And payment flows is something that Ripple is in the business of generally?

A. Correct.

Q. Okay. And so to build that -- so you said typically the more liquidity, the tighter the spread, et cetera.

In other words, do you need speculative and market trading volume in XRP to build the

liquidity that starts this process that you just described?

A. That's what the email says, yes.

Q. Well, is that true?

A. I think it's a hypothesis that we have seen generally play out in the crypto markets, yes.

Q. And have you -- has Ripple come to no longer believe in that hypothesis?

A. No.

Q. Okay. So is this -- to catalyze the XRP -- the XRP flywheel, do you still need speculative and market trading volume in XRP?

A. I think you need liquidity. Anything that drives liquidity is going to be constructive to what I'm calling a flywheel.

Q. Right.

And speculative interest in the asset could drive liquidity?

A. Yeah,I think I'm saying that it has in that particular time period.

Q. Today can it drive liquidity?

A. Yes.

Q. Okay. And have you had any -- have you ever had an understanding different to that, that

speculative trading of an asset in XRP would not drive its liquidity?

A. I can't think of an example.

Q. Okay. Throughout your time as CEO of Ripple, you have understood that people were buying XRP as an investment, is that right?

MR. SOLOMON: Objection; form.

Q. I'm not asking --

A. No.

Q. -- for legal conclusions. I'm asking for, you know, just the word "investment" as an English speaker.

A. Can you ask the question again, please?

Q. Yeah. Throughout your time as Ripple's CEO, you understood, did you not, that some people were buying XRP as an investment?

A. I -- I -- I don't want to speculate as to why people are buying XRP.

Q. Well, no. No need to speculate.

Did people tell you on Twitter, in personal -- in emails that, in fact, they viewed it as an investment throughout your time as CEO?

A. I -- I can't recall a -- I don't know why people -- for me to draw a broad conclusion about why people choose to trade XRP would be hard

to do.

Q. Right. Don't draw a broad conclusion about all people. I'm just saying, did you understand that some people were buying XRP as an investment?

A. So the hypothet -- I mean, you're kind of asking me a hypothetical. Is it possible that someone out there on the planet that has chosen to buy XRP has chosen to buy it as an investment? I think the answer is yes. I -- I don't know why individuals and haven't taken the time to try to dissect why each person might choose to speculate in XRP.

Q. The -- the XRP markets were important to you as Ripple's CEO, to your job, right?

A. The liquidity in XRP markets is very important to me.

Q. Right.

And -- and understanding what might drive the liquidity was very important to you as well?

A. Yes.

Q. How to get more liquidity was important to you?

A. More liquidity was better than less

liquidity, for sure.

Q. Is it fair to say that throughout your time as Ripple's CEO, you have made efforts to understand the XRP market?

A. I have tried, yes.

Q. Okay. In connection with your work and your efforts to understand the market, do you understand that some participants in the market for XRP are speculators in XRP's price?

A. I believe that's probably true, yes.

Q. Okay. Did you ever take any steps to restrict people from speculating on the price of XRP?

MR. CERESNEY: Objection.

A. I can't recall.

Q. Did you ever restrict people from buying XRP as an investment?

MR. CERESNEY: Objection; form.

MR. SOLOMON: Did he -- his XRP? Ripple's XRP?

MR. TENREIRO: Let's start with Ripple's.

MR. SOLOMON: Okay.

THE WITNESS: Could you repeat the question, then?

BY MR. TENREIRO:

Q. Did you ever take efforts to stop people from buying XRP to speculate on its price?

MR. SOLOMON: Objection; form.

A. I don't recall.

Q. Did you ever take steps to restrict people from buying Ripple's XRP as an investment?

MR. SOLOMON: Objection.

A. I don't recall.

Q. And did you ever take steps to restrict people from buying your XRP as an investment?

A. I don't recall.

Q. In April of 2017, was XRP being used for a payment flow?

A. I expect yes.

Q. How?

A. I -- I -- I mean, there's hundreds of thousands, maybe millions, of people in the XRP markets. And is there a likelihood that some of those people were using XRP for payment flows? I think the answer's almost certainly yes. I don't necessarily know how. I think your question was how were they using it for payment flows.

Q. No. Was it being used for payment flows? That's all. Yes or no, was it being used?

A. I think I -- yes, I believe so.
Q. And with the hundreds of thousands, maybe millions, of people in the XRP markets, was it being used as an investment?
A. I -- I don't know of --
MR. SOLOMON: Objection; form. It might be helpful to ask him what "investment" means to him or to give him your definition of "investment." I -- I don't mean to interject.
Q. What does "investment" mean to you?
A. I mean, to me investment means, you know, people choose to invest in pork bellies, people choose to invest in oil, people choose to invest in currencies. So in that context do I think people are, quote, investing and speculating around digital assets including XRP? Yes.
Q. So if I invest in pork bellies -- in other words, is it fair to draw a distinction, from your definition, investing in pork bellies is different than buying a pork belly to eat it?
A. Yes.
Q. Okay. So with your definition of "investment," did you understand when you were Ripple's CEO that people in the market were

investing in XRP?

A. I -- I -- like I say, I don't know -- you're ask -- I don't know who those people are. I mean, if you gave me -- you said earlier, like, are people on Twitter? And I don't know if they're speculating. I don't know if they're investing. I don't know what they're doing. And -- and maybe some are buying XRP to make payments overseas or maybe they're -- I don't know.

Q. Okay. Do you know if people were buying XRP for payment flows in April of 2017?

A. I -- I don't know.

Q. Okay. Was Ripple selling XRP for payment flows in 2017?

MR. CERESNEY: Objection; form.

A. I mean, I -- I think some of our employees were accepting compensation in XRP at that time. And so I suppose, by definition, that's payment flows. And I'm aware of those, but, you know, I don't know.

Q. So when you say "payment flows," that includes paying someone, like, their compensation?

A. I think that's a payment, so, yes.

Q. Okay.

MR. TENREIRO: Let's do this 13 and then take a break. This will be a short one.

MR. SOLOMON: Yeah. It's been over an hour.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 13 for identification.)

MR. TENREIRO: So this is a two-page email, RPLI_SEC 763477.

(Pause)

BY MR. TENREIRO:

Q. Okay. Who's [redacted]?

A. I don't know.

Q. Have you ever met him?

A. I don't believe so.

Q. Okay. Having read this email, is it fair -- what is this email about, generally, other than the colorful language?

A. I think [redacted] --

MR. SOLOMON: Is there anything on this that's colorful language?

MR. TENREIRO: Well, he says, "Hey, how about making it less difficult to actually buy XRP you retards."

16:49:25 A. I mean, I don't know how seriously to take an email that, you know, starts with a subject line that says "Fuck you."

Q. Fair enough. But what is the email about?

16:49:34 A. The email is about a gentleman who claims to be named [redacted]. I have no idea. It's a Gmail address. And he is expressing his frustration and viewpoints on Yahoo and AOL and what the Ripple website looks like and thinks we need to pull our heads out of our ass to get this shit on track.

16:49:51 Q. Why did you respond?

MR. SOLOMON: Great question.

16:50:02 A. It was 9:41 p.m. on March 22nd. I don't know what day of the week that is. I'm guessing it was late at night and I was on email and --

Q. It was Wednesday.

A. How do you know it's Wednesday?

16:50:11 Q. Because it says it.

A. Oh, sorry.

MR. SOLOMON: I hadn't seen that too.

A. Sorry. Sorry. I don't know why I

16:50:20 replied.

Q. And he's telling you "Please, God, bring the rain soon. Been waiting four years on Ripple to hit."

Do you see that?

A. I did not see that one. Where is that one?

Q. It's on number 3 of his bullets.

A. Yes, I see that.

Q. He's talking about XRP when he says "four years on Ripple to hit," right?

A. I guess.

Q. Well --

A. I mean, as I said earlier, I think any email with the subject line "Fuck you" and that I signed off with "FURB" --

Q. Meaning?

A. Fuck you right back.

Q. Like the song?

A. You know, that's funny you say that because I don't know -- I don't know that reference, but I think -- I think that's right, yeah.

Q. All right. So you responded to the email and you said "I've been personally buying XRP in January and February (and early in March).

You are not alone in your expectations."

What expectations are you talking about, Mr. Garlinghouse?

A. I -- I don't want to put too much credibility in an email that starts with "Fuck you" that is from an anonymous person that I'm replying with a little bit, obviously, tongue-in-cheek. And so I don't know what my assertions were.

Q. But, I mean, you have told me today you're very busy sometimes. You don't read every email. You responded to this email. So there must have been some significance to you to the email and you responded by saying "You are not alone in your expectations."

What expectations are you talking about?

A. To -- I mean, to be fair, you're asking about an email from four and a half years ago that is, again, the subject line "Fuck you" and you're asking me what expectations I had. I have no idea.

Q. Okay. Did you in March of 2017 have expectations that Ripple might hit?

A. I -- I -- I have no idea.

Q. Were you in March of 2017 treating

whatever holdings of XRP you had as an investment?

MR. CERESNEY: Objection to form.

A. I guess in my layperson's expectations, you know, I was holding XRP. Does that mean it's an investment? I -- you know, I can debate the meaning of that. But, you know, again, I don't know what my expectations are. I'm not -- I don't think putting a lot of weight in an email with the subject line "Fuck you" is something -- again, it's late at night. Who knows? Maybe it's a Wednesday night I'd had three drinks at dinner and I decided to speak kind of funny to engage this guy.

Q. Did you in March of 2017 hope that the price of XRP that you held went up?

A. Well, I think I've -- and I've said to the SEC from, I think, the first meeting I had with the SEC, I won't pretend not to be a capitalist. And if you own something, then you wanted the value of that to increase.

Q. Okay.

MR. TENREIRO: Let's go off the record for a break.

THE VIDEOGRAPHER: Going off the record, 4:54.

16:53:13 (Whereupon, a recess is taken.)
THE VIDEOGRAPHER: Okay. Back on the record, 5:16.
BY MR. TENREIRO:
17:14:56 Q. Okay. Mr. Garlinghouse, I think earlier today you said -- and you just correct me -- that [redacted] owned XRP.
A. I think that was my testimony, yes.
Q. Okay. Did you have an understanding as
17:15:09 to whether he was investing in XRP?
A. No.
Q. Did you discuss with him why he was buying XRP?
A. He didn't buy XRP.
17:15:19 Q. Then how did he get it?
A. Predating my arrival at Ripple, he participated in one of the XRP giveaways is my understanding.
Q. Did you discuss with him why he was
17:15:29 holding it?
A. I think he asked me -- and this is, I think, before I had started at Ripple. And he asked me what I thought he should do with it. And I think I said "I would just hold on to it."
17:15:44 Q. Why? Why did you say that?

A. I'm not sure I knew what XRP really was before I started at Ripple. I'm not sure I had any perspective other than -- I didn't know how much XRP he got through giveaways.

Q. Well, then, why did you tell him to hold it? I guess is the question.

A. Okay. His options were what? To hold it or sell it? I don't know how many he had. I don't know what it was worth. I know enough about [redacted]'s financial picture that it wasn't material one way or another.

Q. You do know enough about his financial picture?

A. I do know enough about -- enough about his financial picture that I would be surprised if whatever the giveaway he participated in would have been material.

Q. Okay. So his option was to hold it or sell it at the time?

A. I think that's right. I can't think of anything else.

Q. Okay.

MR. TENREIRO: Let's look at Exhibit 18, please. I think I have it here.

Okay. Thanks. I have it, Mark.
I have it.
(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 18 for identification.)
BY MR. TENREIRO:
Q. And, you know, we -- as I pass you these, we've looked at 15 and 16 -- sorry. Maybe -- sorry. We looked at 16 and 17. I think those were April 2017 emails.
Exhibit 18 is May 1st, 2017, one page, SEC-[redacted]-RIPPLE -- actually, two pages -- 10934. Please take a moment to look at it.
(Pause)
Q. Okay. Mr. Garlinghouse, do you see the reference in this email in the fourth full paragraph to how XRP was hovering around a nickel and it was up over 800 percent from where it began the year? Do you see that?
A. Yes.
Q. Then it says "Interest in XRP is continuing to grow and we've only just begun our focused efforts to build its liquidity."
Do you see that?
A. Yes.

Q. Then you say "To this end, we recently released our Q1 2017 Markets Report, an important way that we demonstrate our commitment to the XRP ecosystem and continually improve the health of XRP markets globally."

Do you see that?

A. Yes.

Q. Is that a true statement, that the Markets Report was a way for Ripple to demonstrate its commitment to the XRP ecosystem?

A. I think, as I testified earlier today, that the Markets Report has been a way to improve transparency, understanding, and I think as we start every Markets Report, kind of a call to action for everybody in the industry to improve transparency. I think we have consistently indicated our desire to improve and increase the liquidity in the XRP market. That's good for Ripple's strategy as well as anyone who's participating in the XRP market.

Q. But when you say demon -- is it true that the Markets Reports are a way for Ripple to demonstrate its commitment to the XRP ecosystem? Is that true?

A. I -- I mean, I'm reading what is there.

I don't recall writing this. I -- I think, as -- well, I don't know what I thought when I wrote -- when this was written.

Q. Sitting here today, is one of the purposes of the Market Report to demonstrate Ripple's commitment to the XRP ecosystem?

A. Sitting here today, as I just testified, I would say the Markets Report is to drive transparency of and clarity of information around the XRP markets. As I sit here today, is it -- is it a demonstration of a commitment? It is one of -- one of many ways that we seek to make the XRP markets robust, healthy, transparent. All of the above.

Q. And that is true today as well, up through today?

A. I think that's fair.

Q. Okay. Later you talk about "connecting the dots" again. "The big takeaway with the market is clearly connecting the dots that banks which join the Ripple network today are prospective users of XRP liquidity in the future."

Do you see that?

A. I do see that.

Q. Okay. So is it fair to say that in May,

just like in April, your view was that the XRP price rally in part could be derived from participants in the market responding to efforts that Ripple had made?

MR. SOLOMON: Objection; form.

A. I -- I think -- as I testified earlier, I think in parts of 2017 in my tenure at Ripple, I believed that Ripple's activities may have an impact on the XRP market. I'm less convinced of that as I sit here today.

Q. Understood.

And is it fair to say that in 2017 one of your specific goals at Ripple was to increase speculation in the market for XRP?

MR. SOLOMON: Objection; form.

Q. You can look --

A. Are you taking that from this email --

(Indiscernible cross talk; reporter requests one speaker.)

Q. You are welcome to look at the email. My question is -- set aside the email -- is it true that in 2017, one of your goals was to increase speculation in the market for XRP?

MR. SOLOMON: Objection; form.

A. I would say sitting here today, my

recollection of 2017 priorities was to increase liquidity in the XRP markets and in whatever ways that could take. To the extent that was through speculation, I think that would drive liquidity. So I think that's yes.

Q. All right. And just so that we're on the same page, when we talk about speculation with respect to the market for an asset, what -- what are you -- what do you mean when you say "speculation"?

A. Well, I think people speculate on the price of something. And, you know, I think I used the example earlier today that the price of XRP might be, using this time period, four and a half cents on one exchange and five cents on another exchange and people are speculating and trading that arb and seek -- seeking a -- a return.

Q. So what you just referred to as "arb," do you mean arbitrage?

A. Correct.

Q. Okay. And does speculating include speculating on price movements? For example, I could speculate that it might go down; I could speculate that it might go up?

MR. SOLOMON: Objection; form.

A. I think speculators speculate.
Q. Speculate --
A. So, yes. Some people speculate it's going to go up; some people speculate it's going to go down. That's what makes the market.
Q. Right.
And so isn't it fair to say there's a distinction between speculating on the asset and using the asset, such as in your pork belly example?
MR. SOLOMON: Objection; form.
A. I was making the point that people speculate on the price of pork bellies.
Q. Right.
A. I think -- so can you repeat the question, please?
Q. When you -- when you -- this is not a legal question or anything like that. This is a question of you as a businessman.
When you say the word "speculating," is there a distinction in your mind between someone who speculates on price movements or price arbitrage and someone who acquires the asset to use it? So to, like, eat the pork bellies in the example you gave.

A. So at the beginning of that question you said this isn't a legal thing. It's hard for me -- I mean, this is a legal experience, right? I'm testifying in a legal -- and I'm being asked to give things that will be used as legal. So I don't know exactly what to do with that first comment. I think it's important that we, as much as possible, have a shared understanding of some of these words.

MR. SOLOMON: Tell him you don't understand. Ask him to rephrase it. If you can't answer the question, then don't answer the question. You have to understand the question to answer the question.

THE WITNESS: Okay.

A. Can you repeat the question?

Q. Yeah. As a businessman, when you use the word "speculating," does that include -- if you say that someone is speculating on an asset, does that include someone who is using the asset?

MR. SOLOMON: You're asking him today, on September 20, 2021, when he uses the word "speculate," what does he mean by that?

MR. TENREIRO: Yes.
MR. SOLOMON: Or in prior emails or --
MR. TENREIRO: Today.
17:25:42 A. I think if someone goes to the grocery store and buys bacon, they're not speculating on the price of pork bellies.
Q. Okay. And has your understanding of speculating as a businessman changed over time?
17:25:59 A. I don't know that it's changed over time. I think I have learned, frankly, as it relates to the SEC's investigation and litigation, that there are nuances in how some of these words are used which can be consequential.
17:26:16 Q. Consequential for whether something is deemed to be a security?
MR. CERESNEY: Objection; form.
A. Consequential to legal interpretations.
Q. When did you learn that?
17:26:28 A. During the course of this, what started as, I think, an inquiry into an investigation, into a litigation.
Q. Can you pinpoint more precisely in time when you learned this?
17:26:41 A. I -- I don't have any specific rec --

recollection.

Q. Okay. Let's take a look at Exhibit 87, please. This is just a one-page document.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 87 for identification.)

MR. TENREIRO: Here we go.

(Pause)

BY MR. TENREIRO:

Q. Okay. What is this email?

A. This is an email from Monica Long to me on March 26th to set an agenda for our one-on-one meeting.

Q. How often did you have one-on-one meetings with her?

A. Typically weekly.

Q. Okay. And she says "For discussion," and she has several bullets -- three bullets and then some sub bullets.

Do you see that?

A. Yes.

Q. She says "XRP marketing - lessons thus far from Ethereum - plus initial thoughts on a plan."

Do you see that?

A. I do.
Q. What plan did you have with respect to XRP marketing?
A. I don't recall.
Q. To the extent Ripple engaged in XRP marketing, what was the purpose of marketing XRP?
A. I don't recall.
Q. Okay. What other participants in the XRP ecosystem, sitting here today, do you know that market XRP?
A. In 2021?
Q. Yeah.
A. Well, I think there are companies in 2021 that use XRP and, by extension, market XRP, I suppose.
Q. So I'm asking you what companies market XRP, like the term "marketing."
Is the term "marketing" here referring to sort of ad efforts or publicity experts?
MR. SOLOMON: Objection; calls for speculation.
Q. To the extent you were talking to Ms. Long.
A. I don't know.
Q. Okay. What companies, sitting here

today, engaged in efforts to publicit -- to make -- to create publicity for XRP?

A. I mean, I think, you know, during the course of, you know, the expansion of participants in the XRP market, there's people doing, I mean, a host of things. When I say they're marketing XRP, I -- I don't know. There's certainly a number of companies that use and build on top of the XRP Ledger. Are they, like, using the XRP Ledger and deriving usage of the XRP Ledger? Are they marketing XRP? I don't know.

Q. I was asking for publicity efforts now, but --

A. Oh. Sorry.

Could you repeat the question then that you are asking me to answer?

Q. Sure.

What companies, sitting here today, are you aware of engaged in publicity efforts for XRP?

A. I don't know.

Q. What companies were engaged with publicity efforts with respect to XRP in 2017 around the time of this email?

A. I don't know.

Q. Does Ripple have engineers in its

employ? Computer scientists?

A. Yes.

MR. SOLOMON: Objection; form.

Q. How many?

A. How many engineers did we have in 2017 or today?

Q. Let's start with 2017.

A. I would guess 60 to 70.

Q. How many employees did Ripple have in total around that time?

A. You know, 150 to 200.

Q. So about a third of the workforce was the computer scientists?

A. Usually it's a little higher percentage than that.

Q. What percentage is it today, roughly?

A. I hope it's over [redacted].

Q. Why do you hope?

A. I think, as a technology centric company, having a talented group of engineers is foundational to success.

Q. How so?

A. If you're seeking to build technology products, if you don't have people doing the coding, you're not going to get very far.

Q. Is it fair to say that over the course of the time you've been at Ripple, Ripple engineers have worked on the code for the XRP Ledger?

MR. SOLOMON: Objection; form.

A. Can you repeat the question?

Q. Is it fair to say that over the course of the time you've been at Ripple, Ripple engineers have worked on the code for the XRP -- the XRP Ledger?

MR. SOLOMON: Objection; form.

A. Yes.

Q. Have they improved it, made efforts to improve it, like the speed of it, for example?

A. Yes.

Q. And is their work with respect to the XRP Ledger important to Ripple?

MR. SOLOMON: Objection; form.

A. The efficiency of the XRP Ledger is important to Ripple. For the employees at Ripple who contribute open-source cord -- code to the XRP Ledger, those improvements are important. There's obviously people outside of Ripple who contribute open-source code to the XRP Ledger also and their contributions are important also.

Q. And what -- what percentage -- how many validator nodes are on the Ledger?

A. I think it depends a little on how you define a validator node because there's some validators that people don't pay attention to. But, typically, I have referenced that there's about 150 validators on the XRP Ledger that are of consequence, let's say.

Q. Where did you get that information from?

A. Someone internal to Ripple. I'm not sure who.

Q. 150 now, in 2017, or at what point?

A. I -- I don't know.

Q. Okay. When you reference 150 validators, how many of them were in China?

A. I don't know.

Q. How many of them were in the United States?

A. I don't know.

Q. Do you know where any of the validators' nodes are?

A. Yeah.

Q. Which ones? Ripple's?

A. No.

Q. Where are the ones you know?

A. I know there is one at a data center in Tokyo. I know there's one at the University of Kansas. I know there's one -- I -- you know, my familiarity is they're distributed at various companies and data centers that have an interest in the XRP Ledger.

Q. Is it fair to say -- I won't computer science quiz you, but fair to say that on the Ripple Ledger, a node pays attention to transactions confirmed by 80 percent --

THE REPORTER: I'm sorry. A node?

MR. TENREIRO: A node.

Q. -- pays attention to transactions confirmed by 80 percent of the nodes on that node's trusted nodes list?

MR. SOLOMON: Objection; form.

A. I -- I think you asked the question -- if I could read it back and -- refer me. But you referred to it as a "Ripple Ledger" and I don't know what that is.

Q. The XRP Ledger.

A. Would you repeat the question, then?

Q. Is it fair to say that on the XRP Ledger, a node pays attention to transactions

confirmed by 80 percent of the nodes on that node's trusted nodes list or UNL?

A. I think that's fair.

Q. Okay. So you said there were about 150 nodes that matter, quote/unquote?

A. I think that was my testimony, yes.

Q. Okay. Quickly doing some math, times 5, 750. Okay.

So if I -- what's to stop China from putting 600 nodes on the XRP Ledger such that it would gain control over 80 percent of the now resulting 750 nodes?

MR. SOLOMON: Objection; form.

A. I mean, David Schwartz would be a better person to ask some of these questions. But it depends upon which nodes the other nodes are listening to.

Q. Okay. So if China added 600 nodes to the XRP Ledger, could it not gain control over the XRP Ledger?

A. If all -- if the other nodes listened to those 600, then, hypothetically, yes.

Q. Is there anything to stop those other nodes from listening to the 600?

A. Yes.

Q. What is?

A. What other nodes those nodes choose to listen to.

Q. Well, I'm sorry. What stops one node from deciding to listen to the new 600 nodes in my hypothetical?

A. Whoever is managing that node and what other nodes they choose to listen to.

Q. So, in other words, people can talk to each other about what nodes they listen to?

A. I -- I -- I don't know how that happens.

Q. Okay. Other than the individual -- each individual node selects a list of nodes they listen to, is that right?

MR. SOLOMON: Objection; form.

A. I mean, my macro response is I'm not the best person to ask these questions of.

Q. Do -- sitting here today, do you have an understanding as to whether or not China could take control over the XRP Ledger?

A. I feel like I have an understanding that I trust a number of very talented engineers, both inside and outside the company, that would tell you that's not possible.

Q. Okay. When you were engaged -- when

Ripple was talking to potential Series C investors, was there a question about whether there were nodes in the XRP Ledgers in Iran?

A. I don't recall.

Q. Are there XRP Ledger nodes in Iran?

A. I don't know.

Q. Okay. Is there anything that could stop the Iranian government from putting nodes on the XRP Ledger?

A. Not that I'm aware of.

Q. Okay. You've talked publicly about how China could potentially control the bitcoin blockchain, right?

A. Yes.

Q. Okay. So what is that understanding based on?

A. Articles I read.

Q. Where?

A. On the internet.

Q. Anywhere else? Well, articles in magazines or just the internet?

A. I don't really read magazines anymore. Just the internet.

Q. All right. Anything else other than articles?

A. People I trust and respect who are well-versed in the technology of the bitcoin blockchain and understand 51 percent attacks.

Q. Such as whom?

A. David Schwartz.

Q. And has he told you about whether -- in connection with these conversations, has he told you about any risk that China could take over the XRP blockchain?

A. No.

Q. Have you discussed that with him either way?

A. I don't recall.

Q. Well, when you were discussing sort of the potential of China to take over the bitcoin blockchain, did you say to him, "Hey, could that happen in the XRP blockchain"?

MR. SOLOMON: Objection; asked and answered.

Q. Ripple has an interest in the XRP blockchain, generally speaking. Is that fair?

THE REPORTER: Repeat.

Q. Ripple has an interest in the XRP blockchain. Is that fair?

MR. CERESNEY: Objection; form.

A. Ripple has an interest in the XRP Ledger, yes.

Q. Okay. And to the extent that you discussed the China issue with respect to the bitcoin blockchain with Mr. Schwartz, did you not, as the CEO of Ripple, ask him Is that a risk that the XRP Ledger faces?

MR. SOLOMON: Objection; asked and answered, form.

A. The -- what commonly is referred to as a 51 percent attack is a output of being proof of work-based. The XRP Ledger doesn't use proof of work. There have been successful 51 percent attacks on proof of work-based blockchains like the Ethereum Classic blockchain. There have not been successful attacks, to my knowledge, on what we commonly refer to as the consensus mechanism to validate transactions which other blockchains use.

Q. Well, have there been forks on that blockchain?

THE REPORTER: Have there been?

MR. TENREIRO: Forks, F-O-R-K.

MR. SOLOMON: I'm sorry, on which blockchain?

MR. TENREIRO: XRP blockchain.

XRP Ledger.

A. How do you define "fork"?

Q. However you define -- do you understand a fork on a distributed ledger?

A. You asked me a question and I want to make sure I answer it and you used the word "fork." I'm just asking how you're using the word "fork" to make sure I get it right.

Q. Let's start again.

Do you understand if someone speaks of a fork on a distributed ledger what that means?

A. I believe I do, yes.

Q. What does it mean to you?

A. As an example, the bitcoin blockchain has forked a number of times. And so that it takes all previous transactions and then there's a new fork that carries those transactions forward.

Q. Has that occurred on the XRP Ledger?

A. Not to my knowledge.

Q. Okay. Back to the email, is it fair to say that one of the Q2 priorities for 2017 was drive XRP speculation?

A. I see in Monica Long's agenda that she wants to talk about her future priorities and she has listed a sub bullet called "drive XRP

speculation."

Q. And did you discuss it with her?

A. I don't know.

Q. Did you tell her -- did she implement this agenda?

A. I don't know.

Q. All right.

MR. SOLOMON: Do you want to take a 30-second break? Short break. Just 30 seconds off the record.

MR. TENREIRO: Sure.

THE VIDEOGRAPHER: Okay. Going off the record at 5:42.

(Pause)

THE VIDEOGRAPHER: Okay. Back on the record, 5:53.

BY MR. TENREIRO:

Q. Mr. Garlinghouse, did there come a time when you asked some of your PR people to help you identify likes on your tweets that you went back and removed?

A. I believe, yes.

Q. And why did you do that?

A. When I got hacked in 2017, a number of other people got hacked at the same time that were

connected to me in one way or another. And it was my hypothesis, belief, and I believe to be the case, that the hackers went after people who were associated with me, particularly as they had seemed to discover via Twitter.

Q. So your testimony is that the unliking of likes was because of the hack?

A. My recollection is that I went through the trouble of deleting all Twitter posts that I had posted prior to joining Ripple and, you know, cleaned up my Twitter account to reduce -- to remove any personal information or just things that a bad actor might be able to take advantage of.

Q. Separate from that, did you go back to unlike likes that you had made on Twitter?

A. Not that I recall.

Q. All right. Let's take a look at Exhibit 36. No, 35. Sorry.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 35 for identification.)

BY MR. TENREIRO:

Q. And this appears to be a series of texts, GARL_Civil_ 982. It's mostly images, but

take a look.

(Pause)

Q. All right. Do you see your phone number in this exhibit?

A. Yes.

Q. Okay. Fair to say it appears to be a series of texts between you and [redacted]?

A. Yes.

Q. And the date on the first -- on the first page says "Saturday, 13 January 2018."

Do you see that?

A. Yes.

Q. Okay. Here you say "Can your team go through these and LMK if I've 'liked' anything that is XRP price related?"

And then, in the following message, you link her to your likes, is that correct?

A. I believe that is correct.

Q. "LMK" means let me know, right?

A. Yes.

Q. Okay. Why did you ask her to go look to see if you had liked anything XRP price related?

A. I don't know.

Q. Okay. And then the next series of pages are several tweets that you had liked. And you

say on the page that has 990 at the bottom, "Okay - have cleaned up the 'likes.'

Do you see that?

A. I -- I see the text you're seeking -- "Okay, I cleaned up the likes." I don't actually have the -- from what is here, I'm interpreting that these are tweets that I may have liked. That's not obvious to me from what is in front of me. And since I don't recall, I don't know that to be the case.

Q. Well, we can take a look at them.

MR. TENREIRO: Let's look at 36, for example.

A. Okay.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 36 for identification.)

MS. BUNTING: What exhibit is this?

MR. TENREIRO: 36.

MS. BUNTING: 36. Thank you.

BY MR. TENREIRO:

Q. This appears to be a tweet that you made on October 17th about Ben Bernanke.

And then a response that says "Shitting

on Bitcoin will not increase the price of XRP. Don't forget that most of us, investing in both XRP and BTC."

Do you see that?

A. Yes.

Q. Okay. So have you liked the "Shitting on bitcoin" tweets at some point and then removed the like?

A. I don't know.

Q. Okay. Why were you removing likes from anything XRP price related?

A. I don't know.

Q. Was there a -- I think we just saw some emails earlier today to the board and to investors where you were talking about the increase in the price of XRP. Is that fair? If you need to go back to them, go ahead.

A. Can you repeat the question?

Q. In -- we just saw today emails from 2017 -- I think we saw April; I think we saw May -- where you were discussing the increases in the price of XRP, XRP rally, et cetera, is that correct?

A. Yes.

Q. You were discussing the price of XRP in

those communications, correct?

A. Yes.

Q. Including to holders of XRP, is that correct?

MR. SOLOMON: Objection; form.

A. I don't know -- I mean, when you say "holders of XRP," I mean, you earlier pointed out that there are -- people on the board received those communications. And some of those people on the board held XRP. So, I guess, yes.

Q. And some of Ripple's shareholders also held XRP, correct?

A. I don't know.

Q. You -- have you ever come to know whether XRP -- whether Ripple's shareholders were also holders of XRP?

A. I mean, of the 200 shareholders, do some of them hold XRP? I think that's probably yes. I don't -- I mean, I can think of -- well, Chris Larsen would be an example of yes.

Q. [redacted]?

A. I don't know if [redacted] still holds XRP.

Q. Back in 2017?

A. I don't know when they liquidated their XRP.

17:59:28 Q. [redacted]?
A. I -- I -- I don't personally know what [redacted] does with his XRP. So I don't know what he held when.
17:59:37 Q. [redacted] (pronunciation)?
A. He would not have been on those distributions, I don't think. He's not a shareholder.
17:59:44 Q. He was not -- he was not an advisor either?
A. I -- I don't know what -- I mean, I don't -- we don't call him an advisor. I don't know if he's on the email distribution or not.
17:59:52 Q. [redacted]?
MR. SOLOMON: Are you asking him whether these people who were equity shareholders also held XRP units --
MR. TENREIRO: Yes.
17:59:58 MR. SOLOMON: -- to his knowledge? Okay.
I just want to make sure you understand.
MR. TENREIRO: Yeah.
18:00:02 MR. SOLOMON: You were firing

18:00:04 names at him.

I just want to make sure you understand the premise of the question.

A. I don't know if [redacted] holds XRP

18:00:10 or --

Q. As -- I'm sorry.

A. You know, either in his fund or personally. I -- I -- I don't know.

Q. [redacted]?

18:00:20 A. I -- [redacted] does -- I do know that [redacted] -- [redacted], the joint venture, holds some XRP.

Q. Okay. And [redacted] is copied on the emails to Ripple's shareholders and advisors, correct?

18:00:34 A. Yes. The point I'm trying to make is you're asking me -- I mean, is there a -- you've highlighted of the couple hundred people that are on the shareholders distribution, there's some that I can definitively know have XRP. The vast

18:00:48 majority of them, I have no idea. I don't ask; they don't share. It's -- it's not -- it's like asking them how much cash they have in the bank.

Q. But you definitively knew that some of them, in fact, held XRP?

18:00:59 A. Yes.

Q. Okay. And in those emails, again, you were discussing the XRP rally and the price increases in XRP in 2017, right?

A. Yes.

MR. SOLOMON: Do you want to show him the emails?

MR. TENREIRO: They're right in front of him if he wants to look at them again.

Q. And you've looked at them.

Have you -- generally speaking, there was an increase in the price of crypto assets -- very generally speaking, in the year 2017, is that correct?

MR. SOLOMON: You've got to slow down for me.

THE REPORTER: You're going too fast.

Q. Very generally speaking, there was an increase in the price of digital assets, crypto assets, in the year 2017?

A. Yes. My recollection is there's a very high correlation between digital assets and they all seemed to rally in 2017.

Q. And that included XRP?

A. That included XRP.

Q. And throughout the year 2017, you were speaking about the increases in the price of XRP, both publicly and also to Ripple's shareholders and advisors?

MR. SOLOMON: Objection; form.

A. I don't recall if it was throughout the year. You've shown me examples from April and May, which are April and May.

Q. All right. We'll get to December.

But what prompted you, after speaking about the price of XRP at some points in 2017, to then, in January of 2018, go back to delete likes of tweets you made XRP price related?

MR. SOLOMON: Objection; asked and answered.

A. I -- I -- yeah, I don't recall. I don't know. And -- and I don't know that I did like this.

Q. Well --

A. You have told me I liked this. I'm not aware that I liked this.

Q. Well, I can't tell. You -- somebody deleted the like -- you deleted some likes, correct?

MR. SOLOMON: Objection. Don't tell him what he's done. Ask him what he remembers doing.

Q. You deleted some likes, correct? You said in this text "Have cleaned up the likes."

A. I said that I cleaned up the likes, yes. I don't know if that means that I had liked this and unliked it or not. I can't tell from this.

Q. When you say "cleaned up the likes," what did you mean? Does that mean unlike?

A. I -- I --

MR. SOLOMON: Objection; form.

A. I didn't recall the text, and so I certainly don't recall what I thought in 2017 when I sent those texts.

Q. On the next page of the texts, if you can go back to that exhibit, which is 35, towards the -- towards the end, the second-to-last page.

On the second-to-last page, you say "Can your teams review David Schwartz tweets and likes for particularly noteworthy"?

Do you see that?

A. I do see that.

Q. She asked you "When does this need to get done?"

And then I'm skipping one message. You say "Prob depends on FT timing."

A. Yes.

Q. What does "FT timing" mean?

A. When I read that the first time and I read through it, I thought to myself I wonder what that means and I don't know now what that means.

Q. Did [redacted] go through David Schwartz' tweets and likes for particularly noteworthy?

A. I assume she did because she's pretty diligent, but I don't know.

Q. Did you instruct him to clean up likes on his Twitter account?

A. I don't recall.

MR. SOLOMON: Objection.

Q. At the end of the conversation, you say "I spoke to David earlier today. He is also reviewing. I'd like to keep traffic on this to a minimum. I will call you."

Why did you want to keep traffic on this to a minimum?

A. I -- I don't know.

Q. What does "this" mean in the text? Is it the issue of cleaning up likes?

A. I -- I don't know. I don't remember these texts and I don't remember what the impetus was and I don't remember what I was thinking when I sent that.

MR. TENREIRO: Okay. So let's go -- are we ready or not yet?

MR. BAMBERGER: Yeah, just going to bring them out.

MR. TENREIRO: Great. Let's go to Exhibit 78 while we wait.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 78 for identification.)

BY MR. TENREIRO:

Q. Now we're in June.

(Pause)

Q. And just while you're reading, I'm going to state on the record 78 is a three-page email thread, RPLI_SEC 54397. And it appears to be around June 5th, 2017.

(Pause)

Q. All right. Starting with the email, this appears to be another update, is that fair to say, the email that starts in the middle -- or towards the top of page 2, rather, another

investor and advisor update that you were sending?

A. Yes.

Q. All right. And in this one, you also talk about the increase in XRP's price so far in 2017. You refer to a 5,000 percent increase, is that correct?

A. Yeah, I don't -- I didn't know if I catched the 5,000 percent reference.

Q. Yes.

A. Yes, I see that now. Yes.

Q. Okay. Further up you say "Despite a proven track record of being good stewards of XRP, we have continued to hear concerns in the market that Ripple could (hypothetically) sell our 61 billion XRP at any time - a scenario that would certainly be bad for Ripple."

Do you see that?

A. Uh-huh.

Q. And then you talk about the escrow, right?

A. Yes.

Q. The proven track record, what -- what is that track record? What proved the track record in your mind then?

A. I guess, simplistically, the fact that

we had never dumped XRP on the market, as some said it was hypothetically at risk, some continued to feel that because that risk existed, that the fact that we have proven that over a period of time we had not done things like that and, in fact, tried to do the opposite, there were still those who felt that risk existed.

Q. Is there anything else that proves this track record up to this point in time of being good stewards of XRP other than the absence of the dumping?

A. I guess there's probably a myriad of examples of how we have tried to be good stewards. I think the mere fact that we started publishing a quarterly XRP market update to try to find transparency would be an example of trying to be a good steward.

Q. What about selling XRP programmatically in ways to not affect the market for XRP? Is that a good -- an example of being a good steward?

MR. SOLOMON: Objection; form.

A. I think to the extent we have consistently demonstrated a track record, we're trying to make sure we don't impact the XRP markets, would be evidence of being a good

steward.

Q. But that includes not impacting it with respect to your sales -- or with your sales?

MR. SOLOMON: Objection; form.

Q. Right?

A. That's what I just said.

Q. Okay. Sorry if I misunderstood.

Was one of the reasons for the escrow to remove that concern or hypothetical that some people threw out there?

MR. SOLOMON: Objection; form.

A. And I think what I wrote at this time was "We have given investors a predictable supply schedule and removed what skeptics" -- sorry. "So with the decision to lock up 55 billion XRP in escrow, we have given investors a predictable supply schedule and removed what skeptics have suggested has been a barrier to broad XRP adoption."

Q. Right. And -- and the email -- and absolutely you can look at or refer to.

But, just generally, was one of the reasons for the escrow to remove that sort of concern that people in the market had expressed to Ripple about potential dumping?

18:12:35 A. I think that's what the email says.
Q. And was one of the purposes of the escrow to encourage speculation in XRP?
MR. SOLOMON: Objection; form.
18:12:50 MR. CERESNEY: Objection.
A. I think the -- my recollection, as consistent with what the email says, is to remove the concern that had been expressed that there was a risk that we would dump XRP in the market.
18:13:03 Q. And was one of the purposes of removing that concern to encourage speculation in XRP? Again, you can look at the email or not. I'm just asking you for your memory of what was the purpose behind the escrow.
18:13:15 A. My recollection of the purpose of the escrow is consistent with what is said here.
Q. All right. Further down you say "The bottom line is that we are committed to making XRP the best digital asset for payments."
18:13:27 Do you see that?
A. Yes, I do see that.
Q. How was Ripple planning on making XRP the best digital asset for payments in -- when you wrote this email in June of 2017?
18:13:41 A. My rec -- my recollection in June of

2017 is that we were continuing to execute a strategy to make XRP very, very liquid and very, very fast, very, very low energy, such that it could be used both with Ripple's products and people outside of Ripple to take advantage of XRP as a very efficient payment mechanism.

Q. And the very, very fast and very, very low energy, are those the efforts that the engineers or computer scientists were engaged in?

MR. SOLOMON: Objection; form.

A. Ripple's engineers were engaged in a whole bunch of things. XRP, as an open-source technology, can be contributed to by Ripple's engineers and as well as non-Ripple engineers.

Q. Right.

My question, though, was you said -- you said "My recollection in June of 2017 is that we were continuing to execute a strategy to make XRP very, very liquid and very, very fast, very, very low energy."

And my question is: Who at Ripple was continuing to execute a strategy to make XRP very, very fast and very, very low energy in June 2017?

A. I guess to be fair, at that point XRP already was very, very fast and very, very low

18:14:58 energy.

Q. So you were not at that point committed to continuing those efforts?

A. No. I would guess if we looked back at the, you know, scalability of the XRP Ledger, there continued to be improvements in the four-plus years since this email was written.

Q. And were Ripple engineers participating in making those improvements?

18:15:24 A. I don't know.

Q. Okay. Is it true today that Ripple is committed to making XRP the best digital asset for payments?

A. I mean, I would say today, as we have obviously spoken about here and elsewhere, you know, we want to see XRP be very, very liquid, have a lot of utility, be very trusted. One manifestation of that is its use case around payments and Ripple's use case largely around institutional liquidity.

Q. Okay. The -- on the second page of the email, someone named [redacted] do you know who that is?

A. Yes.

18:16:05 Q. Who is he?

A. He is [redacted]

Q. Okay. And does he hold XRP?

A. I don't know.

Q. Okay. [redacted] says -- I'm looking at the second page, Mr. Garlinghouse. He says "Congratulations," et cetera. He talks "You will have to conduct a seminar (for me at least) on the dynamics of cryptocurrency markets and what drives the staggering appreciation and/or volatility. I appreciate that the appreciation is likely not to be a one-way trip."

Do you see that?

A. Yes.

Q. Is it fair -- and then, on the front page, you say "On crypto I think there are four drivers so far this year for XRP," and you list four things.

Do you see that?

A. Yes.

Q. Okay. And were you accurately reflecting your beliefs as the time -- at the time as to the factors that went into the increase in price of XRP?

A. I think I'm accurately reflecting, as best I can, to [redacted] who has

very little understanding of technology or certainly the crypto market.

Q. Explaining what you believed to be the factors that went into the increase in price of XRP?

MR. SOLOMON: Objection; form.

A. I think I'm as simplistically as possible trying to, as I think he asked, "conduct a seminar on the dynamics of cryptocurrency markets and what drives the staggering appreciation and/or volatility."

As I've testified earlier today, I think that's a very, very, very hard thing to do, in understanding what drives the volatility and activity in the crypto markets even today, for example.

Q. In June of 2017, you had the view that to the extent Ripple does well in announcing customers, that could drive market interest in buying XRP as a speculative investment, correct?

A. You know, as I've testified earlier today, I think there were times in 2017 that I had the miscon -- the belief that -- and maybe optimism perhaps -- that Ripple's activities had in some ways touched the XRP markets.

Q. And in 2017 you also believed that announcements about new exchanges listing XRP also created tailwinds for the XRP market, right?

A. Yes. The more exchanges that list XRP, the more liquidity there is in the XRP market, the more trading pairs there are in the XRP market. And I think it's fair to call that tailwinds.

Q. Well, here you're not talking about the exchanges listed. You're talking about announcements about exchanges listed.

MR. SOLOMON: Objection; form.

Q. So my question is, is it fair to say that in 2017 you believed that announcements about exchanges listing XRP created tailwinds?

A. I think you're making a distinction that I'm not making. Announcing a new exchange listing and implementing a new exchange listing I kind of view as one and the same.

Q. Okay. And tailwinds means good for the market generally? Or what does tailwinds mean? It's your -- it's your email.

MR. SOLOMON: Objection; form.

A. When I use the word "tailwinds," I'm usually suggesting that macro trends are positive and constructive. And so to the extent more

exchanges are listing XRP, it's creating more liquidity in the XRP market, and I view that as net positive for all participants in the XRP market.

Q. And, again, liquidity means, in your mind, volume?

MR. SOLOMON: Objection; asked and answered.

A. One critical aspect of liquidity I would say is volume.

Q. And before I move on, if you can go back to your original email, when you talked about the over 5,000 percent increase in the price of XRP, you say "Ripple is worth more than all but four U.S. start-ups."

Do you see that?

A. Yes.

Q. How were you valuing Ripple? Ripple's shares did not have, for example, like an actively traded market at this time, right?

MR. SOLOMON: Objection; form.

A. That's correct.

Q. How were you valuing Ripple when you made this statement?

A. It looks like I'm referencing a CNBC

article. And so I'm looking at how CNBC may have valued Ripple.

Q. In -- in fact, you say, "In fact, factoring in the 18 billion of XRP we own, Ripple is worth more than all but four U.S. start-ups," right?

A. That is what the email says and then it links to an article that apparently I'm referencing that I assume references the value of Ripple.

Q. What were Ripple's revenues from software sales in June of 2017?

A. I don't recall.

Q. Magnitude? Order of magnitude?

A. In the [redacted] millions.

Q. Okay. Let's look at Exhibit 32.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 32 for identification.)

MR. TENREIRO: Here you go.

(Pause)

BY MR. TENREIRO:

Q. All right. In this email, the subject is "Memes we should push."

Do you see that?

A. Yes.

Q. Memes we should push where?

A. I don't know.

Q. In public?

MR. SOLOMON: Objection; asked and answered.

A. I don't know.

Q. You say "There are two memes I think we want to push aggressively (well, we really want to push the first one - maybe/maybe not the second one)." The first one is XRP is -- now I'm not reading. I'm -- "XRP is the best performing (digital) asset in 2017. We are up more than 10,000 percent for the year."

Do you see that?

A. Yes.

Q. Why were you instructing the Hatch Agency to aggressively push the meme that XRP was up more than 10,000 percent for the year?

MR. SOLOMON: Objection; form.

A. I think to the extent I'm educating the market about the advantages and differences between XRP and the performance of XRP relative to other digital assets, that is constructive in

getting more people doing things around the XRP ecosystem which drives liquidity of the whole ecosystem.

Q. So you were -- you wanted [redacted] to aggressively push the concept of XRP's rise in price in order to bring liquidity into the ecosystem, is that correct?

MR. SOLOMON: Objection.

A. I think I'm -- I mean, it's a statement of fact, I think -- I don't remember exactly -- that XRP, regardless of the reasons, outperformed. And I think highlighting the unique, as I say -- "and makes XRP unique" -- I think uniquely -- "position to capitalize on the many opportunities for digital assets."

I think the more people who are building on top of, contributing to, and driving liquidity in XRP markets, that's good for Ripple. That's good for all the participants in the XRP market.

Q. And liquidity in your answer means, in part at least, more volume of XRP trading?

A. That's correct.

Q. All right. And then above you say, you know, you can live stream and tweet storm some of this information.

Do you see that?

A. I do see that.

Q. Did you engage in a tweet storm about this topic?

A. I -- this is over about four years ago. I don't know the answer to that.

Q. Above you say "At today's XRP prices, Ripple is more valuable than every other private company in Silicon Valley except for Uber."

Do you see that?

A. I do see that.

Q. How did you value Ripple in order to make that statement?

A. I presume I'm using the same -- what was the last article you sent me? The CNBC framework. That they're looking at Ripple's holdings of XRP.

Q. To value Ripple?

A. I -- I don't remember this email, and so I'm presuming -- I don't know what the date comparisons are. It's actually quite different dates. So I -- I presume some have looked at Ripple and said Ripple owns a lot of XRP, as you saw in the CNBC article, and so I'm probably using that same logic.

Q. Yeah.

18:26:40 And that CNBC article -- by the way, did you reach out to CNBC to try to correct any confusion about, you know, linking Ripple to XRP or did you instruct anyone else to do that?

18:26:51 A. I don't recall.

Q. Okay.

MR. TENREIRO: Let's take a break so --

MR. SOLOMON: Sure.

18:26:56 MR. TENREIRO: Let's go off the record.

THE VIDEOGRAPHER: Okay. Going off the record at 6:28.

(Whereupon, a recess is taken.)

18:27:01 THE VIDEOGRAPHER: Okay. Back on the record, 6:41.

BY MR. TENREIRO:

Q. Okay. Do you have -- sorry, which one do you have in front of you?

18:39:49 A. Exhibit 32.

Q. Okay. This is the one where you're talking about the memes about pushing aggressively the performance of XRP, correct? This is in December of 2017?

18:40:05 MR. SOLOMON: Is that a question?

MR. TENREIRO: Yes.

Q. Is this -- is this where you were discussing aggressively pushing XRP's performance in 2017?

A. I -- I think -- your characterization, yes.

Q. All right. Here's Exhibit 33.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 33 for identification.)

BY MR. TENREIRO:

Q. While you take a look, I'll say that -- please read it. There's an attachment that I included for completeness. I'm going to ask you about the email, but you can read the whole thing if you need to. The email is RPLI_SEC 866480.

(Pause)

Q. Mr. Garlinghouse, in 2000 -- around December 15, 2017, did you have a meeting with Ripple's board where you discussed their offer to help Ripple spread the word? Bottom of the email.

MR. SOLOMON: Objection; form.

A. I -- as described, I have no recollection of that, but I believe that's the case.

Q. Okay. And the purpose -- is it fair to say that the purpose of sending them the attached FAQ was to arm them with Ripple's Key Messages?

A. I'm assuming that someone asked for that information at the board meeting, and so we were following up on a request from the board.

Q. And spread the word to whom?

A. That -- their family, their respective -- I don't know. I mean, there's a lot of people interested, particularly, frankly, in December of 2017, there was a lot of people interested in crypto. And there's, you know, more interest in knowledge. There's more interest in facts. And so to the extent we can help our board members particularly be -- have more expertise, more knowledge, that's probably useful.

Q. Did you restrict the board members -- did you restrict to whom they might spread the word to in any way?

A. I don't recall.

Q. Is it possible that you did?

A. I don't know how I'd do that.

Q. Well, did you ask any of the board members, you know, here's our Key Messages, but, you know, don't discuss those with X, Y, Z types

of people? Did you say anything like that?

A. I -- I don't recall.

Q. Okay. And here in the email, you discuss, again, "The price of XRP is up 200 percent since Monday." You note that as well? You note that, correct?

A. Yes. I also note that crypto will continue to be volatile, unpredictable, and even at times irrational.

Q. And, in fact, you stated in your talking points that you took a longer term of the view of the market for XRP?

A. Yeah. I think I've said publicly that I try not to pay attention to the gyrations of the market. I think, you know, "We're not here to pump XRP. We can't know exactly what will happen to the price of XRP in the coming days or weeks."

THE REPORTER: Slow down.

THE WITNESS: I'm sorry.

A. "We can't know exactly what will happen to the price of XRP in the coming days or weeks."

Q. And you stated publicly on a number of occasions that you didn't look at the XRP price over the course of the next three days or weeks but, rather, three to five years, correct?

MR. SOLOMON: Objection; form.

A. Yes. I mean, to be clear, I viewed that as kind of just -- I'm trying to take a long-term view of crypto overall, of XRP. And, you know, my counsel, which I think is, you know, repeated is -- for employees and otherwise, is to not let the craziness of, excuse me, the crypto markets distract us.

Q. And you've also stated publicly on occasion that you were long XRP, correct?

A. Yes.

Q. In fact, I think you stated very, very long at some points? There was --

A. I don't know how many verys -- I don't know how many verys. I -- I said publicly that I am long XRP.

Q. You stated that you know Rip -- at Ripple you're capitalists with respect to commenting on XRP?

MR. SOLOMON: Objection; form.

A. Could you ask that question again?

Q. With respect to discussing XRP in public, you've stated, you know -- in sum and substance; I'm not quoting you exactly -- Ripple, we're capitalists, you know. We want -- we are

interested in XRP.

A. I think I probably said we're interested in long-term success of the XRP markets.

Q. Okay. And how do you measure the long-term success of the XRP markets?

A. Liquidity, value, utility, trust.

Q. Trust from whom?

A. Anyone who's interested in -- in crypto or in the movement of financial value. Governments.

Q. In the email, you say, "1, XRP's rise over the course of this year signals market expectations of our company."

Do you see that?

A. I do see that.

Q. What expectations was the rise signaling?

A. I don't know.

Q. Expectations that the company -- was it expectations that the company would do something?

A. I don't know.

Q. Okay.

A. It looks to me a little bit like I'm using it as a rallying cry. "All eyes are on us and it's more important now than ever that we

execute." There was a lot of attention around the crypto markets. There was a lot of attention around Ripple. It's important that we didn't get distracted by the volatile, unpredictable and, at times, irrational markets and instead built products that benefited our customers.

Q. So when you say "execute," execute on what?

A. Execute on our product strategy, execute on our sales efforts, execute on our development.

Q. Sometimes you described it as solving a trillion-dollar problem, is that right?

MR. SOLOMON: Objection; form.

A. I think I have described that the way liq -- the way financial institutions move liquidity today results in trapped capital. The system, typically referred to as Nostra/Vostro accounts --

THE REPORTER: I need that again.

THE WITNESS: No --

N-O-S-T-R-O-/-V-O-S-T-R-O.

A. And according to studies I have read, including by McKinsey, that amount sitting out there is measured in the trillions.

Q. And the general media training FAQ,

what was the purpose of that document?

A. To be a general media training document.

Q. Was the purpose of that document to provide talking points for when Ripple employees spoke with the media?

MR. SOLOMON: Objection; form.

A. Well, typically we didn't -- I mean, I would say the short answer is no. I mean, we didn't empower all of our employees to talk to the media.

Q. Well, to the extent that some did, to the extent -- was the purpose -- was one of the purposes of this document to provide talking points for those Ripple employees who did speak to the media for when they did so?

A. My experience in how our Comms teams worked is they would have had something that wasn't general media, but specific to a specific outlet or to a specific event, a specific panel. So the general media training, you know, I think is here's some information about the company that might be useful. And in this case -- again, I think it was catalyzed coming out of the board meeting -- I'm presuming that someone on the board had questions about what was going on and how they

should be talking about the company.

Q. Talking publicly about the company?

A. That's your characterization, not mine.

Q. I'm asking you. Was it talking publicly?

A. I don't know.

Q. Okay. Stepping away from the board members, again, the general media training FAQ document, was the purp -- was one of the purposes of this document to provide talking points for public speaking about Ripple to the extent a person engaged in such public speaking?

A. I don't think it would have been this document, but a more targeted, specific document, depending upon the audience, the panel, event, what have you.

Q. So this was -- was this maybe, then, like sort of a base document and then from them -- from there you could create a more specific one depending on the audience, event, or panel?

MR. SOLOMON: Objection; form.

A. Yeah, I think that's a fair characterization.

Q. Okay. And having just reviewed the FAQ, is it fair that on or around 2017, December of

2017, these are ideas that Ripple employees might have stated publicly?

A. I don't think this was -- I mean, as I've testified earlier, I don't think this was distributed to all of our employees.

Q. Right.

So my question is, to the extent employees of Ripple spoke publicly, do you have a recollection on or around December 2017 hearing some of these things said publicly?

MR. SOLOMON: Objection.

A. I don't recall.

Q. For example, you know, on page 2, you say "We've been strong stewards of XRP and our interests are very much aligned."

A. Can you point to me where that is?

Q. Yeah. The second page of the FAQ towards the bottom. There's -- almost at the end.

MR. SOLOMON: What is the question, please?

Q. Is it fair to say that on or around December of 2017, you or other Ripple employees might have stated publicly something similar to what's here, which is "We've been strong stewards of XRP and our interests are very much aligned"?

MR. SOLOMON: Objection; calls for speculation.

A. I don't know. I -- I, to my knowledge, haven't seen this. I don't recall seeing this document, so I don't know.

Q. Okay. What about a little further up where it says "Important to note that we take a very long view of the market and don't get caught up in short-term price gyrations"? Is that a concept that you or other Ripple employees spoke of publicly on or around December of 2017?

A. I -- I don't know.

Q. Okay. On the last part, it says "The SEC's guidance is no surprise."

Are you referring -- what are you referring to there? What guidance?

A. The header there says "What's your stance on ICOs?" So I think I'm reacting to the ICO boom of 2017.

Q. But what SEC guidance are you referring to?

A. I don't know.

Q. You say "It's consistent with how the law has worked for 70 years."

Do you see that?

A. Yes.
Q. Okay. And you had not hired Mr. Ceresney at that point, correct?
A. No.
Q. Okay. So where -- where did you get this from, that the SEC's guidance "was consistent with how the law has worked for 70 years"?
A. I don't know.
Q. How referring to the Howey test?
A. I don't know.
Q. And -- okay.
So how -- is there some document that might refresh your recollection as to what the basis was for your statement that the SEC's guidance was no surprise and was, in fact, consistent with how the law has worked for 70 years?
MR. SOLOMON: Objection; form.
A. I don't have any recollection.
Q. Okay. Had -- Ripple had quarterly all-hands meetings, is that right?
MR. SOLOMON: Can I just ask one clarifying question?
MR. TENREIRO: Yes.
MR. SOLOMON: Did -- did you --

18:55:04 did you write these general media FAQs?
THE WITNESS: No.
MR. SOLOMON: Do you know who did?
18:55:10 THE WITNESS: No.
MR. SOLOMON: Okay.
BY MR. TENREIRO:
Q. Did you review them before you sent them to the board --
18:55:14 A. I --
Q. -- of the company?
A. I don't think so.
Q. You don't -- you don't think you reviewed them before you sent them to the board?
18:55:19 A. I don't recall, but I don't think so.
Q. Okay. Did you ever review them?
A. I would have reviewed a more specific media briefing document to the extent I was speaking publicly in or around that time that
18:55:35 would have been, frankly, customized for that event.
Q. Do you recall writing to Ripple's investors that the SEC had showed leadership in regulation releasing guidance that it viewed
18:55:51 initial coin offerings as securities?

A. I -- I don't recall.

Q. Okay. You had -- Ripple had what you called all-hands meetings from time to time?

A. Yes.

Q. And what was the purpose generally of those meetings?

A. As the company grew, I think it became more and more important to share with the company kind of what's going on with the company, where we're headed, get people excited about the future of the company.

Q. And what was the frequency of these meetings?

A. Depends on what time period we're talking about.

Q. Let's say when you became CEO in 2017.

A. I don't know when exactly we transitioned. We used to do them more frequently and then, as time went by, because of a certain amount of work involved with -- I think we actually did them almost weekly when I first joined the company and maybe became CEO. As time went by and the company grew, we transitioned to doing all-hands by each quarter.

We also have, you know, more informal

meetings more regularly, but...

Q. Right. And there's -- let's -- let's stick to the all-hands for now.

Some of the -- the all-hands meetings were recorded in some fashion, is that correct?

MR. SOLOMON: Objection; form.

A. I -- I -- I'm not aware.

Q. So, for example, are you aware as to whether they were videotaped?

MR. SOLOMON: Objection; form.

A. I -- I think some of them, particularly as we became more global, we started recording them so that people in other time zones -- if you're in Singapore and we're doing an all-hands at, you know, 10 a.m. on a Monday, that's a pretty God-awful time for the team in Singapore. And so we would have, I think, recorded them and encouraged the team members in Singapore to watch them.

Q. Did you speak -- after you became CEO, did you speak at all at these all-hands meetings? As a general matter. I understand you might have missed one, but generally speaking.

A. Generally speaking, yes.

Q. Did Mr. Larsen speak at -- at the

all-hands meetings at any time?

A. At any time, yes. Certainly, again, it depends on what time period we're talking about, but less and less, though.

Q. What about 2017?

A. I don't recall.

Q. Okay. What other meetings were recorded so -- sort of for this purpose of other Ripple employees, different time zones, et cetera?

A. I -- I --

MR. SOLOMON: Objection; form.

A. I -- I don't know which ones are recorded, which ones are not recorded.

Q. Who would know?

A. Maybe the Comms teams. Maybe the, kind of, IT operations team that actually would have done the recording.

Q. And where are the recordings stored?

MR. SOLOMON: Objection; form.

A. I don't know.

Q. Did you know that you were being recorded when you spoke at those meetings?

MR. SOLOMON: Objection. I don't think he knew they were all being recorded, but I'm sorry --

Q. When you were being recorded, did you know?

MR. SOLOMON: Okay. Okay.

A. I -- I don't recall.

Q. Did you ever ask anyone at Ripple not to record any of these meetings?

A. I don't believe so. I don't recall knowing that they were always being recorded, so I don't think I would have taken the energy to say let's not record them.

Q. Okay. Let's do Exhibit 101.

MR. TENREIRO: And do you want to explain or do you want me -- what do you want to do?

MR. BAMBERGER: Why don't I do it and you can correct.

MR. TENREIRO: Okay.

MR. BAMBERGER: And so there are a number of transcripts the SEC's counsel has provided to Mr. Garlinghouse's counsel prior to the questioning of him. They run to over 300 pages. And so -- collectively.

And so the agreement that we've made is that Mr. Garlinghouse will not --

18:59:58 has not had the opportunity to review the transcripts in their entirety. The SEC's counsel has pointed us to portions of the transcripts he expects to question Mr. Garlinghouse about. We've asked Mr. Garlinghouse to review those portions that the SEC has designated.

They're, in several of them, portions prior to the portions the SEC has designated, in which there are other discussions of other aspects of Ripple's business. We have highlighted those portions in pen. And to the extent those discussions are, in Mr. Garlinghouse's mind, relevant to his answers to the questions the SEC's counsel poses to him, he should look at those portions.

MR. TENREIRO: I think that's fair. And I will add that I also stated to Mr. Bamberger, Bamberger (pronunciation), that to the extent that that is necessary for -- to read additional parts, we're going to seek more time because, as he said, these are over 300 pages long and it would take hours to

read all of them.

MR. BAMBERGER: And we reserve our right to object to --

MR. TENREIRO: Yeah, exactly. Same thing.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 101 for identification.)

BY MR. TENREIRO:

Q. Okay. So I'm going to start with 101 and I'm going to tell you, Mr. Garlinghouse, that my understanding is that this was recorded on October 12th, 2017.

MR. TENREIRO: So here's Bridget's copy. Here's Matt's copy. Here's the extra and yours.

Q. And, as your counsel said, there's pencil markings, which is the part that I'd like you to read now.

A. Thank you.

MR. TENREIRO: And so for the people that are looking at it that don't have it marked, I'm looking at the third page that says "SEC_SEC-E-10454."

BY MR. TENREIRO:

Q. Mr. Garlinghouse, on the -- on the left side, there's sort of a page and line number. So for the record, I'm going to ask -- I've asked you to read what's marked page 7, line 13 to page 8, line 2. Thank you.

(Pause)

A. Okay.

Q. Okay. Do you see here that you referred to a chart of XRP's stock price?

A. I see that reference, yes.

Q. Okay. And did you make that mistake often in 2017?

A. I don't think so, no.

Q. Did others at Ripple?

A. I don't think so.

Q. Why do you think you made that mistake?

A. Without looking at the visual, I don't know.

Q. Okay. You mean the videotape recording?

A. No, I mean -- I think I'm referencing a chart that I think is on the screen.

Q. I see.

A. And sometimes how the data is presented in a chart could influence how one might -- it might have looked like a, quote, stock chart.

Q. Sure. Sure.

And so from reading this part, you believe there was some sort of visual you were using at the meeting?

A. Well, I think what this transcript says is "This is a chart of XRP's stock...not stock price. Sorry. (Laughter)." So the chart, I'm presuming, was somehow shown to the company in a visual manifestation.

Q. Generally speaking, when you had these all-hands meetings, did you have a visual, sort of, like PowerPoint slides or any other visual aid?

MR. SOLOMON: Hold on one second. Hold on one second.

MR. TENREIRO: I'm sorry, do we need to go off the record? Because I don't -- let's go off the record if you want to discuss.

THE WITNESS: That's fine.

MR. TENREIRO: Off the record, please.

THE VIDEOGRAPHER: Going off the record at 7:05.

(Pause)

THE VIDEOGRAPHER: Back on at 7:09.

BY MR. TENREIRO:

Q. Okay. Mr. Garlinghouse, I was asking you, did you typically have visual aids like PowerPoints or other visual aids for the all-hands meetings?

A. Yes.

Q. Who prepared them for you?

A. Multiple people, generally led by the Comms team or marketing team.

Q. Okay. And why did you prepare them?

A. I didn't prepare them.

Q. Why did you have them prepared?

A. Well, it's not that often -- obviously, as we talked about, it's a quarterly all-hands. It's not that often we have the whole company together. And I think treating that -- if we're going to invest that much time in bringing together hundreds of people, we should prepare the time and energy to make sure they're thought through a bit and communicating the information that would be most interesting and relevant to our employees.

Q. Okay. And what -- where are those

PowerPoint present -- were they PowerPoint presentations?

A. Probably not. They're probably Google slides.

Q. And where are they?

MR. SOLOMON: Objection.

A. I -- I don't know. I don't -- maybe I don't understand the question.

Q. To the extent that they were electronic files, where are they now?

MR. SOLOMON: Objection.

A. I presume they are stored on --

MR. SOLOMON: Do you know where they are?

THE WITNESS: No, I don't know where they are.

Q. What's your best understanding as to where something like that would be?

A. Ripple predominantly, as I think you are aware, uses Google Docs. And so in Ripple's -- directly and indirectly, Ripple's data infrastructure, some of them would be stored or maybe they've been deleted over time. 2017 is a long time ago.

Q. Okay. And the all-hands meetings, is

it -- were you discussing -- I'm trying to get a sense as to what you selected to discuss at these meetings.

Was it everything under the sun that had happened at the company or did you try to focus on the important developments since the last meeting?

MR. SOLOMON: To the extent you can answer a very general question with a very general answer, obviously do that.

A. I mean, the first thing I'm going to say is I'm not sure I was the one selecting. And I think given that I don't think I was the one selecting, I would have looked to others to determine what was most poignant and relevant to our employees.

Q. And would the others be your direct reports?

A. Sorry. Could you ask that question again?

Q. Yeah. Would the others you referenced -- you said "I would have looked to others to determine what was more poignant and relevant to our employees." Would those others be your direct reports?

A. Some of them, but not all of them. Some

of the people involved would not have been my direct reports.

Q. Okay. And did you give them any directive as to what sort of information they should select for presentation at the all-hands meetings?

A. I -- at any of the meetings ever did I ever encourage --

Q. No. I was asking for more general.

Did you give more general guidance to them when you started being CEO about what you wanted to present to the company?

A. I -- I don't have a specific recollection of that, but I expect that I would have -- with their guidance and leadership, I trusted that team. I would have collaborated with them about what should be presented.

Q. Okay. And, generally speaking, how long did these meetings last, the all-hands?

A. Probably 90 minutes.

Q. Okay. And did -- again, generally -- I'm not asking for a specific one. Generally, were there occasions where different Ripple employees presented information?

A. Generally speaking, more than one person

would speak. In fact, I think oftentimes I would do the smallest amount of the total time spent.

Q. Okay. Did you attend a meeting, a Ripple meeting, where Ms. O'Gorman and others discussed the legal status of XRP under the securities laws? I'm not asking you for the substance of the discussion. I'm just asking for a yes or no, did you attend such a meeting?

A. Just because I'm losing the -- the thread here. Nothing to do with all-hands. Nothing to do with what's in front of me. Separate question. Could you ask that question again that --

Q. Did you attend a meeting, a Ripple meeting, where Ms. O'Gorman and others discussed the legal status of XRP under the securities law?

A. I don't recall.

Q. Okay. Let me ask you to take a look at 99, which I have here.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 99 for identification.)

BY MR. TENREIRO:

Q. All right. So 99, to my understanding, is December 12th, 2017. And, again, I marked it

in pencil so let me pass it on to you.

A. Are we finished with 101?

Q. Yes. So that's for you and then for everybody else.

A. This is mine.

MR. TENREIRO: So here's three.

MR. SOLOMON: Thank you.

A. Oh, it was an extra one.

MR. TENREIRO: So what I asked him to look at -- so go ahead -- is -- the Bates is 10277. And the page on the left side is 24, 2 to 27, 7.

MR. CERESNEY: And, Jorge, can you put on the record the date of this?

MR. TENREIRO: Yes. I believe it's the 12th of December of 2017.

A. Just also for my macro, this is an all-hands transcript?

Q. That is my -- well, in fact -- in fact, if you -- one second. Yes. I will show you. That is my understanding.

A. Sorry? I apologize. I was reading outside of the pencil marks just to make sure I understand what this is a transcript from and I'm having a little trouble figuring that out. And

the date.

Q. The date is not reflected there. I'm telling you the date based on the production from counsel.

A. And, sorry, can you tell me the date again?

Q. 12 December 2017.

A. 12 December 2017?

And would --

Q. Do you still have Exhibit 33 in front of you? I think it's that one. I think it's this one.

A. Yep.

Q. All right. Actually -- well, this will be relevant in a sec. Just read the pencil part, please, of the Exhibit 99.

A. I'm just trying to make sure I understand what I'm reading.

Q. My understanding is that it's a recording of an all -- all-hands meeting that occurred on December 12th, 2017.

A. At the Ripple offices?

Q. You'd have to ask your counsel. I don't know where the recordings were made. I assume so.

MR. CERESNEY: That's not a

question for counsel. That's a question for the witness.

MR. TENREIRO: That's right.

MR. CERESNEY: We produced the documents. Doesn't necessarily mean we're going to -- we know exactly where it was recorded.

BY MR. TENREIRO:

Q. Did Ripple have all-hands meetings outside of the Ripple office?

A. Yes.

Q. Oh, okay. And were those recorded?

A. I believe so -- to be honest, I don't know which ones were and weren't, as I said earlier. So I don't know.

Q. Okay.

A. Part of the reason I was asking that question was where it was recorded would tell me if it was in our old office, new office. It would just help me understand the context for what's being presented, but...

MR. SOLOMON: Why don't you read this passage. And if there's more of it that you need to read, based on the agreement we made with the SEC, we can

direct you to additional portions of the document --

THE WITNESS: Okay. Sounds good.

MR. SOLOMON: -- as needed.

MR. WARD: And just for clarity of the record and for those of us who don't have a copy, could I ask the page and line numbers be read into the record that we're talking about?

MR. TENREIRO: Sure. I already read them.

MR. WARD: Oh, you did?

MR. TENREIRO: Yeah. I already read them, so --

MR. WARD: That's fine.

MR. SOLOMON: Do you -- do you not have a copy?

MR. WARD: No, we have a copy.

MR. SOLOMON: Okay. It's 10277, line 1, through 10278, line -- page 27, line 7.

MR. TENREIRO: Yeah. That's correct, Matt. I asked -- right now the transcript says 267, maybe this is just a typo, but it is 277.

MR. SOLOMON: Okay. Thanks.

(Pause)

THE WITNESS: Okay.

BY MR. TENREIRO:

Q. All right. So I'm -- do you see generally that you talk about the 4,000 percent increase in the price of XRP in 2017?

A. I -- I was a little bit confused by the transcript because, you know, I don't know how the transcript's created, but it -- it doesn't reference XRP, I don't think. I mean, I understand why you might assume that. But it's referencing Dash and I don't know if it's talking about a digital asset called Dash that's up 4,000 percent or it's referencing XRP.

Q. Is it fair to say that in this portion of the transcript, you are nevertheless discussing the price of XRP, for example, where you say "But if you just look at the last three months, XRP has underperformed the market"?

A. Yeah. Much further down -- and, again, without seeing the video itself -- much further down, separate from the 4,000 percent, which I think you attributed to the performance of XRP, which I don't know if that's correct, I'm

suggesting that XRP has underperformed the market. Maybe I'm presenting a slide that talks about lots of different crypto assets and their performance and I'm showing a chart saying that XRP has underperformed in the last three months.

Q. Okay. And then you say "Anyway, the point I'm making here is I'm going to continue to beat the drum that it isn't about three days, three weeks or three months. It's about three years or five years. If we execute our strategy successfully and we get lots of financial institutions around the world using our services, using our solutions, it's going to drive demand for XRP, and I am much more worried about that three- to five-year arc of time than a three day."

Do you see that?

A. Yes.

Q. And are you -- is this similar to statements you made publicly about your focus on three to five years for the XRP markets?

A. Yes.

Q. Okay. And then you say "Now I'm going to contradict some of what I just said. It matters that we stay in the lead pack. If people perceive us as an after-run and kind of dropping

down the ranking, if you will, as measured by market capital, I do worry about that."

Do you see that?

A. I do. I'm guessing that there's a bit of a transcription problem because I probably didn't say market capital as an example.

Q. You might have said market cap?

A. Market capitalization.

Q. Market capitalization. Okay.

And is it -- and the market capitalization, I think we discussed earlier, you measure as price times units, right?

A. I don't know how else I would measure it. Yeah.

Q. I just want to have it for the record.

So -- so is it fair to say that here you're worried about -- you are expressing your concern that if people perceive Ripple dropping in the ranking of market capitalization, that's not good?

MR. SOLOMON: Objection; form.

A. I think if you meant XRP, not Ripple, I would probably agree.

Q. Okay. So "if people perceive us" is a reference to XRP? "Us" is XRP in that sentence?

A. Where are you -- where are you reading? What line?

Q. Towards the bottom. "If people perceive us as an after-run and kind of dropping down the ranking, if you will, as measured by market" capitalization -- I know the transcript says "capital." So is your testimony that the "us" in that sentence is XRP?

A. I -- I think I'm referring to XRP in that context, yes.

Q. Okay. And why are you using "us" to refer to XRP?

A. I -- I don't know if the transcript's correctly -- correct and whether or not I actually said that, but I -- I also could have misspoke.

Q. And then you say "I think that is, you know, the perception of Ripple, the brand perception of Ripple shifts a little bit."

So is it -- were -- were you expressing the idea that if the market capitalization of XRP went down, the brand perception of Ripple shifted?

MR. SOLOMON: Objection; form.

A. Yes.

Q. Okay. And when you talk about the ranking, is this a reference to sort of what we've

discussed earlier, the ranking, the top three, you know, when you see the market capitalizations of bitcoin and other digital assets?

MR. SOLOMON: Objection; form.

A. Yes.

Q. Okay. And is it still true today that you worried that if XRP is seen as dropping in this ranking, that affects Ripple's brand negatively?

MR. SOLOMON: Objection; form.

A. So if XRP is not widely listed on exchanges and doesn't have robust volume, which would happen if there's fewer exchanges listing it -- exchanges are motivated to list the most liquid digital assets because those are the ones that trade the most. They get fees based upon trading, as we discussed earlier.

If the fees that they get from one digital asset versus another digital asset reduce, they might be inclined to either not list XRP, which is not good for Ripple's desire to have lots of liquidity between XRP fees and fiat pairs, or, in some cases, halt trading, delist, what have you.

Q. Okay. Let me try again.

Is it still -- is it still true today that you worry that if XRP is seen as dropping in this ranking, that that affects Ripple's brand negatively?

MR. SOLOMON: Objection; form.

A. I'm making the point that if Ripple can't deliver robust products, clearly that would affect our brand perception. If -- if there's not robust liquidity in the XRP markets between as many currency pairs -- when -- when liquidity in XRP goes down, that isn't good for what Ripple's trying to do with our products. If we can't execute -- and people understand this in the marketplace.

And so as -- as XRP has gone from being number two to number three, after the SEC lawsuit, to number six, that's not good for Ripple's business.

Q. Number six in what? Market capitalization?

A. That's correct.

Q. Okay. And just to pick up on what you just said, "When liquidity in XRP goes down, that isn't good for what Ripple's trying to do with our products."

So is it fair to say that when there are fewer buyers and sellers of XRP, that's not good for what Ripple's trying to do with the products?

A. I think my testimony was when there's less liquidity, there could be fewer and more liquidity, right? I mean, if you have really aggressive market makers that are trading actively, there could be lots of liquidity.

Q. Okay.

MR. TENREIRO: Let's take a look at 129. Actually, I'm going to have to ask Bridget to mark it because there's no -- there's no -- there's no marking on it. Just write it?

THE REPORTER: And I'll put a sticker on it after.

MR. TENREIRO: Okay, great. And here's yours.

MR. SOLOMON: Okay.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 129 for identification.)

BY MR. TENREIRO:

Q. This one I'm going to ask you to read the whole thing, sir. That's for Bridget and this

is for you and this is for your counsel. And I need one of the rest. This is a shorter one, but you should just read the whole thing.

And in terms of -- my understanding is this was December 14, although you'll notice in the first line you say "We just went yesterday." So possibly the 13th. I'm not sure, but we understand this is...

A. I'm sorry, I don't -- I don't know what the context is. Where is -- where? When? I guess you said it's December --

Q. My understanding is that it's the 14th. But if you read the first line, you say "Some of you are wondering, hey, Brad, what's up? We just met yesterday."

A. Is this an all-hands event or a media --

Q. You'll have to tell me after you read it what you recall.

MR. SOLOMON: Just read it. See if you remember.

THE WITNESS: Yeah.

MR. SOLOMON: Tell him as best you can with whatever qualifications you need.

(Pause)

BY MR. TENREIRO:

Q. Okay. Mr. Garlinghouse, having reviewed the transcript, can you tell me why you had this meeting?

A. My interpretation from reading the transcript is that given the craziness going on in the crypto markets, and specifically with XRP, I wanted to remind people that we have products to build, code to ship, customers to serve. And I was pointing out that it could be easily distracting when the volatility is what it sounds like it was.

Q. The -- the -- the rapid swings in price? That's volatility?

A. Yes.

Q. Okay. And you said you've "checked XRP more today than I probably have in the last week combined."

Is that a reference to checking the price charts for XRP?

A. Yes.

Q. Okay. Towards the beginning, you say "I've been stressed because every time the price of XRP goes up, the expectations of everyone in this room go up."

Do you see that?

A. I -- I -- I saw that when I read it. If you tell me which line, I'm happy to take another look at it.

Q. Yeah. It's page 3, line 6. It actually starts at 5 -- no, page 3. If you look on the left side, there's a little marker.

A. Oh, gotcha. Okay.

Q. Expectations from whom?

A. I don't know who I was referencing here.

Q. Then you say "the expectations on me go up."

Whose expectations are you referencing there?

A. Maybe the employees. I don't know.

Q. And then you say "The expectations that everyone has about what Ripple is trying to do goes up."

Whose expectations are you referring to there?

A. Maybe our customers. I don't know.

Q. And when you talk about your customers -- when you say your customers in that answer, what Ripple customers are you referring to?

19:34:34 A. Financial institutions.
Q. And which financial institutions were Ripple's customers in December of 2017?
A. According to Exhibit 33, [redacted]
19:35:02 [redacted]
THE REPORTER: I'm sorry, I'm not getting that. "According to Exhibit 33..."?
A. According to Exhibit 33, [redacted]
19:35:04 [redacted]
[redacted]
Q. Was Ripple selling XRP to those institutions?
A. Some of them.
19:35:24 Q. Which ones?
A. [redacted].
Q. For what purpose?
A. I don't recall. I just know that [redacted] has been a purchaser of XRP.
19:35:38 THE REPORTER: "I just know..."?
THE WITNESS: I just -- sorry, I was covering my mouth.
A. [redacted] had been a purchaser of XRP.
Q. In 2017 did you know for what purpose
19:35:41 they were a purchaser?

A. I don't recall.

Q. Okay. And is it your testimony that you believe that those institutions' expectations of Ripple go up when the price of XRP goes up?

MR. SOLOMON: Objection; form.

A. I think the attention on Ripple, the company, is -- has been -- the attention had been correlated with the attention around the XRP markets.

Q. Why?

A. Because people associate us with XRP.

Q. And why do they do that?

A. I would be speculating. Depends on which audience. Ripple owns XRP and so we are -- as we discussed earlier today, things like CoinMarketCap incorrectly listed XRP as Ripple for some period of time.

Q. In the next page of the document, on the left, it's page 4, 11, you say that what stresses you out is "the height of the tree. The expectations are really high. The trunk hasn't built out and everyone in this room needs to help build out that trunk."

Do you see that?

A. Yes.

Q. That's sort of a -- a pretty graphic analogy. Can you explain it to me? What -- what's -- what's the height of the tree here? What's the tree and what's the trunk?

MR. SOLOMON: If you remember.

A. Yeah. I -- I -- I don't remember specifically. I mean, I think this -- the story I'm trying to tell is that the attention on crypto markets, the attention on Ripple, has gone up. And we need to be in a position to deliver on the promises we made to customers.

Q. What promises did you make to customers?

A. Well, when we sign a contract, we agree to deliver certain things. We've -- we're building -- trying to build out an internet of value and we have done things like the Global Payments Steering Group and creating rulebooks around how global payment infrastructure can and should work between counterparties.

Q. And so is it your testimony that when the -- that your perception around December of 2017 was that if the price of XRP went up, there was an increased pressure to deliver on promises you had made in contracts with customers?

A. I think my testimony was that the

attention on Ripple, the company, certainly has some, in my experience, correlation with the attention on crypto and the attention on XRP.

Q. Okay. Let's set that aside. I'm going to ask you to look at Exhibit 90.

(Whereupon, exhibit is received and marked Garlinghouse Deposition Exhibit 90 for identification.)

MR. TENREIRO: Here you go. Thank you.

MS. BUNTING: Which exhibit is this?

MR. TENREIRO: 90. Nine zero.

MS. BUNTING: 90. Thank you.

(Pause)

MR. TENREIRO: This is a four-page exhibit, RPLI_SEC 54005, a thread around January -- early January 2018.

(Pause)

THE WITNESS: Okay.

BY MR. TENREIRO:

Q. Mr. Garlinghouse, this thread appears to include a markets update from Dinuka Samarasinghe, is that right?

19:41:48 A. I thought it was from Miguel.
Q. There's one from Miguel as well. I was going to get to that. If you look at the third page, on Friday, January 5th at 1:02.
19:41:58 A. Oh, yep.
Q. Okay. He talks about a series of body blows for XRP, XRP haters attacking full force, XRP price down 15 percent.
Do you see that?
19:42:11 A. Wait. Which line -- oh, it's just line numbers. Sorry. What -- I don't see -- I saw what I read, the "body blows" reference, but I'm not seeing that now.
Q. It's like the middle of page 3. Ripple
19:42:23 is --
A. Oh, yes.
Q. Okay. All right. And then Ms. Long, on the front page, says a number of things, but she says "Gross misinformation and FUD spreads quickly
19:42:35 and hurts our business."
Do you see that?
A. Yes.
Q. A little bit further down, she says "We have a two" -- "two-pronged strategy: Offense.
19:42:46 We need to drive the conversation - keep putting

points on the board, back up the XRP thesis with real traction, keep educating on our strategy and progress. We need to be omnipresent - either Ripple or our supporters, armed and dangerous." And then "Defense."

On the offense point, what steps, if any, did Ripple take to go on the offense with respect to the conversation about XRP after this email?

A. I don't recall.

Q. You say that it "seems 100 percent on target" to you, right?

A. That is my reply.

Q. Okay. Sitting here today, did Ripple make itself omnipresent, either Ripple or with its supporters in sort of the public?

A. I don't recall.

Q. Did Ripple make attempts to drive the conversation about XRP in public?

A. I don't recall.

Q. You don't recall any efforts by Ripple after January 2018 to drive the conversation about XRP? Is that your testimony?

A. I mean, so, any -- sorry, could you repeat that question?

Q. Do you recall any efforts by Ripple after January 2018 to drive the conversation about XRP?

A. Yes.

Q. What efforts?

A. I mean, you -- you included in that question everything including last week or yesterday. And so certainly it has always been important to Ripple, important to me, that in a world of crypto where many people spread false information -- I highlighted the Amazon or Walmart Litecoin example earlier -- we want to correct misinformation about XRP. We want to correct misinformation about Ripple. We want to clarify what is XRP and what is Ripple.

So certainly since January of 2018, do I think we've tried to drive the conversation? Yes.

I interpreted your question to be contemporaneously with this in January of 2018, did we take steps to drive the conversations? And I don't recall three and a half years ago what we may or may not have done.

Q. Okay. Let's look at Exhibit 68.

(Whereupon, exhibit is received and marked Garlinghouse Deposition

Exhibit 68 for identification.)

(Pause)

THE WITNESS: Okay.

BY MR. TENREIRO:

Q. What is -- what is this document?

A. I believe these are notes to myself.

Q. It says "Thoughts for stand-up," the subject does?

A. Yes, it does.

Q. What is "stand-up"?

A. At the beginning of COVID, because everyone was working remotely, we added, I think, two weekly meetings to the leadership team to kind of check base for 15 minutes, I think on Wednesdays and Fridays, that we called stand-up meetings.

Q. Okay.

A. The idea is if you were the same person, you'd stand up for 15 minutes, obviously via Zoom.

Q. On Zoom.

A. People may or may not have been standing up.

Q. And did you continue to have, like, the periodic all-hands via Zoom after COVID?

A. Yes.

Q. And were those quarterly? weekly? What were they at that point?
A. All-hands were typically quarterly.
Q. Even after COVID I mean.
A. Yeah.
Q. Yeah.
Did you record those on Zoom?
A. I don't recall.
Q. And who would know?
A. Same answer as before.
Q. The IT team?
A. Or Comms.
Q. Okay. And in these notes you're talking about "I feel in this trajectory you are going to destroy a lot of value in XRP."
Do you see that?
A. No, sorry. Point me to that.
Q. Towards the bottom.
A. Yes, I see that.
Q. And that "you" in the sentence is you, Mr. Garlinghouse? You're sort of talking to yourself a little bit?
A. No.
MR. SOLOMON: Objection; form.
Q. Who's the "you"?

A. The "you" is me, but these are notes -- I mean, obviously, you know, this is just a -- a random screen that I'd opened to take notes.

I believe, as I reference later on, [redacted] had called me and on occasion she is -- gives counsel and is strongly opinioned -- or opinionated in those -- she has strong opinions.

And so I think I'm taking notes from that phone call that are interlaced with some comments that I intend to make at stand-up.

Q. Okay. And did she have strong opinions about, you know, the potential to destroy the value of XRP in around March 2020?

A. I -- I --

MR. SOLOMON: Objection.

A. I don't actually recall precisely, but from these notes, I have a vague recollection of getting a call from [redacted] early in the age of COVID that she was very concerned about the macro economy and what was going on, broadly speaking.

Q. And here you talk about, a little further up, "protecting the value of XRP by reducing MGI sales."

Do you see that?

A. Yes.

Q. Is MGI MoneyGram?
A. Yes.
Q. Okay. And --
A. I believe so, yes.
Q. Okay. And there was a point in time where there was a thing called XRP-O, is that right?
A. Yep.
Q. Okay. And that was sales of XRP by Ripple?
A. Yes.
Q. And there came to be a concern that the sales of XRP could hurt the value of XRP?
MR. SOLOMON: Objection.
A. Yeah, it's confusing because that pre -- well, MoneyGram never used XRP-O or what we now call Wallet Send. And I think March of 2020 predates the launch of XRP-O or what we now call Wallet Send.
So I don't know what I mean by "reducing MGI sales."
Q. Okay. After XRP-O launched, was there a concern that the XRP-O sales could hurt the market for XRP?
A. Yes. We have always, I think as you're

well aware, always had the concern that we don't want to impact the market, the XRP markets. And so to the extent we are introducing XRP to the market at a rate higher than we have historically, that would give us reason to pause and think about should we change our plan?

Q. In the notes, you say "Supply and demand equation of XRP is too high versus time frame for real demand."

Do you see that?

A. That looks like my notes from the call with [redacted]

Q. What does "real demand" mean?

A. I don't know.

Q. Okay.

MR. CERESNEY: Could we have a time check?

THE VIDEOGRAPHER: You've got a few minutes. Two, three minutes.

MR. TENREIRO: Okay. I'm almost finished.

BY MR. TENREIRO:

Q. Mr. Garlinghouse -- we can set that aside -- has -- have you ever heard of something called Form D?

A. I -- I don't know for sure.
Q. Have you ever heard of something called SEC Form D?
A. I believe so, yes.
Q. Have you ever filed an SEC Form D with respect to any of your sales of XRP?
A. Not of which I'm aware.
Q. Have you ever filed a Form D with respect to Ripple's sales of XRP?
A. Not of which I'm aware.
Q. Have you ever taken any steps to determine whether purchasers of your XRP are accredited investors?
A. I don't know who the purchasers of my XRP are.
Q. Have you ever taken -- is that a no, is the answer to my question?
A. I don't know who the purchasers of my XRP are.
Q. So have you ever taken any steps to determine whether they are accredited investors?
A. I don't know who the purchasers of my XRP are.
Q. Okay. Have you ever taken any steps to determine whether the purchasers of Ripple's XRP

are accredited investors?

A. Yes.

Q. What steps?

A. Some of Ripple's XRP has been sold to accredited investors.

Q. Are you talking about OTC sales?

A. Yes.

Q. Have you ever taken any steps to determine whether purchasers of Ripple's XRP and programmatic sales are accredited investors?

A. I don't know who the purchasers of Ripple's XRP sales are.

Q. With respect to Ripple's OTC sales, has Ripple ever filed a Form D with the SEC?

A. Not of which I'm aware.

Q. Have you ever sold XRP to investors in the United States?

A. Have I personally?

Q. Yes.

A. Not of which I'm aware.

Q. Have you ever sold XRP to persons not in the United States?

A. I guess I -- I'm aware that GSR has used exchanges around the world. And so I'm aware that people around the world have purchased XRP by way

of GSR.

Q. Have you ever instructed GSR to restrict the nationality of the people to whom it sells your XRP?

19:52:37 A. Yes.

Q. How so?

A. I instructed them not to sell on U.S. exchanges.

Q. When did you give that instruction?

19:52:51 A. August or September 2020, I think.

Q. But --

A. I don't recall exactly.

Q. Okay. Before that had you ever instructed GSR not to sell to U.S. persons?

19:53:03 A. I don't believe so.

Q. And after that instruction, did you instruct GSR -- did GSR sell only on non-U.S. exchanges?

A. I believe so.

19:53:14 Q. Okay. Did you take any steps to restrict the resale by those purchasers of your XRP to any purchaser in the United States?

A. I don't know who the purchasers of my XRP are.

19:53:29 Q. Okay. And have you ever given anything

of value of your own assets to anyone to do work on behalf of Ripple?

A. Could you be more precise?

MR. STU ALDEROTY: Could we have a time check, Andrew?

MR. CERESNEY: Yeah.

MR. SOLOMON: I think we're over and, frankly, I think you're getting into what the judge precluded you from doing with her order on financial records anyway. But if we're done, we're done, because it's now been 16 hours of under oath testimony of Mr. Garlinghouse.

Are we done?

THE VIDEOGRAPHER: We're over.

MR. SOLOMON: Okay.

MR. CERESNEY: We're done.

MR. TENREIRO: You're going to stop it? You're not going to let him answer that question?

MR. SOLOMON: No.

MR. ALDEROTY: No.

MR. SOLOMON: No, we're done.

THE VIDEOGRAPHER: Okay. Do you have any questions or -- you're done?

19:54:09 MR. SOLOMON: I'd like to take a couple minutes.

THE VIDEOGRAPHER: All right. Going off the record at 7:55.

19:54:17 (Whereupon, a recess is taken.)

THE VIDEOGRAPHER: Okay. Back on the record, 8:01.

MR. SOLOMON: We have no more -- we have no questions for Mr. Garlinghouse.

19:59:59 THE VIDEOGRAPHER: All right. This concludes the video deposition of Bradley Garlinghouse. The time is 8:01 and still going off the record.

(Whereupon, the deposition

20:00:07 concluded at 8:01 p.m.)

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

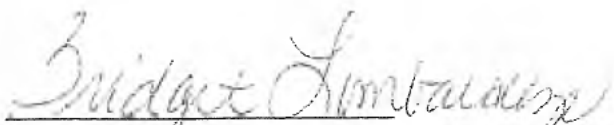
I hereby certify that the witness in the foregoing deposition, BRADLEY KENT GARLINGHOUSE, JR., was by me duly sworn to testify to the truth, the whole truth and nothing but the truth, in the within-entitled cause; that said deposition was taken at the time and place herein named; and that the deposition is a true record of the witness's testimony as reported by me, a duly certified shorthand reporter and a disinterested person, and was thereafter transcribed into typewriting by computer.

I further certify that I am not interested in the outcome of the said action, nor connected with nor related to any of the parties in said action, nor to their respective counsel.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of September, 2021.

Reading and Signing was:

___ requested ___ waived _X_ not requested.



BRIDGET LOMBARDOZZI, CSR, RMR, CRR