

# Exhibit 9

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\*\*

VIDEOTAPED DEPOSITION OF  
ASHEESH BIRLA  
Wednesday, June 23, 2021

Reported by:  
BRIDGET LOMBARDOZZI,  
CSR, RMR, CRR, CLR  
Job No. 210623BLO



1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK  
3

4 SECURITIES AND EXCHANGE )  
COMMISSION, )  
5 )  
Plaintiff, ) Case No.:  
6 v. ) 20-Civ-10832(AT) (SN)  
)  
7 RIPPLE LABS, INC., BRADLEY )  
GARLINGHOUSE, and CHRISTIAN )  
8 LARSEN, )  
)  
9 Defendants. )  
\_\_\_\_\_ )

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15 Videotaped deposition of ASHEESH BIRLA taken on  
16 behalf of Plaintiff, held at the offices of Debevoise &  
17 Plimpton, 919 Third Avenue, New York, New York,  
18 commencing at 9:21 a.m. and ending at 6:49 p.m., on  
19 Wednesday, June 23, 2021, before Bridget Lombardozzi,  
20 CCR, RMR, CRR, CLR, and Notary Public of the States  
21 of New York and New Jersey, pursuant to notice.  
22  
23  
24  
25

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17 [REDACTED], Ripple

18 ERIC NOLAN, Videographer

Shereck Video Service

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## EXHIBITS

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- - -

9:21 a.m.

June 23, 2021

- - -

THE VIDEOGRAPHER: Good morning.

Today is Wednesday, June 23rd. The time  
on the video monitor is now 9:21 a.m.

We're here in New York City for the video  
deposition of Miss -- Mr. Asheesh Birla.

09:21:57 Please note that all microphones are  
sensitive, pick up whispering, private  
conversations and cell phone interference.  
We ask you to please turn off all cell  
phones, place them away from the  
09:22:05 microphones as they can interfere with  
deposition audio and video recording.  
Audio and video recording will need to  
take place unless all parties agree to go  
off the video record.

09:22:16 This is Media Unit Number 1 of  
today's recorded video deposition of  
Mr. Asheesh Birla taken in the matter of  
SEC, Securities and Exchange Commission,  
versus Ripple -- Ripple Labs, Inc., et  
09:22:35 al., filed in the U.S. District, Southern

09:22:39 1 District of New York Court with the case  
2 index file docket number of  
3 20-civ-10832(AT) (SN) .

4 Today's deposition is being  
09:22:53 5 recorded at the law firm of -- offices of  
6 Debevoise Plimpton at 919 Third Avenue,  
7 New York, New York.

8 I'm your videographer today,  
9 Eric Nolan, with Sheretz Video. And  
09:23:08 10 today's Madam Court Reporter is  
11 Ms. Bridget Lombardozzi with Gradillas  
12 Court Reporters.

13 Please neat -- note that neither  
14 myself nor Ms. Court Reporter Lombardozzi  
09:23:21 15 are related to any party in this action  
16 or financially interested in the  
17 financial outcome of this case.

18 At this time we typically have  
19 all counsel present in the room and  
09:23:29 20 anyone attending remotely please enter  
21 their appearance, but per previous  
22 agreement and stipulation, all  
23 appearances will be provided via the  
24 written record provided by the court  
09:23:40 25 reporter.

09:23:43 1 At this time we'd ask the court  
2 reporter to please swear in the witness,  
3 after which we may proceed.

4 We are now on the video record.

09:23:53 5 A S H E E S H B I R L A,  
6 having been duly sworn, was examined and  
7 testified as follows:

8 THE WITNESS: Yes.

9 THE REPORTER: Thank you.

09:24:04 10 You may proceed.

11 MS. ZORNBERG: Sir, did you note  
12 the time for the record?

13 THE VIDEOGRAPHER: Yes. The time  
14 on the video monitor is now 9:24 a.m.

09:24:16 15 MS. ZORNBERG: Thank you.

16 DIRECT-EXAMINATION

17 BY MR. HANAUER:

18 Q. Sir, can you please state and spell your  
19 name for the record?

09:24:22 20 A. My name is Asheesh Birla. First name  
21 Asheesh, A-S-H-E-E-S-H, last name Birla,  
22 B-I-R-L-A.

23 Q. Good morning, Mr. Birla. My name is Ben  
24 Hanauer. I represent the SEC, which is the  
09:24:44 25 plaintiff in this lawsuit.

09:24:45 1 Is there any reason that you cannot give  
2 accurate deposition testimony today?

3 A. No.

4 Q. How many preparation sessions did you  
09:24:50 5 have for today's deposition?

6 A. I don't know for certain, but around  
7 four -- four to five.

8 Q. And if you had to estimate the total  
9 amount of time you spent preparing for today's  
09:25:06 10 deposition, what amount of time would that be?

11 A. Ten -- ten to twenty hours around.

12 Q. In total?

13 A. In total.

14 Q. And you provided testimony to the SEC in  
09:25:22 15 the investigation that preceded this lawsuit?

16 A. Yes, that is correct.

17 Q. And that testimony was on or around  
18 December 5th, 2019?

19 A. Yes, I believe so.

09:25:37 20 Q. Have you been deposed or provided  
21 testimony in a legal proceeding since then?

22 A. No.

23 Q. And besides your testimony and your  
24 deposition today and when I briefly introduced  
09:25:54 25 myself to you in the elevator this morning, have

09:25:57 1 you communicated with anyone at the SEC, its  
2 Commissioners or its staff?

3 A. No.

4 MS. ZORNBERG: Mr. Hanauer, if I  
09:26:09 5 could just put on the record a stipulation  
6 at this point for the parties. We've  
7 agreed, as in prior depositions, that an  
8 objection to a question by any one of the  
9 defense counsel or by Mr. Birla's  
09:26:22 10 individual counsel here today will suffice  
11 to preserve the objection for all  
12 defend -- defendants in the action.

13 Also, I just would note for the  
14 record our request to designate the  
09:26:32 15 transcript as confidential.

16 MR. HANAUER: Thank you. And  
17 agreed to your stipulation.

18 MS. ZORNBERG: Thank you.

19 BY MR. HANAUER:

09:26:41 20 Q. And, Mr. Birla -- am I saying your name  
21 right?

22 A. Yes.

23 Q. Okay. Thank you.

24 Mr. Birla, do you understand that one of  
09:26:47 25 the issues in this lawsuit is whether XRP is a



09:26:53 1 security and subject to SEC jurisdiction?

2 A. Yes.

3 Q. Are you aware of anyone affiliated with  
4 the SEC communicating to Ripple that XRP is not a  
09:27:09 5 security?

6 A. Not to my knowledge.

7 Q. And if I refer to "Ripple," I'm  
8 referring to Ripple Labs, Inc.

9 Do you understand that?

09:27:27 10 A. Yes, I do.

11 Q. You started at Ripple in September of  
12 2013?

13 A. Yes.

14 Q. Are you one of Ripple's longest-tenured  
09:27:36 15 employees?

16 A. Yes, I am.

17 Q. And what is your current title?

18 A. General manager of RippleNet.

19 Q. And how long have you held that title?

09:27:54 20 A. Around -- around ten months, I believe.

21 Q. And what are your current  
22 responsibilities?

23 A. Current -- my current responsibilities  
24 include product management, sales, something  
09:28:20 25 called customer success, which is the delivery of

09:28:23 1 the product and integration into our customers and  
2 partners. And then -- yeah, those are my main  
3 responsibilities.

4 Q. And what was your title before you  
09:28:37 5 became the general manager of RippleNet?

6 A. For a brief time, my title was -- can  
7 you -- just prior to general manager of RippleNet  
8 or --

9 Q. Yeah. You told me that ten months ago  
09:28:56 10 you got a new title and I'm asking you what your  
11 title was before it changed to the current one.

12 A. Right before it was changed to general  
13 manager of RippleNet, my title was vice president  
14 of product and corporate development.

09:29:10 15 Q. And did you have different  
16 responsibilities in that role than you do  
17 currently?

18 A. Yes, I did.

19 Q. Could you tell us about that, please?

09:29:20 20 A. I managed product management. And  
21 product management is a function that worked with  
22 customers, identified customer problems, and then  
23 developed software applications to solve those  
24 customer problems with a product team and a  
09:29:42 25 engineering team.

09:29:45 1           Engineering team does not report into  
2           the product function, but you -- you influence,  
3           help organize and prioritize different feature  
4           sets for product development.

09:29:58 5           Corporate development in that role was  
6           helping identify investments that Ripple could  
7           make to help further the -- the product and  
8           RippleNet as a whole.

9           Q.    And -- and when you just described about  
09:30:21 10          managing investments, that's a responsibility you  
11          had prior to your job change ten months ago or  
12          that's a responsibility you have now?

13          A.    That's not a responsibility I have now.  
14          I had it for a brief period prior to becoming  
09:30:37 15          general manager.

16          Q.    And so maybe this is a -- a good way to  
17          try this.

18                 Can you tell us how your job  
19          responsibilities have changed since you provided  
09:30:46 20          testimony to the SEC in December 2019?

21          A.    I don't exactly remember the dates of  
22          the new title, but for -- I believe at the time  
23          that I provided testimony, I was a senior vice  
24          president of product and pretty much managed the  
09:31:11 25          product -- product function.

09:31:13 1           Then after I believe I gave testimony, I  
2           don't know the exact timing, but maybe six months  
3           after, the corporate development function was  
4           added for a brief period.

09:31:26 5           And then I believe the -- the timing was  
6           around August of 2020-ish, I was -- my role  
7           changed. Corporate development was -- moved on to  
8           another part of the organization. And I then  
9           became the general manager of RippleNet.

09:31:49 10          Q.    Who do you currently report to?

11          A.    I report to Brad Garlinghouse.

12          Q.    And Mr. Garlinghouse is Ripple's CEO?

13          A.    That is correct.

14          Q.    And how long have you reported directly  
09:32:06 15       to Mr. Garlinghouse?

16          A.    More than -- I believe more than five  
17       years.

18          Q.    And who did you report to before  
19       Mr. Garlinghouse?

09:32:29 20          A.    Can you repeat the question, please?

21                   MR. HANAUER: Can you please read  
22       back the question?

23                   (Whereupon, the record was read  
24       back.)

09:32:39 25          A.    I reported to Chris Larsen.

09:32:42 1 Q. And at the time you reported to  
2 Mr. Larsen, was he Ripple's CEO?

3 A. Yes, I believe so.

4 Q. Do you consider yourself to be a Ripple  
09:32:56 5 senior executive?

6 A. Yes.

7 Q. And how long have you considered  
8 yourself to be a senior Ripple executive?

9 A. During most of my tenure at Ripple.

09:33:15 10 Q. Since 2015?

11 A. Since 2015.

12 Q. Are you a Ripple board member?

13 A. I am not a Ripple board member.

14 Q. Do you regularly -- regularly attend  
09:33:29 15 Ripple board meetings?

16 A. I -- I attend a portion of the board  
17 meeting on a regular basis.

18 Q. And what portion is that?

19 A. The product -- the product development  
09:33:44 20 portion of the board -- board meeting.

21 Q. So you basically come into the board  
22 meeting, give a presentation about the -- the  
23 function that you manage, and then you leave?

24 MR. HECKER: Objection to form.

09:33:59 25 You can answer.

09:34:07 1 A. I may stay for a few other slides and  
2 during a natural break, you know, I'll -- I'll  
3 depart. But most of the time that I'm there, I'm  
4 there to serve the purpose to inform the board  
09:34:20 5 about product development.

6 Q. Have you attended portions of Ripple  
7 board meetings where financial matters are  
8 discussed?

9 MS. ZORNBERG: Object to form.  
09:34:36 10 You can answer.

11 A. If there's not a natural break, there  
12 may be a few slides that I stick around for, but  
13 we tend to -- to avoid disruptions in the board  
14 and people shuffling in and out, I usually leave  
09:34:54 15 at a natural break. Sometimes that natural break  
16 comes after the financial section; sometimes it  
17 comes before the financial section.

18 Q. Are you a Ripple shareholder?

19 A. Yes, I am.

09:35:07 20 Q. Since when?

21 A. I don't know the exact dates. It's --  
22 it's likely one year after I started at Ripple.

23 Q. So like 2014/2015?

24 A. That's -- I believe that to be correct.

09:35:43 25 Q. And how much Ripple shares do you own?

09:35:47 1 A. I don't -- I don't recall the exact  
2 amount, but there's been some, you know, splits in  
3 the shares and so forth since I was provided my  
4 grant. So I'm not really sure the exact amount,  
09:36:04 5 but it's somewhere -- somewhere between [REDACTED] and  
6 [REDACTED] shares.

7 Q. And have you received Ripple shares  
8 since the first initial grant you received?

9 A. Yes, I believe so.

09:36:31 10 Q. Can you tell us about the instances  
11 where you received Ripple shares?

12 A. Just for background, shares are usually  
13 on a [REDACTED]-year vest. And with a lot of Silicon  
14 Valley companies and tech companies, you're  
09:36:50 15 provided what is known as a refresh grant before  
16 your [REDACTED] years are -- are up. I believe I  
17 received at least one refresh grant somewhere  
18 around 2017. I believe that was my first refresh  
19 grant.

09:37:16 20 Q. Have you received a refresh grant since  
21 then?

22 A. I don't know for certain, but I don't  
23 believe so.

24 Q. And have you ever received Ripple stock  
09:37:32 25 options?

09:37:39 1 A. Well, to be clear, the initial  
2 allocation and the refresh grant are stock  
3 options.

4 Q. And for either of those grants, have you  
09:37:55 5 exercised the options and purchased Ripple shares?

6 A. I have -- yes, I have purchased -- I've  
7 exercised the option.

8 Q. Both times? Both grants?

9 A. That's not -- the mechanics of  
09:38:16 10 exercising options do not depend on, like, the  
11 grants, but I've -- I have exercised a number of  
12 my options that I've -- I've received.

13 Q. What is your understanding of how much  
14 your Ripple stock is currently worth?

09:38:57 15 A. I don't -- I don't track the Ripple  
16 stock very closely. It's -- it's -- I've heard of  
17 ranges between [REDACTED] and [REDACTED] per share.

18 Q. Is Ripple publicly traded?

19 A. No, Ripple is not publicly traded.

09:39:28 20 Q. So is it accurate that one of the roles  
21 you've -- is it accurate that one of the roles  
22 you've held at Ripple is managing the development  
23 of Ripple's products?

24 A. Yes, that is correct.

09:39:48 25 Q. And you have also acted as a spokesman



09:39:50 1 or a spokesperson for Ripple?

2 MR. HECKER: Objection to form.

3 You can answer.

4 A. I -- I didn't have a formal title as  
09:40:02 5 spokesperson, but I -- I spoke to press and other  
6 media as part of my role.

7 Q. And that's something you've done since  
8 you started at Ripple?

9 MR. HECKER: Objection to form.

09:40:15 10 You can answer.

11 A. I -- I don't remember when I started  
12 providing input into media, but it wasn't -- I  
13 don't believe it was when I started.

14 Q. By 2015 were you making public  
09:40:39 15 announcements about Ripple's products?

16 MR. HECKER: Objection to form.

17 A. Around 2015 I believe I started to talk  
18 a little bit about not only, you know, Ripple  
19 products but cryptocurrencies and blockchain  
09:41:01 20 technology. I don't know of exact timing, but  
21 somewhere around 2015 seems right.

22 Q. And since 2015 you've been providing  
23 interviews to the media on behalf of Ripple?

24 A. I don't -- I don't know if it's  
09:41:20 25 around -- somewhere around 2015 I've -- I believe

09:41:22 1 I was providing interviews on behalf of Ripple.

2 Q. I do not want to get into the specifics  
3 of any communications you've had with an attorney,  
4 but have you received guidance from attorneys  
09:41:41 5 about how to talk about Ripple and XRP when  
6 speaking to the media?

7 MR. HECKER: I'm going to object  
8 and instruct the witness that -- that  
9 question I think you can answer just yes  
09:41:53 10 or no and then see if he has a follow-up  
11 question.

12 And the question, if you  
13 rephrase it, is just around the topic?  
14 Whether he had discussions with counsel  
09:42:03 15 about the topic of speaking to the media?

16 MR. HANAUER: Guidance from  
17 attorneys about how to talk about Ripple  
18 and XRP when speaking to the media.

19 MR. HECKER: And you're -- you're  
09:42:15 20 expressly asking him about whether he's  
21 had discussions with counsel about that  
22 topic?

23 MR. HANAUER: Correct.

24 MR. HECKER: Okay. So that's  
09:42:22 25 just a yes or a no answer to that

09:42:24 1 question.

2 A. No.

3 Q. You've received guidance from  
4 nonattorneys about how to talk about Ripple and  
09:42:37 5 XRP when acting as a Ripple spokesperson?

6 MR. HECKER: Objection to form.

7 A. Can you repeat the question, please?

8 (Whereupon, the record was read back.)

9 MS. ZORNBERG: Object to form.

09:43:13 10 A. From my recollection, I -- I'm provided  
11 a -- a brief prior to some media engagements that  
12 go -- go through bullet points of how to describe  
13 Ripple products and the problems they solve for --  
14 for customers.

09:43:35 15 Q. And that briefing you -- you just  
16 described, you've received that from nonattorney  
17 personnel at Ripple?

18 A. Yes, I believe so.

19 Q. And you've also received similar  
09:43:48 20 guidance from the [REDACTED] public relations firm?

21 MS. ZORNBERG: Object to form.

22 A. At Ripple we use a -- a tool called  
23 Google Docs and it's unclear if -- I'm not certain  
24 if -- if [REDACTED] provided input into that document  
09:44:11 25 or that was, you know, mostly provided by our

09:44:18 1 Ripple communications team.

2 Q. Do you understand that [REDACTED] has  
3 provided public relations guidance to Ripple and  
4 its employees?

09:44:29 5 A. Yes, I understand that.

6 Q. One of the issues you received guidance  
7 on from nonattorneys is about talking about XRP  
8 not being a security subject to regulation by the  
9 SEC?

09:44:45 10 MR. HECKER: Objection to form;  
11 foundation.

12 A. Yes, I believe so.

13 Q. When did you start receiving guidance  
14 about how to talk about Ripple and XRP as they  
09:45:09 15 relate to the SEC?

16 MR. HECKER: Objection to form.

17 A. Well, on -- on the Ripple side, I  
18 don't -- I don't remember receiving, you know,  
19 guidance on -- on -- on the SEC matter. I don't  
09:45:43 20 exactly remember the -- the dates. Perhaps 18  
21 months ago? I'm not a -- I'm not a hundred  
22 percent clear on the dates.

23 (Whereupon, exhibit is presented and  
24 marked SEC Birla Exhibit AB-25 for  
09:46:04 25 identification.)

09:46:04 1 BY MR. HANAUER:

2 Q. Mr. Birla, I am passing you a document  
3 that's been marked as Exhibit AB-25 beginning with  
4 the Bates number that ends in 173.

09:46:33 5 Is Exhibit 25 an e-mail you received  
6 from Ms. [REDACTED] on --

7 UNIDENTIFIED SPEAKER: This  
8 meeting is being recorded.

9 Q. Mr. Birla, is Exhibit 25 an e-mail you  
09:46:49 10 received from [REDACTED] on December 7th, 2017,  
11 and its attachment?

12 A. I believe so, yes.

13 Q. And who is [REDACTED]?

14 A. [REDACTED] was the former vice  
09:47:17 15 president of People. "People" is a term that  
16 encompasses the human resource function.

17 Q. And do you see how Ms. [REDACTED] writes  
18 "Hi, all. Thank you for volunteering to deliver  
19 the Ripple pitch"?

09:47:37 20 A. I see that, yes.

21 Q. What is your understanding of the  
22 "Ripple pitch" that Ms. [REDACTED] is referring to?

23 A. I don't know.

24 Q. Do you see how the attachment to the  
09:47:50 25 e-mail in Exhibit AB-25 is a document titled

09:47:56 1 "General Media Training FAQ"?

2 A. Yes, I see that.

3 Q. And this general meeting training FAQ is  
4 a document for Ripple spokespersons to con --  
09:48:11 5 consult before speaking with the media?

6 MS. ZORNBERG: Object to form.  
7 And do you want to give him time to read  
8 the document? You haven't even laid a  
9 foundation as to his familiarity with it.

09:48:24 10 MS. GRESSEL: Also, can the  
11 exhibit be sent to the remote attendees?

12 THE REPORTER: I -- I can't hear  
13 you.

14 MS. GRESSEL: I was just asking  
09:48:32 15 if the exhibit could be sent to the remote  
16 attendees.

17 MR. TENREIRO: Nicole, this is  
18 Jorge. If you can hear me, can you send  
19 it to the e-mail I provided to, I think,  
09:48:41 20 Mr. Marcus?

21 MS. FORBES: I already did.

22 MR. TENREIRO: So, Anna, she did.  
23 D.J. Marcus.

24 MR. MARCUS: I just received it.  
09:48:52 25 Thank you.

09:48:52 1 MR. TENREIRO: Thank you, Nicole.

2 BY MR. HANAUER:

3 Q. And, sir, I don't think you need to  
4 review -- read every word of the -- the document  
09:49:02 5 to answer my question, but certainly take as much  
6 time as -- as you're comfortable with.

7 MR. HECKER: Yeah, I object to  
8 the predicate. If you're going to point  
9 him to something in particular, then, you  
09:49:11 10 know, he can familiarize himself  
11 generally. But if you're just going to  
12 ask him to look at it, he should look at  
13 it unless he's familiar with it.

14 MR. HANAUER: Madam Court  
09:50:33 15 Reporter, can you please read back the  
16 question before the objections were  
17 lodged?

18 MR. HECKER: I assume you don't  
19 mean the last question. You mean the one  
09:50:41 20 before that.

21 MR. HANAUER: Before the  
22 objections were lodged.

23 (Whereupon, the record was read  
24 back.)

09:51:03 25 MR. HECKER: Objection to form;



09:51:05 1 foundation.

2 BY MR. HANAUER:

3 Q. You can answer the question.

4 A. So is the question is this a general  
09:51:16 5 media training document?

6 Q. The question is, is this document  
7 something that Ripple spokespersons were supposed  
8 to consult before speaking with the media?

9 MR. HECKER: Objection to form;  
09:51:33 10 foundation.

11 A. I believe so.

12 Q. And this general media training FAQ is  
13 an example of the guidance you received about how  
14 to talk about Ripple and XRP?

09:51:55 15 MS. ZORNBERG: Objection; lack of  
16 foundation.

17 A. We received different kinds of  
18 bulletins. I'm not familiar with this bulletin,  
19 but, yeah, we received, you know, different kinds  
09:52:16 20 of bulletins and backgrounds for media  
21 engagements.

22 (Whereupon, exhibit is presented and  
23 marked SEC Birla Exhibit AB-30 for  
24 identification.)

09:52:27 25 MR. TENREIRO: Nicole, Exhibit



09:52:31 1 30.

2 MR. HANAUER: I just passed to  
3 Mr. Birla a document marked -- an exhibit  
4 marked AB-30 beginning with the Bates  
09:52:44 5 number ending in 9284.

6 BY MR. HANAUER:

7 Q. And, Mr. Birla, is Exhibit AB-30 an  
8 e-mail you received from [REDACTED] on August  
9 20th, 2018, as well as the attachment to the  
09:53:18 10 e-mail?

11 A. Yes, I believe so.

12 Q. And who is [REDACTED]?

13 A. I believe [REDACTED] was an  
14 employee at [REDACTED].

09:53:41 15 Q. And Ms. [REDACTED] is sending you briefing  
16 material in advance of an interview you did for  
17 [REDACTED]?

18 A. Yes, I believe so.

19 Q. And I would like to refer you to the  
09:54:04 20 first page of the attachment, the one ending in  
21 Bates number 9285. And I'd like to refer you to  
22 the third bullet point from the bottom where the  
23 document says "I saw your interview with [REDACTED]  
24 [REDACTED], where he suggests XRP is a security."

09:54:31 25 Do you see that?

09:54:32 1 A. I -- I do see that.

2 Q. And could you please just read to  
3 yourself that bullet point and the next three  
4 bullet points?

09:55:26 5 (Pause)

6 Q. What you just read is an example of  
7 guidance you received about talking about XRP in a  
8 way that suggests it is not a security, correct?

9 MS. ZORNBERG: Object to form.

09:55:50 10 A. Can you repeat the question, please?

11 (Whereupon, the record was read back.)

12 A. Yes, I believe that is true.

13 MR. TENREIRO: Thirty-two,

14 Nicole.

09:56:31 15 (Whereupon, exhibit is presented and  
16 marked SEC Birla Exhibit AB-32 for  
17 identification.)

18 BY MR. HANAUER:

19 Q. Mr. Birla, I just passed you a document  
09:56:36 20 marked Exhibit AB-32 which starts with the Bates  
21 number 10 -- ending in 1034.

22 MR. HECKER: Do the remote  
23 participants have it?

24 MR. TENREIRO: I'm sure it's on  
09:56:57 25 its way.

09:57:00 1 MS. DEARBORN: Not yet.

2 BY MR. HANAUER:

3 Q. And, Mr. Birla, is Exhibit AB-32 an  
4 e-mail that was ending in a chain that was sent  
09:57:24 5 from Monica Long to [REDACTED], you and others on  
6 October 30th, 2018?

7 MR. HECKER: Objection to form.

8 A. Yes, I believe so.

9 Q. And who are [REDACTED] and Monica Long?

09:57:54 10 A. Monica Long is an employee at Ripple and  
11 [REDACTED] is an entrepreneur.

12 Q. Did [REDACTED] ever work at Ripple?

13 A. She was a -- at one point a board  
14 member.

09:58:18 15 Q. A Ripple board member?

16 A. A Ripple board member.

17 Q. Was she a Ripple board member in October  
18 2018?

19 A. I don't know for certain.

09:58:37 20 Q. And do you see how in the second e-mail  
21 from the top on Exhibit 32, [REDACTED] is asking  
22 Monica for a copy of some of Ms. Long's and your  
23 talking points?

24 A. I see that.

09:59:03 25 Q. And in response to [REDACTED] e-mail,

09:59:08 1 Ms. Long e-mails her back and includes the  
2 document attached to the e-mail in Exhibit 32?

3 A. Yes, that's correct.

4 Q. And that document begins on the page  
09:59:22 5 with the Bates number ending 1035? Do you see  
6 that it says [REDACTED]?

7 A. I see that.

8 Q. And are these briefing materials you  
9 received for an interview with the [REDACTED]  
09:59:40 10 [REDACTED]?

11 MR. HECKER: Objection to form;  
12 foundation.

13 A. I -- I don't believe these were -- are  
14 you asking if these were my -- my briefing  
09:59:59 15 materials for the [REDACTED]?

16 Q. Correct.

17 A. I don't remember speaking at the [REDACTED]  
18 [REDACTED] conference.

19 Q. So [REDACTED] refers to this document as  
10:00:18 20 "Asheesh's talking points."

21 MR. HECKER: Objection to form.

22 Q. Do you know why she's doing that?

23 MR. HECKER: Objection to form.

24 Q. Or did you have an understanding of why  
10:00:29 25 she did that?

10:00:29 1 MR. HECKER: I'm sorry.

2 Objection to form.

3 A. I don't know why she's asking.

4 Q. Have you seen these talking points  
10:00:45 5 before?

6 A. I've seen some of these talking points,  
7 but this -- this document in particular does  
8 not -- I do not recall this document in  
9 particular.

10:01:04 10 Q. I'd like to refer you to the page of the  
11 talking points ending with Bates number 1037. And  
12 I'd like you to please read under the section "Hot  
13 Topics" and "Regulation."

14 (Pause)

10:01:54 15 Q. Do you see how it says "If pushed on  
16 commentating on whether or not XRP is a security:  
17 Ultimately, this will be up to the SEC to decide"?

18 A. I see that in the document, yes.

19 Q. And this is guidance that came from  
10:02:11 20 Ripple?

21 MR. HECKER: Objection to form.

22 MS. ZORNBERG: Objection; lack of  
23 foundation. He's already said he's not  
24 familiar with this document.

10:02:40 25 Q. You can answer the question.

10:02:44 1 A. I -- I see the area in the document that  
2 you're referring to, but I'm not familiar with  
3 this document. It does not look like this  
4 document was prepared for me.

10:03:05 5 Q. Was this a Ripple document?

6 A. I'm not -- I'm not sure who prepared the  
7 document, but it -- it appears to be a Ripple  
8 document.

9 Q. And did you understand in late 2018 that  
10:03:27 10 the SEC could decide that it considered XRP to be  
11 a security?

12 MR. HECKER: Objection to form.

13 A. Do you mind rephrasing the question?

14 Q. In late 2018, did you have the  
10:03:46 15 understanding that the SEC could ultimately decide  
16 that it considered XRP to be a security?

17 MR. HECKER: Same objection.

18 A. I don't recall what I viewed in 2018  
19 regarding SEC's viewpoint on whether XRP is a  
10:04:10 20 security or not.

21 Q. In 2018 were you aware that the SEC  
22 could decide to sue Ripple for violating the  
23 federal securities laws?

24 MR. HECKER: Same objection.

10:04:34 25 A. I was aware -- in 2018 I was aware of

10:04:37 1 the -- of a possibility, yes.

2 Q. Since you started at Ripple, you've been  
3 responsible for developing products that use XRP?

4 MR. HECKER: Sorry. Are we done?

10:04:55 5 We're done with this document?

6 MR. HANAUER: Yes. Thank you,  
7 Counsel.

8 A. Can you repeat the question, please?

9 (Whereupon, the record was read back.)

10:05:19 10 A. Since I started at Ripple, I've  
11 developed products at Ripple, some of which  
12 leverage XRP.

13 Q. So you were responsible for both  
14 developing products that use XRP and developing  
10:05:34 15 products that don't use XRP?

16 A. Yes, I believe that to be correct.

17 Q. And were those your main  
18 responsibilities from the time you started at  
19 Ripple?

10:05:51 20 A. Product management at an early stage  
21 company has a very vague and wide set of  
22 responsibilities, but developing products was a  
23 large part of those responsibilities.

24 Q. Is a product called ODL currently  
10:06:13 25 Ripple's primary product?



10:06:18 1 A. ODL, which is known as -- it stands for  
2 On-Demand Liquidity, is one of Ripple's products,  
3 yes.

4 Q. Would you consider it to be Ripple's  
10:06:29 5 primary product?

6 MR. HECKER: Objection to form.

7 A. I -- I don't believe it is the primary  
8 product. It is one of many products that we offer  
9 in the industry.

10:06:49 10 Q. Would you consider ODL to be one of  
11 Ripple's primary products?

12 A. ODL is one of Ripple's important  
13 products, yes.

14 Q. And ODL, when it was initially released,  
10:07:11 15 it was called xRapid?

16 A. Over the years the precursor to ODL was  
17 called a number of different things at Ripple.  
18 One name was xRapid. Other names were known as  
19 RPP. That stands for Ripple -- Ripple Payment  
10:07:34 20 Protocol, I believe. And then other names --  
21 Rainmaker was another name. There've been several  
22 others that I -- I do not recall at this moment.

23 Q. Why was ODL formerly called Rainmaker?

24 MR. HECKER: Objection to form.

10:08:05 25 A. It was an internal code name for the --



10:08:07 1 the product and I don't recall the origins of the  
2 name. This was early on at the company.

3 Q. Do you understand the term "Rainmaker"  
4 to refer to a person that brings in a lot of  
10:08:26 5 business or money for an organization?

6 A. I do not.

7 MR. HECKER: I'm sorry, the  
8 transcript says I do. Did you say I do or  
9 do not?

10:08:40 10 THE WITNESS: I do not understand  
11 that.

12 Q. So what do you understand the term to  
13 mean?

14 A. I don't understand what the term means.  
10:08:50 15 I didn't understand it in that context.

16 Q. So you have no understanding why the  
17 product was given that specific name?

18 A. It was not given that name externally.  
19 It was just an internal name on documents. A  
10:09:08 20 number of our products are given internal names  
21 that have origins from potentially an engineer or  
22 a product person that wrote something on a  
23 document and it stuck with -- with it on the  
24 document.

10:09:25 25 Q. You -- did you come up with the term

10:09:27 1 "Rainmaker"?

2 A. I don't believe so.

3 Q. Was xRapid the first product that Ripple  
4 sold for -- for commercial use that used XRP?

10:09:56 5 A. The mechanics of -- of the licensing  
6 model of -- you know, to my knowledge of xRapid  
7 are such that the product isn't -- isn't licensed.  
8 From my knowledge, the underlying framework known  
9 as RippleNet is the licensed product.

10:10:28 10 Q. Okay. So it's my understanding that  
11 xRapid would transfer one currency to another  
12 currency using XRP to facilitate that transfer.

13 Is that accurate?

14 A. The -- yeah, the -- the way the product  
10:10:51 15 works is that it facilitates the liquidity or the  
16 settlement portion from one currency to another by  
17 leveraging exchanges around the world.

18 Q. So in order for xRapid to work, it  
19 needed to use XRP as part of that system, correct?

10:11:15 20 A. That is correct.

21 Q. Was xRapid the first product that Ripple  
22 sold for commercial use that required XRP in order  
23 for it to work?

24 A. I believe that the actual product that  
10:11:39 25 was sold was a product known as RippleNet, which

10:11:46 1 is also known as xCurrent in a prior form. And  
2 the mechanics of then adding on xRapid or ODL, I  
3 don't believe that is a licensed product.

4 Q. Was xRapid the first product that Ripple  
10:12:18 5 sold for commercial use that involved XRP -- or  
6 that used XRP for transferring one currency to  
7 another?

8 MS. ZORNBERG: Objection; asked  
9 and answered.

10:12:28 10 You can answer.

11 A. It was the -- xRapid was the first  
12 service that was commercially deployed to  
13 customers of RippleNet.

14 Q. And was xRapid the first service that  
10:12:50 15 Ripple offered that required XRP in order for it  
16 to work?

17 MR. HECKER: Objection to form;  
18 asked and answered.

19 A. Well, there was, you know, the RPP  
10:13:03 20 product that I mentioned earlier. That leveraged  
21 XRP. There were early products known as the  
22 RippleCard that, you know, leveraged XRP. There  
23 was the ability to hold gold called XAU that  
24 leveraged the XRP ledger.

10:13:42 25 There was a product that we developed,

10:13:48 1 an open-source tool that we developed, known as  
2 Ripple Trade that leveraged XRP.

3 There were, you know, various SDKs --  
4 SDKs stand for software development kits -- that  
10:14:15 5 helped customers, partners, developers interface  
6 with the XRP ledger.

7 There was a product called Ripple  
8 Connect or -- Ripple Connect, Gateway D was  
9 another name for it, that helped partners and  
10:14:37 10 others issue digital assets on the -- sorry,  
11 digital assets, tokens. They're known as IOUs.  
12 IOU is a -- is a token form on the XRP ledger.  
13 And that -- yeah, and that product, to make it  
14 easier, was called Gateway D and then Ripple  
10:15:04 15 Connect after that.

16 Q. Did any of the products you just named  
17 require XRP in order to function properly?

18 A. Yes, I believe so.

19 Q. Which ones?

10:15:20 20 A. Gateway D. To create an account on the  
21 XRP ledger, you needed XRP to function. RPP  
22 leveraged the XRP ledger and I believe the  
23 decentralized exchange. The RippleCard -- again,  
24 the RippleCard was a credit card or -- actually, I  
10:15:50 25 don't know if it's a credit card or a debit card,

10:15:53 1 but a credit/debit card on top of the [REDACTED]  
2 network that allowed you to spend and draw down on  
3 different balances on the XRP ledger including XRP  
4 bitcoin, gold, U.S. dollars, and other digital  
10:16:12 5 assets.

6 Q. Did the RippleCard work without XRP?

7 A. No, it could not. To my knowledge, it  
8 could not work without the use of XRP.

9 Q. Okay. And did -- the products you just  
10:16:26 10 named, did they need XRP for anything other than  
11 interacting with the XRP ledger?

12 MS. ZORNBERG: Object to form.

13 You can answer.

14 A. Can you repeat the question, please?

10:16:50 15 Sorry, can you rephrase the question?

16 Q. So the -- the uses you described for the  
17 products like Gateway D, RPP, RippleCard, you had  
18 mentioned they all involved the XRP ledger.

19 Did these products need XRP for any use  
10:17:08 20 other than for interacting with the XRP ledger?

21 A. So the -- the RippleCard -- some of the  
22 products depend. So the RippleCard, you needed it  
23 not only to interact with the ledger, you also  
24 needed it if you were going to spend your XRP  
10:17:34 25 balance.

10:17:37 1           You also needed it -- you know, backing  
2 up, one of the things that the product did is it  
3 provided liquidity for you to spend bitcoin and  
4 XRP in U.S. dollars. And the way that functioned  
10:17:59 5 was that it searched the order books on the  
6 decentralized ledger. So decentralized exchange  
7 and the decentralized ledger. And often those  
8 were bridged through XRP. It's using a technology  
9 called pathfinding that's built into the XRP  
10:18:18 10 ledger.

11           So it's very much possible that when you  
12 swiped and spent bitcoin, the liquidity was  
13 bridged through XRP on the decentralized ledger  
14 using a technology called pathfinding.

10:18:36 15           Q. Was xRapid the first Ripple product that  
16 used XRP that was widely used by customers?

17           MR. HECKER: Objection to form.

18           MS. ZORNBERG: Objection.

19           A. Well, it really depends on the  
10:19:04 20 definition of "widely." xRapid is a product  
21 that's used by a number of our enterprise  
22 customers that are part of RippleNet.

23           Q. Was xRapid the first product Ripple sold  
24 for commercial use using XRP that was commercially  
10:19:31 25 viable?

10:19:32 1 MS. ZORNBERG: Object to form.  
2 You can answer if you understand  
3 the question.  
4 A. Do you mind explaining what you mean by  
10:19:48 5 "commercially viable"?

6 Q. That made business sense for Ripple to  
7 sell that product.

8 MR. HECKER: Objection to form.

9 A. For different reasons other products  
10:20:03 10 eventually morphed and reiterated and -- and  
11 turned into the basis for RippleNet called  
12 xCurrent. So Gateway D, Ripple Connect, those  
13 products in different versions ended up becoming  
14 the inner -- underpinnings of RippleNet.

10:20:23 15 The RippleCard, while we wanted to bring  
16 that to commercial -- while we wanted to bring  
17 that to production and be commercially viable, we  
18 thought there was a good, you know, business model  
19 around it, the [REDACTED] network back in  
10:20:43 20 2013/2014 was not comfortable with interacting  
21 with digital assets or cryptocurrencies. So while  
22 we found it to be commercially viable, the -- the  
23 card network wasn't comfortable with  
24 cryptocurrency transactions at that time.

10:21:03 25 Q. So Ripple currently doesn't offer the



10:21:05 1 RippleCard?

2 A. Ripple currently does not offer the  
3 RippleCard.

4 Q. Could you remind me what RPP is?

10:21:16 5 A. I don't know for certain, but I believe  
6 the name standed -- the name stood for Ripple  
7 Payments Protocol.

8 Q. And does Ripple currently offer that  
9 product?

10:21:32 10 A. That product is the code and -- and a  
11 number of the ideas are now the basis for the  
12 service known as xRapid or ODL.

13 Q. And what about Gateway D?

14 A. Gateway D was then morphed into -- and a  
10:22:03 15 lot of the code was leveraged into something  
16 called Ripple Connect, and then Ripple Connect  
17 became Ripple Solution and that code was then  
18 changed to xCurrent and then to RippleNet. And  
19 it's the underpinning for RippleNet.

10:22:22 20 Q. Okay. Can xCurrent function without  
21 using XRP?

22 A. The early version of xCurrent to my  
23 knowledge needed XRP to function and then  
24 subsequent versions did not need XRP to function.

10:22:51 25 Q. Does RippleNet need XRP to function?



10:22:57 1 A. RippleNet in its base layer is a, you  
2 know, a peer-to-peer communication tool that is,  
3 you know, a decentralized payment network and, I'm  
4 going to use, base model. So all of our customers  
10:23:14 5 implement RippleNet, that base model, the  
6 peer-to-peer messaging and the settlement tool.  
7 And in that base model, in the current, you know,  
8 form today, you do not need XRP to function.

9 Q. Can xRapid or ODL function with digital  
10:23:38 10 assets other than XRP as the bridge currency?

11 A. Over the history we've tried to use  
12 other digital assets, bitcoin and ether for  
13 settlement, for differing -- differing reasons  
14 into, you know, differing corridors. But we  
10:24:05 15 ultimately decided that XRP would be best suited  
16 for our use cases for enterprise clients.

17 Q. And when did Ripple make the decision to  
18 exclusively use XRP in xRapid and ODL?

19 MS. ZORNBERG: Object to form;  
10:24:32 20 lack of foundation.

21 But you can answer.

22 A. To my knowledge, there wasn't a decision  
23 to exclusively use XRP. We -- we visited the  
24 decision to use other digital assets as well. I  
10:24:50 25 believe sometime around 2016 and then again I

10:24:56 1 believe in 2018, we looked at leveraging other  
2 digital assets.

3 Q. Since xRapid launched in 2018, did it  
4 ever use a digital asset other than XRP as its  
10:25:13 5 bridge currency?

6 A. I believe we did a pilot into a few  
7 corridors that leveraged other digital assets and  
8 not XRP, but I don't know for certain.

9 Q. Was that pilot ever sold to customers?

10:25:38 10 MS. ZORNBERG: Object to form.

11 You can answer.

12 A. That -- that pilot did not go into what  
13 we know -- what we call production, which is like  
14 the final form and release to customers.

10:25:56 15 Q. When was the last time that xRapid or  
16 ODL operated using a digital asset other than XRP  
17 as the bridge currency?

18 MS. ZORNBERG: Object to form;  
19 mischaracterizes prior testimony.

10:26:14 20 A. I don't remember.

21 Q. Are Ripple's software sales revenues  
22 sufficient to support its operating expenses and  
23 product development costs?

24 A. I don't believe so.

10:26:38 25 Q. Have they ever been?

10:26:44 1 A. I don't know for certain.

2 MR. HANAUER: Is everyone doing  
3 okay?

4 Q. When did you first obtain XRP?

10:27:13 5 A. I don't know for certain.

6 Q. Early on in your tenure at Ripple?

7 A. I believe so, yes.

8 Q. And when you first obtained XRP, did you  
9 purchase it on your own or did you receive it from  
10:27:25 10 Ripple?

11 A. Do you mind repeating the question,  
12 please?

13 (Whereupon, the record was read back.)

14 A. I don't know for certain, but my  
10:28:02 15 recollection was that I was writing an application  
16 that leveraged the XRP ledger. And to commit the  
17 code, I needed some XRP in my wallet that was  
18 above the reserve amount. The reserve amount is  
19 like the minimal amount of XRP you need in your  
10:28:28 20 wallet.

21 And another engineer in the office sent  
22 me the XRP into my wallet so I could commit the  
23 code and run my application that leveraged the XRP  
24 ledger functionality.

10:28:48 25 Q. When was the first time you received XRP

10:28:50 1 or -- when was the first time you obtained XRP for  
2 a purpose unrelated to trying to make Ripple  
3 products work?

4 A. There was another time. This might be,  
10:29:23 5 you know, still related to product, but when we  
6 created the RippleCard, I wanted some XRP to test  
7 out the RippleCard at the cafe next door. And  
8 someone sent me some XRP to use that wasn't the  
9 Ripple -- it wasn't Ripple, I believe. I believe  
10:29:44 10 it was another employee.

11 And then in 2013 or -- end of 2013,  
12 maybe beginning of 2014, I may have received some  
13 of -- we had the option to receive part of your --  
14 part or full amount of your expense reports in --  
10:30:08 15 in XRP. And I believe I took -- I -- I took  
16 advantage of the program sometime around 2013 or  
17 2014.

18 Q. Have you ever since then elected to  
19 receive XRP from Ripple instead of being either  
10:30:30 20 compensated or reimbursed in U.S. dollars?

21 MR. HECKER: Beyond what he just  
22 testified to?

23 MR. HANAUER: Yeah. Since then.

24 A. I don't -- I don't recall the exact  
10:30:43 25 dates when I -- the way that the expense report

10:30:49 1 policy worked is that when you filed -- filed your  
2 expense report, you could put your XRP ledger  
3 address. And I wasn't consistent about that and  
4 so I don't remember when the last time I put in  
10:31:09 5 the XRP ledger address for expense report  
6 reimbursement.

7 Q. Beyond reimbursement, have you ever  
8 elected to be -- receive compensation from Ripple  
9 in XRP as opposed to U.S. dollars?

10:31:23 10 MR. HECKER: Objection to the  
11 form of the question.

12 You can answer.

13 A. In -- instead of U.S. dollars? I don't  
14 believe so. No.

10:31:38 15 Q. Have you ever bought or obtained XRP for  
16 investment purposes?

17 MR. HECKER: Objection to form.

18 A. I don't believe so, no.

19 Q. Have you ever bought or obtained XRP  
10:32:01 20 with the expectation that the price of XRP would  
21 rise?

22 A. I don't believe so, no.

23 Q. Do you currently own XRP?

24 A. I -- I do own XRP, yes.

10:32:21 25 Q. How much?

10:32:28 1 A. I don't know for certain, but about [REDACTED]  
2 to [REDACTED] XRP units.

3 Q. And I think the last time you testified  
4 before the SEC, you discussed being entitled to  
10:32:46 5 bonuses from Ripple of [REDACTED] XRP every  
6 January 1st between 2020 and 2023?

7 A. Yes, I believe so.

8 Q. And did you receive those [REDACTED]  
9 XRP bonuses for 2020 and 2021?

10:33:10 10 A. I don't remember when I received the  
11 bonuses, but I believe I received the bonuses,  
12 yes.

13 Q. And the higher the price of XRP relative  
14 to U.S. dollars, the more valuable those bonuses  
10:33:25 15 were for you?

16 A. Yes, that is correct.

17 Q. And the higher the price of XRP relative  
18 to U.S. dollars, the more valuable your current  
19 XRP holdings are for you?

10:33:43 20 A. Yes, I believe that to be true.

21 MR. HECKER: Would now be a good  
22 time for a five-minute break?

23 MR. HANAUER: Yeah, of course.

24 THE VIDEOGRAPHER: The time on  
10:33:54 25 the video monitor is now 10:33 a.m. This

10:33:58 1 is the end of Media Unit Number 1.  
2 (Whereupon, a recess is taken.)  
3 THE VIDEOGRAPHER: The time on  
4 the video monitor is now 10:48 a.m. This  
10:48:43 5 is the start of Media Unit Number 2.  
6 We're back on the video record.  
7 BY MR. HANAUER:  
8 Q. Mr. Birla, is Ripple a software company?  
9 A. Yes, I believe so.  
10:49:02 10 Q. Has Ripple been a software company since  
11 you started working there?  
12 A. Yes, I believe so.  
13 Q. Have you ever considered Ripple to be  
14 anything other than a software company?  
10:49:24 15 A. I don't know if I -- I think about it  
16 all that much, but I assume it's a software  
17 company.  
18 Q. Is it anything other than a -- is Ripple  
19 anything other than a software company?  
10:49:39 20 MR. HECKER: Objection to form.  
21 A. To my knowledge, we're a technology  
22 company/software company.  
23 MR. TENREIRO: Nicole, Number 5.  
24 (Whereupon, exhibit is presented  
10:49:58 25 and marked SEC Birla Exhibit AB-5 for

10:49:58 1 identification.)

2 MR. HANAUER: I just tendered the  
3 witness Exhibit AB-5 with a Bates --  
4 starting with a Bates number ending in  
10:50:11 5 2577.

6 BY MR. HANAUER:

7 Q. And, Mr. Birla, is Exhibit AB-5 a Slack  
8 conversation that you are part of dated April  
9 24th, 2015?

10:50:46 10 A. Yes. Well, I don't know if it's a Slack  
11 or not, but --

12 Q. Do you -- do you see up in the "Subject"  
13 line "Slack Retention"?

14 A. Oh. Yes, I see that.

10:51:09 15 Q. And does that -- I'll -- I'll repeat my  
16 question.

17 Is Exhibit AB-5 a Slack conversation  
18 that you were part of from April 24th, 2015?

19 A. I believe so.

10:51:27 20 Q. And I'd like to refer you to the second  
21 page of Exhibit AB-5, the one ending in Bates  
22 2578. And I'd like you to read the posts  
23 beginning with [REDACTED]@ripple.com, the one that says  
24 "I see that point," and then ending with the one  
10:51:58 25 six down.



10:51:59 1 MR. HECKER: Do you mean to  
2 himself or out loud?

3 MR. HANAUER: Oh, no. To  
4 himself. Thank you, Counsel.

10:52:05 5 MR. HECKER: Sure.

6 A. Six down? Sixth line down?

7 Q. Correct. The one ending where it writes  
8 "His equals Brad."

9 (Pause)

10:53:11 10 Q. My first question is, who is Ms. [REDACTED]?

11 A. Ms. [REDACTED] is -- is [REDACTED], an early  
12 Ripple employee.

13 Q. What was her job?

14 A. An early product manager.

10:53:30 15 Q. She worked for you?

16 A. Yes, she did.

17 Q. And do you see where she writes "No one  
18 believes that we are a 'software provider' only"?

19 A. I see that.

10:53:50 20 Q. And then you respond "Yeah. I spoke to  
21 Brad about this. His perspective is that [REDACTED]  
22 is one year away"?

23 A. I see that.

24 Q. What was this interaction about between  
10:54:02 25 you and Ms. [REDACTED]?

10:54:03 1 MR. HECKER: Objection to form.

2 A. I need to read the full thing to get the  
3 context.

4 (Pause)

10:55:22 5 A. Do you mind repeating the question?

6 Q. Yeah.

7 So what was Ms. -- what did you  
8 understand Ms. [REDACTED] to be talking about when she  
9 says "No one believes that we are a 'software  
10:55:34 10 provider' only"?

11 A. I don't know for certain, but we were  
12 working on improving the product experience for  
13 our customers. And there are, like, a number of  
14 steps that our customers have to go through to  
10:55:58 15 leverage Ripple products. And -- and that  
16 experience wasn't a good one. And examples, I'm  
17 not sure. You know, e-mails are -- the Slack is  
18 out of context here. But e-mails -- sorry.  
19 Friction that our customers talked about were  
10:56:22 20 being -- having to open up accounts at different  
21 entities, exchanges. And while they liked the  
22 experience, it was -- it was a lot of friction for  
23 them to leverage -- and this is 2015 -- early  
24 blockchain technology.

10:56:50 25 And one idea would be could we improve

10:56:54 1 the product experience -- "we" being product -- by  
2 not only offering the software, but opening up  
3 these accounts for our customers so that they  
4 didn't have to? Opening up accounts takes months  
10:57:13 5 at some of these entities. And that was something  
6 that the customers gave us feedback on. It was,  
7 like, wow, there's a lot of steps in -- in -- in  
8 leveraging your products.

9 And also in 2015, keep in mind that most  
10:57:31 10 customers hadn't heard about blockchain, so there  
11 was even more friction in the experience of  
12 leveraging our products.

13 And so getting licensing in -- I don't  
14 know for certain, but I believe it's money  
10:57:54 15 transmission licensing, enabled Ripple to do some  
16 of those functions on behalf of our customers.

17 Q. What was [REDACTED]?

18 A. [REDACTED] was a -- I believe -- I don't  
19 understand their full business, but I believe part  
10:58:20 20 of their business that they are known for is a --  
21 is being a hardware and hard drive manufacturer.

22 Q. So was [REDACTED] a potential customer of  
23 Ripple in 2015?

24 A. I do remember getting feedback from the  
10:58:43 25 [REDACTED] corporate treasury team about potentially

10:58:46 1 leveraging Ripple technology to move money and  
2 solve a big customer pain point of theirs, which  
3 was paying hardware drive manufacturers in  
4 Thailand and other places around the world.

10:59:07 5 Q. In April 2015, in additioning -- in  
6 addition to developing software, Ripple also sold  
7 XRP?

8 MR. HECKER: Objection to the  
9 form of the question.

10:59:28 10 A. I don't know for -- for certain.

11 Q. When you joined -- well, the Exhibit  
12 AB-5 references a conversation you had with Brad  
13 in response to Ms. [REDACTED] comment "No one believes  
14 we are a 'software provider' only." Were you  
10:59:57 15 referring to Brad Garlinghouse?

16 MS. ZORNBERG: Specifically just  
17 for the record, you mean the comment that  
18 follows that that says "Yeah, I spoke to  
19 Brad about this"?

11:00:13 20 MR. HANAUER: Correct.

21 A. I don't know for certain, but I believe  
22 so.

23 Q. What was that conversation about that  
24 you had with Mr. Garlinghouse?

11:00:39 25 A. I don't -- I don't recall the -- the



11:00:40 1 full conversation, but we were talking about  
2 improving, like, the product experience and all  
3 the things we needed to do to improve the product  
4 experience.

11:00:54 5 And as I mentioned, there's more to  
6 providing just the software to our customers, that  
7 our customers, you know, requested to improve the  
8 experience of moving money cross borders. For  
9 example, opening up exchange accounts, opening up  
11:01:19 10 bank accounts, integrating into the software. And  
11 from feedback from customers like [REDACTED] and  
12 others, they liked the benefits, but keep in mind  
13 in 2015, a company's -- you know, putting a  
14 company through all this, plus being really early  
11:01:48 15 in blockchain, was too much.

16 And the conversation with Brad was it  
17 doesn't make sense to improve the product  
18 experience by doing -- by removing these friction  
19 points for customers, but that may mean that we  
11:02:06 20 need to get licensed as a money transmitter.

21 And -- and the debate was do you just,  
22 you know -- software company, technology company,  
23 plus being a -- a money transmitter. That was the  
24 conversation.

11:02:26 25 Q. In April 2015, how did Ripple primarily

11:02:34 1 generate revenues?

2 A. I don't know about revenues, but -- and  
3 I don't know the timelines, but we had raised  
4 money from several venture capitalists around the  
11:03:01 5 world.

6 Q. When did Ripple raise money from venture  
7 capitalists and how much did it raise?

8 A. I don't remember the timings, but we  
9 raised a seed -- seed round, actually an angel  
11:03:21 10 seed, a follow-on seed round, an A round, and  
11 somewhere in this time frame of 2015 a B round.

12 Q. Okay. And how much money in total had  
13 Ripple raised as of April 2015?

14 A. I don't know for certain.

11:03:44 15 Q. Was the amount of money Ripple had  
16 raised from venture capitalists by April 2015  
17 sufficient for Ripple to finance its operations  
18 and product development expenses?

19 A. My role at the company at that time was  
11:04:11 20 primarily in product development and I didn't have  
21 broad-based exposure to the financial reporting of  
22 the company.

23 Q. You said you were a senior executive,  
24 right?

11:04:24 25 A. That is correct.

11:04:25 1 Q. You reported directly to the CEO?

2 A. That's correct.

3 Q. Did you know whether Ripple had raised  
4 enough from venture capitalists to support its  
11:04:39 5 operations?

6 MR. HECKER: Objection; asked and  
7 answered.

8 A. I -- I didn't -- in my function, that  
9 wasn't a primary responsibility.

11:04:51 10 Q. Were you aware in April 2015 that Ripple  
11 was also generating -- or that Ripple was  
12 generating revenues by selling XRP?

13 A. I don't know for -- for certain, but I  
14 do know that Ripple was selling XRP.

11:05:23 15 Q. When did you first learn that?

16 A. I do not recall.

17 Q. Were you aware that Ripple was selling  
18 XRP by 2015?

19 A. I do not recall.

11:05:49 20 MR. TENREIRO: Twenty-two is  
21 next.

22 THE WITNESS: Are you done with  
23 this?

24 MR. HANAUER: Yes.

11:06:00 25 MR. TENREIRO: Thank you.

11:06:12 1 (Whereupon, exhibit is presented  
2 and marked SEC Birla Exhibit AB-22 for  
3 identification.)

4 MR. HANAUER: And I just tendered  
11:06:14 5 the witness Exhibit 22, which bears a  
6 Bates label ending in 3585.

7 BY MR. HANAUER:

8 Q. Is Exhibit 22 an e-mail you sent on May  
9 12th, 2017?

11:06:44 10 A. Yes, I believe so.

11 Q. And the e-mail you sent in Exhibit AB-22  
12 is describing a Ripple board meeting from May  
13 11th, 2017?

14 A. I believe so, yes.

11:07:04 15 Q. And you attended that board meeting?

16 A. I don't remember if I attended the board  
17 meeting or if I was given notes or if I attended a  
18 summary of the board meeting. I don't know for  
19 certain.

11:07:28 20 Q. Okay. Near the bottom you write "Also  
21 XRP provides us to do unique things from a  
22 financing perspective, so there was continued talk  
23 about that"?

24 A. I -- I see that.

11:07:47 25 Q. In May 2017, did you understand that



11:07:50 1 Ripple sold XRP to finance its operations?

2 MR. HECKER: Objection to form;  
3 foundation.

4 A. I don't know.

11:08:16 5 Q. In May 2017, were you aware that XRP  
6 financed Ripple's operations?

7 MR. HECKER: Objection to form.

8 A. Can you rephrase the question, please?

9 Q. Were you aware in May 2017 that Ripple  
11:08:40 10 was financing its operations by selling XRP?

11 MR. HECKER: Same objection.

12 A. I -- I don't recall. I recall that  
13 Ripple at some point was selling XRP. I don't  
14 recall to what extent and to what amount and what  
11:09:10 15 percentage of coverage that provided Ripple.

16 Q. Did you ever become aware of how much of  
17 Ripple's revenues were coming from its XRP sales?

18 MR. HECKER: At what time period?

19 MR. HANAUER: I asked did he ever  
11:09:29 20 become aware.

21 MR. HECKER: Yeah, but a  
22 percentage at what time? At what time are  
23 we talking about? Are we talking about in  
24 May of '17?

11:09:44 25 BY MR. HANAUER:

11:09:46 1 Q. Do you understand the question I asked  
2 you?

3 A. I don't understand the -- the time frame  
4 for which you're referring to. If you could help  
11:10:02 5 specify.

6 Q. Was -- was there ever a point in time  
7 where you had an understanding of how much of  
8 Ripple's revenues came from XRP sales as opposed  
9 to other sources of revenue?

11:10:24 10 A. In general terms -- I don't know for  
11 certain, but in general terms, I know -- I've  
12 known from time to time.

13 Q. Did you ever become aware that the  
14 majority of Ripple's revenues came from selling  
11:10:44 15 XRP?

16 MR. HECKER: Same objection.

17 You can answer.

18 A. I don't know for certain, but I believe  
19 so.

11:10:54 20 Q. And when did you first learn that the  
21 majority of Ripple's XRP sales -- or the majority  
22 of Ripple's revenues came from XRP sales?

23 MR. HECKER: Same -- same

24 objection.

11:11:06 25 You can answer.

11:11:23 1 A. I really don't know for certain. Yeah,  
2 I don't know for certain.

3 Q. Did you know that in May 2017?

4 A. I don't know for certain.

11:11:52 5 Q. Were you ever at a board meeting, a  
6 Ripple board meeting, where it was discussed that  
7 Ripple financed its operations through the sale of  
8 XRP?

9 A. I don't -- I attend various portions of  
11:12:19 10 the board meeting, mostly the product side, and so  
11 I don't recall a specific portion that I was  
12 present at where we went into elaborate details on  
13 how the company was financed to my knowledge.

14 Q. Do you have any general recollection of  
11:12:44 15 it being discussed at Ripple's board meetings that  
16 Ripple financed its operations through the sale of  
17 XRP?

18 MS. ZORNBERG: Objection. You  
19 mean for the portions that he attended,  
11:12:56 20 since he said he attended just portions?

21 MR. HANAUER: I think the --  
22 yeah, I think the question implies the  
23 portions he attended. Yes.

24 MS. ZORNBERG: Okay.

11:13:07 25 A. For the portion I was attended -- for

11:13:09 1 the portion I attended, financing wasn't a --  
2 wasn't a big topic. My portions for most of my  
3 tenure at Ripple -- and, again, you know,  
4 sometimes I attend, sometimes I don't. Sometimes  
11:13:33 5 I send a delegate when I'm not in town. I cover  
6 mostly product in Ripple development, RippleNet  
7 development, and not financing.

8 Q. No, I -- I understand that and you've  
9 said you don't recall specific conversations, you  
11:13:51 10 don't recall an epic conversation.

11 Do you have any recollection of it being  
12 discussed at a Ripple board meeting during the  
13 part you attended that Ripple was financing its  
14 operations through the sale of XRP?

11:14:22 15 A. I don't have a strong recollection of  
16 that topic coming up.

17 Q. Do you have any recollection?

18 MR. HECKER: Objection; asked and  
19 answered.

11:14:35 20 A. I have a vague recollection of that --  
21 that -- if there was a time where there wasn't a  
22 break, a natural break, and I may have stayed past  
23 my portion, that in the financial numbers, there  
24 was discussion of XRP sales by Ripple.

11:14:58 25 Q. And that's what you were describing in

11:15:00 1 Exhibit 22, when -- when you wrote "XRP provides  
2 us to do unique things from a financing  
3 perspective, so there was some continued talk  
4 about that"?

11:15:12 5 MR. HECKER: Objection to form;  
6 foundation.

7 A. I -- I don't know if that's -- you know,  
8 it's vaguely written in terms of financing  
9 perspective and unique things. So I don't know if  
11:15:25 10 that was referring to selling XRP or something  
11 else.

12 MR. TENREIRO: Twenty-nine.  
13 (Whereupon, exhibit is presented  
14 and marked SEC Birla Exhibit AB-29 for  
11:15:50 15 identification.)

16 MR. HANAUER: And I just handed  
17 the witness Exhibit AB-29, which is an  
18 e-mail -- or Exhibit AB-29, the first page  
19 of which has a Bates number ending in  
11:16:03 20 1294.

21 THE WITNESS: Correct.

22 BY MR. HANAUER:

23 Q. And the top e-mail in Exhibit AB-29 is  
24 an e-mail that you sent to [REDACTED] on  
11:16:21 25 Tuesday -- or on June 26, 2018?

11:16:26 1 A. That's correct.

2 Q. And you write -- first of all, who is  
3 [REDACTED]?

4 A. [REDACTED] was a corporate  
11:16:41 5 development associate at Ripple.

6 Q. Did he work for you at the time?

7 A. I don't believe so.

8 Q. In the second sentence on exhibit -- on  
9 the top of Exhibit 29, you write that "Ripple's  
11:16:56 10 main business model/source of income is XRP  
11 sales."

12 Do you see that?

13 A. I see that.

14 Q. And that's something you wrote to  
11:17:06 15 Mr. [REDACTED]?

16 A. Yes.

17 Q. And in June 2018, you understood that  
18 XRP sales was Ripple's main source of income?

19 A. On June 26th, it looks like from this  
11:17:31 20 e-mail, yes, I believe so.

21 Q. And on June -- has that -- has that  
22 changed since June 26th, 2018, that Ripple's main  
23 source of income is XRP sales?

24 A. I don't know for certain, but I don't  
11:17:53 25 believe so.

11:17:59 1 Q. And for how long prior to June 26, 2018,  
2 was Ripple's main source of income XRP sales?

3 A. I don't know for certain.

4 Q. And on June 26, 2018, you understood  
11:18:22 5 Ripple's main business model to be the sale of  
6 XRP?

7 MS. ZORNBERG: Object to form.

8 A. A business model is a bit different than  
9 source of income, but from this it -- it sounds  
11:18:47 10 like I believed that the source of income was XRP.

11 Q. Right. But you also understood in  
12 June -- on June 26, 2018, that Ripple's main  
13 business model was XRP sales?

14 A. From the product side, a -- you know,  
11:19:13 15 the -- the business model is a bit different,  
16 but -- and that's why I have slash in there, I  
17 believe. So it's sort of like, you know,  
18 indifferent between the two. But at that current  
19 state, I believed that at least the source of  
11:19:31 20 income was XRP sales.

21 Q. After June 26, 2018, did Ripple's main  
22 business model ever change to anything other than  
23 XRP sales?

24 MS. ZORNBERG: Objection;  
11:19:59 25 misstates the witness's prior testimony.

11:20:13 1 A. You know, from the product side, there  
2 are different ideas and we are showing, you know,  
3 progress towards efforts to have, you know,  
4 different sources of -- of a business model from  
11:20:35 5 our -- from our products. One of those being, you  
6 know, lending; the other one of those being the  
7 spread you can take on -- on the FX, which is  
8 known as foreign currency exchange, between fiat  
9 currencies.

11:21:03 10 So, you know, different business models  
11 have emerged.

12 Q. Is Ripple's main business model still  
13 the sale of XRP?

14 MS. ZORNBERG: Object to form.

11:21:21 15 A. I believe that Ripple's main source of  
16 income is -- is XRP.

17 Q. Currently?

18 A. Currently. Yes, I believe that to be  
19 true.

11:21:38 20 Q. And because Ripple's main source of  
21 income is the sale of XRP, over your time at  
22 Ripple, did Ripple management pay attention to the  
23 price of XRP?

24 A. To my recollection, the -- the senior  
11:22:16 25 management did not fixate on the price of XRP.



11:22:22 1 And in my role, what was more important for the --  
2 the product experience was the -- was some  
3 measurement around the depth of liquidity of XRP  
4 against fiat currencies that were offered on  
11:22:39 5 Ripple products.

6 Q. And you used the word "fixate."

7 I was asking did Ripple management pay  
8 attention to the price of XRP?

9 A. I don't know for certain. It -- it  
11:22:59 10 certainly wasn't a big focus area.

11 Q. Did Ripple management want the price of  
12 XRP to be higher?

13 A. I do not recall, you know, focus or  
14 discussions about the -- the price of XRP.

11:23:24 15 Q. Did Ripple management ever want the  
16 price of XRP to be lower?

17 A. I don't recall, you know, a focus area  
18 by management of -- regarding the price of XRP.

19 Q. Did anyone at XRP ever express to you  
11:23:41 20 that they wanted the price of XRP to be lower?

21 A. Do you mind rephrasing the question?

22 MR. HANAUER: Can you repeat the  
23 question?

24 (Whereupon, the record was read  
11:24:03 25 back.)

11:24:05 1 Q. Oh, I'm sorry about that and I will  
2 rephrase the -- the question. Thank you.

3 Did anyone at Ripple ever express to you  
4 that they wanted the price of XRP to be lower?

11:24:32 5 A. I don't believe so.

6 Q. Did anyone at Ripple ever express to you  
7 that they wanted the price of XRP to be higher?

8 A. I don't know for certain.

9 Q. Since the time you started at Ripple,  
11:24:56 10 has Ripple owned in excess of 50 billion XRP?

11 A. Yes, I believe so.

12 Q. Have you heard of the term "drip  
13 program"?

14 A. I can't be for certain.

11:25:34 15 Q. I'll try giving you a little context.

16 Have you ever heard the term "drip  
17 program" referring to Ripple's process where it  
18 managed the pace and flow in which it sold XRP  
19 into the market?

11:25:56 20 A. That does not -- I do not recall that  
21 program.

22 Q. Since the time you started at Ripple,  
23 has Ripple used XRP to compensate employees?

24 A. I believe so, yes.

11:26:21 25 Q. And since the time you started at

11:26:23 1 Ripple, has Ripple used XRP to pay for certain  
2 goods and services?

3 A. Do you mind rephrasing the question?

4 Q. Yeah. So has Ripple used XRP to buy  
11:26:50 5 goods or buy services that it needs to run its  
6 business?

7 A. I -- I don't recall.

8 Q. But Ripple's used XRP to compensate  
9 employees for their own business expenses, right?

11:27:03 10 MR. HECKER: Objection to form;  
11 asked and answered.

12 MR. HANAUER: Actually, I'll  
13 rephrase that.

14 Q. Ripple has used XRP to reimburse  
11:27:13 15 employees for business expenses that they incurred  
16 on behalf of Ripple?

17 A. Yes, I believe so.

18 Q. And when Ripple uses XRP to either  
19 compensate employees or reimburse employees,  
11:27:34 20 Ripple benefits when the price of XRP is higher?

21 MS. ZORNBERG: Object to form.

22 You can answer.

23 A. Do you mind rephrasing the question?

24 Q. All right. So let's say Ripple -- a  
11:27:48 25 Ripple employee can elect to have their salary

11:27:51 1 paid in either U.S. dollars or XRP. Do you  
2 understand that?

3 A. Yes, I do.

4 Q. And, in fact, some Ripple employees have  
11:28:00 5 been given the option to be paid in either dollars  
6 or XRP, right?

7 A. I believe that to be true.

8 Q. And when the employee chooses to be  
9 compensated in XRP as opposed to U.S. dollars,  
11:28:16 10 Ripple benefits when the price of XRP is higher?

11 A. I don't -- I don't know one way or the  
12 other.

13 Q. Did you go to business school?

14 A. Yes, I did.

11:28:44 15 Q. Do you have an MBA?

16 A. Yes, I do.

17 Q. So do you understand the concept that if  
18 Ripple is paying for something using XRP, it has  
19 to spend less XRP when the price of XRP is higher?

11:29:07 20 A. Yes, I understand that.

21 Q. So when an employee chooses to be  
22 compensated in XRP as opposed to U.S. dollars,  
23 it's beneficial for Ripple when the price of XRP  
24 is higher?

11:29:22 25 MS. ZORNBERG: Object to form.

11:29:23 1                   You can answer if you  
2                   understand.

3           A.    Yeah.  One can make the case that it's  
4   beneficial to Ripple if the -- if the price is  
11:29:44 5   higher.

6           Q.    And if the prices of XRP is higher, a  
7   single unit of XRP can buy more goods or services  
8   than if the price of XRP is lower?

9           A.    Yes, I believe that to be -- yes, I  
11:30:03 10   believe that's true.

11          Q.    So beyond compensating employees or  
12   paying for goods and services, what other ways do  
13   a higher price of XRP benefit Ripple?

14          A.    Can you rephrase that question, please?

11:30:30 15          Q.    So beyond being able to pay more for  
16   goods and services, how else does Ripple benefit  
17   when XRP's price is higher?

18          A.    I -- I don't -- I don't know for  
19   certain.

11:30:51 20          Q.    Are Ripple shareholders better off when  
21   XRP's price is higher?

22          A.    I don't know for certain.

23          Q.    You're a Ripple shareholder, right?

24          A.    Yes, that is correct.

11:31:09 25          Q.    And what -- what does Ripple currently

11:31:11 1 trade for in terms -- compared to U.S. dollars?

2 A. Can you rephrase the question, please?

3 Q. How much is -- how much can they get for  
4 one XRP right now in U.S. dollars?

11:31:32 5 MS. ZORNBERG: Are you talking  
6 about XRP now, not Ripple?

7 MR. HANAUER: Oh, yeah, I'm --  
8 yes. I -- I apologize.

9 Q. What's XRP priced at right now  
11:31:47 10 approximately?

11 A. I don't -- I don't check the -- the  
12 price of XRP often, but I believe that it's  
13 somewhere between 50 cents and 70 cents.

14 Q. So as a Ripple shareholder, are you  
11:32:06 15 better off if the price of XRP is 1 cent or \$2?

16 A. I don't follow the -- and track the --  
17 the price of Ripple equity often to understand if  
18 there's a correlation between the price of Ripple  
19 equity and the price of XRP.

11:32:31 20 Like I mentioned, the price of Ripple  
21 stock, from what I've heard from others, has  
22 fluctuated from [REDACTED] to [REDACTED].

23 Q. Is XRP Ripple's primary asset?

24 A. I don't know the classification of how  
11:33:04 25 different items on the balance sheet are

11:33:08 1 classified as to understand if it's an asset or  
2 not.

3 Q. So you said rip -- Ripple owns over 50  
4 billion XRP?

11:33:27 5 A. I believe that to be true.

6 Q. And if XRP is worth \$10, how much are  
7 Ripple's XRP holdings worth approximately?

8 A. If -- if Ripple's -- if the price -- is  
9 the question if the price of XRP -- actually, do  
11:33:51 10 you mind just repeating the question?

11 Q. Yeah. If the price of XRP is \$10 and  
12 Ripple owns approximately 50 billion shares of  
13 XRP, how much is that XRP worth?

14 MR. HECKER: Objection to  
11:34:00 15 "shares."

16 Q. Fifty billion units of XRP.

17 A. Five hundred billion dollars.

18 Q. And if XRP is worth a penny, how much  
19 are Ripple's XRP holdings worth approximately?

11:34:37 20 MR. HECKER: Could we just  
21 stipulate to the math exercise? I mean,  
22 this seems like a remarkable waste of  
23 time, honestly.

24 THE WITNESS: Well said.

11:34:46 25 A. A lot less than it was.

11:34:50 1 Q. Okay. So as an XRP shareholder, would  
2 you rather XRP be holding 500 billion dollars'  
3 worth of an asset -- I'm sorry. As a Ripple  
4 shareholder, would you rather that Ripple be  
11:35:05 5 holding \$500 billion' worth of an asset or an  
6 asset worth considerably less than that?

7 MR. HECKER: Objection to form.

8 You can answer.

9 A. I don't know if there's a strong  
11:35:21 10 correlation between the shareholding price of  
11 Ripple equity and the XRP price. For example, the  
12 XR -- from what I've heard, the Ripple price has  
13 fluctuated over the last -- the Ripple equity  
14 price has fluctuated over the last year from [REDACTED]  
11:35:47 15 to [REDACTED].

16 Q. Does Ripple trade on any sort of  
17 markets?

18 A. Do you mind re -- rephrasing the  
19 question?

11:36:00 20 Q. Where does your understanding of  
21 Ripple's stock price fluctuations come from?

22 A. It's tough to know because Ripple equity  
23 is -- is not publicly traded and is thinly traded  
24 to my knowledge. And it is traded on small,  
11:36:27 25 illiquid secondary exchanges or over the counter



11:36:35 1 to my knowledge and, therefore, it's difficult to  
2 get a read on what the price is.

3 So my knowledge on the price of Ripple  
4 shares is largely word of mouth.

11:36:53 5 Q. And if the price of XRP was zero, would  
6 Ripple have been able to finance its operations  
7 and product development?

8 MS. ZORNBERG: Object to form.

9 And you want to fix a time?

11:37:11 10 Q. Let's -- when you started at Ripple, if  
11 the price of XRP had been zero, would Ripple have  
12 been able to finance its operations and product  
13 development?

14 A. I believe so, yes.

11:37:25 15 Q. Did that ever change?

16 A. I believe so, yes.

17 Q. Okay. So at what point in time would  
18 Ripple have become unable to finance its  
19 operations and product development if the price of  
11:37:55 20 XRP was zero?

21 A. I don't know for certain.

22 Q. Is that the case now?

23 A. Can you rephrase the question, please?

24 Q. If XRP is priced at zero dollars and  
11:38:17 25 remains at zero going forward, can Ripple continue

11:38:20 1 to finance its operations and product development  
2 without seeking additional capital?

3 A. We would need to -- to my knowledge, we  
4 would need to seek additional capital.

11:38:37 5 Q. Who is Jed McCaleb?

6 A. To my knowledge, Jed McCaleb is -- is  
7 one of the co-founders of OpenCoin, I believe,  
8 or -- or -- I'm actually not sure what entity he  
9 joined, but he was early in the company's tenure.

11:39:04 10 Q. He was a -- a co-founder of a company  
11 that eventually became Ripple?

12 A. I believe that is true, yes.

13 Q. Did your time at Ripple ever overlap  
14 with the time that Mr. McCaleb was working at  
11:39:20 15 Ripple?

16 A. I don't believe so.

17 Q. Was there a time that Mr. McCaleb was  
18 selling large quantities of his XRP holdings?

19 A. I did not track his -- his sales of --  
11:39:44 20 of XRP.

21 Q. Did anyone at Ripple ever voice concern  
22 about the impact of Mr. McCaleb's XRP sales on the  
23 price of XRP?

24 A. I don't know for certain.

11:40:19 25 Q. Describe any efforts that Ripple made in

11:40:21 1 response to Mr. McCaleb's sale of his XRP  
2 holdings.

3 MS. ZORNBERG: Objection; lack of  
4 foundation.

11:40:34 5 A. I don't know for certain.

6 Q. Did Ripple ever attempt to freeze  
7 Mr. McCaleb's XRP sales?

8 A. I don't know for certain.

9 Q. Did Ripple ever attempt to reverse  
11:41:01 10 Mr. McCaleb's XRP sales?

11 A. I don't know for certain.

12 Q. Do you know what Bitstamp is?

13 A. I believe so, yes.

14 Q. And what's Bitstamp?

11:41:20 15 A. Bitstamp is a cryptocurrency exchange.

16 Q. Did Ripple ever attempt to freeze  
17 Mr. McCaleb's Bitstamp account?

18 A. I -- I do not recall.

19 MR. TENREIRO: Eleven.

11:42:00 20 (Whereupon, exhibit is presented  
21 and marked SEC Birla Exhibit AB-11 for  
22 identification.)

23 MR. HANAUER: I'm tendering the  
24 witness an exhibit marked as AB-11, which  
11:42:05 25 has a Bates number ending in 0742.

11:42:09 1 BY MR. HANAUER:

2 Q. Mr. Birla, is Exhibit AB-11 an e-mail  
3 that a [REDACTED] sent to you and others on  
4 October 3rd, 2016?

11:42:41 5 A. I believe so, yes.

6 Q. And who is Mr. [REDACTED]?

7 A. Mr. [REDACTED] was an early Ripple employee.

8 Q. Does he still work there?

9 A. No, he does not.

11:42:52 10 Q. What was Mr. [REDACTED] role in October  
11 2016?

12 A. I don't remember what his role was at  
13 that period. He had different roles at Ripple.

14 Q. So do you see how Mr. [REDACTED] writes "We  
11:43:09 15 just had a call with Bitmex (HK-based exchange),  
16 and they are going live with a 20x leveraged  
17 cash-settled XRP/XBT listing today"?

18 A. I see that.

19 Q. What -- what was your understanding of  
11:43:33 20 what he's referring to by "a 20x leveraged  
21 cash-settled XRP/XBT" listing?

22 A. I don't understand what that means.

23 Q. Do you know what XBT is?

24 A. I do not.

11:43:55 25 Q. Do you understand that the X -- XRP

11:44:03 1 could be traded on Bitmex?

2 A. Can you rephrase the question, please?

3 Q. Yeah. So what was Bitmex?

4 A. I'm not super familiar with what Bitmex  
11:44:26 5 is or was.

6 Q. Was it a Hong Kong-based exchange?

7 MR. HECKER: Objection to form;  
8 foundation.

9 A. According to this e-mail, yes.

11:44:42 10 Q. And then do you see how Mr. [REDACTED]  
11 writes "The spike in price and volume has helped  
12 us to pitch exchanges, and it's even sold itself  
13 in this case with Bitmex"?

14 A. Yes, I see that.

11:45:03 15 Q. And one of Ripple's goals was to get XRP  
16 listed on various digital asset trading exchanges?

17 A. In -- in my function, for the xRapid/ODL  
18 product to work, we needed liquidity and liquidity  
19 is facilitated by crypto exchanges. And -- and,  
11:45:38 20 for example, if I wanted to enable my product to  
21 facilitate payments in Mexico, it was important to  
22 have a Mexican-based exchange that provided  
23 liquidity into local fiat and local rail payment  
24 services.

11:46:01 25 Q. And in terms of generating liquidity,

11:46:02 1 generally being listed on more exchanges is better  
2 than being listed on less exchanges?

3 A. I don't know for certain.

4 Q. In 2016, Ripple was trying to get -- in  
11:46:19 5 order to build liquidity, Ripple was trying to get  
6 XRP listed on more exchanges, correct?

7 A. In my function, product development for  
8 enterprise solutions, I was fixed -- focused on  
9 getting liquidity at destinations and origin  
11:46:45 10 points to enable a cross-border payment between  
11 one currency and another.

12 Q. And one of the ways to generate more  
13 liquidity was to get XRP listed on exchanges,  
14 right?

11:47:00 15 A. In my function, it was to get XRP listed  
16 on exchanges that were at destinations where my  
17 customers wanted to send payments. And -- and  
18 building liquidity helped improve the product  
19 experience for our customers and that was my  
11:47:25 20 product focus.

21 Q. And did you understand Mr. [REDACTED] to be  
22 writing that the spike in XRP's price has helped  
23 Ripple get XRP listed on exchanges?

24 MR. HECKER: Objection to form.

11:47:48 25 A. Can you rephrase the question, please?



11:47:50 1 Q. So Mr. [REDACTED] was writing about the  
2 spike in XRP's price helping Ripple get XRP listed  
3 on exchanges?

4 A. That -- can you rephrase the question?

11:48:17 5 Q. Did you understand that Mr. [REDACTED] was  
6 writing about increases in XRP's price helping  
7 Ripple to get XRP listed on exchanges?

8 A. Yes. I understand that he -- he wrote  
9 that in this e-mail.

11:48:32 10 Q. And did you agree with Mr. [REDACTED] that  
11 increases in the price of XRP helped rip -- helped  
12 Ripple get XRP listed on exchanges?

13 A. I don't believe I had a strong viewpoint  
14 one way or the other to my knowledge.

11:49:05 15 MR. TENREIRO: This is 15,  
16 Nicole.

17 (Whereupon, exhibit is presented  
18 and marked SEC Birla Exhibit AB-15 for  
19 identification.)

11:49:25 20 MR. HANAUER: And I just tendered  
21 the witness a document labeled as Exhibit  
22 AB-15, which has a Bates number ending in  
23 2731.

24 BY MR. HANAUER:

11:49:39 25 Q. And, Mr. Birla, is Exhibit AB-15 an

11:49:44 1 e-mail chain ending with an e-mail sent from  
2 Mr. Vias to Mr. Garlinghouse copying you and  
3 others dated March 3rd, 2016?

4 A. I see that, yes.

11:50:05 5 Q. And I want to refer you to the March 2nd  
6 e-mail from Mr. Larsen to [REDACTED] at  
7 the bottom of the first page of AB-15. Please let  
8 me know when you're done reading that e-mail.

9 (Pause)

11:51:26 10 Q. Do you know who [REDACTED] is?

11 A. I'm still reading.

12 Q. Oh, I'm sorry. Take your time.

13 (Pause)

14 Q. Do you know who Mr. or Professor  
11:51:59 15 [REDACTED] is?

16 A. I do not believe so.

17 Q. And Mr. Larsen, Chris Larsen, what was  
18 his role at Ripple in March 2017?

19 A. I believe it was either the CEO or  
11:52:30 20 chairman.

21 Q. So do you see how Mr. Larsen writes "Our  
22 currency, XRP, currently trades at approx. .006  
23 U.S. dollars/XRP. As there are 100 billion of  
24 them, this is not a bad market cap"?

11:52:58 25 A. I do see that.



11:53:00 1 Q. What was your understanding of what  
2 Mr. Larsen is referring to there?

3 A. It sounds like he's referring to the  
4 market cap of XRP.

11:53:25 5 Q. And what's your understanding when he  
6 refers to XRP as "our currency"?

7 MS. DEARBORN: Object to form.

8 A. I don't know what he means by that.

9 Q. Did you understand him to mean referring  
11:53:45 10 to Ripple's currency?

11 A. I do not know.

12 MS. DEARBORN: Same objection.

13 MS. ZORNBERG: Court reporter,  
14 did you get the answer?

11:53:55 15 MR. HECKER: It's in the  
16 transcript.

17 BY MR. HANAUER:

18 Q. Did anyone else besides Mr. Larsen  
19 ever -- at Ripple ever refer to XRP as our  
11:54:12 20 currency or Ripple's currency?

21 A. I do not know for certain.

22 Q. And then can you please look at the last  
23 paragraph on Exhibit AB-15?

24 And Mr. Larsen writes "While we  
11:54:38 25 obviously don't control the nominal price of XRP,

11:54:41 1 we could advocate to the community of  
2 decentralized validators to increase the nominal  
3 price with a decrease in the nominal supply"?

4 A. I see that.

11:54:57 5 Q. What did you understand Mr. Larsen to be  
6 referring to?

7 MS. ZORNBERG: Objection; lack of  
8 foundation. I don't think you've even  
9 asked the witness yet if he remembers the  
11:55:08 10 document --

11 THE REPORTER: I can't hear you.

12 MS. ZORNBERG: I don't think you  
13 even asked Mr. Birla if he's familiar with  
14 the document or recalls reading it.

11:55:18 15 BY MR. HANAUER:

16 Q. You can answer the question.

17 A. Which -- do you mind repeating the  
18 question?

19 Q. Yeah.

11:55:24 20 What do you understand Mr. Larsen to be  
21 referring to?

22 A. I don't -- I don't understand what he's  
23 referring to.

24 Q. What's "the community of decentralized  
11:55:36 25 validators"?

11:55:43 1 MS. DEARBORN: Objection to form.

2 A. It's e-mails, you know, out of context.  
3 I'm not -- I don't know for certain what he's  
4 referring to.

11:56:00 5 Q. In 2017, did Ripple control the supply  
6 of XRP?

7 MS. ZORNBERG: Object to form.

8 A. Do you mind rephrasing the question?

9 Q. In 2017, Ripple was the largest owner of  
11:56:28 10 XRP, correct?

11 A. I believe that to be to -- true.

12 Q. Was there anyone or anything that owned  
13 close to as much XRP as Ripple did?

14 A. I do not believe so.

11:56:53 15 Q. And in 2017, Ripple was increasing the  
16 supply of XRP in the marketplace whenever it sold  
17 XRP?

18 A. Could you define "marketplace"?

19 Q. Ripple could increase the supply of XRP  
11:57:40 20 available to potential purchasers by deciding to  
21 sell XRP?

22 MR. HECKER: Objection to form;  
23 foundation.

24 A. I believe that to be true, yes.

11:57:55 25 Q. So Ripple could decide to increase the

11:57:58 1 supply of XRP or decrease the supply of XRP?

2 MR. HECKER: Objection to form.

3 A. Can you rephrase the question, please?

4 Q. So if Ripple wanted to increase the  
11:58:13 5 supply of XRP to available buyers, it could choose  
6 to sell more XRP?

7 A. I believe that to be true, yes.

8 Q. And the opposite: If Ripple wanted to  
9 decrease the available supply of XRP to potential  
11:58:31 10 buyers, it could reduce the amount of XRP it was  
11 selling?

12 MS. ZORNBERG: Object to form.

13 A. I don't -- I don't know for certain, but  
14 I don't believe that reduces the supply.

11:58:55 15 Q. So if -- let's say Ripple was selling  
16 100 XRP a month on a regular basis. If Ripple  
17 decides to start selling 5 XRP a month on a  
18 regular basis, is that increasing the supply or  
19 reducing the supply?

11:59:10 20 MS. ZORNBERG: Object to form.

21 A. So the question is: If Ripple was  
22 selling 100 XRP and now it sells 5 XRP per month,  
23 that would still be to my knowledge increasing the  
24 supply of XRP.

11:59:33 25 Q. Could Ripple reduce the XR -- the supply

11:59:37 1 of XR -- okay -- the available supply of XRP to  
2 potential buyers by going from selling 100 a month  
3 to 5 a month, is Ripple increasing the supply of  
4 available XRP or reducing the supply of available  
11:59:54 5 XRP?

6 MS. ZORNBERG: Object to form.

7 A. Selling 100 XRP per month or selling 5  
8 XRP per month increases the supply of XRP to  
9 purchasers.

12:00:07 10 Q. I'm sorry if I'm not being articulate.  
11 Let's say Ripple had been consistently selling 100  
12 XRP a month, but then starts reducing that to 5  
13 XRP a month going forward.

14 Has the supply of XRP Ripple is making  
12:00:25 15 available on a monthly basis gone up or down?

16 A. In that case, the amount has decreased  
17 by -- it was 105, right? 105? It's 95.

18 Q. Did anyone ever express to you at Ripple  
19 that Ripple could increase the price of XRP by  
12:00:59 20 slowing the rate in which it sold XRP into the  
21 market?

22 A. I do not recall.

23 Q. Could Ripple affect the price of XRP by  
24 changing the rate in which it sold XRP into the  
12:01:31 25 market?

12:01:38 1 A. I don't know for certain.

2 Q. If Ripple decided to sell all its XRP  
3 holdings at once, what is your understanding of  
4 how that would impact the price of XRP?

12:01:58 5 A. I don't know for certain.

6 Q. I mean, you went to business school,  
7 right?

8 A. Correct.

9 MR. HECKER: Objection to form;  
12:02:05 10 argumentative and asked and answered.

11 Q. So if Ripple says we're now putting our  
12 50 billion XRP up for sale, do you think that  
13 would drive the price of XRP up or the price of  
14 XRP down?

12:02:48 15 A. I think it would create, you know,  
16 uncertainty in the market.

17 Q. Do you think the price of XRP would go  
18 up in that situation?

19 A. Can you rephrase the question, please?

12:02:57 20 Q. If Ripple announces that it was selling  
21 all of its XRP holdings at once.

22 A. I mean, I don't know for certain. I can  
23 only speculate.

24 Q. What -- what -- what's your -- what do  
12:03:14 25 you think would happen? What's your understanding

12:03:16 1 of what would happen?

2 MR. HECKER: Object -- objection  
3 to form; calls for speculation.

4 When you reach a good moment, we  
12:03:23 5 can take a short break.

6 A. It would -- it would erode liquidity.  
7 It can potentially erode liquidity. It could  
8 potentially erode trust.

9 MR. HANAUER: Counsel, I have a  
12:03:53 10 couple more documents on this subject.  
11 Can I --

12 MR. HECKER: Let's take a break  
13 if you don't mind. We've been going about  
14 an hour and 15.

12:04:01 15 MR. HANAUER: Sure.

16 MR. HECKER: Thanks.

17 THE VIDEOGRAPHER: The time on  
18 the video monitor is now 12:03 --

19 MR. HECKER: Thank you.

12:04:08 20 THE VIDEOGRAPHER: -- 12:04 p.m.  
21 This is the end of Media Unit Number 2.  
22 We're going off the video record.

23 (Whereupon a recess is taken.)

24 THE VIDEOGRAPHER: The time on  
12:22:23 25 the video monitor is now 12:22 p.m. This

12:22:27 1 is the start of Media Unit Number 3. We  
2 are back on the video record.

3 (Whereupon, exhibit is presented  
4 and marked SEC Birla Exhibit AB-18 for  
12:22:33 5 identification.)

6 MR. HANAUER: I just tendered the  
7 witness Exhibit AB-18, which is an e-mail  
8 chain starting on page with the Bates  
9 number ending in 2161.

12:22:46 10 BY MR. HANAUER:

11 Q. And, Mr. Birla, is Exhibit AB-18 an  
12 e-mail chain ending with an e-mail  
13 Mr. Garlinghouse sent to you and others dated  
14 April 9th, 2017?

12:23:02 15 A. Yes.

16 Q. And the e-mail Mr. Garlinghouse is  
17 sending you, he's forwarding an e-mail that he  
18 sent to the board on April 9th, 2017?

19 A. I believe that to be correct, yes.

12:23:23 20 Q. And then if you look at page 2 of the  
21 exhibit, that e-mail chain contains an e-mail that  
22 Mr. Garlinghouse sent to Mr. Larsen on April 7th,  
23 2017?

24 A. I believe that's true, yes.

12:23:47 25 Q. And I take it you -- you typically read



12:23:51 1 the e-mails Mr. Garlinghouse sends -- sends you?

2 A. Ones that I'm cc'd on, you know, it's --  
3 it's hit or miss, depending on the content. Not  
4 always.

12:24:10 5 Q. But ones Mr. Garlinghouse sends you in  
6 the "To" line, those you typically read?

7 A. Not always.

8 Q. What about when Mr. Garlinghouse sends  
9 you e-mails containing communications he sent to  
10 the -- sends to the board?

11 A. More often than not, I -- I read those.

12 Q. Okay. Did you read this e-mail in  
13 Exhibit 18?

14 A. I do not recall.

12:24:43 15 Q. Okay. So I want to refer you to the  
16 e-mail to the board Mr. Garlinghouse forwards you  
17 on the first page of Exhibit AB-18. In the -- the  
18 first -- or the third paragraph, he writes "Before  
19 I dive into some highlights and lowlights, I think  
12:25:03 20 we will all agree that the most significant Q1  
21 development came at the end of the quarter in the  
22 form of a dramatic spike in XRP price and market  
23 activity."

24 A. I see that.

12:25:19 25 Q. And the paragraph ends "It's a

12:25:21 1 game-changer for us on a bunch of levels."

2 Did Mr. Garlinghouse ever promote XRP  
3 price increases to the board?

4 MS. ZORNBERG: Object to form.

12:25:41 5 MR. SOLOMON: Object to form.

6 Calls for speculation. Objection to form.

7 Calls for speculation. Sorry. And lack  
8 of foundation. I'm sorry.

9 MS. GRESSEL: Could you also  
12:25:53 10 please ask them to distribute the exhibit?

11 MR. TENREIRO: Exhibit 18?

12 Nicole, did you send 18? I thought I  
13 mentioned it.

14 MS. GRESSEL: Thank you.

12:26:07 15 A. Can you repeat the question, please?

16 Q. Are you aware of Mr. Garlinghouse ever  
17 promoting XRP price increases to Ripple's board?

18 MS. ZORNBERG: Same objections.

19 A. Not to my recollection.

12:26:24 20 Q. Are you aware of Mr. Garlinghouse ever  
21 promoting XRP price increases to the public?

22 MS. ZORNBERG: Object to form.

23 A. Not to my recollection.

24 Q. Are you aware of Mr. Garlinghouse ever  
12:26:41 25 promoting XRP price increases to investors?

12:26:49 1 MS. ZORNBERG: Object to form.

2 A. Not to my knowledge.

3 Q. Did you understand that Mr. Garlinghouse  
4 was communicating to Ripple's board that the price  
12:27:07 5 rise in XRP was beneficial to Ripple?

6 MR. SOLOMON: Objection; form.

7 A. Is there a point in the document?

8 Q. I read you -- I read you the part where  
9 he's talking about the dramatic spike in XRP  
12:27:35 10 price.

11 A. I believe he mentioned that it's a  
12 game-changer.

13 Q. And did you understand him to be saying  
14 a game-changer in a beneficial way or a  
12:28:03 15 detrimental way?

16 MR. SOLOMON: Objection; lack of  
17 foundation, unless he was at the board  
18 meeting.

19 Can you just rephrase the  
12:28:12 20 question, Ben?

21 Q. Do you understand my question?

22 A. If you could rephrase.

23 Q. Do you -- do you understand  
24 Mr. Garlinghouse in his e-mail to be describing  
12:28:21 25 the price spike in XRP to be beneficial to rep --

12:28:28 1 Ripple or detrimental to Ripple?

2 A. I don't know for certain and I'm  
3 speculating that game-changer means positive.

4 Q. And in the second-to-last paragraph on  
12:28:44 5 the first page of AB-1 [sic], Mr. Garlinghouse  
6 writes "And on a more strategic level, holding  
7 approximately two billion of XRP (based on today's  
8 market price) presents opportunities to think  
9 strategically about our capital structure (and  
12:29:00 10 funding strategy)."

11 A. I read that.

12 Q. Did you understand Mr. Garlinghouse to  
13 be conveying that the price rise in XRP meant more  
14 money for Ripple to spend on its operations and  
12:29:20 15 product development?

16 MR. HECKER: Objection to form.

17 A. I'm uncertain if that's what he -- he  
18 means by the last paragraph here, page 1.

19 Q. And do you see the paragraph that begins  
12:29:57 20 "On an operating level, for XRP to serve the  
21 purposes of lowering liquidity costs for payments,  
22 it needs" to develop -- "it needs deep liquidity  
23 across fiat currency pairs"?

24 A. I see that.

12:30:15 25 Q. Do you agree that XRP deep -- needs deep

12:30:18 1 liquidity to work for use in effecting  
2 cross-border payments?

3 MR. HECKER: Objection to form.

4 You can answer.

12:30:34 5 A. I believe that in -- in the currency  
6 pairs and exchanges that are part of the xRapid  
7 and ODL experience, that deep liquidity against  
8 those fiat pairs in destinations and origination  
9 points for our customers provides a better  
12:30:51 10 experience for our customers.

11 Q. Does xRapid or ODL work better if  
12 there's more liquidity in XRP or less liquidity in  
13 XRP?

14 A. In the amounts you can send and the cost  
12:31:15 15 of sending, both are factors for the customer.  
16 The liquidity is a strong factor in the experience  
17 for both cost to our customer and the amount the  
18 customer can send cross border.

19 Q. All right. But here's what I'm getting  
12:31:39 20 at. From Ripple's perspective, the more liquid  
21 the market the XR -- for XRP the better?

22 A. For -- for xRapid and the ODL products,  
23 the more liquid those fiat pairs that are part of  
24 the XRP experience, that is a better product  
12:31:58 25 experience for our customers.

12:32:03 1 Q. And then do you see the next sentence  
2 in -- in that paragraph, Mr. Garlinghouse writes  
3 "Speculative and market trading volume builds that  
4 liquidity - they are the catalyst to the XRP  
12:32:14 5 flywheel"?

6 A. I see that.

7 Q. What do you understand Mr. Garlinghouse  
8 to be talking about there?

9 A. From -- from my vantage point, as part  
12:32:32 10 of the xRapid experience, there are two types of  
11 liquidity that are on exchanges: One is, you  
12 know, Ripple-contracted market making, and the  
13 other one on the product side is what we call  
14 natural liquidity. And natural liquidity is  
12:32:52 15 organic liquidity that's available. And then the  
16 Ripple-contracted market makers are -- are -- are  
17 liquidity that Ripple contracts for. And those  
18 are the two types that are on exchanges. Folks  
19 refer to natural liquidity in different  
12:33:16 20 terminology. On the product side we call it  
21 natural liquidity.

22 Q. And speculative trading, is -- that  
23 falls into the natural liquidity bucket?

24 A. I have in -- in the past heard folks  
12:33:32 25 refer to natural liquidity in other terms,

12:33:36 1 including speculative liquidity.

2 Q. Okay. And what is your understanding of  
3 what speculative trading is?

4 MR. SOLOMON: Ben, I'm just going  
12:33:47 5 to interrupt you. Are you talking about  
6 as used in this e-mail by Brad, or are you  
7 talking about his personal view separate  
8 and apart from this e-mail? I just want  
9 to make sure the record is clear on this  
12:33:57 10 when he answers.

11 MR. HANAUER: Yeah, thanks, Matt.  
12 The witness's understanding of the term  
13 "speculative trading."

14 MR. SOLOMON: Right. But I don't  
12:34:04 15 know that he understands. You asked him  
16 about Brad's statements in the e-mail.  
17 Now you're asking about his own  
18 understanding. I just want to make sure  
19 he's answering your question.

12:34:12 20 BY MR. HANAUER:

21 Q. What's your understanding of the term  
22 "speculative trading" as you would use it?

23 A. My understanding of speculative trading  
24 is -- is a catchall for when you don't know. So  
12:34:24 25 you don't know -- with cryptocurrency exchanges,

12:34:27 1 you don't really know what, you know, folks are on  
2 there, you know, trading cryptocurrencies for.  
3 And so it's like a catchall definitional portion  
4 for that kind of volume and activity.

12:34:41 5 Q. But would you -- is a speculative  
6 investor someone that buys XRP with the hope that  
7 its price will rise?

8 A. Well, there's different -- in my  
9 interpretation of speculative, there's different  
12:34:55 10 reasons why folks would buy additional asset. You  
11 just don't know. That's the way that currency --  
12 that's the way that cryptocurrency exchanges work.

13 And there is potential that one reason  
14 could be for them speculating or, as you put it,  
12:35:16 15 investing, but there could be a whole host of  
16 other reasons that we don't know that they're  
17 buying different digital assets on exchanges.  
18 It's, like, unclassified.

19 Q. So when -- when you refer to  
12:35:30 20 "speculative trading," that includes investors who  
21 are purchasing XRP with the hope that its price  
22 would rise?

23 MR. HECKER: Objection to form.

24 MR. SOLOMON: Objection. He  
12:35:42 25 didn't use the word "investors."



12:35:44 1 A. I -- I -- I use it as a catchall when I  
2 don't know the purpose. That's by design of how a  
3 cryptocurrency exchange works, is like there are  
4 entities and people on there that you don't know  
12:36:01 5 how they -- you know, the reasons they're buying  
6 it. They could be buying it to pay for goods.  
7 They could be doing -- buying it for a  
8 cross-border transaction. Or, as I mentioned  
9 earlier, it could be contracted.

12:36:16 10 Q. Did you have the understanding during  
11 the time you worked at Ripple that certain market  
12 participants would purchase XRP with the hope that  
13 its price would rise?

14 A. Could you rephrase the question, please?

12:36:32 15 Q. Yeah.

16 Since -- since you start -- since you've  
17 been working at Ripple, has it been your  
18 understanding that there are market participants  
19 who purchase XRP with the hope that its price will  
12:36:42 20 rise?

21 A. Yes, I believe that to be true.

22 MR. HANAUER: Twenty-seven.

23 MR. TENREIRO: Twenty-seven,

24 Nicole.

12:37:08 25 (Whereupon, exhibit is presented

12:37:08 1 and marked SEC Birla Exhibit AB-27 for  
2 identification.)

3 MR. HANAUER: And I'm tendering  
4 the witness a document labeled as Exhibit  
12:37:14 5 AB-27, which has a Bates number ending in  
6 2337.

7 BY MR. HANAUER:

8 Q. And, Mr. Birla, is Exhibit AB-27 an  
9 e-mail chain ending with an e-mail that you sent  
12:37:45 10 to [REDACTED] and others on December 22nd,  
11 2017?

12 A. Yes, I believe so.

13 Q. And [REDACTED], she works at the  
14 [REDACTED]?

12:38:05 15 A. At this period, I believe so.

16 Q. And on Exhibit AB-27, Ms. [REDACTED]  
17 e-mailed you on December 22nd, 2017, she writes  
18 "Hi, Asheesh, sharing a suggested RT if you're up  
19 for it. Brad tweeted out a chart from [REDACTED]  
12:38:33 20 today with the headline 'Bitcoin is so 2017 as  
21 Ripple soars at year-end: Chart' and we suggest  
22 you RT with comment to amplify engagement."

23 A. I see that.

24 Q. So when Ms. [REDACTED] writes "RT," did  
12:38:59 25 you understand that to mean retweet?

12:39:01 1 A. Yes, I did.

2 Q. And she's referring to a tweet that  
3 Mr. Garlinghouse had made?

4 A. I believe that's true, yes.

12:39:18 5 Q. And the tweet Mr. Garlinghouse made was  
6 referring to the price rise in XRP?

7 A. Well, I -- I don't have the article,  
8 but -- I don't have the article that -- that it's  
9 referring to to completely understand the context  
10 of the tweet.

11 Q. Okay. Whatever Mr. Garlinghouse  
12 tweeted, Ripple's PR agency was asking you to  
13 retweet it?

14 A. I believe that to be true, yes.

12:40:20 15 Q. Do you know if you retweeted  
16 Mr. Garlinghouse -- Garlinghouse's tweet?

17 A. I do not recall.

18 Q. Did Mr. Garlinghouse ever make tweets  
19 about XRP price increases that you're aware of?

12:40:37 20 A. Not that I'm aware of.

21 Q. Did you ever tweet about XRP price  
22 increases?

23 A. I don't know for certain.

24 Q. Okay. You can put that exhibit away,  
12:40:57 25 please.

12:41:06 1 So how would you describe the term  
2 "liquidity" as it relates to XRP?

3 A. So XRP, like other digital assets,  
4 bitcoin and Ethereum and Litecoin and -- are  
12:41:32 5 examples, are traded on cryptocurrency exchanges,  
6 decentralized ones or centralized ones. And on  
7 these cryptocurrency exchanges, there are order  
8 books. And order books are -- are matching buy  
9 and sell orders. And -- and they have amounts.  
12:41:58 10 So, you know, the amount of sell, the amount of  
11 buy.

12 If you add up the order book within a  
13 certain band around a midpoint of -- of a market  
14 price, that's known as depth of liquidity. And  
12:42:14 15 the deeper the depth of liquidity just means that  
16 around the market price, there are more orders put  
17 in for that given currency.

18 Q. Does a more liquid market generally mean  
19 a tighter spread between the bid and the ask?

12:42:47 20 A. I don't know for certain. There are  
21 cases where that isn't true, but I believe there  
22 are cases where that's -- that's true as well.

23 Q. But is it generally true that in a more  
24 liquid -- the more liquid the market is, the  
12:43:07 25 tighter the bid/ask spreads are?

12:43:11 1 A. It's -- yeah, I don't know for certain,  
2 but generally a deeper order book and deeper  
3 liquidity provides a better experience for our  
4 products and the bid -- the bid/ask is what's  
12:43:28 5 known as a tighter bid -- bid/ask.

6 Q. So a tighter bid/ask, that's better for  
7 Ripple because it makes its customer experience  
8 better?

9 A. To my knowledge, most of the time, not  
12:43:45 10 all -- always, but most of the time a tight  
11 bid/ask provides better rates for our customers  
12 and a deeper -- a tight bid/ask with a deeper  
13 liquidity pool not only provides good rates, but  
14 it enables customers to send more in notional  
12:44:09 15 volume.

16 Q. And -- and generally a tighter bid/ask  
17 spread is reflective of a more liquid market?

18 MS. ZORNBERG: Object to form.

19 You can answer if you  
12:44:26 20 understand.

21 A. I don't know for certain. I've seen  
22 exceptions to that, but it is my understanding in  
23 general that a tighter bid/ask is correlated with  
24 deeper liquidity pool around that asset.

12:44:59 25 Q. And when you say "deeper liquidity

12:45:01 1 pool," that's the same thing as more liquid?

2 A. The definition that I provided earlier  
3 is the one that I go off of, meaning that at a  
4 given change, liquidity is measured at the point  
12:45:17 5 of an exchange. So you're referring to -- or, you  
6 know, one would refer to a deep liquidity pool  
7 between bitcoin or XRP and the Mexican peso.  
8 And -- and the more orders around the midpoint  
9 would be a deeper liquidity pool.

12:45:34 10 Q. Right. And I just want to make sure  
11 we're on the same page. When you're talking about  
12 a deeper liquidity pool, that means more  
13 liquidity, right?

14 A. In my definition, I believe that to be  
12:45:47 15 true. And to clarify, there are local minimum and  
16 maximums. And so it's important to note that the  
17 liquidity is measured at the local point, meaning  
18 against -- at a given exchange and against a given  
19 pair at that exchange.

12:46:13 20 Q. And when Ripple measured liquidity,  
21 however it did, the more liquid the pool was, the  
22 better Ripple's products operated?

23 A. To be specific, in my role, my products  
24 measure liquidity at local maximums and local  
12:46:42 25 minimums. So that means that if we were

12:46:45 1 facilitating an ODL or xRapid payment between U.S.  
2 and Mexico, we measure liquidity at the U.S.  
3 dollar to XRP order book and then the -- and then  
4 the XRP to Mexican peso order book. And that's  
12:47:05 5 how we measure liquidity for our products, the  
6 enterprise products.

7 Q. And the way you measured liquidity, as  
8 you just described it, the more liquid a currency  
9 pairing was, the better Ripple's product operated?

12:47:29 10 A. In that given jurisdiction and -- and  
11 locality, in general, that was true. There was  
12 exceptions. There are things called a -- a  
13 reversed order book that causes exceptions to that  
14 rule. But, in general, that, to my knowledge, is  
12:47:50 15 true.

16 Q. And since the time you started at  
17 Ripple, one of Ripple's goals has been to increase  
18 the liquidity of XRP on digital asset exchanges?

19 A. Can you rephrase the question, please?

12:48:06 20 Q. So I'm just talking about since the time  
21 you started working at Ripple, one of Ripple's  
22 goals has been to increase the amount of liquidity  
23 of XRP on the exchanges it trades on?

24 A. Specifically as it pertains to my role  
12:48:26 25 and the products that I work on, it's a

12:48:31 1 combination of exchanges that are enabled by  
2 xRapid -- I'm sorry, the other way around --  
3 exchanges that are part of the xRapid experience.  
4 Having good ample liquidity at those exchanges is  
12:48:51 5 important, but another factor that goes into it is  
6 the amount the customer wants to send.

7 So, for example, if a customer wants to  
8 send a million dollars between U.S. and Mexico,  
9 there needs to be at least \$1 million of liquidity  
12:49:06 10 depth at the -- at both exchanges, the sending  
11 exchange and the receiving or destination  
12 exchange. Often 2x the amount and 3x even better  
13 in a number of circumstances, but not always true.

14 Q. And because of the importance of  
12:49:23 15 liquidity to the way Ripple's products operate,  
16 one of the things you and your -- your team would  
17 work on would be to increase the liquidity of  
18 Ripple -- or of XRP on those exchanges?

19 A. So to be specific, I -- I believe that  
12:49:47 20 if a customer wanted to send payments into the  
21 Philippines, then it was important for the  
22 Philippines exchange to be part of the xRapid  
23 experience and for there to be liquidity at the  
24 destination Filipino exchange. And the same thing  
12:50:08 25 at the sending exchange as well, that it's part of



12:50:10 1 the xRapid experience.

2 Q. So in order to make that happen, Ripple,  
3 as a company, made efforts to increase the  
4 liquidity on the -- both domestic exchanges XRP  
12:50:23 5 traded on and the foreign exchanges XRP traded on?

6 A. And to be specific, the foreign and  
7 destination exchanges that were part of the xRapid  
8 experience. In often cases, there are multiple  
9 exchanges at the destination.

12:50:37 10 So, for example, in the Philippines,  
11 there are three crypto exchanges in the  
12 Philippines, but only one is part of the Ripple --  
13 ODL experience.

14 Q. Right.

12:50:49 15 So since you started working at Ripple,  
16 Ripple made efforts to increase the liquidity of  
17 XRP on the exchanges that Ripple needed to utilize  
18 to make its products work, right?

19 A. Sometimes there are ample -- there's  
12:51:09 20 ample volume already known as natural liquidity.  
21 That's often the case at the larger sending  
22 exchanges such as Bitstamp. It's a very deep  
23 order book, as they call it, or depth of  
24 liquidity.

12:51:27 25 But the reverse is often true in

12:51:30 1 emerging markets. And so providing more liquidity  
2 in emerging markets was often needed to provide a  
3 proper and excellent product experience to our  
4 customers.

12:51:44 5 Q. Needed by Ripple?

6 A. Well, by our customers. So the  
7 customers, if they want to send a million dollars  
8 into the Philippines, need over a million dollars  
9 of liquidity at that destination for a good  
12:52:00 10 product experience.

11 Q. Right.

12 So to make sure that Ripple's customers  
13 had a good product experience, Ripple made efforts  
14 to increase the liquidity on the target -- the  
12:52:12 15 foreign exchanges that Ripple used to make its  
16 products work?

17 A. Not always, but, you know, on a  
18 case-by-case basis, that is correct, to my  
19 knowledge.

12:52:38 20 (Whereupon, exhibit is presented  
21 and marked SEC Birla Exhibit AB-8 for  
22 identification.)

23 MR. HANAUER: And for those on  
24 Zoom, we're going to Exhibit 8. And I  
12:52:59 25 tendered the witness exhibit -- a document

12:53:05 1 labeled Exhibit AB-8, which begins with  
2 the Bates number ending in 4717.  
3 BY MR. HANAUER:  
4 Q. Mr. Birla, is Exhibit AB-8 an e-mail  
12:53:30 5 that [REDACTED] sent to you and others dated February  
6 19th, 2016, and the attachment to that e-mail?  
7 A. It appears so, yes.  
8 Q. And who -- who's [REDACTED]?  
9 A. [REDACTED] was an early employee at Ripple.  
12:53:53 10 Q. Is he still there?  
11 A. I don't believe so.  
12 Q. What did he -- what did he do?  
13 A. He held a number of roles during his  
14 tenure at Ripple, from integration expert to  
12:54:14 15 technical architect. I don't -- I don't know the  
16 full range of responsibilities he had during his  
17 tenure.  
18 Q. And do you see the subject line of  
19 Mr. [REDACTED]'s e-mail is "XRP Bridge Currency Papers"?  
12:54:34 20 A. Yes, I do see that.  
21 Q. And what's your understanding of the  
22 term "bridge currency" as it relates to Ripple's  
23 business?  
24 A. So as I understand it, when you have two  
12:55:13 25 counterparties -- so a counterparty is a trusted

12:55:16 1 corporation and a financial institution -- they  
2 issue customers, retail people, something called  
3 on IOU. But they're the counterparty. So, for  
4 example, if you bank at Bank of America, Bank of  
12:55:35 5 America would be the counterparty. And then on  
6 the receiving end, you have another counterparty.  
7 Let's just say it's Santander Bank in -- in  
8 Mexico. And a bridge currency for a neutral  
9 decentralized digital asset like XRP is helpful so  
12:55:57 10 that both counterparties don't have to have trust  
11 with each other.

12 Q. So when Ripple uses XRP in its ODL  
13 product to convert dollars to pesos, is XRP acting  
14 as the bridge currency?

12:56:28 15 A. I believe so, yes.

16 Q. And do you see how Mr. [REDACTED] writes in his  
17 e-mail "Ripple must make a concerted effort to  
18 establish XRP as a bridge"?

19 A. I'm reading that, yes.

12:56:50 20 Q. Would -- would you agree with that  
21 statement as of February 2016?

22 MS. ZORNBERG: So object to form.

23 Are you asking him did he review this  
24 document at the time and did he in 2016,  
12:57:08 25 when he reviewed it, agree with the

12:57:10 1 statement? Or looking at it now,  
2 regardless of familiarity, does he agree?

3 BY MR. HANAUER:

4 Q. Just as -- as you think back to 2016,  
12:57:18 5 did Ripple need to make a concerted effort to  
6 establish XRP as a bridge currency?

7 A. To -- to my knowledge, that wasn't the  
8 focus of -- of product. And in 2016 I was leading  
9 product and my concerted effort was around solving  
12:57:49 10 customer pain points. And if a customer pain  
11 point was resolved and it removed friction by  
12 using XRP as a bridge currency, then we used XRP  
13 as a bridge currency. If it didn't, then we used  
14 another solution or another feature. So it really  
12:58:11 15 depends on -- the concerted effort was around  
16 focusing on the customer and solving their pain  
17 points and removing friction from their  
18 experience.

19 Q. So Ripple currently uses XRP as a bridge  
12:58:29 20 currency in its ODL product, correct?

21 A. That is correct.

22 Q. Do other companies use bridge -- XRP as  
23 a bridge currency in other cross-border payment  
24 systems that they sell to customers?

12:58:53 25 A. Can you rephrase the question, please?

12:58:56 1 Q. So Ripple uses XRP in the  
2 cross-border-payment platform that it sells to its  
3 customers?

4 A. That's correct.

12:59:06 5 Q. Do other companies sell  
6 cross-border-payment platforms to customers that  
7 use XRP as a bridge currency?

8 A. To my knowledge, there are other  
9 customers and developers that leverage the XRP  
12:59:35 10 ledger to convert from one currency to another  
11 currency. And if you leverage the XRP ledger to  
12 convert from one currency to another currency,  
13 there's a feature in the XRP ledger called auto  
14 bridging or pathfinding or a combination of auto  
12:59:56 15 bridging and pathfinding. And in those cases it's  
16 my -- it's my belief that they bridge through XRP  
17 when it improves the product experience or  
18 provides a better rate to the customer or makes an  
19 illiquid asset liquid.

13:00:20 20 Given the XRP ledger is decentralized  
21 and that's not a core part of my job to -- to look  
22 at the XRP ledger, I don't know all the different  
23 use cases, but I do know that the XRPLDex and auto  
24 bridging and pathfinding to my knowledge are --  
13:00:43 25 are leveraged for developers and companies outside

13:00:49 1 of Ripple.

2 Q. So what other companies besides Ripple  
3 offer customers a cross-border-payment platform  
4 that uses XRP as the bridge currency?

13:01:06 5 A. I don't track all the developers. It's  
6 open, it's decentralized. And part of the beauty  
7 of an open and decentralized open-source system is  
8 that often I learn about these things secondhand.  
9 For example, someone Tweeting that they developed  
13:01:27 10 an application on top of the XRP ledger. So I  
11 don't actively keep track of all the different use  
12 cases and companies and nor do we know of the  
13 entities of a lot of them given the open source is  
14 decentralized.

13:01:44 15 Q. So who are Ripple's competitors that  
16 sell cross-border payment systems that use XRP as  
17 a bridge currency?

18 A. I don't -- so xRapid and -- and ODL are  
19 offered in only a few jurisdictions right now.  
13:02:01 20 They don't cover all currencies available, so I  
21 don't know who is competing with the ODL value  
22 proposition.

23 Secondly, the market is massive. So I  
24 don't -- I don't view anyone coming into the  
13:02:17 25 ecosystem as a competitor. For example,



13:02:21 1 there's -- there are folks going after SME  
2 payments, which are -- SME stands for small  
3 businesses. Small-, medium-sized enterprises.  
4 There's other folks going after e-commerce. So, I  
13:02:33 5 mean, I wouldn't call those competitors to --  
6 to -- to Ripple's products.

7 And, again, like the -- the payment size  
8 is in the trillions and there's more than enough  
9 room for a lot of folks to integrate.

13:02:54 10 Q. Right.

11 But can you name another company today  
12 that offers a cross-border remittance product that  
13 relies on XRP as the bridge currency?

14 A. I -- I don't know a name.

13:03:03 15 Q. Okay. And would ODL exist today if not  
16 for the efforts of Ripple?

17 MS. ZORNBERG: Objection.

18 A. Can you rephrase the question, please?

19 Q. ODL is currently Ripple's primary  
13:03:29 20 cross-border payment product, correct?

21 A. It is one of our main product lines for  
22 cross-border payments.

23 Q. And you were responsible for developing  
24 that product, right?

13:03:47 25 A. My team was responsible for that, yes,



13:03:49 1 correct.

2 Q. And you and your team put in a lot of  
3 work over many years to get ODL to the point where  
4 customers were using it, right?

13:03:58 5 A. Yeah. We -- we spend a lot of time with  
6 customers and getting their feedback and using  
7 that feedback for product improvements around not  
8 only ODL and xRapid, but RippleNet as -- as a  
9 whole.

13:04:16 10 Q. And ODL was a product that Ripple  
11 developed, right?

12 A. Yes.

13 Q. So would anyone be using ODL today if  
14 Ripple didn't exist?

13:04:31 15 A. Well, the product was developed -- ODL  
16 was developed by Ripple. So the -- I believe the  
17 answer is no.

18 Q. Did you read the papers attached to  
19 Mr. [REDACTED]'s e-mail?

13:04:47 20 A. I don't believe so, no.

21 Q. Can you -- you can put that exhibit  
22 away.

23 A. This one?

24 Q. Yeah. Thank you.

13:05:16 25 MR. HANAUER: We're at a pretty

13:05:17 1 logical stopping point. Would anybody  
2 object if we took lunch now?  
3 Let's go off the record, please.  
4 THE VIDEOGRAPHER: Please stand  
13:05:26 5 by. The time on the video monitor is now  
6 1:05 p.m. This is the end of Media Unit  
7 Number 3. Please stand by as we go off  
8 the video record.  
9 (Whereupon, a luncheon recess is  
13:05:42 10 taken.)

13:05:42 1 A F T E R N O O N S E S S I O N  
2 THE VIDEOGRAPHER: The time on  
3 the video monitor is now 1:50 p.m. This  
4 is the start of Media Unit Number 4. We  
13:50:50 5 are back on the video record.  
6 BY MR. HANAUER:  
7 Q. Mr. Birla, was there a time that Ripple  
8 gave away XRP for free?  
9 A. I believe so, yes.  
13:51:06 10 Q. When was that?  
11 A. I don't recall the exact date. Yeah, I  
12 don't -- I don't recall the exact dates.  
13 Q. Do you recall the last time Ripple gave  
14 away XRP for free?  
13:51:36 15 A. I -- I do not.  
16 Q. Why was Ripple giving away XRP for free?  
17 A. I don't quite understand all the  
18 dynamics behind why Ripple was giving away XRP.  
19 Q. Who were the type of recipients that XRP  
13:52:10 20 was -- or that Ripple was giving XRP to for free?  
21 A. I -- I don't know for certain, but from  
22 my recollection, I remember developers being one  
23 constituent or group.  
24 Q. Traders?  
13:52:40 25 A. I don't know for certain.

13:52:41 1 Q. Investors?

2 A. I don't know for certain.

3 Q. When Ripple gave away XRP for free, did  
4 it place restrictions on what the recipient could  
13:52:53 5 do with the XRP?

6 A. I do not recall.

7 Q. So we talked a little bit earlier this  
8 morning about the term "speculator" or  
9 "speculative trading."

13:53:10 10 And can you just remind me, what was  
11 your understanding of -- of that terminology?

12 A. In the product sense, there are -- in  
13 relation to ODL, there are two types of  
14 constituents or groups that provide liquidity.  
13:53:36 15 There are contracted market makers and there are  
16 natural liquidity providers. And natural  
17 liquidity providers are largely unknown, but  
18 the -- that liquidity is organic to the exchange  
19 and to the depth of liquidity. It adds to the  
13:53:57 20 depth of liquidity at an exchange.

21 Q. So the natural liquidity providers were  
22 those participants that traded XRP on exchanges,  
23 right?

24 MS. ZORNBERG: Object to form.

13:54:13 25 A. I believe so, yes.

13:54:14 1 Q. So when the terminology "speculative  
2 trading" or "speculators" was used at Ripple, you  
3 understood that to mean those trading XRP on  
4 digital exchanges?

13:54:26 5 MR. HECKER: Objection to form.

6 A. I understood that to be similar to my  
7 definition of natural liquidity providers.

8 Q. And I believe you mentioned that Ripple  
9 did not know who the speculators were or what  
13:54:52 10 their motivation was for trading XRP?

11 MS. ZORNBERG: Objection to form.

12 A. Can you rephrase the question, please?

13 Q. "Speculators" or "speculative trading,"  
14 as that term was referred to at -- at Ripple,  
13:55:12 15 Ripple did not know why those speculators were  
16 trading in XRP, correct?

17 MR. HECKER: Same objection.

18 A. The contracted market makers for the  
19 most part are known entities. The natural  
13:55:32 20 liquidity participants, it is correct,  
21 they're largely unknown to -- to Ripple.

22 Q. But you had mentioned that while the  
23 speculators were largely unknown to Ripple, you  
24 understood that at least some speculators were  
13:55:55 25 trading XRP with the hope of profiting off it?

13:55:59 1 MR. HECKER: Objection to form;  
2 foundation.

3 A. It is unknown what -- what the natural  
4 liquidity participants' use case was or is. One  
13:56:14 5 of those use cases could be investments.

6 Q. And you understood that there were  
7 certain market participants that were, in fact,  
8 investing in XRP with the hope that its price  
9 would rise?

13:56:30 10 MR. HECKER: Objection to form.

11 A. I do understand that at least some of  
12 the market -- natural liquidity market  
13 participants, their use case was investment.

14 Q. Did Ripple do anything to investigate  
13:57:01 15 the speculative traders to find out what they were  
16 doing with the XRP they were trading?

17 MS. ZORNBERG: Object to form.

18 A. To my knowledge, similar to open source  
19 and the decentralized nature of the product and --  
13:57:24 20 and the ecosystem, developers, traders, other  
21 constituents, users, are unknown to the larger  
22 community and that's the nature of open and  
23 decentralized technology.

24 Q. Did rip -- Ripple make efforts to figure  
13:57:50 25 out who was trading in XRP?

13:57:54 1 A. Not to my knowledge.

2 Q. Did Ripple make efforts to restrict how  
3 the people trading XRP on exchanges could use  
4 their XRP?

13:58:07 5 MR. HECKER: Objection to form.

6 A. Could you rephrase the question?

7 Q. Did Ripple ever make efforts to restrict  
8 how those trading XRP on exchanges could use the  
9 XRP that they purchased?

13:58:43 10 A. Not to my knowledge.

11 Q. During your time at Ripple, has Ripple  
12 ever encouraged or promoted the investing in XRP?

13 MS. ZORNBERG: Object to form.

14 A. I don't recall.

13:59:15 15 Q. Did Ripple sell XRP to investors?

16 A. The -- today to my knowledge, the  
17 primary sale of XRP is of for use in the products.  
18 So ODL customers to my knowledge are the primary  
19 counterparty in a sale of XRP, to my knowledge.

14:00:02 20 Q. Since 2016, has Ripple sold XRP to  
21 investors?

22 A. Can you --

23 MS. ZORNBERG: Object to form.

24 A. Can you rephrase the question, please?

14:00:17 25 Q. Do you understand that since 2016,

14:00:21 1 Ripple has from time to time sold XRP to  
2 investors?

3 MS. ZORNBERG: Object to the term  
4 "investor." Investor in Ripple? Investor  
14:00:32 5 in some other broader sense?

6 MR. HANAUER: Investors in XRP.

7 A. I don't know other than the customers  
8 that have purchased XRP for use in our product,  
9 ODL. To my knowledge, I'm not aware of who the  
14:00:54 10 company has sold XRP to.

11 Q. Are you aware that Ripple has sold XRP  
12 directly to hedge funds?

13 A. I do not recall.

14 Q. Do you understand that Ripple has sold  
14:01:21 15 XRP to institutional investors?

16 A. I do not recall.

17 Q. Do you understand that there's a  
18 community of retail investors in XRP?

19 MS. ZORNBERG: Object to form.  
14:01:51 20 You can answer.

21 A. Yes, I believe so.

22 Q. Do you have an understanding of whether  
23 more people are trading in XRP for investment  
24 purposes as opposed to other purposes?

14:02:16 25 MR. HECKER: Objection to form.



14:02:28 1 A. I -- I do not believe I have a good  
2 indication of the use cases around those providing  
3 liquidity for XRP.

4 Q. Was there ever a time when XRP was more  
14:02:47 5 widely used for purposes other than trading?

6 MS. ZORNBERG: Object to form.

7 A. Well, to my knowledge, similar to other  
8 currencies and other cryptocurrencies and as used  
9 in ODL and xRapid, you know, you trade the -- the  
14:03:31 10 currency for other currencies such as fiat. So  
11 you can look at ODL and pretty much a number of  
12 the customers make at least two trades, one on the  
13 originating exchange and one on the receiving  
14 exchange.

14:03:53 15 And so by definition, a lot of the folks  
16 to my knowledge leverage XRP and trade it,  
17 including those that are in our enterprise  
18 customer portfolio for ODL and xRapid.

19 (Whereupon, exhibit is presented  
14:04:15 20 and marked SEC Birla Exhibit AB-6 for  
21 identification.)

22 MR. TENREIRO: Number 6.

23 MR. HANAUER: I just tendered the  
24 witness a document labeled Exhibit AB-6  
14:04:42 25 with a beginning Bates number ending in

14:04:44 1 2305.

2 BY MR. HANAUER:

3 Q. And, Mr. Birla, Exhibit AB-6 is an  
4 e-mail chain ending with an e-mail you sent to

14:04:56 5 [REDACTED] on June 3rd, 2015?

6 A. Yes.

7 Q. Who's Mr. [REDACTED]?

8 A. Mr. [REDACTED] was the vice president of  
9 prod -- sorry. Mr. [REDACTED] was the vice president  
14:05:23 10 of engineering, I believe.

11 Q. And do you see on your -- the top e-mail  
12 of AB-6, the last bullet point you write "We have  
13 zero nonspeculative volume on Ripple today, this  
14 would light up our first corridor. USD to MXN."

14:05:43 15 A. Yes, I see that.

16 Q. What are you writing about there?

17 A. I'm writing about an early version or  
18 incarnation of the product known as xRapid or ODL.  
19 I believe it's referred to RPP above.

14:06:05 20 Q. So what did you mean when there was  
21 "zero nonspeculative volume"?

22 A. Meaning the order books, in this case  
23 between U.S. dollars and MXN, were largely  
24 unknown. And as I mentioned before, there are two  
14:06:32 25 types of liquidity on exchanges: One is natural

14:06:36 1 liquidity and one is, you know, contracted  
2 liquidity. And in this case, I was referring  
3 primarily to there being, you know, non -- natural  
4 liquidity on the exchanges between this corridor.

14:07:01 5 Q. So are you saying that all of the  
6 liquidity that you reference in your e-mail came  
7 from speculative traders?

8 A. By my definition, the -- the traders  
9 were unknown and the liquidity was unknown.  
14:07:28 10 Again, on -- referred to as, like, natural  
11 liquidity on the -- these exchanges.

12 Q. How would Ripple have been able to tell  
13 what the -- the known liquidity was or the -- the  
14 known volume?

14:07:42 15 A. By my definition of known volume, it  
16 would be volume that was sent through -- given my  
17 role as product at Ripple, would be volume sent  
18 through the xRapid/ODL.  
19 Products, RPP products.

14:08:02 20 Q. Oh. So are you meaning that all the  
21 volume on the -- well, what -- when you say  
22 "nonspeculative volume on Ripple today," what --  
23 what are you referring to when you say "on  
24 Ripple"?

14:08:21 25 A. I don't know for certain. Yeah, I don't

14:08:55 1 know for certain.

2 Q. So are you saying that all the volume in  
3 XRP trading was being driven by people trading XRP  
4 on exchanges as opposed to those using XRP -- or  
14:09:13 5 using Ripple products?

6 MR. HECKER: Objection to form.

7 A. It's unclear if I were refer -- if I was  
8 referring to the XRPLDex or other -- other  
9 products or other exchanges.

14:09:42 10 Q. Because at this point in time, 2015,  
11 xRapid was not in use, correct?

12 A. The precursor to xRapid was RPP, which  
13 is mentioned above -- below 1.

14 Q. Okay. So it sounds like on June 3rd,  
14:10:03 15 2015, RPP was not generating any volume in XRP,  
16 correct?

17 A. Well, according to the e-mail, it  
18 mentions that it's zero from U.S. dollars, so I'm  
19 not sure.

14:10:26 20 MR. HANAUER: Seven.

21 MR. TENREIRO: Here's 7.

22 (Whereupon, exhibit is presented  
23 and marked SEC Birla Exhibit AB-7 for  
24 identification.)

14:10:44 25 MR. HANAUER: I've just tendered

14:10:45 1 the witness Exhibit -- or a document  
2 labeled AB-7, which is a document  
3 beginning with the Bates number ending in  
4 7378.

14:10:58 5 BY MR. HANAUER:

6 Q. And I take it you've seen Exhibit AB-7<sup>+</sup>  
7 before?

8 A. I'll read through the whole thing  
9 because I -- I don't know for certain.

14:12:04 10 (Pause)

11 Q. So Exhibit AB-7, that's an e-mail that  
12 you sent to Monica Long on June 12, 2015?

13 A. Yes.

14 Q. And it starts off "Read this thread."

14:12:22 15 A. Correct.

16 Q. So I assume you had read the e-mail  
17 chain at the time you sent the e-mail?

18 A. I believe so, yes.

19 Q. And I want to refer you to the second  
14:12:39 20 page of the exhibit, the portion of the e-mail  
21 that references Arthur Britto at 11:46 a.m.

22 And Mr. Britto, was he one of the  
23 founders of Ripple?

24 A. I believe he was one of the co-founders  
14:13:02 25 of Ripple.

14:13:03 1 Q. Did -- what was his role at the company  
2 in 2015?

3 A. It was a little -- I don't know for  
4 certain. It was a little unclear what his exact  
14:13:15 5 role was at the company.

6 Q. Was he a board member?

7 A. I don't know.

8 Q. And do you see Britto writes "I talked  
9 with Chris yesterday. He wants to keep Ripple  
14:13:27 10 Trade for nonconsumer. Our target is: Speculator  
11 traders and market makers"?

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

14 Q. Do you see the part I'm referring to?

14:13:43 15 A. I see the part you're referring to.

16 Q. Okay. And did you understand Mr. Britto  
17 to be referring to Chris Larsen?

18 A. I believe so, yes.

19 Q. And at the time, June 2015, was  
14:13:57 20 Mr. Larsen the CEO of Ripple or was  
21 Mr. Garlinghouse?

22 A. I don't know for certain, but I believe  
23 Chris was the CEO.

24 Q. And what is Ripple Trade or was Ripple  
14:14:23 25 Trade?

14:14:25 1           A.    So the XRP ledger is a -- a  
2           decentralized platform that enables developers and  
3           users to send money between accounts using  
4           application APIs or application interfaces. It's  
14:14:47 5           a -- it's -- it's open source and decentralized.  
6           You can also exchange different tokens or IOUs  
7           between -- using the XRPLDex. And you can do this  
8           through, again, APIs or web sockets to interface  
9           with the XRP ledger.

14:15:12 10           What Ripple Trade does is -- well, what  
11           the XRP client does is a downloadable, you can  
12           think of it as a web browser. It allows you to  
13           navigate the features of the XRP ledger using a  
14           graphical user interface. That's what the XRPL  
14:15:32 15           client does.

16           What Ripple Trade is is a hosted  
17           version. So while I said the XRPL client is a  
18           downloadable version, meaning you would have to  
19           download it and run it on your local machine, the  
14:15:45 20           Ripple Trade was a hosted version. So you could  
21           access it by going to [www.RippleTrade.com](http://www.RippleTrade.com).

22           Q.    And could a user trade Ripple, buy and  
23           sell Ripple, on Ripple Trade? Or, I'm sorry,  
24           could a -- could a Ripple Trade user buy and --  
14:16:05 25           purchase and sell XRP on Ripple Trade?



14:16:14 1 A. To be clear, it's a -- it's a graphical  
2 user interface and you would need to first get  
3 money on to the XRP ledger using one of the  
4 decentralized gateways. I believe at this time,  
14:16:31 5 one of them was known as [REDACTED]. And then once  
6 those U.S. dollar IOUs or tokens or staple coins  
7 were on the XRP ledger, you could then -- and in  
8 your account, you could then use Ripple Trade to  
9 access the XRPLDex and trade it.

14:16:58 10 Q. And in 2015, was Ripple developing  
11 products for those who traded in XRP?

12 A. The -- the product focus was for -- was  
13 Ripple Trade and it was a product for trading any  
14 digital asset represented on the XRP ledger, which  
14:17:23 15 could be U.S. dollars as a staple coin, could  
16 be -- I believe there was RMB. There was gold at  
17 one point, I believe, around this time -- time  
18 frame. There was bitcoin, Litecoin, I believe  
19 DOGE coin, and XRP as well.

14:17:49 20 And you could trade -- if there was an  
21 order book available, you could trade directly --  
22 sorry. If there was an order book available  
23 within the asset, between an asset you had in your  
24 wallet, an asset you wanted, you could trade using  
14:18:03 25 Ripple Trade. If there wasn't an order book



14:18:07 1 available, it used a feature called "auto  
2 bridging" which would bridge that trade through  
3 XRP if it made sense and provided a better  
4 experience to the customer of Ripple Trade.

14:18:27 5 So it was -- it was a graphical user  
6 interface to trade and hold a number of different  
7 tokenized assets that were on the XRP ledger. I  
8 named a few of them.

9 Q. And when Mr. Britto writes about  
14:18:44 10 targeting speculators, traders and market makers,  
11 did you understand that to be referencing XRP  
12 speculators, traders and market makers?

13 A. My definition is -- is -- is the same in  
14 that you don't know who the -- you know, the use  
14:19:09 15 cases of the users are. For example, they could  
16 be using Ripple Trade to buy and hold gold which  
17 was represented on the XRP ledger.

18 Q. But you wrote "XRP is going to be the  
19 death of us."

14:19:32 20 A. Yes, that's correct.

21 Q. So --

22 MS. ZORNBERG: Object to the  
23 characterization "but you wrote." I  
24 don't -- I don't know -- I think the  
14:19:40 25 witness answered that he -- it's correct

14:19:41 1           that he wrote "XRP is going to be the  
2           death of us," not "but."

3           Q.    Okay.  So having said that, did you  
4   understand that Mr. Britto was talking about XRP  
14:19:53 5   speculators, traders and market makers?

6           A.    Could we reset here?  So are you  
7   referring to XRP as being the death of us?  Are we  
8   going back to the portion in the document?

9           Q.    Right.  So I'm asking about the portion  
14:20:08 10   in the document where it's -- where the e-mail  
11   says "Our target is:  Speculators, traders and  
12   market makers."

13                   And I asked you, "Was that referring to  
14   XRP?"  And I think you said it could have been  
14:20:18 15   any -- any commodity or product.  Then I  
16   referenced you writing "XRP is going to be the  
17   death of us."

18                   And now I'm asking, having seen all  
19   that, did you understand that Britto was writing  
14:20:37 20   about XRP speculators, traders and market makers?

21                   MR. HECKER:  Objection;  
22                   foundation.  Obviously the -- the exchange  
23                   here has a whole lot more and you haven't  
24                   connected them up.  So lack of foundation.

14:20:48 25   Q.    You can answer.

14:20:54 1           A.    So given that the product Ripple Trade  
2           enables a whole lot of different tokens, I  
3           mentioned a number of them and you can trade  
4           amongst them. And my definition of speculators --  
14:21:13 5           speculator as being you don't know what they're  
6           doing, it's not a known use case. I believe he  
7           was talking about folks that wanted to leverage  
8           Ripple Trade for a number of different use cases  
9           against a number of different assets.

14:21:35 10          Q.    So why did you write "XRP is going to be  
11           the death of us"?

12                       MR. HECKER: Same objection.

13           A.    So at this time -- to my knowledge, at  
14           this time, I had roughly -- I was running, you  
14:21:58 15           know, product, and I had roughly 15 engineers  
16           total. Rough estimate. And we had agreed -- at  
17           least I perceived we had an alignment -- to focus  
18           on enterprise customers, financial institutions.

19                       And developing products for financial  
14:22:32 20           institutions is -- is -- is super complicated,  
21           requires a lot of security protocols, testing,  
22           deployment into financial institutions. It's very  
23           resource-intensive. And at the time, I was trying  
24           to get a product for enterprises out the door with  
14:22:58 25           a very limited set of engineering and product

14:23:00 1 resources.

2 And I had felt we made a decision to  
3 sunset Ripple Trade and I could take some of the  
4 engineers and move them over to the enterprise  
14:23:17 5 product and -- and this was counter to it.

6 And so as a product person, your job is  
7 to prioritize but deliver a great experience to  
8 customers, a game-changing experience to  
9 customers. And I was frustrated that I wasn't --  
14:23:39 10 I wasn't able to do that given I had -- I was  
11 split between a number of different product sets.

12 Q. So you were unhappy that Mr. Larsen was  
13 more focused on XRP than the other types of  
14 products that you were trying to develop?

14:24:03 15 MS. ZORNBERG: Objection to form.

16 MS. DEARBORN: Objection. Join.

17 A. Can you rephrase the question, please?

18 Q. So when you write XR -- I was just  
19 trying to summarize what -- your answer to the  
14:24:16 20 previous question. And it sounds like you were  
21 unhappy that either Mr. Larsen or Mr. Britto was  
22 trying to -- was too focused on XRP and not  
23 focused enough on the other products you were  
24 trying to develop?

14:24:32 25 MR. HECKER: That's --

14:24:33 1 MS. ZORNBERG: Objection; lack of  
2 foundation.

3 MS. DEARBORN: And objection to  
4 form on top of that. Thank you.

14:24:40 5 A. That -- that's an incorrect summary. My  
6 summary was that there was a Ripple Trade product  
7 that was going after a different set of customers,  
8 a different product architecture. And then I was  
9 trying to get out a -- a product that was focused  
14:25:01 10 on enterprise customers and I had limited  
11 resources, I think I mentioned around 15, maybe --  
12 maybe not even 15, spread across both of these  
13 products.

14 I thought we had alignment to move in  
14:25:13 15 the enterprise direction and felt like we were  
16 moving that way, but this was counter to that.

17 Q. I don't understand. What's the problem  
18 with XRP? Why is that -- why was the focus on XRP  
19 a problem?

14:25:40 20 A. It wasn't so much a focus on XRP. It  
21 was a focus on the architecture of something built  
22 directly on the XRP ledger, being Ripple Trade,  
23 versus Ripple Connect was a very, very different  
24 architecture. And a product like Ripple Trade  
14:25:59 25 that was a browser, a decentralized browser on top

14:26:03 1 of XRP -- XRPL that allowed you to trade a lot of  
2 different assets wasn't the use case we agreed to  
3 move forward with.

4 MR. HANAUER: Nine.

14:26:26 5 (Whereupon, exhibit is presented  
6 and marked SEC Birla Exhibit AB-9 for  
7 identification.)

8 MR. TENREIRO: Here comes 9.

9 MR. HECKER: Thanks.

14:26:41 10 MR. HANAUER: I just tendered the  
11 witness a document labeled as Exhibit  
12 AB-9, which begins with the Bates number  
13 ending in 2714.

14 BY MR. HANAUER:

14:27:09 15 Q. And AB-9 is an e-mail you sent to  
16 Patrick Griffin on June 26th, 2016?

17 A. That is correct.

18 Q. And you're responding to an e-mail that  
19 Mr. Griffin wrote to you the same day?

14:27:32 20 A. I believe he wrote it the team at  
21 Ripple, which I was part of.

22 Q. And whatever Mr. Griffin wrote, you  
23 responded by writing "Good e-mail"?

24 A. It's unclear -- I mean, I responded with  
14:27:54 25 "Good e-mail," but unclear if I was saying the

14:28:01 1 entire part of it was -- was good or just a few  
2 segments related to my products.

3 Q. And do you see on the -- a couple  
4 paragraphs down in Mr. Griffin's e-mail to you, he  
14:28:21 5 writes "Long term, we want payment volume versus  
6 speculation to drive more competitive rates in  
7 RLS"?

8 What did you understand him to be  
9 talking about?

14:28:38 10 A. Let me read a little bit more to get the  
11 full context.

12 (Pause)

13 A. Okay. Repeat the question, please.

14 MR. HANAUER: Can you read the  
14:30:04 15 question back, please?

16 (Whereupon, the record was read  
17 back.)

18 A. I don't know for certain, but I believe  
19 he is referring to the depth of liquidity  
14:30:38 20 available and how to create deeper liquidity to  
21 provide a better experience for customers.

22 Q. And then the bullet point where he  
23 writes "We have more speculative demand for  
24 cryptocurrencies than payment volume," what do you  
14:30:59 25 understand him to mean there?

14:31:04 1 A. You know, back to my, you know, original  
2 definition, payment of volume originating through  
3 Ripple products is volume we know about. And what  
4 he's referring to is that volume compared to the  
14:31:19 5 unknown volume, you know, the speculative volume,  
6 as he refers to here, and I had referred to as  
7 natural liquidity. The ratio of such is the  
8 natural liquidity is higher, far higher, than the  
9 payment liquidity.

14:31:43 10 Q. And in June 2016, did Ripple want to  
11 attract more speculative trading volume in XRP?

12 A. I don't know for certain, but helping  
13 build liquidity into corridors that our customers  
14 wanted provided a better experience for our  
14:32:21 15 customers, both in the competitive rates and in  
16 the depth of liquidity amount you could send using  
17 our products and services.

18 Q. So, yes, Ripple was trying to attract  
19 more speculative trading volume in XRP in June  
14:32:37 20 2016?

21 MS. ZORNBERG: Objection to form.

22 MR. HECKER: Objection.

23 A. Building natural liquidity at exchanges  
24 that were part of the product suite was  
14:33:00 25 advantageous to the product experience and



14:33:02 1 benefited our customers.

2 Q. So -- and I'm just trying to use  
3 Mr. Griffin's words to you here. He writes about  
4 "attracting more speculative volume."

14:33:17 5 Is that something Ripple was trying to  
6 do in June 2016?

7 MR. HECKER: Objection to form;  
8 asked and answered. This is the third  
9 time.

14:33:27 10 MR. HANAUER: Third time I've  
11 asked.

12 MR. HECKER: Yeah.

13 MR. HANAUER: He's yet to answer  
14 the question.

14:33:32 15 MR. HECKER: Yeah, he has.  
16 You're just trying to put Mr. Griffin's  
17 words in his mouth and he's telling you  
18 his answer. He's allowed to put it in his  
19 own words.

14:33:44 20 A. So, you know, in -- in -- as the head of  
21 product, it was advantageous to me to build  
22 natural liquidity for -- for my products that  
23 improved the product experience. Better rates in  
24 a lot of cases and -- and more depth meant you can  
14:34:03 25 send more to the products. And in 2016,

14:34:06 1 cryptocurrencies and the ecosystem was nascent and  
2 it had a short liquidity, short order books. And  
3 that impacted the product experience in a negative  
4 way.

14:34:21 5 Q. So in 2016, what was Ripple doing to  
6 attract more speculative trading volume in XRP?

7 MS. DEARBORN: Object to form.

8 A. Other than what's noted here, I don't  
9 know for certain.

14:34:50 10 Q. Was Ripple providing incentives to  
11 market makers?

12 A. At this time period, I don't know.

13 Q. Does Ripple currently provide incentives  
14 to market makers?

14:35:14 15 A. When -- in certain corridors where the  
16 depth of liquidity isn't sufficient to provide a  
17 good experience for our customers, there are times  
18 where we work with contracted market makers to  
19 help supplement liquidity. Supplement liquidity  
14:35:35 20 means the delta between what we need to help  
21 provide a good experience for our customers and  
22 what's available via natural liquidity is  
23 mismatched. And in those cases, and usually at  
24 the destination exchange, Ripple-contracted market  
14:35:57 25 makers are often employed.

14:36:00 1 Q. That means Ripple paid market makers?

2 MR. HECKER: Objection to form.

3 A. I don't know the -- I don't know the  
4 exact mechanics, but they're either incented or a  
14:36:20 5 subsidy, but I don't know the exact mechanics.

6 MR. TENREIRO: Ten. Exhibit 10.

7 THE WITNESS: Are we done with  
8 this one?

9 MR. HANAUER: Yes, thank you.

14:36:31 10 (Whereupon, exhibit is presented  
11 and marked SEC Birla Exhibit AB-10 for  
12 identification.)

13 MR. HANAUER: And I tendered the  
14 witness a document marked as Exhibit  
14:36:58 15 AB-10, which begins with a Bates number  
16 ending in 8104.

17 BY MR. HANAUER:

18 Q. And, Mr. Birla, is Exhibit AB-10 an  
19 e-mail that you sent to Patrick Griffin on  
14:38:07 20 September 13th, 2016?

21 A. I believe so.

22 Q. And there's a reference to [REDACTED] in the --  
23 your e-mail and then the e-mail earlier in the  
24 chain.

14:38:28 25 What -- what was [REDACTED]?

14:38:39 1 A. I don't know for certain, but I believe  
2 in this context, [REDACTED] was -- was [REDACTED]  
3 [REDACTED].

4 Q. Okay. And what was -- what was [REDACTED]'s  
14:39:02 5 business?

6 A. At this time frame, I wasn't super  
7 familiar with what [REDACTED] was. I believe they owned  
8 [REDACTED], but at this time frame, I don't -- I  
9 don't remember exactly what [REDACTED] did.

14:39:25 10 Q. Okay. So in your e-mail to Mr. Griffin,  
11 you reference -- after the bullet points, you said  
12 "These two points above are tactics to address  
13 volume growth concerns that [REDACTED] and other  
14 investors will have regarding XRP."

14:39:47 15 Did -- did you understand [REDACTED] to be an  
16 investor or potential investor in XRP?

17 A. I don't know for certain if [REDACTED] was an  
18 investor in XRP at the time.

19 Q. And do you see Mr. Griffin's e-mail to  
14:40:20 20 you at the bottom of the first page on Exhibit  
21 AB-10? Mr. Griffin writes "Brad and I met with  
22 [REDACTED] this afternoon in New York. Our" objection --  
23 "Our objective was to engage [REDACTED] to launch a new  
24 XRP fund"?

14:40:44 25 A. I see that.

14:40:45 1 Q. Was it your understanding that  
2 Mr. Griffin and Mr. Garlinghouse had an objective  
3 to have [REDACTED] launch a new investment product  
4 involving XRP?

14:41:02 5 A. I'd have to read the rest of this to  
6 understand.

7 Q. Okay.

8 (Pause)

9 A. Do you mind repeating the question?

14:42:59 10 Q. Was it your understanding that  
11 Mr. Griffin and Mr. Garlinghouse had an objective  
12 for [REDACTED] to launch a new investment product  
13 involving XRP?

14 A. From reading the e-mail, I believe that  
14:43:37 15 to be true.

16 Q. And then do you see on the second page  
17 of Exhibit AB-10 this paragraph that -- or the  
18 bullet point that begins "Predictability"?  
19 Mr. Griffin writes "An obstacle to getting new  
14:44:00 20 money into XRP is predictability of supply to  
21 assign a valuation to XRP. Investors need  
22 certainty and stability to evaluate risk and price  
23 accordingly"?

24 A. I see that.

14:44:16 25 Q. And did you understand Mr. Griffin to be

14:44:24 1 writing about concerns that investors had about  
2 XRP?

3 A. I understand this to be [REDACTED]'s feedback  
4 summarized by Patrick.

14:44:39 5 Q. And [REDACTED] was a potential investor in XRP?

6 A. I believe so, yes.

7 Q. And why was Ripple trying to get [REDACTED] to  
8 invest in XRP?

9 A. In my role as -- at this time as head of  
14:45:16 10 product, that wasn't something that my function  
11 covered, so I don't know.

12 Q. Would increased investment in XRP have  
13 helped the products you were developing that used  
14 XRP work better?

14:45:44 15 A. I don't know.

16 Q. Do you see the -- the second paragraph  
17 on page -- page 2 of Exhibit AB-10 where it  
18 reference -- where it says "On OTC XRP purchases,  
19 they do not plan to purchase more XRP"?

14:46:12 20 A. Oh, sorry, can you -- what page was  
21 that?

22 Q. I'm sorry, the second page of Exhibit  
23 AB-10, just the second --

24 A. Second page and --

14:46:21 25 Q. -- paragraph, first sentence.



14:46:25 1 A. And can you rephrase the question or  
2 repeat the question, please?

3 Q. I just wanted to ask what are the OTC  
4 XRP purchases referenced in Mr. Griffin's e-mail?

14:46:42 5 A. That seems -- I don't know for certain.  
6 It seems like a summary of what [REDACTED] and [REDACTED] were  
7 doing to purchase XRP.

8 Q. What were your understanding of Ripple's  
9 over-the-counter XRP sales?

14:47:15 10 A. In the context of this e-mail?

11 Q. Just have you heard that terminology  
12 before?

13 A. Is the question -- can you rephrase the  
14 question, please?

14:47:24 15 Q. Yeah. What was your understanding of  
16 Ripple's over-the-counter XRP sales?

17 A. I did not have a deep understanding  
18 to -- to my knowledge.

19 Q. Were those the sales of XRP that Ripple  
14:47:43 20 was using to fund its operations?

21 MS. ZORNBERG: Object to form.

22 A. Can you rephrase the question, please?

23 Q. So Ripple's over-the-counter XRP sales,  
24 were those the sales of XRP that Ripple was using  
14:48:14 25 to fund its operations?

14:48:21 1 A. Time frame matters. For example, right  
2 now XRP is sold, you know, for use to Ripple  
3 customers that are using the ODL product.

4 Q. Sold by Ripple?

14:48:45 5 A. So as of right now, to my knowledge, the  
6 XRP is sold to Ripple customers for use in ODL  
7 by -- by Ripple.

8 Q. And back in 2016, before ODL was in  
9 commercial use, Ripple was selling XRP to  
14:49:09 10 investors like [REDACTED]?

11 A. I do not recall.

12 Q. Did Ripple ever have speculative trading  
13 volume targets?

14 MS. ZORNBERG: Object to form.

14:49:43 15 You can answer.

16 A. I do not recall.

17 MR. HANAUER: Okay. Can we look  
18 at Exhibit 19, please?

19 (Whereupon, exhibit is presented  
14:50:04 20 and marked SEC Birla Exhibit AB-19 for  
21 identification.)

22 MR. HANAUER: I tendered the  
23 witness a document labeled AB-19, which  
24 has a Bates number ending in 8282.

14:50:35 25 BY MR. HANAUER:



14:50:37 1 Q. Mr. Birla, Exhibit AB-19 is an e-mail  
2 from Patrick Griffin copying you dated April 13th,  
3 2017?

4 A. That's correct.

14:50:57 5 Q. And in the, I guess, second e-mail of  
6 the chain -- who is Ms. [sic] [REDACTED]  
7 [REDACTED]?

8 A. Mr. [REDACTED] was a product  
9 manager.

14:51:11 10 Q. He worked for you?

11 A. That -- that is correct.

12 Q. Does he still work for you?

13 A. No, he does not. No, he does not.

14 Q. And do you see how in just the second  
14:51:21 15 e-mail in the chain, Mr. [REDACTED] writes "This  
16 will lead to more" specu -- "speculative volume,  
17 which is a target goal for Ripple in Q2"?

18 A. I -- I see that, yes.

19 Q. Does that refresh your rec --  
14:51:39 20 recollection whether Ripple had speculative  
21 trading volume targets?

22 A. I do not recall. I do not remember this  
23 e-mail.

24 Q. And that's not the -- the question.  
14:51:54 25 Does reading about one of your subordinates

14:51:56 1 writing about speculative volume being a target  
2 goal, does that refresh your recollection of  
3 whether Ripple had speculative trading volume  
4 targets?

14:52:09 5 A. That does not help refresh my memory.

6 MR. HANAUER: Twenty-four.

7 (Whereupon, exhibit is presented  
8 and marked SEC Birla Exhibit AB-24 for  
9 identification.)

14:52:44 10 MR. HANAUER: I tendered the  
11 witness a document labeled Exhibit AB-24  
12 with the Bates number beginning  
13 [REDACTED] 0044098.

14 BY MR. HANAUER:

14:53:26 15 Q. And Exhibit AB-24, that's an e-mail from  
16 you to [REDACTED] dated November 29th, 2017?

17 A. That's correct.

18 Q. And Ms. [REDACTED], she was an employee of  
19 [REDACTED]?

14:53:47 20 A. I believe that's correct.

21 Q. And Ms. [REDACTED] is e-mailing you talking  
22 points?

23 A. I believe that to be true, yes.

24 Q. And do you see the part where it's --  
14:54:08 25 where it's a little bolded and it says "[REDACTED]"

14:54:11 1 News," and the bullet point says "We were excited  
2 to hear about [REDACTED]'s interest in XRP - it's the  
3 first ever XRP fund"?

4 A. Yes, I see that.

14:54:25 5 Q. Who's the "[REDACTED]" that Ms. [REDACTED] is  
6 referring to?

7 A. I don't know for certain, but I believe  
8 that's [REDACTED].

9 Q. And who is Mr. [REDACTED]?

14:54:41 10 A. He is the founder of [REDACTED].

11 Q. And what's [REDACTED]?

12 A. [REDACTED] is a -- is a online  
13 publication.

14 Q. And when Ms. [REDACTED]'s writing "We were"  
14:55:10 15 -- "We were excited to hear about [REDACTED]'s interest  
16 in XRP - it's the first ever XRP fund," what was  
17 she referring -- what was your understanding of  
18 what she's referring to there?

19 A. I don't know for certain, but likely  
14:56:03 20 [REDACTED]'s fund, blockchain fund.

21 Q. And that was good news that  
22 Mr. [REDACTED] was creating an XRP investment fund?

23 A. I -- I don't recall if it was good news  
24 or just news.

14:56:34 25 Q. Ms. [REDACTED] wanted you to say in talking

14:56:38 1 points that Ripple was excited about that fund?

2 A. Are you referring to the "Reactive Only"  
3 talking points?

4 Q. Yes.

14:57:16 5 A. Yes, I believe [REDACTED] has some points  
6 here about excitement about [REDACTED]'s interest in  
7 XRP.

8 Q. So that was -- the launching of the  
9 first-ever XRP fund, from a Ripple perspective  
14:57:35 10 that's good news?

11 A. From my recollection, it -- it wasn't  
12 something that on the product side that I noted as  
13 important.

14 Q. And further up in that e-mail to you,  
14:57:55 15 Ms. [REDACTED] writes "Today speculators are buying  
16 XRP on over 30 exchanges." She lists them. And  
17 then it continues, "and you can expect to see even  
18 more in 2018. This is a positive sign for the  
19 ecosystem - corporates and hedgers will be  
14:58:17 20 watching and taking cues"?

21 Was it a positive sign for Ripple that  
22 in November 2017, speculators were buying XRP on  
23 over 30 exchanges?

24 A. I don't know for certain, but I do  
14:58:43 25 remember being excited that exchanges in



14:58:48 1 destinations that the ODL and xRapid product was  
2 receiving feedback from our customers -- sorry,  
3 let me rephrase.

4 I do remember being excited that our  
14:59:04 5 customers had asked for destinations that we  
6 didn't have available as part of the ODL exchange  
7 and -- and product. And some of them -- some of  
8 these destinations were now listing XRP, which is  
9 a precursor to making them available in the xRapid  
14:59:28 10 and ODL product.

11 Q. And you understood that Ms. [REDACTED] was  
12 giving you guidance to talk publicly about the  
13 fact that speculators are buying XRP on over 30  
14 exchanges?

14:59:56 15 MS. ZORNBERG: Object to form.

16 A. I don't remember, you know, reading this  
17 e-mail, but in the talking points, she does allude  
18 to a point about speculators buying XRP.

19 Q. So back in November 2017, were all of  
15:00:21 20 the different exchanges that Ripple was trying to  
21 get XRP trading on, were all those exchanges in  
22 countries where ODL would be sending money to?

23 A. Can you rephrase the question, please?

24 Q. All right. So I think you had talked  
15:00:41 25 about how ODL/xRapid, that product, involved

15:00:46 1 sending money from the U.S. to a foreign country,  
2 right?

3 A. I don't think I mentioned U.S., but U.S.  
4 was one of the origination points. Also available  
15:00:58 5 in Europe.

6 Q. Okay. And if the U.S. was an  
7 origination point, what would you -- what's the --  
8 how would you call the receiving point?

9 A. The destination.

15:01:07 10 Q. The destination.

11 A. Yeah.

12 Q. Okay. So were all of the exchanges that  
13 Ripple was trying to get XRP listed on, were all  
14 of those exchanges in destination countries for  
15:01:22 15 ODL/xRapid users?

16 MS. ZORNBERG: I'm going to  
17 object to form and point out the  
18 witness's -- I think it's asked and  
19 answered in that he referred previously to  
15:01:34 20 precursors to the ODL being available.

21 You can answer.

22 A. Do you mind rephrasing the question?

23 Q. Okay. So were all the exchanges that  
24 Ripple was trying to get XRP listed on, were all  
15:02:01 25 those exchanges in countries, destination

15:02:06 1 countries, for ODL or its precursor products?

2 MS. ZORNBERG: Object to form and  
3 to the piece where you said that Ripple --  
4 exchanges "Ripple was trying to get XRP  
15:02:17 5 listed on." Object to that terminology.

6 A. My product team worked closely with  
7 business development associates that helped add  
8 exchanges that were of interest to our customers  
9 to the ODL product suite. A precursor to adding  
15:02:44 10 it to the ODL product suite would have been for  
11 that exchange in the destination to have listed  
12 and built liquidity -- liquidity around XRP.

13 MR. HANAUER: Let's go to Exhibit  
14 42.

15:03:21 15 (Whereupon, exhibit is presented  
16 and marked SEC Birla Exhibit AB-42 for  
17 identification.)

18 MR. HANAUER: I just tendered the  
19 witness Exhibit -- a document labeled  
15:03:44 20 Exhibit AB-42, which is -- begins on a  
21 page Bate -- with a Bates number ending in  
22 2869.

23 BY MR. HANAUER:

24 Q. And, Mr. Birla, is Exhibit AB-42 an  
15:04:06 25 e-mail that you sent to Brad Garlinghouse on

15:04:13 1 January 8th, 2020?

2 A. Yes, that is correct.

3 Q. And when -- you write "As we've  
4 discussed - how do we bring institutional grade  
15:04:28 5 exchanges and liquidity providers to some of our  
6 core markets either through partnerships (e.g.  
7 [REDACTED] or roll-ups (e.g. leveraging [REDACTED] to  
8 roll-up LatAM exchanges)"?

9 And are you referring to there about  
15:04:45 10 efforts to get exchanges to list XRP in the  
11 destination of countries for ODL users?

12 A. I'm going to read the e-mail.

13 (Pause)

14 A. Do you mind repeating the question,  
15:06:22 15 please?

16 Q. So the first sen -- or the first part of  
17 that paragraph, "how do we bring institutional  
18 grade exchanges and liquidity providers to some of  
19 our core markets," do you see that?

15:06:37 20 A. I do.

21 Q. Are -- are you referring there to the  
22 exchanges, the digital asset exchanges, in the  
23 destination countries where ODL users were  
24 transferring money?

15:07:26 25 A. I believe I'm referring to a need for



15:07:27 1 high-quality exchanges. In the architecture of  
2 the product, ODL were highly reliant on nascent  
3 crypto exchanges. If the crypto exchange goes  
4 down, our products go down as well in the current  
15:07:44 5 architecture. So I'm referring to, hey, can we  
6 look and find high-quality institutional grade  
7 exchanges that are run by robust partners to  
8 enhance the -- the ODL product experience.

9 Q. So Ripple was making efforts to ensure  
15:08:07 10 that XRP was traded on high-quality exchanges in  
11 the destination countries?

12 A. As part of the experience, having  
13 high-quality exchanges enhance the ODL experience.  
14 Some of the exchanges mentioned here, [REDACTED], would  
15:08:29 15 be an originating exchange. I believe [REDACTED] would  
16 be their prominent Singaporean bank. And  
17 Singaporean dollars are an origination exchange.  
18 Second part would be LatAM. LatAM would be more  
19 or less in that destination. And -- and under  
15:08:49 20 your terminology that would be correct.

21 Q. Correct that Ripple made efforts to  
22 ensure that there were high-quality exchanges  
23 where XRP could be traded in the destination  
24 countries?

15:09:07 25 MS. ZORNBERG: Objection to form.

15:09:07 1 A. In -- in my role, I was concerned about  
2 the -- in the context of this e-mail, it's more  
3 the robustness of the technical infrastructure and  
4 rely -- reliability of the exchanges and that's  
15:09:22 5 what I'm referring to.

6 Q. Right. And so Ripple --

7 A. And part --

8 Q. Oh, I'm sorry, continue.

9 A. That's part of the ODL experience. And  
15:09:27 10 so I'm -- I'm focused on uptime, redundancies of  
11 code. If they're on AWS, do they have a backup in  
12 case AWS goes down? Your average crypto player  
13 outside of the top three or four don't have that  
14 kind of robustness, but institutional players like  
15:09:50 15 [REDACTED], because they offer banking infrastructure, do  
16 have that kind of technical robustness.

17 Q. Right.

18 So Ripple was making efforts to make  
19 sure that XRP could be traded on high-quality  
15:10:02 20 exchanges?

21 MS. ZORNBERG: Same objection.

22 MR. SOLOMON: Objection. You  
23 keep slipping in a legal term, "efforts."  
24 He has to answer the question his way, not  
15:10:11 25 your way. Can you let him use his own

15:10:13 1 words, please?

2 Objection; form.

3 MR. HANAUER: Anything else?

4 BY MR. HANAUER:

15:10:20 5 Q. You can answer the question.

6 A. As the head of product, I want  
7 high-quality exchanges for the ODL experience.  
8 And having high-quality exchanges means that  
9 they're -- they have redundancy. They know how to

15:10:38 10 run technical bank-grade infrastructure. And --

11 and [REDACTED], the example given here, is a  
12 Singaporean -- large Singaporean bank that was  
13 interested in running an exchange, a crypto  
14 exchange, as well. And that I felt would be  
15 advantageous to the product experience.

16 Q. So --

17 A. Searching for destination exchanges and  
18 LatAM based on our customer needs. And, again,  
19 LatAM, very difficult to find high-quality

15:11:06 20 exchanges with technical -- robust technical  
21 infrastructure and security protocols. The idea  
22 would be could we find someone that was familiar  
23 with financial applications on businesses to help  
24 find those exchanges to be part of the ODL

15:11:25 25 experience.

15:11:26 1 Q. And what did Ripple do to make sure  
2 there were high-quality exchanges for XRP trading?

3 A. So for -- to ensure that there were  
4 high-quality exchanges as part of the ODL and  
15:11:49 5 xRapid experience, there were a number of things  
6 that we did. Number one, site visits were  
7 important. So understanding if the exchange was  
8 run by high-quality, high-integrity people.

9 Did they have -- you know, we did a  
15:12:13 10 security audit. Did they have the right security  
11 protocols?

12 Did they have reputable funders so that  
13 they had a long runway? Because when you're  
14 building in crypto, it takes a long time for  
15:12:28 15 products to mature and you need to have ample  
16 runway given you're in a very nascent, you know,  
17 industry.

18 Did they have the right APIs?

19 So exchanging digital currencies is  
15:12:52 20 different than processing -- sorry. Exchanging  
21 currencies is -- is one part of what an exchange  
22 does, but when they're part of the ODL and xRapid  
23 experience, they also have to process KYC rules.

24 Q. That's know your customer?

15:13:08 25 A. Know your customer. They need to adhere

15:13:10 1 to the travel rule. And that additional metadata  
2 needs to be available and processed through the  
3 exchange.

4 So most exchanges that we met with  
15:13:20 5 didn't have the right kinds of parameters and  
6 metadata to not only do cryptocurrency trading  
7 against fiat, but also payment use cases like the  
8 ones that ODL offers.

9 Q. Was it easy for Ripple to find these  
15:13:37 10 high-quality exchanges or did it involve a lot of  
11 hard work?

12 MS. ZORNBERG: Object to form.

13 You can answer.

14 A. Well, in my experience with product over  
15:13:57 15 the years, nothing is really easy. It's super  
16 complicated to -- to launch products and achieve  
17 product market fit given you need to be ten times  
18 better than anything else out there.

19 Now, you -- you couple on being in the  
15:14:14 20 crypto industry that is still very nascent and new  
21 and that adds further complication. And then you  
22 add on the global nature of our business and the  
23 unfamiliarity with local markets and participants  
24 and that adds an additional layer of complexity  
15:14:33 25 into building a product.

15:14:37 1 And not only at a new industry, but also  
2 at a -- a company offering a newer product to the  
3 market.

4 Q. In that first paragraph of AB-20 (sic),  
15:14:52 5 you refer to a "retail speculator."

6 What do you mean by the term "retail  
7 speculator"?

8 A. I'm comparing the two types of liquidity  
9 providers --

15:15:11 10 Q. Oh, I'm sorry. Can -- I need to clear  
11 that up. I misspoke.

12 In AB -- Exhibit AB-42, you use the  
13 terminology "retail speculator." Please give your  
14 understanding of -- of what you meant there by  
15:15:24 15 "retail speculator."

16 A. So I have versus, "vs," institutional  
17 liquidity providers.

18 So as I mentioned, on an exchange there  
19 are two types of liquidity providers: One that  
15:15:46 20 are institutional grade and, in many destination  
21 markets, due to the lack of liquidity, our --  
22 Ripple-contracted market makers and then everyone  
23 else. And a general catchall is known as natural  
24 liquidity or in this case I used -- I think I'm  
15:16:15 25 actually referring to another portion in the



15:16:17 1 document, someone else's language, but speculative  
2 liquidity.

3 Q. Is there a difference between retail  
4 speculators and institutional speculators as you  
15:16:30 5 understand it?

6 A. I don't believe I -- I used the -- the  
7 word "institutional speculators," so I'm not  
8 familiar with that -- that term.

9 Q. Would you consider the term "retail  
15:16:48 10 speculator" to apply to a hedge fund?

11 A. I don't know for certain.

12 MR. HANAUER: Okay. Exhibit 50,  
13 please. I'm going to do this last one.

14 It's quick. Actually, before you --

15:17:18 15 Q. I'm just going to ask you a couple  
16 questions before the exhibit.

17 In 2020, did Ripple promote the  
18 narrative that XRP should be part of a diversified  
19 investment portfolio?

15:17:28 20 MR. HECKER: Objection to the  
21 form of the question.

22 A. In my function -- sorry, can you give me  
23 the date again?

24 Q. In 2020.

15:17:44 25 A. In my role both as head of product and

15:17:50 1 general manager of RippleNet, that wouldn't be in  
2 my purview and function.

3 Q. Were you ever aware of Ripple promoting  
4 XRP -- promoting that XRP should be part of the  
15:18:02 5 diversified investment portfolio?

6 MS. ZORNBERG: Objection to form  
7 and to the use of the term "promoting."

8 A. I do not recall.

9 Q. Did Ripple ever promote XRP as an -- as  
15:18:16 10 an investment product?

11 MS. ZORNBERG: Same objections.

12 A. I do not recall.

13 Q. Did Ripple ever make public statements  
14 suggesting that XRP should be part of a  
15:18:32 15 diversified investment portfolio?

16 A. Can you rephrase the question, please?

17 Q. Did Ripple ever make statements to the  
18 public suggesting that XRP should be part of a  
19 diversified investment portfolio?

15:18:53 20 A. I do not recall.

21 Q. Did Ripple ever make statements to the  
22 public suggesting that XRP should be an investment  
23 product?

24 A. I do not recall.

15:19:07 25 MR. HANAUER: Exhibit 50, please.



15:19:22 1 (Whereupon, exhibit is presented  
2 and marked SEC Birla Exhibit AB-50 for  
3 identification.)

4 MR. HANAUER: And I just tendered  
15:19:24 5 the witness Exhibit -- a document labeled  
6 Exhibit AB-50, which ends in a Bates  
7 number -- or begins with a Bates number  
8 ending in 5553.

9 BY MR. HANAUER:

15:19:43 10 Q. And is Exhibit AB-50 an e-mail that [REDACTED]  
11 [REDACTED] sent to you and others on July 3rd, 2020?

12 A. Yes.

13 Q. And do you see how [REDACTED] writes about  
14 two-thirds of the way down, "We are about to get  
15:20:07 15 active with the narrative that XRP deserves to be  
16 a meaningful participant to a diversified  
17 portfolio"?

18 A. I see that.

19 Q. And does that refresh your recollection  
15:20:43 20 of whether Ripple ever promoted XRP as an  
21 investment product?

22 MR. HECKER: Objection to form;  
23 foundation.

24 A. No, I don't believe so.

15:20:55 25 Q. And what was [REDACTED] role with Ripple

15:20:58 1 in July 2020?

2 A. Her role was unclear to me. Is unclear  
3 to me.

4 Q. Was she high-ranking at Ripple?

15:21:16 5 MR. HECKER: Objection to form.

6 A. I don't recall her official title, nor  
7 do I recall her being part of core -- core  
8 decisions.

9 Q. Do you have an understanding of why  
15:21:42 10 [REDACTED] would be attaching an XRP Markets Weekly  
11 presentation to her e-mail?

12 A. I do not.

13 MR. HANAUER: Counsel, do you  
14 think now is a good time for a break?

15:21:58 15 MR. HECKER: That would be great.  
16 Thank you.

17 MR. HANAUER: Yeah, let's go off.

18 MR. TENREIRO: Are we done with  
19 this one?

15:22:02 20 MR. HANAUER: Yes, thank you.

21 THE VIDEOGRAPHER: The time on  
22 the video monitor is now 3:21 -- 3:22 p.m.  
23 This is the end of Media Unit Number 4.  
24 Going off the video record.

15:22:13 25 (Whereupon, a recess is taken.)

15:22:13 1 THE VIDEOGRAPHER: The time on  
2 the video monitor is now 3:46 p.m. This  
3 is the start of Media Unit Number 5. We  
4 are back on the video record.

15:46:24 5 BY MR. HANAUER:

6 Q. Mr. Birla, since you started at Ripple,  
7 has Ripple provided incentives to market  
8 participants to increase trading in XRP?

9 MS. ZORNBERG: Object to form.

15:46:57 10 A. I believe -- I don't know the mechanics  
11 of the deal, but where there was insufficient  
12 liquidity for the xRapid and ODL experience,  
13 especially at destination exchanges, we would  
14 contract with market makers to help supplement the  
15:47:24 15 liquidity between delta for what a customer wanted  
16 to send and what was available through natural  
17 liquidity at an exchange.

18 Q. Any other way that Ripple incentivized  
19 market participants to increase trading in XRP?

15:47:49 20 MS. ZORNBERG: Same objection to  
21 form.

22 A. What would your definition of "market  
23 participants" be?

24 Q. So how about this? Before xRapid  
15:48:17 25 launched in 2018, did Ripple provide incentives to

15:48:21 1 market participants to increase trading in XRP?

2 MS. ZORNBERG: Objection to form.

3 A. I don't know for certain.

4 Q. Well, you -- you had mentioned the  
15:48:34 5 giveaways, right, when Ripple was giving away XRP?

6 A. I believe I mentioned I was familiar  
7 with XRP giveaways.

8 Q. And Ripple has sold XRP to institutional  
9 traders at discounted prices?

15:49:01 10 MS. ZORNBERG: Is that a question  
11 or are you assuming facts not in evidence?

12 MR. HANAUER: It's a question.

13 A. Can you rephrase the question, please?

14 Q. Has Ripple sold XRP to institutional  
15:49:19 15 traders at discounted prices?

16 A. I don't know for certain.

17 Q. Has Ripple paid exchanges to list XRP on  
18 their exchange?

19 A. Not to my knowledge.

15:49:51 20 Q. Has Ripple offered incentives to money  
21 transmitters to use Ripple products?

22 A. I believe so.

23 Q. Tell me about that.

24 A. As -- as a product is early on in its  
15:50:33 25 development life cycle, like the ones ODL and

15:50:42 1 xRapid, for example, and in a very nascent  
2 ecosystem, like blockchain and crypto,  
3 cryptocurrency, or the cryptocurrency ecosystem, I  
4 mentioned earlier that, you know, the products  
15:51:08 5 have, you know, user experience issues given to  
6 the nascent infrastructure providers, crypto  
7 exchanges and so forth.

8 And to get product experience and  
9 feedback from customers early on, it's super  
15:51:30 10 important in a product development life cycle.  
11 And my internal saying is Day 1 of a product isn't  
12 when it's on a piece of paper or in a  
13 presentation, but, like, when a customer starts  
14 using it. And there are oftentimes when we are  
15:51:57 15 trying to get very early feedback from customers  
16 and we quite well know that the experience isn't  
17 where it needs to be. And in those days, in -- in  
18 some cases, it's worthwhile to provide incentives  
19 to a customer.

15:52:21 20 Q. Does Ripple still provide incentives to  
21 its money transmitter customers?

22 A. As the product has been in the market  
23 and we've improved experience, to my knowledge, as  
24 a product has gotten better and better, as a  
15:52:57 25 result, while we do pay incentives in certain

15:53:01 1 cases, the amount has reduced to coincide with the  
2 improvements in the -- in the product experience.

3 Q. So what you're saying is the amount of  
4 incentives that Ripple pays its money transmitter  
15:53:19 5 customers has reduced over time?

6 MR. HECKER: Objection;  
7 mischaracterizes his testimony.

8 A. I believe that for certain customers  
9 into certain corridors where the product  
15:53:43 10 experience has improved over time, the amount of  
11 incentives has -- has reduced.

12 Q. Is Ripple still contracting with market  
13 makers to increase trading in XRP?

14 A. I don't know for certain, but in a  
15:54:26 15 number of our corridors, I believe that -- as I  
16 defined earlier, that the -- the delta between the  
17 amount customers want to send and what's there via  
18 natural liquidity, that delta has shortened in  
19 some corridors as the product has matured, but  
15:54:52 20 also as the cryptocurrency ecosystem has matured  
21 more broadly.

22 And as a result, in certain corridors,  
23 the contracted market makers have been reduced.

24 Q. Is Ripple still employing market makers  
15:55:11 25 on Mexican digital exchanges?

15:55:13 1 MR. HECKER: Objection to form.

2 A. At this very moment, I don't know for  
3 certain whether there are active market makers  
4 at -- at the exchange in Mexico.

15:55:34 5 Q. Is Ripple still employing market makers  
6 on Filipino exchanges?

7 MR. HECKER: Same objection.

8 A. At this very moment, I don't know for  
9 certain if there are market makers at the Filipino  
15:55:51 10 exchange.

11 Q. Who would be the best person in Ripple  
12 to ask about whether Ripple is still paying money  
13 makers in destination countries?

14 A. You --

15:56:03 15 MS. ZORNBERG: Objection. You  
16 said "money makers."

17 MR. HANAUER: Oh, I'm -- I'm  
18 sorry.

19 MS. ZORNBERG: The court reporter  
15:56:09 20 --

21 MR. HECKER: The court reporter  
22 fixed it for you.

23 MS. ZORNBERG: The court reporter  
24 -- the court reporter --

15:56:22 25 MR. HANAUER: Well, I'll just ask



15:56:23 1 it again. Thank you, Counsel.

2 BY MR. HANAUER:

3 Q. Who would be the best person at Ripple  
4 to ask about whether Ripple is still paying market  
15:56:29 5 makers in destination countries?

6 A. Well, to clarify, in certain destination  
7 countries at certain exchanges -- and there's a  
8 function at Ripple known as a markets team that  
9 has the most up-to-date knowledge on -- on that  
15:56:53 10 question.

11 Q. Who runs the market team right now?  
12 Markets team.

13 A. I don't know for certain, but I believe  
14 it's [REDACTED].

15:57:20 15 MR. HANAUER: Ex -- we're going  
16 to go to Exhibit 37.

17 (Whereupon, exhibit is presented  
18 and marked SEC Birla Exhibit AB-37 for  
19 identification.)

15:57:22 20 MR. HANAUER: And I just tendered  
21 the witness a document labeled Exhibit  
22 AB-37 that begins with a Bates number  
23 ending in 0714.

24 BY MR. HANAUER:

15:57:43 25 Q. And, Mr. Birla, Exhibit AB-37, that's an



15:57:47 1 e-mail that you sent to your subordinates on --  
2 certain of your subordinates on July 23rd, 2019?

3 A. I believe that's correct, yes.

4 Q. You sent this e-mail to the product  
15:58:06 5 managers working for you?

6 A. Yes, I believe that's correct.

7 Q. What is an OKR?

8 A. An OKR is a type of goal that stands for  
9 objective, is the O, and the KR is key result.

15:58:39 10 Q. And do you see the -- the second section  
11 of your e-mail, the one titled "OKRs/High-Level Q3  
12 priorities"?

13 A. I do.

14 Q. And you wrote "We have our Q3 company  
15:58:56 15 OKRs and the Top 5 priorities that we will be  
16 tracking this quarter"?

17 A. I see that.

18 Q. And you write that there are "additional  
19 areas of focus we should be covering"?

15:59:12 20 A. I see that.

21 Q. And the second bullet point is "XRP  
22 stewardship" and then in the parenthetical  
23 "(trust, liquidity, price, et cetera)"?

24 A. I see that.

15:59:28 25 Q. What did you mean by "XRP stewardship"?

15:59:43 1 A. I don't know for certain, but in looking  
2 through this, I believe these are copied notes  
3 pasted into an e-mail.

4 Q. And I'm not asking about the more  
15:59:58 5 technical stuff later in the e-mail.

6 But what -- what's your understanding of  
7 XRP stewardship as you were trying to convey that  
8 to your subordinates?

9 A. QB -- the subject to my knowledge is --  
16:00:16 10 is QBR, quarterly business review. That's  
11 conducted at the Ripple leadership level. And I  
12 believe that here I've copied the notes that  
13 someone else created and pasted it into this  
14 e-mail and may have edited it here and there and  
16:00:45 15 then sent it out to my team.

16 Q. What's your understanding of the term  
17 "XRP stewardship"?

18 A. In the context of my team, it would be  
19 the liquidity portion and ensuring that there is  
16:01:05 20 liquidity at the exchanges that are leveraged by  
21 ODL and xRapid.

22 Q. What do you understand XRP stewardship  
23 to mean in terms of price?

24 A. I do not understand that to my  
16:01:24 25 knowledge.

16:01:30 1 Q. Is Ripple able to take actions that  
2 affect the price of XRP?

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

16:01:54 5 A. To my knowledge, no.

6 Q. Can Ripple affect XRP's price by buying  
7 or selling large amounts of XRP?

8 MS. ZORNBERG: Objection; asked  
9 and answered.

16:02:32 10 A. I do not know for certain.

11 Q. Do you have any understanding of whether  
12 Ripple could do that?

13 MS. ZORNBERG: Objection; asked  
14 and answered.

16:02:45 15 A. I do not understand.

16 Q. When you sent the e-mail in Exhibit  
17 AB-37 to your team, were you trying to convey to  
18 your product -- product managers to be good  
19 stewards of XRP?

16:03:03 20 MS. ZORNBERG: Object to form.

21 A. I don't believe so, no.

22 Q. Would you have wanted your product  
23 managers to be poor stewards of XRP?

24 MS. ZORNBERG: Objection to form.

16:03:40 25 A. I'm not sure what "poor stewards of XRP"

16:03:44 1 means, so no.

2 Q. Do you understand what to mean -- to be  
3 a steward of XRP is?

4 MS. ZORNBERG: Objection.

16:03:54 5 A. In the context of -- in the context of  
6 my products, that would -- and my product team,  
7 that would mean to ensure there were -- there was  
8 sufficient liquidity in the corridors that xRapid  
9 had as part of its product experience.

16:04:17 10 Q. In terms of the area of your focus,  
11 would Ripple personnel be poor stewards of XRP  
12 liquidity if they took efforts to lessen the  
13 liquidity of XRP?

14 MS. ZORNBERG: Object to form.

16:04:46 15 A. Can you rephrase the question, please?

16 Q. So I -- I was asking earlier what it  
17 meant to be a good steward of XRP liquidity and  
18 you answered the way you did. I'm just trying to  
19 figure out what the opposite of that would have  
16:04:57 20 looked like.

21 A. The opposite. So in the context of  
22 product and xRapid and ODL, if the customer wanted  
23 to send a million dollars from the U.S. to Mexico  
24 or Europe to the Philippines, there needs to be  
16:05:20 25 one million plus of liquidity against XRP in both

16:05:27 1 the sending and receiving exchange. I'm not  
2 sure -- so you need to have sufficient liquidity  
3 more than what a customer wants to send. I'm not  
4 sure how you would lessen the liquidity to answer  
16:05:49 5 your question.

6 Q. Could Ripple cancel its contract with  
7 market makers?

8 MS. ZORNBERG: Objection to form;  
9 speculative.

16:06:08 10 A. That -- I believe so.

11 Q. In 2017, did Ripple decide to place a  
12 large amount of its XRP holdings into escrow?

13 A. I don't recall the exact dates, but at  
14 some portion, Ripple put a large portion of its  
16:06:42 15 XRP in escrow to my knowledge.

16 Q. And why did Ripple do that?

17 A. I don't -- to my knowledge, I don't have  
18 the context of all the reasons. My involvement  
19 was around the technical details needed to escrow  
16:07:19 20 and manage the release process from a product  
21 and -- and technical perspective.

22 Q. And why did Ripple want to do that?

23 A. Again, in -- in my role, my input and  
24 involvement was around providing, like, the -- the  
16:07:44 25 product capabilities and feature sets needed to

16:07:50 1 manage the escrow process and -- and -- and lock  
2 up other remaining portions that weren't used at  
3 each -- at the end of each month.

4 Q. Did you ever ask anyone at Ripple why  
16:08:06 5 you were being directed -- directed to figure out  
6 a process to escrow XRP?

7 MR. HECKER: Objection to form.

8 A. By the time that I was involved, I had  
9 seen the decision was largely made, and my  
16:08:28 10 involvement was to figure out how to get the  
11 product portion done.

12 Q. Was the decision to escrow Ripple's XRP  
13 holdings influenced by concerns for market  
14 participants that Ripple could lower the price of  
16:08:53 15 XRP by flooding the market with its XRP holdings?

16 MR. HECKER: Objection to form.

17 A. I am -- I am not aware of the inputs  
18 that went into the decision and factors that went  
19 into the decision to escrow. My role was to  
16:09:15 20 provide the product feature set to manage the  
21 escrow process and lock up the unused portions on  
22 a monthly basis from a product and process  
23 perspective.

24 Q. What would be the business purpose for  
16:09:35 25 Ripple to escrow its XRP holdings?

16:09:41 1 MS. ZORNBERG: Object to form.

2 A. I don't know for certain.

3 MR. HANAUER: Twenty-one.

4 (Whereupon, exhibit is presented  
16:10:03 5 and marked SEC Birla Exhibit AB-21 for  
6 identification.)

7 MR. TENREIRO: Twenty-one.

8 MR. HANAUER: I just tendered the  
9 witness a document labeled Exhibit AB-21,  
16:10:34 10 which begins with the Bates number ending  
11 in 1435.

12 BY MR. HANAUER:

13 Q. Is Exhibit AB-21 an e-mail you received  
14 on May 3rd, 2017?

16:11:12 15 A. I believe so.

16 Q. And do you see the second e-mail in the  
17 chain is an e-mail from Mr. -- second e-mail from  
18 the top of the chain on the first page is an  
19 e-mail from Mr. Griffin dated May 3rd, 2017?

16:11:43 20 A. I see that.

21 Q. And do you see how the bullet points  
22 discuss potential terms for Ripple's escrow  
23 arrangement?

24 A. I see -- yeah, I see an outline proposal  
16:12:11 25 for the 55 billion escrow and one billion per

16:12:15 1 month.

2 Q. And did Ripple ultimately settle on  
3 those terms?

4 A. I am not sure about -- if you're  
16:12:26 5 referring to the first bullet, I believe so, yes.

6 Q. And so when it says "55B rolling escrow,  
7 1B per month," does that mean that 55 billion XRP  
8 are placed into escrow and XRP [sic] is allowed to  
9 disburse 1 billion XRP per month from that escrow  
16:12:56 10 account?

11 MS. ZORNBERG: Object to form.

12 You said does it mean that XRP is allowed  
13 to disburse one billion XRP?

14 MR. HANAUER: Thank you, Counsel.

16:13:11 15 I'll rephrase that.

16 BY MR. HANAUER:

17 Q. Does it mean -- the -- the "55B rolling  
18 escrow, 1B per month," does that mean that Ripple  
19 would place 55 billion in -- XRP into escrow and  
16:13:26 20 that Ripple could release no more than 1 billion  
21 XRP per month?

22 A. I -- I don't know for certain, but I  
23 believe that's accurate.

24 Q. And then do you see in  
16:13:50 25 Mr. Garlinghouse's e-mail immediately above that,



16:13:54 1 he writes "My point here is that you are showing  
2 some math below on set-asides that we didn't  
3 'decide' on. We are simply making the point that  
4 anything not escrowed will be used to continue to  
16:14:06 5 invest in the health of the XRP ecosystem. And  
6 the Asheesh clause was that 'invest' means a  
7 handful of things which I won't be prescriptive  
8 about here"?

9 A. I see that.

16:14:18 10 Q. What did you understand Mr. Garlinghouse  
11 to be referring to when he talks about anything  
12 not escrowed will be used to invest in the health  
13 of the XRP ecosystem?

14 A. I don't know for certain.

16:14:37 15 Q. Did you understand that he was referring  
16 to that the XRP not escrowed could be continued to  
17 be sold to fund XRP's -- Ripple's operations?

18 MS. ZORNBERG: Object to form.

19 MR. SOLOMON: Objection. Asked  
16:14:54 20 and answered. He said "I don't know for  
21 certain" to your last question.

22 A. I don't know for certain.

23 MR. HANAUER: Mr. Solomon, I  
24 would ask that you please stop with the  
16:15:03 25 speaking objections. This is not the

16:15:05 1 first time.

2 MR. SOLOMON: I'm trying to  
3 identify. You just asked the same  
4 question twice. So I'll say "objection,"  
16:15:11 5 but if you persist in the questioning,  
6 I'll point out why I'm objecting.

7 MR. HANAUER: I would think  
8 "asked and answered" could -- would  
9 suffice.

16:15:21 10 BY MR. HANAUER:

11 Q. What's your understanding of the  
12 "Asheesh clause" that Mr. Garlinghouse is  
13 referencing?

14 A. I don't believe it was attached to the  
16:15:39 15 e-mail referring to the "Asheesh clause." So I  
16 don't -- I don't recall.

17 MR. HANAUER: Twenty-three.

18 (Whereupon, exhibit is presented  
19 and marked SEC Birla Exhibit AB-23 for  
16:16:03 20 identification.)

21 MR. TENREIRO: Twenty-three,  
22 Nicole.

23 MR. HANAUER: And I just tendered  
24 the witness a document labeled Exhibit  
16:16:24 25 AB-23, which bears a Bates number ending

16:16:29 1 in 6664.

2 BY MR. HANAUER:

3 Q. And, Mr. Birla, is Exhibit AB-23 an  
4 e-mail that Mr. Garlinghouse sent to Monica Long,  
16:16:44 5 copying you, dated November 27th, 2017?

6 There's a pending question, sir.

7 A. Oh, sorry. Do you mind repeating the  
8 question?

9 Q. Yeah, yeah. Exhibit AB-23, that's an  
16:17:28 10 e-mail that you received on November 27th, 2017?

11 A. Yes, I believe so.

12 Q. And do you see how the -- the e-mail and  
13 the -- the one below it in the chain references an  
14 escrow announcement?

16:17:51 15 A. Referring to the one dated November 27,  
16 2017?

17 Q. Yes. I believe both e-mails bear that  
18 date.

19 A. Yes, I see it.

16:18:04 20 Q. And was late November 2017, is that  
21 around the time that Ripple was planning to  
22 publicly announce the escrow program it was  
23 implementing?

24 A. I don't know for certain other than the  
16:18:31 25 contents of this e-mail.

16:18:33 1 Q. Do you see how Ms. Long writes with the  
2 first bullet point "Objective is to create a  
3 second wave of excitement about the lockup amongst  
4 speculators"?

16:18:48 5 A. I see the bullet, first bullet, yes.

6 Q. And what did you understand Ms. Long to  
7 mean about creating a second wave of excitement  
8 about the lockup amongst speculators?

9 A. I don't remember. I don't recall  
16:19:08 10 reading the e-mail or interpreting the e-mail as  
11 at this time I was busy, from my recollection,  
12 implementing the software features needed to  
13 support the lockup.

14 Q. Why would making announce -- why would  
16:19:39 15 Ripple making an announcement about putting its  
16 XRP holdings into escrow, why would that generate  
17 excitement amongst speculators?

18 A. I don't know for certain.

19 Q. And is it your testimony that when  
16:19:57 20 Ripple referred to "speculators," it didn't know  
21 who those people were?

22 MS. ZORNBERG: Object to form.

23 A. In -- in the context of product, in the  
24 products that I worked on, at exchanges there are  
16:20:21 25 two types of liquidity: There's the Ripple

16:20:23 1 contracted liquidity and then the unknown. And  
2 the unknown was referred to as -- as natural  
3 liquidity on those exchanges.

4 In my role, I was primarily concerned  
16:20:37 5 with exchanges that were part of the product  
6 experience to support ODL and xRapid.

7 Q. So what you just said -- you said  
8 "speculators" was your terminology for natural  
9 liquidity on exchanges, is that accurate?

16:20:59 10 A. I believe it's the other way around. My  
11 terminology was "natural liquidity."

12 Q. Natural liquidity equals speculators?

13 A. In -- in the context of my products, the  
14 unknown liquidity that was not contracted by  
16:21:17 15 market makers to support the -- the product was  
16 known as natural liquidity. Just the unknown.

17 Q. Okay. So speculators equals natural  
18 liquidity equals unknown liquidity? Do I have  
19 that right?

16:21:34 20 MR. HECKER: Objection to form.

21 MS. ZORNBERG: Objection.

22 MR. HECKER: Mischaracterizes his  
23 testimony.

24 A. The -- the -- what I referred to as the  
16:21:42 25 unknown or the noncontracted liquidity on

16:21:47 1 exchanges to support Ripple products is natural  
2 liquidity.

3 Q. Okay. And I'm asking you about the term  
4 "speculators."

16:21:55 5 When you use that term, are you  
6 referring to unknown liquidity on exchanges?

7 A. I --

8 MS. ZORNBERG: Hold on one sec.

9 Objection. Are you referring at  
16:22:06 10 all still to this exhibit? Because he  
11 didn't use the term "speculators" in  
12 this.

13 MR. HANAUER: Right. I'm  
14 actually trying to get a better sense of  
16:22:15 15 what he means by -- when -- what the term  
16 "speculators" means to the witness.

17 MS. ZORNBERG: Objection; asked  
18 and answered.

19 A. I don't use the term "speculators"  
16:22:29 20 often. I use the term for unknown liquidity  
21 participants as -- as "natural liquidity"  
22 providers.

23 Q. Okay. When you do use the term  
24 "speculators," what are you referring to?

16:22:40 25 MS. ZORNBERG: Objection.

16:22:47 1 A. To my knowledge, I rarely use the term  
2 "speculators." If I do, it's likely quoting  
3 someone to my knowledge from another portion of a  
4 document or an e-mail. But in that context, it's  
16:23:04 5 likely to be similar to my definition of natural  
6 liquidity.

7 Q. And your definition of natural liquidity  
8 is unknown liquidity?

9 MS. ZORNBERG: Objection; asked  
16:23:22 10 and answered.

11 A. My definition of natural liquidity --  
12 there's a sending exchange and a receiving  
13 exchange that is part of the ODL and xRapid  
14 product infrastructure. The amount a customer  
16:23:39 15 wants to send, subtract the natural liquidity --  
16 the amount a customer wants to send, subtract the  
17 contracted, you know, liquidity, and that's what's  
18 remaining as -- is known as the natural liquidity  
19 portion.

16:23:56 20 Q. Do you have an understanding of whether  
21 other people at Ripple had the same definition of  
22 speculators as you did?

23 A. I believe so, yes.

24 Q. Who else at Ripple shared your  
16:24:14 25 definition of speculators?

16:24:21 1 A. Well, my team, product team, I talked to  
2 them about -- I believe I talked to my team about  
3 my definition of natural liquidity and as it  
4 relates to xRapid and ODL products.

16:24:45 5 Q. What about people outside of your team?  
6 Did you understand the folks outside of your team  
7 to share your understanding of the term  
8 "speculators"?

9 A. As it related to Ripple products, you  
16:25:10 10 know, folks outside of my team, I believe, adopted  
11 my terminology for natural liquidity and  
12 measurement of natural liquidity. And Ripple  
13 contracted liquidity to support ODL and xRapid  
14 products.

16:25:30 15 Q. I'm asking you about your definition of  
16 speculator, not natural liquidity.

17 A. I -- I don't know for certain.

18 Q. How could Ripple generate excitement  
19 about its escrow program amongst speculators if  
16:25:52 20 Ripple didn't know who the speculators were?

21 MS. ZORNBERG: Objection.

22 A. Do you mind rephrasing the question?

23 Q. So I -- we just talked about that under  
24 your definition, speculators were unknown  
16:26:11 25 liquidity, right?



16:26:12 1 A. (Indicating)

2 MS. ZORNBERG: Objection; asked  
3 and answered.

4 Q. You have to say yes.

16:26:15 5 A. Yes, my definition of natural liquidity  
6 is unknown liquidity that supports xRapid and ODL  
7 products.

8 Q. Okay. And that definition applies to  
9 speculators also, right?

16:26:28 10 MS. ZORNBERG: Objection; asked  
11 and answered.

12 A. Speculators that are providing natural  
13 liquidity at exchanges that support ODL and xRapid  
14 products.

16:26:38 15 Q. So how can Ripple try and generate  
16 excitement amongst speculators if it doesn't know  
17 what sort of folks those speculators are?

18 MS. ZORNBERG: Objection.

19 A. In my role as -- as product, that is not  
16:27:00 20 a function that I work on.

21 Q. So Ripple's first xRapid customer began  
22 using xRapid in October 2018?

23 A. There were a number of early versions of  
24 what is known as ODL or xRapid, RPP being one of  
16:27:41 25 them. And so, you know, early -- early customers

16:27:52 1 that date back to R -- the RPP days.

2 Q. And when were the RPP days?

3 A. I don't know for certain, but I believe  
4 around the 2014 time frame.

16:28:06 5 Q. And the first xRapid customer started  
6 using xRapid in October 2018?

7 A. I don't know for certain the exact  
8 dates, but I believe them to be around 2018.

9 Q. Late 2018?

16:28:31 10 MS. ZORNBERG: Object to form.

11 A. I don't know for certain, but in 2018.  
12 I believe that time range is in the general  
13 ballpark.

14 Q. Did Ripple -- before xRapid launched,  
16:28:48 15 did Ripple sell XRP to people using RPP?

16 A. I don't believe so, no.

17 Q. So when xRapid customers started using  
18 xRapid -- and I'm referring to the xRapid product  
19 that you just said launched in 2018, not its  
16:29:35 20 predecessors. Okay?

21 A. I understand this.

22 Q. Okay. So when xRapid customers started  
23 using xRapid in 2018, how did Ripple generate  
24 revenue from xRapid?

16:30:06 25 A. I've been working in product and

16:30:08 1 engineering in Silicon Valley for most of my  
2 career, and both on the early product development  
3 side, late-stage side, as well. And it's -- a  
4 core tenet of being a good product manager is to  
16:30:23 5 start with solving a customer experience problem.  
6 And we have a saying that you can't be marginally  
7 better than your customers. You have to be 10x  
8 better than your customer.

9 And I've created internet products, I've  
16:30:44 10 created desktop products. And that same mantra  
11 holds true. Creating something that's 10X better  
12 in the crypto nascent industry is even harder  
13 given a lot of your exchange partners and new  
14 construction partners are also very nascent and  
16:31:04 15 building at the same time. The analogy we use is  
16 it's sort of like, you know, changing out the  
17 engine of a flight, you know, halfway through a  
18 flight given there's so much changing around it.

19 And so we were fixated on creating a  
16:31:22 20 reliable 10X better experience for our products  
21 despite leveraging very nascent infrastructure  
22 because our customers told us that that mattered.  
23 They didn't really care if the underlying  
24 infrastructure was nascent. They wanted a  
16:31:45 25 reliable, dependable experience to move mission

16:31:53 1 critical funds for their -- on behalf of their  
2 customers.

3 And so as a result, that's what my  
4 product team -- that's what I had my product team  
16:32:07 5 and my engineering team focused on and continued  
6 to focus on at Ripple.

7 Q. Okay. But I was asking you when xRapid  
8 launched in 2018, how did Ripple generate revenues  
9 from that product?

16:32:32 10 A. To my knowledge, my team was focused  
11 on -- was not focused on generating profits or  
12 revenue from the product. Was focused on creating  
13 a 10x better experience for our customers. And  
14 there were a lot of complications given the  
16:32:53 15 nascent infrastructure that supported the -- the  
16 product.

17 Q. Okay. When Ripple's first customers  
18 began using XRP in -- or xRapid in 2018, was  
19 Ripple generating revenues from those customers'  
16:33:15 20 use of xRapid?

21 A. That wasn't a focus, so I don't believe  
22 so.

23 Q. Is there a time that Ripple began  
24 generating revenues from xRapid or ODL?

16:33:49 25 A. I don't know the exact dates, but over a

16:33:51 1 period of time, different types of business models  
2 became clear to us and -- and -- and started to  
3 generate what's known as top line revenue.

4 Q. Okay. Tell me about that. How did  
16:34:17 5 Ripple first start generating top line revenue  
6 using xRapid or ODL?

7 A. So we worked a lot with our -- our  
8 customers to figure out what kinds of problems  
9 they were having in their day-to-day. And -- and  
16:34:37 10 so that was one sort of input.

11 The second input was that the crypto  
12 markets continued to mature. We talked earlier  
13 about the depth of liquidity. The depth of  
14 liquidity matured quite a bit as the entire crypto  
16:34:55 15 ecosystem grew.

16 And analyzing that, there were a few  
17 different types of opportunities. Number one, XRP  
18 for use -- in selling XRP for our customers for  
19 use in the ODL or xRapid product.

16:35:20 20 The second one would be a line of credit  
21 and charging interest on a line of credit for our  
22 customers to -- to use.

23 And then the third one was around what's  
24 known as FX. And in certain cases where -- in  
16:35:46 25 certain cases in certain corridors, we're seeing

16:35:51 1 there's ability for our products to generate FX  
2 top line revenue. And that has been aided by the  
3 growth and the depth of liquidity in certain  
4 markets.

16:36:10 5 Q. So it's my understanding that the first  
6 step in an xRapid or ODL transaction is the money  
7 transmitter needs to convert dollars to XRP,  
8 correct?

9 A. To my knowledge, it depends on what --  
16:36:33 10 the originating currency, location of the  
11 customer. So if the customer is starting with  
12 U.S. dollars, then that is accurate. The first  
13 step is to convert U.S. dollars into XRP. If the  
14 customer is starting with Euros, then it's Euros  
16:36:54 15 to XRP. If the customer is starting with GBP,  
16 it's GBP to XRP, and so forth.

17 Q. Okay. So that -- that's Step 1. And  
18 then the next -- Step 2 is in the receiving  
19 market. The money transmitter needs to convert  
16:37:10 20 the XRP to the receiving currency?

21 A. Well, there's a few steps in between.  
22 Once the customer, the money transmitter,  
23 leverages a sending exchange to convert from U.S.  
24 dollars to XRP, the system withdraws the XRP from  
16:37:35 25 the sending exchange. And through the

16:37:38 1 decentralized XRPL technology moves from one  
2 account to the receiving exchange's account on the  
3 XRP ledger.

4 And then it is then deposited to the  
16:37:54 5 receiving exchange -- the XRP is deposited into  
6 the receiving exchange. And then from there it is  
7 converted into pesos and then from there it's  
8 withdrawn to the local banking infrastructure.

9 The local equivalent, if you are  
16:38:13 10 familiar with the ACH system in the United States,  
11 the local rail system in the destination country  
12 is where the funds are often withdrawn to and  
13 deposited into a -- a local bank account, to the  
14 beneficiary.

16:38:29 15 Q. So when xRapid customers started using  
16 xRapid in 2008 -- 2018, for the first step of the  
17 process the xRapid customer would go to a  
18 originating nation exchange to convert their  
19 originating fiat currency into XRP, correct?

16:39:00 20 A. In the time period of 2018, I believe  
21 that is correct, yes.

22 Q. And during that time period when the  
23 xRapid customer was getting their XRP off an  
24 originating country exchange, during that time  
16:39:27 25 period was Ripple generating revenues from xRapid

16:39:31 1 or ODL?

2 MS. ZORNBERG: You're talking  
3 about 2018?

4 MR. HANAUER: Whatever the time  
16:39:40 5 period was when the money transmitter were  
6 getting their XRP from originating country  
7 digital exchanges.

8 MS. ZORNBERG: You can answer if  
9 you understand the question.

16:40:00 10 A. Can you rephrase the question, please?

11 Q. Okay. So I -- I think you described  
12 that when xRapid launched --

13 A. Yes.

14 Q. -- Step 1 in the process is the money  
16:40:09 15 transmitter takes -- I'll just use an example --  
16 dollars and goes onto a U.S. digital exchange and  
17 converts the dollars to XRP, right?

18 A. In that -- as an example, that's  
19 correct, yes.

16:40:24 20 Q. And -- and that's the way that xRapid  
21 originally worked when it was launched in 2018?

22 A. In 2018, that would be an example of how  
23 it worked, yes.

24 Q. Okay. And so it's my understanding that  
16:40:41 25 at a later point in time, the money transmitter



16:40:43 1 would get their XRP not from an exchange, but  
2 buying the XRP from Ripple?

3 MS. ZORNBERG: Objection.

4 You can -- you can answer.

16:41:07 5 A. So the early version of the product that  
6 -- there's a lot of earlier versions, but you're  
7 referring to the -- I believe you're referring to  
8 the 2018 version. It is correct that the customer  
9 would start with, as an example, U.S. dollars at  
16:41:24 10 the originating exchange and convert it into XRP.

11 We received feedback from our customers  
12 and that talked about nascent infrastructure, that  
13 the exchanges often go down. They're unreliable.  
14 And there are fees associated that the exchanges  
16:41:49 15 levy as well.

16 So taking that feedback, the product  
17 team came up with an idea known as Wallet Send.  
18 And Wallet Send provided the sending customer  
19 with --

16:42:09 20 Q. Do you mind spelling Wallet Send? I'm  
21 not sure the court reporter got the --

22 A. Wallet Send, W-A-L-L-E-T space S-E-N-D.

23 The Wallet Send, you can think of it as  
24 a -- a crypto wallet that was provided to the --  
16:42:30 25 the sending customer. And why that was unique was

16:42:36 1 that our customers had noted that while there's a  
2 lot of steps, to use xRapid I have to onboard at  
3 the sending exchange. I have to onboard at the  
4 receiving exchange. I have fees at the sending  
16:42:52 5 exchange. I have fees at the receiving exchange.  
6 The sending exchange may go down. The receiving  
7 exchange may go down. And so they provided a lot  
8 of this feedback to us.

9 So the product team came up with a  
16:43:01 10 concept called a Wallet Send. And Wallet Send  
11 essentially eliminated half -- half the leg of a  
12 payment in terms of all the infrastructure  
13 onboarding fees.

14 And so we piloted that concept for  
16:43:16 15 Wallet Send. Customers loved it. And so we  
16 brought that into production. And to my  
17 knowledge, the primary way that customers sourced  
18 their XRP for Wallet Send was from Ripple.

19 Q. And when did customers start using this  
16:43:44 20 Wallet Send feature?

21 A. I don't recall the dates exactly, but I  
22 believe sometime after 2019.

23 Q. And was the implementation of Wallet  
24 Send, was that the first time that Ripple began  
16:44:15 25 generating revenues from xRapid or ODL?

16:44:35 1 A. I don't know for certain, but I believe  
2 so.

3 Q. And the way Ripple generated its  
4 revenues through the Wallet Send program was by  
16:44:46 5 selling XRP to xRapid or ODL customers?

6 MS. ZORNBERG: Object to form.

7 A. Can you repeat the question, please?

8 Q. All right. So the way Ripple generated  
9 revenues after it implemented Wallet Send was by  
16:45:13 10 selling XRP directly to the money transmitters  
11 that used xRapid or ODL?

12 A. So to my knowledge, that was one of the  
13 ways that we generated revenue. I mentioned there  
14 was a line of credit and there are opportunities  
16:45:43 15 for FX --

16 Q. But that came later, right?

17 A. I don't know the exact time frame, but I  
18 believe it is correct that we started with Wallet  
19 Send and -- and then, to my knowledge and  
16:46:16 20 recollection, pretty quickly followed on with --  
21 with line of credit.

22 Q. And who are the Ripple customers that  
23 use xRapid or ODL?

24 A. They are often FinTechs or -- I think  
16:46:42 25 they're known as MTOs. I think MTO stands for

16:46:49 1 money transmission organization or mobile  
2 transmission organization. Likely money  
3 transmission organization. And there are  
4 customers, FinTechs, MTOs that have the desire for  
16:47:07 5 moving money cross border where costs, speed and  
6 transparency are a quarter of their value  
7 proposition.

8 Q. Has the type of customer that uses  
9 xRapid or ODL changed over time? Or has it always  
16:47:32 10 been money transmitters?

11 A. Are you referring to the legal  
12 definition of money transmitter or -- because  
13 there have been different customer types that we  
14 have found through product development and  
16:48:06 15 customer research that go beyond the classical  
16 definition of a -- a money transmitter. For  
17 example, e-commerce companies.

18 Q. Do e-commerce companies currently use  
19 ODL?

16:48:33 20 A. I don't know for certain the types of  
21 businesses -- to restate, I do believe that in  
22 certain cases, customers of our customers are  
23 e-commerce companies that leverage the service.

24 Q. And the cust -- the Ripple customers  
16:49:02 25 that use ODL or xRapid, those are money

16:49:06 1 transmitters, correct?

2 MS. ZORNBERG: Object to form.

3 A. I do believe at certain points, some of  
4 them were not money transmitters. They were like  
16:49:23 5 a marketplace, an e-commerce marketplace.

6 Q. Historically have the majority of  
7 ODL/xRapid customers been money transmitters?

8 MS. ZORNBERG: Object to form.

9 A. I believe that to be true, yes.

16:49:46 10 Q. Do banks use ODL for cross-border  
11 payments?

12 A. I believe there are -- I believe there  
13 is -- there are a few banks that use ODL or xRapid  
14 for cross-border payments or have in the past.

16:50:11 15 Q. Which ones?

16 A. I'm not familiar with the entire list,  
17 but I do remember meeting the [REDACTED] and  
18 talking to them about what they liked about that  
19 experience and what they didn't like about the  
16:50:35 20 experience and getting customer feedback directly  
21 from [REDACTED].

22 Q. Did that bank ever purchase the ODL or  
23 xRapid product from Ripple?

24 MS. ZORNBERG: Object. Object to  
16:50:51 25 form.

16:50:52 1 A. I don't -- I don't recall.

2 Q. Have any American banks been Ripple  
3 customers that used ODL or xRapid?

4 A. I don't recall.

16:51:16 5 Q. Can you name me any as you sit here  
6 today?

7 A. I don't believe so.

8 Q. So on -- I think we talked about the --  
9 when xRapid launched back in 2018, the -- the user  
16:51:44 10 had to go -- in the originating country had to go  
11 to an exchange, digital exchange, on the orig --  
12 in the originator country, right?

13 A. That -- I believe that to be correct.

14 Q. And in the target country, the  
16:52:07 15 xRapid/ODL customer has to go to an exchange in  
16 the target country to exchange the XRP into the  
17 target currency, right?

18 A. In the destination country currency,  
19 yes.

16:52:19 20 Q. Thank you.

21 And I know that the Step 1, the  
22 originating country process, that's changed over  
23 time. Has the fact that the receiving country --  
24 there needs to be a transaction on a receiving  
16:52:34 25 country XRP exchange, does that still happen?

16:52:43 1 A. We are working, actively working, on a  
2 product release so that the customer experience  
3 isn't impaired when the receiving exchange goes  
4 down.

16:52:55 5 Q. Has that product been released yet?

6 A. It's part of -- I don't recall what  
7 release it's part of but it's in an upcoming  
8 release. It's -- the feature is known as Wallet  
9 Receive. So that you have Wallet Send and you  
16:53:13 10 would have Wallet Receive.

11 Q. Are any -- are any current ODL/xRapid or  
12 their customers using Wallet Receive right now?

13 A. It's not in production yet. It's in  
14 active development and it has not been released.  
16:53:32 15 And the plan is for all customers and partners to  
16 move to Wallet Receive because that is the -- that  
17 will deliver the kind of experience that customers  
18 expect, eliminating the dependency on both the  
19 sending exchange and the receiving exchange in  
16:53:55 20 terms of critical -- providing critical payment  
21 infrastructure.

22 Q. But as of this moment and going  
23 backwards to the time that XR -- xRapid was  
24 launched, the -- the customer, the ODL/xRapid  
16:54:15 25 customer, has always been dependent on the

16:54:17 1 receiving country exchange?

2 MS. ZORNBERG: Object to form.

3 A. The very early versions of the -- the  
4 product, you know, with RPP, that wasn't the case.

16:54:37 5 Q. I'm talking about from the start of  
6 xRapid in 2018 to this point in time, today, the  
7 xRapid/ODL product relies on converting XRP to  
8 receiving fiat currency on a receiving country  
9 exchange.

16:55:06 10 A. I do believe that to be true, but I'm  
11 not a hundred percent certain if an early version  
12 of Wallet Receive is available in certain  
13 countries. So there may be exceptions where we  
14 have deployed an early version of Wallet Receive.  
16:55:22 15 But I don't know for certainty now.

16 Q. And so when in xRapid -- can I just  
17 settle on one, either ODL or xRapid, to -- to save  
18 some words?

19 A. Yeah.

16:55:44 20 Q. Do you have a pref -- do you have a  
21 preference?

22 A. I like ODL.

23 Q. Okay. So when I'm referring to ODL, I'm  
24 referring to ODL and its predecessor xRapid.

16:55:52 25 Do you understand?



16:55:54 1 A. Yeah, I understand that.

2 Q. Okay. So when the ODL user relies on an  
3 exchange to transmit the currency, there are costs  
4 associated with converting the XRP -- or  
16:56:22 5 converting the XRP to the fiat currency on the  
6 receiving exchange, correct?

7 A. I believe so, yes.

8 Q. There's a spread, right?

9 MS. ZORNBERG: Object to form.

16:56:35 10 A. There are a few different costs. One --  
11 to be clear, like, a spread is always -- sorry. A  
12 spread is there regardless. So if you're  
13 converting from U.S. dollars to Mexican pesos,  
14 you're going to be hit with a -- a spread. But  
16:57:05 15 that is one component of the cost.

16 The other component would be any fees  
17 that the exchange levy on -- with trades or  
18 withdrawals. And withdrawals are when you take  
19 the local currency and you take it off the  
16:57:24 20 exchange onto local rails.

21 Q. So what incentives did Ripple provide to  
22 its ODL customers to use ODL in light of the  
23 spreads and the fees that you just described?

24 MR. HECKER: Objection to form.

16:57:53 25 A. Can you rephrase the question, please?

16:57:56 1 Q. Yeah. So you talked about spreads and  
2 fees that are incurred when ODL converts XRP to  
3 receiving fiat, right?

4 A. Yes, that's correct.

16:58:10 5 Q. What incentives did Ripple provide its  
6 ODL customers to address those spreads and fees  
7 that would be incurred converting XRP to receiving  
8 fiat?

9 A. At different phases of the product, that  
16:58:35 10 changed. One piece of feedback we were hearing  
11 from our customers was that reliability, not only  
12 of the technical infrastructure but the rate that  
13 you would get from the product, is super important  
14 to their customers, especially like remittance  
16:58:54 15 customers, where often -- often immigrants sending  
16 money back home shop the rate around to get the  
17 best rates. So even a few basis points makes a  
18 big difference.

19 And customers provide that feedback to  
16:59:12 20 us. Even though cryptocurrency is volatile, the  
21 product needs to function such that if I'm sending  
22 money from -- if my customers are sending money  
23 from the UK to the Filipino peso, it has to be  
24 reliable. Otherwise, they'll go to another  
16:59:29 25 offering.

16:59:30 1           So the customers are very price  
2 sensitive to FX.

3           And -- and through the evolution of the  
4 product, we wanted to ensure that they had a  
16:59:46 5 reliable FX experience. And so -- early version  
6 of the product, the delta between what the market  
7 rate was between GBP and Philippines, just as an  
8 example, and what they were getting out of the  
9 product experience from xRapid, given the volatile  
17:00:10 10 nature of cryptocurrency, is that sometimes was  
11 cheaper and sometimes was more expensive.  
12 Sometimes was on par. But our customers wanted  
13 something that was consistent on par with local  
14 FX.

17:00:25 15           And so early on in the product, the  
16 easiest way to do that while we could still get  
17 market feedback was to make the customer whole for  
18 the delta between the on par FX rate and what they  
19 were receiving in the product if it was more  
17:00:43 20 expensive than the market rate.

21           But as I mentioned, sometimes it was  
22 cheaper. And that became early sort of indicators  
23 that there might be opportunities to take revenue  
24 in those cases as well.

17:00:59 25           Q.    So --

17:00:59 1 A. So in early versions of the product, the  
2 fastest way to do that was to make them whole.  
3 And then later on in the product, we started to  
4 create a feature so the customers didn't have to  
17:01:13 5 worry about that at all. So it was baked into the  
6 product, as we call it.

7 Q. And -- and when you said "make whole,"  
8 Ripple would actually provide rebates to its ODL  
9 customers to account for the spread on the XRP  
17:01:34 10 conversion to receiving fiat being above the  
11 prevailing FX rate?

12 A. I think the right way to think about it  
13 is you take the rate that they would get from the  
14 market for converting, I think -- let's just  
17:01:52 15 continue with the example -- from GBP to the  
16 Philippines. You can call that the Reuters rate  
17 or the FX rate. And then you take the rate that  
18 the xRapid or -- sorry, ODL product provides to go  
19 from GBP to Filipino peso with XRP as the bridge.

17:02:14 20 And if there is a net positive delta,  
21 then that is -- we make them whole on that net  
22 positive delta. If it's on par, nothing, if it's  
23 a negative. And that was an early indication that  
24 there was opportunity for Ripple to take revenue.

17:02:30 25 Q. Right. And when you say "make whole,"

17:02:32 1 you mean that Ripple would actually pay the ODL  
2 customer the difference between the rate the ODL  
3 customer obtained using ODL and the rate the ODL  
4 customer would have obtained on an FX exchange?

17:02:55 5 MR. HECKER: Objection to form.

6 A. I -- I don't know what the right  
7 terminology we used. Actually, do you mind  
8 repeating the question or statement?

9 Q. You talked about the -- making the  
17:03:10 10 customer whole, right?

11 A. Correct.

12 Q. And so if the customer paid more using  
13 ODL than they would have in the inner bank FX  
14 markets, Ripple would pay the ODL customer the  
17:03:28 15 difference between the ODL rate and the inner bank  
16 FX rate?

17 A. I believe that to be true, yes.

18 Q. And did Ripple also pay volume  
19 incentives to its ODL customers?

17:03:55 20 A. I don't know for certain about the  
21 "also," but as I mentioned earlier, especially  
22 with early adopters into new corridors that were  
23 nascent, I believe we provided volume incentives,  
24 especially early on in the product life cycle, to  
17:04:20 25 make up for some of the product experience gaps

17:04:25 1 that were unfortunately part of the early adoption  
2 product experience for ODL.

3 Q. Did Ripple pay its ODL customers per  
4 transaction payments for using ODL?

17:04:47 5 MR. HECKER: Objection to form.

6 A. I don't know for certain.

7 Q. And in addition to paying the ODL  
8 customers the -- the payments you just described,  
9 Ripple would also pay the receiving country  
17:05:21 10 exchanges to list XRP so that there could be an  
11 XRP receiving fiat transaction?

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

14 A. Can you repeat the question, please?

17:05:37 15 Q. So in order for ODL to work historically  
16 before Wallet Send [sic], Ripple needed to have  
17 XRP listed on receiving country exchanges?

18 A. To be clear, I don't believe that had  
19 anything to do with Wallet Send.

17:05:59 20 Q. The Wallet Receive, I'm sorry.

21 A. That is -- do you mind just restating  
22 the question?

23 Q. Yeah.

24 Before Ripple implemented Wallet  
17:06:09 25 Receive, ODL needed XRP to be listed on receiving

17:06:15 1 country exchanges?

2 A. To be part of the Ripple ODL experience  
3 where customers wanted to send money into a  
4 destination, before Wallet Receive, we needed a  
17:06:37 5 receiving or destination country exchange that  
6 would provide liquidity between XRP and the local  
7 or destination fiat currency.

8 Q. And Ripple paid those receiving country  
9 exchanges to list XRP?

17:06:54 10 MS. ZORNBERG: Objection; assumes  
11 facts.

12 A. Not to my knowledge.

13 Q. Did Ripple offer any incentives to the  
14 receiving country exchanges to list XRP?

17:07:10 15 A. Not to my knowledge.

16 Q. Ripple made payments to market makers to  
17 provide liquidity on the receiving country  
18 exchanges, right?

19 A. For -- for exchanges that were part of  
17:07:33 20 the ODL experience, especially in destination  
21 exchanges where there wasn't sufficient liquidity,  
22 and to process a customer's payment, I do believe  
23 there were times where we leveraged contracted  
24 market makers or liquidity providers to provide  
17:07:51 25 that liquidity at those destination exchanges.

17:08:03 1 Q. And for the receiving country exchanges,  
2 does Ripple place restrictions on who can purchase  
3 the XRP with the receiving country fiat currency?

4 MS. ZORNBERG: Object to form.

17:08:26 5 A. I'm not sure I understand the question.  
6 Do you mind rephrasing?

7 Q. Okay. So the Step 2 process or the last  
8 step of the ODL transaction is XRP gets converted  
9 to fiat currency on a receiving country exchange,  
17:08:44 10 right?

11 A. In the earlier version, yes, of the  
12 product, yes, that's correct.

13 Q. Still does, right?

14 A. We mentioned the exception. I'm not  
17:08:59 15 sure if there's a Wallet Receive available in  
16 certain destinations, but outside of that, I  
17 believe that is correct.

18 Q. Does Ripple place restrictions on what  
19 the people buying XRP on the receiving country  
17:09:17 20 exchanges can do with the XRP they buy?

21 MS. ZORNBERG: Object to form.

22 A. I don't know for certain, but to my  
23 knowledge, if the flow is going from origination  
24 exchange to destination exchange, it's the other  
17:09:42 25 way around. So I believe it's -- I think you put



17:09:46 1 it as buying XRP. I believe the deficit is  
2 selling XRP. So there is selling XRP and buying  
3 peso, for example, is the -- is the flow.

4 Q. Right.

17:09:57 5 But in order to -- for the -- the  
6 recipient of the ODL transaction to get pesos,  
7 the -- someone needs to buy XRP and pay for it  
8 using pesos on -- on a Mexican exchange, right?

9 MS. ZORNBERG: Objection.

17:10:17 10 A. I believe it's the other way around. So  
11 the XRP is bought, sourced on the sending exchange  
12 or through Wallet Send sent to the destination  
13 exchange. And at the destination exchange,  
14 it's -- it's a one-way flow. So it's -- there's a  
17:10:34 15 deficit the other way. So it's sold -- XRP is  
16 sold for pesos.

17 Q. Okay. And --

18 A. So you need to source pesos, not the  
19 other way around.

17:10:42 20 Q. Right. So whoever is buying the XRP  
21 with pesos on the destination exchange --

22 A. Okay.

23 MS. ZORNBERG: Objection.

24 Q. Do you understand that?

17:10:52 25 MS. ZORNBERG: Objection.

17:10:53 1 A. I might --

2 MS. ZORNBERG: All right. You  
3 should finish the question.

4 Q. Okay. So in order for the money  
17:10:58 5 transmitter to get its pesos, right, it's got to  
6 sell its XRP to someone buying the XRP with pesos  
7 on a Mexican digital asset exchange, right?

8 MS. ZORNBERG: Object to form.

9 A. There's an order book that -- I believe  
17:11:16 10 you're asking if there's an order book between XRP  
11 and pesos. And that's correct, yes.

12 Q. So whoever ultimately ends up with the  
13 XRP that's sent over from the United States, does  
14 Ripple place any restrictions on what that  
17:11:30 15 ultimate purchaser of XRP can do with the XRP they  
16 buy?

17 MS. ZORNBERG: You mean some  
18 unknown person in a secondary market?

19 MR. HANAUER: Correct.

17:11:51 20 A. To my knowledge, no.

21 Q. Would it be more expensive for ODL users  
22 to transmit money using ODL if Ripple did not  
23 provide incentives?

24 MS. ZORNBERG: Objection to form.

17:12:15 25 A. Do you mind repeating the question?

17:12:17 1 Q. So we talked about the incentives Ripple  
2 provides its ODL customers, right?

3 A. That's correct.

4 Q. Would it be more expensive for the ODL  
17:12:30 5 customers to transmit currency without those  
6 incentives?

7 MS. ZORNBERG: Objection to form.

8 A. To my knowledge and recollection, I  
9 mentioned that there are times where, let's just  
17:12:49 10 use the FX Reuters rate, where there's -- you  
11 know, you're above -- the ODL cost is a positive.  
12 And in those cases and if the customer was able to  
13 obtain wholesale rates, and that is depending on  
14 the customer type and the size, and if -- and  
17:13:15 15 their cost to capital was -- was low because the  
16 traditional system often works on something called  
17 a good funds model where you have to pre-position  
18 not only sending currency, but often pre-position  
19 destination currency. And in that case, if -- if  
17:13:35 20 those costs were negligible and you added up all  
21 those costs and the product experience wasn't a  
22 big issue for them to wait the time needed by the  
23 traditional system, there could be cases where the  
24 overall cost was more expensive than the ODL cost.

17:13:57 25 But in a lot of the cases with their

17:14:00 1 customers, they're smaller providers, in FinTechs  
2 or MTOs. And a lot of the incumbent banking  
3 system don't want to bank and process payments for  
4 those smaller customers, especially remittances  
17:14:18 5 into places like Mexico and the Philippines, for  
6 example.

7 They also have a high cost to capital  
8 often, as I've learned, greater than 20 percent  
9 because they are venture capital funded, as many  
17:14:38 10 FinTechs are.

11 And so leveraging a product like ODL  
12 helps them more efficiently use working capital.  
13 And -- and a combination of the features I  
14 mentioned, and we've been developing new features  
17:14:57 15 as we get product feedback, have made the product  
16 attractive to customers.

17 However, we are still working on working  
18 out some of the kinks in the product experience  
19 issues that I had mentioned earlier as well.

17:15:16 20 For example, we still have downtime at  
21 receiving exchanges, roughly 4 to 6 percent  
22 downtime. And until we have the features like  
23 Wallet Receive, we're not able to offer them the  
24 experience they need that -- I talked about 10x  
17:15:37 25 better experience. That gets them to that 10x

17:15:40 1 better experience.

2 Q. So does Ripple have any ODL customers  
3 that don't receive incentives?

4 A. I don't know for certain.

17:15:51 5 Q. Can you name one?

6 A. I don't know for certain.

7 Q. Are you able to name an ODL customer  
8 that does not receive incentives from Ripple?

9 A. I don't know for certain if there are  
17:16:15 10 any customers that don't receive an incentive or a  
11 rebate.

12 Q. Did Ripple ever publicly disclose the  
13 incentives it paid related to ODL?

14 A. I don't know for certain.

17:16:47 15 Q. Would ODL work if the price of XRP was  
16 zero?

17 MR. HECKER: Objection to form.

18 A. So I had mentioned earlier on that we  
19 tried other digital assets. Now the question is,  
17:17:34 20 you know, could we use another digital asset  
21 instead of XRP to facilitate a cross-border  
22 payment -- payment? We -- in our experiments, the  
23 cost and the transaction fees of moving money  
24 across other blockchains and the speed wasn't  
17:17:55 25 as -- as -- as proficient as -- as XRP.

17:18:01 1 So while it's technically feasible to  
2 swap out XRP for another digital asset -- because  
3 what you're referring to by XRP going to zero  
4 would likely mean liquidity is -- unless I'm  
17:18:16 5 missing something -- would also be zero. You  
6 would need to move to another digital asset.

7 And now the question is would we be able  
8 to find customers that would be willing to pay the  
9 additional fees and be okay with the -- the time  
17:18:34 10 frame for which a payment settled using other  
11 technologies? I don't know.

12 Q. Would ODL work with -- using XRP if the  
13 price of XRP was zero?

14 MS. ZORNBERG: Objection; asked  
17:18:51 15 and answered.

16 A. I believe my answer would be the -- the  
17 same in that I'm not a hundred percent sure, but I  
18 can only speculate that if the price was zero,  
19 liquidity would be zero. And if liquidity was  
17:19:15 20 zero -- and then I mentioned early on that if you  
21 need to move a million dollars on behalf of  
22 customers, you need at least \$1 million of  
23 liquidity. And \$1 million at a price of zero is  
24 zero.

17:19:36 25 So I might be missing something, but I

17:19:38 1 believe that it would be difficult because there  
2 wouldn't be sufficient liquidity to provide the  
3 experience we need for our customers.

4 Q. And if Ripple decided to use another  
17:19:51 5 digital asset as a bridge currency for ODL, would  
6 Ripple generate any revenues from ODL?

7 MS. ZORNBERG: Objection;  
8 speculative and portions already addressed  
9 in his prior answers.

17:20:11 10 A. I mentioned that it's tough to  
11 understand. I have not -- I have not gone to our  
12 customers and asked them if they would be okay  
13 with experience trade-offs by leveraging another  
14 technology given that in our tests, it showed that  
17:20:36 15 they were more costly and slower.

16 So to answer that question, I would need  
17 to do some customer research.

18 Q. Well, you said that Ripple generates its  
19 revenues related to the ODL program by selling  
17:20:51 20 XRP, right?

21 MS. ZORNBERG: Objection.

22 A. So what I -- I believe I -- what I  
23 believe I said, and to my recollection, was that  
24 there are a few different revenue opportunities  
17:21:10 25 that we are finding with -- with the ODL product.

17:21:15 1 One being, in conjunction with Wallet Send, the  
2 ability to sell XRP for use in the product ODL  
3 directly to customers.

4 The second being -- given the feedback  
17:21:34 5 we heard and a problem that we heard from our  
6 customers is that their cost to capital is very  
7 high given that a lot of them are venture capital  
8 backed or margin-thin businesses -- a line of  
9 credit was another option.

17:21:50 10 And then the third option, as the  
11 cryptocurrency markets have matured and the depth  
12 of liquidity has improved, that is often  
13 correlated with better FX rates. And in certain  
14 corridors and at certain time periods had  
17:22:07 15 mentioned that there's a Reuters FX rate, and at  
16 certain times, the cost was -- for using ODL was  
17 below the Reuters FX rate, that would hint towards  
18 the ability for Ripple to generate top-line  
19 revenue in those circumstances.

17:22:32 20 Q. If ODL stops using XRP and instead uses  
21 another bridge currency, could Ripple generate  
22 revenues through the Wallet Send program?

23 MS. ZORNBERG: Objection;  
24 speculative and asked and answered.

17:23:04 25 A. I would have to think through -- I don't



17:23:05 1 know for certain. I'd have to think through the  
2 mechanics of how that would work and, again, also  
3 factor in, like, the experience trade-offs and get  
4 input from our customers to understand if that was  
17:23:20 5 something they would pay for.

6 So starting with another digital asset  
7 or another sort of instrument would be something  
8 that I'd have to research and investigate and --  
9 and get back to you.

17:23:34 10 MR. HANAUER: All right. Why  
11 don't we take a break.

12 THE VIDEOGRAPHER: The time on  
13 the video monitor is now 5:23 p.m. This  
14 is the end of Media Unit Number 5. We are  
17:23:47 15 off the video record.

16 (Whereupon, a recess is taken.)

17 THE VIDEOGRAPHER: The time on  
18 the video monitor is now 5:37 p.m. This  
19 is the start of Media Unit Number 6. We  
17:37:20 20 are back on the video record.

21 BY MR. HANAUER:

22 Q. Was MoneyGram the first large-scale user  
23 of ODL?

24 MS. ZORNBERG: Object to form.

17:37:36 25 MR. HECKER: Yeah.

17:37:43 1 A. Do you -- do you mind defining "large  
2 scale"?

3 Q. Was MoneyGram the first user of ODL that  
4 generated the volume of XRP transactions that  
17:37:52 5 Ripple was targeting?

6 MS. ZORNBERG: Object to form.

7 A. Do you mind rephrasing the question?

8 Q. MoneyGram started using ODL sometime  
9 after June 2019?

17:38:25 10 A. I don't recall the specific dates, but  
11 around that time frame seems directionally  
12 correct.

13 Q. And by January 2020, MoneyGram was  
14 generating approximately 90 percent of ODL volume?

17:39:02 15 MS. ZORNBERG: Object to form.

16 A. I believe that to be true at least for  
17 the U.S. dollar to Mexican corridor.

18 Q. And during what period was MoneyGram  
19 Ripple's largest ODL customer by volume?

17:39:39 20 A. I don't know the specifics. Yeah, I  
21 don't recall the specifics.

22 Q. When did MoneyGram stop being Ripple's  
23 largest ODL customer?

24 A. Sometime -- I don't recall the  
17:40:22 25 specifics, the specific dates, but I believe it

17:40:24 1 was sometime around early 2021.

2 Q. And before early 2021, MoneyGram  
3 generated the largest volume of XRP transactions  
4 among ODL customers?

17:40:58 5 A. Do you mind repeating the question,  
6 please?

7 Q. Yeah.

8 Prior to early 2021, did MoneyGram  
9 generate the largest volume of XRP transactions  
17:41:10 10 among ODL customers?

11 A. Is there a specific time period?

12 Q. Ending in early 2021, when you said  
13 MoneyGram stopped being the largest ODL customer,  
14 going back to the time MoneyGram became an ODL  
17:41:32 15 customer.

16 A. And do you mind repeating the second  
17 part of the question?

18 Q. During the time MoneyGram was an ODL  
19 customer, did MoneyGram generate the largest  
17:41:46 20 volume of XRP transactions among Ripple's ODL  
21 customers?

22 A. So to my knowledge, there was a ramp-up  
23 period for MoneyGram. And at some point post the  
24 ramp-up period, to my knowledge I believe  
17:42:19 25 MoneyGram by volume was the largest ODL customer.

17:42:31 1 Q. Did Ripple make a \$50 million investment  
2 in MoneyGram?

3 A. I don't know the specific dollar amount,  
4 but I do believe Ripple was an owner of a portion  
17:42:54 5 of MoneyGram company stock.

6 Q. Did Ripple agree to reimburse MoneyGram  
7 on ODL transactions so that MoneyGram would be  
8 within [REDACTED] basis points of the prevailing spot FX  
9 exchange rate?

17:43:22 10 A. I don't know for -- for certain on the  
11 exact mechanics, but I do believe that it was  
12 important for MoneyGram, given the -- the size of  
13 their customers and their access to wholesale FX  
14 rates as determined by FX Reuters, that they  
17:43:48 15 achieved something close to what they were getting  
16 from FX Reuters or their traditional services even  
17 though they -- even when they used ODL/xRapid.  
18 And to the extent that there was a delta between  
19 what ODL provided and what their incumbent rates  
17:44:14 20 were, I do believe Ripple made MGI whole.

21 Q. And when Ripple made MoneyGram whole,  
22 did Ripple do so using XRP or some sort of fiat  
23 currency?

24 A. I don't know for certain. I do remember  
17:44:55 25 there was a debate around that. I don't know if

17:45:01 1 during time periods, if that shifted between XRP  
2 and U.S. dollars.

3 Q. Did the make-whole payments that Ripple  
4 made to MoneyGram exceed [REDACTED] in 2020?

17:45:26 5 A. I don't know for certain if the delta  
6 between the Reuters rate or the incumbent rate and  
7 what ODL provided them exceeded the amount you  
8 suggested in 2020.

9 Q. Did Ripple agree to pay MoneyGram  
17:45:51 10 transaction fees on each ODL transaction that  
11 MoneyGram performed?

12 A. I do not recall transaction fee payments  
13 or reimbursements.

14 Q. Did Ripple agree to pay MoneyGram  
17:46:20 15 performance bonuses if MoneyGram exceeded certain  
16 volume thresholds on ODL?

17 A. I do not know for certain, but I do  
18 believe that there were some reimbursement  
19 payments to MoneyGram for hitting certain  
17:46:55 20 milestones and I believe they were to cover  
21 development costs associated with implementing the  
22 ODL product.

23 Q. If not for the payments that Ripple made  
24 to MoneyGram, would it have been more expensive  
17:47:24 25 for MoneyGram to transmit money using ODL than

17:47:28 1 traditional payment rails?

2 MS. ZORNBERG: Object to form.

3 You can answer.

4 A. I was -- to my knowledge and  
17:47:38 5 recollection, I wasn't privy to the MoneyGram  
6 financials to understand in what corridors and all  
7 the costs associated the transacting into those  
8 corridors were to determine if one would have been  
9 more expensive compared to another.

17:48:10 10 Q. Did Ripple ever sell XRP to MoneyGram  
11 for use in ODL?

12 A. I don't know for certain, but I do  
13 believe in early 2021, we had proposed that option  
14 to -- to MoneyGram.

17:48:54 15 Q. And MoneyGram said no?

16 A. I don't know for certain if they said  
17 no, but there were two to three proposals in terms  
18 of moving to next steps with MoneyGram. But at  
19 that point, they determined to cancel the -- the  
17:49:28 20 engagement with Ripple.

21 Q. So MoneyGram canceled its engagement  
22 with Ripple before Ripple began selling XRP to  
23 MoneyGram for use in ODL?

24 A. I don't know for certain, but I believe  
17:49:51 25 that to be true.

17:49:52 1 Q. Did MoneyGram ever request to Ripple  
2 that MoneyGram be allowed to use XRP it received  
3 as incentives for use in ODL?

4 A. Do you mind repeating the question,  
17:50:12 5 please?

6 Q. So some of the -- did you understand  
7 that some of the incentives that MoneyGram  
8 received from Ripple were paid in XRP as opposed  
9 to fiat?

17:50:29 10 A. I do believe that to my knowledge, but I  
11 can't be for certain that some was paid in XRP.

12 Q. And did MoneyGram ever request to Ripple  
13 that MoneyGram use the XRP it received as  
14 incentive payments in an ODL transaction?

17:50:57 15 A. I don't know for certain, but I do  
16 believe they asked.

17 Q. And did Ripple allow this?

18 A. I don't know for certain.

19 Q. Did other ODL users ever request of  
17:51:11 20 Ripple that they could use the XRP they received  
21 as incentives for use in ODL?

22 A. I do not recall. Additionally, it would  
23 be a product change to enable that kind of  
24 feature.

17:51:37 25 Q. Do --



17:51:38 1 A. So I don't know if it was proposed,  
2 however, to my recollection, I -- I don't  
3 remember.

4 Q. Did Ripple ever enable that product  
17:51:48 5 change to allow its ODL users to use their XRP  
6 incentive payments for use in the ODL money  
7 transfer process?

8 A. I don't believe so, no.

9 Q. Why not?

17:52:22 10 A. I don't know for certain, but MoneyGram  
11 had -- in the case of MoneyGram at least, they had  
12 implemented the version of ODL where they are  
13 integrated at the sending exchange. From my  
14 recollection, they were hesitant to directly  
17:52:47 15 custody XRP for a payment flow. To enable them to  
16 send -- use the incentive XRP payments to send  
17 payments, they would need to reconfigure their  
18 implementation and implement a different product  
19 architecture. And I don't remember how far those  
17:53:16 20 discussions got with the -- at least in the case  
21 of MoneyGram.

22 Q. Did an ODL customer named [REDACTED]  
23 ever request to use their XRP incentive payments  
24 for use in ODL?

17:53:45 25 A. I don't recall.



17:53:49 1 Q. Did any ODL customer that used the  
2 Wallet Send feature ever request to use their XRP  
3 incentive payments for use in ODL?

4 A. I can't recall.

17:54:19 5 (Whereupon, exhibit is presented  
6 and marked SEC Birla Exhibit AB-46 for  
7 identification.)

8 MR. TENREIRO: Forty-six.

9 MR. HANAUER: I'm tendering the  
17:54:31 10 witness an exhibit that's been marked --  
11 or a document that's been marked as  
12 Exhibit AB-46.

13 BY MR. HANAUER:

14 Q. And on Exhibit 46, that is you  
17:54:56 15 responding on Twitter to a tweet CoinDesk made on  
16 February 25th, 2020?

17 A. Yes, I believe that to be true.

18 Q. And CoinDesk is tweeting that MoneyGram  
19 received over \$11 million from Ripple in the past  
17:55:31 20 year?

21 A. I believe it says past half year in the  
22 tweet.

23 Q. Thank you.

24 And you -- you start your Twitter post  
17:55:58 25 responding to that with "Always with the

17:56:01 1 hysteria."

2 What are you referring to there?

3 A. I don't know for certain, but I believe  
4 this particular tweet was drafted by the internal  
17:56:20 5 comms team.

6 Q. Ripple's internal comms team?

7 A. Yes, I believe so.

8 Q. But you were the one that posted this  
9 tweet?

17:56:36 10 A. Yes, that is -- I believe that to be  
11 true.

12 Q. And you wrote "Ripple and MGI are  
13 strategic partners - we are building a new  
14 infrastructure together. This market development  
17:56:55 15 requires a ton of work, effort, and resources"?

16 MS. ZORNBERG: Object to form on  
17 "you wrote." He just said he didn't write  
18 it, but he said he posted it.

19 Q. You posted those words?

17:57:11 20 A. Yes, it appears that I posted those  
21 words on my Twitter account.

22 Q. And when you posted that "This market  
23 development requires a ton of work, effort, and  
24 resources," you were referring to work, effort,  
17:57:26 25 and resources by Ripple?

17:57:39 1 A. I don't believe so. I believe that it's  
2 a bit ambiguous. And given it says "together" in  
3 the preceding sentence, I believe it's referring  
4 to both Ripple and MoneyGram.

17:58:09 5 Q. It took a lot of work for your team to  
6 develop ODL, right?

7 A. Yes. Developing product to deliver the  
8 kind of experience in a -- a nascent industry, an  
9 ecosystem like cryptocurrency and blockchain takes  
17:58:32 10 a lot of work and effort.

11 Q. And Ripple had to expend a lot of  
12 resources to develop an ODL?

13 A. It depends on the definition of "a lot."  
14 But there was -- there were a number of product  
17:59:04 15 managers and engineering resources working not  
16 only on ODL, but given every ODL customer also has  
17 to adopt RippleNet, RippleNet as a -- as a whole  
18 and given ODL is in the cloud, there's all sorts  
19 of operational infrastructure that needs to  
17:59:25 20 support both ODL and RippleNet from a cloud  
21 infrastructure as well.

22 MS. GRESSEL: And could we just  
23 ask that the exhibit be circulated to the  
24 attendees?

17:59:37 25 MR. TENREIRO: It should have

17:59:38 1           been.

2                   Forty-six. Nicole, did you get  
3           that?

4                   MS. ZORNBERG: I also think the  
17:59:42 5           SEC has about four minutes left on its  
6           seven hours.

7                   MS. FORBES: I sent 46.

8                   MR. HANAUER: I think we have  
9           about 17 by my math.

17:59:54 10           MS. ZORNBERG: Maybe I'm off.

11                   THE VIDEOGRAPHER: Yes.

12                   MS. ZORNBERG: Thank you. Thank  
13           you for the correction. Seventeen  
14           minutes?

17:59:59 15           THE VIDEOGRAPHER: Seventeen,  
16           yes. It was --

17                   MS. ZORNBERG: Okay.

18                   THE VIDEOGRAPHER: -- 6:20 at the  
19           last one.

18:00:05 20           BY MR. HANAUER:

21                   Q. So after Ripple ended its relationship  
22           with MoneyGram, who became Ripple's largest ODL  
23           customer?

24                   A. Among the top I believe are [REDACTED]

18:00:39 25           [REDACTED] and potentially [REDACTED] and [REDACTED].

18:00:51 1 Q. And do all those customers receive  
2 incentives from Ripple?

3 A. I do not know -- know for certain if  
4 [REDACTED] receives incentives or not.

18:01:09 5 Q. [REDACTED] does.

6 A. From my recollection, I don't know for  
7 certain, but I believe that [REDACTED] receives  
8 incentives.

9 Q. [REDACTED]? Does [REDACTED] receive incentives  
18:01:28 10 from Ripple?

11 A. [REDACTED] is an ODL customer. [REDACTED] is a  
12 RippleNet customer. [REDACTED] uses RippleNet without  
13 ODL into certain jurisdictions. It is unclear to  
14 me, and I don't know for certain, which corridors  
18:01:57 15 receive incentives from Ripple to support their  
16 products.

17 Q. Does [REDACTED] receive incentives for using  
18 ODL?

19 A. I -- I don't know for certain, but I  
18:02:15 20 believe when there is a discrepancy between the  
21 quoted FX rate reported by Reuters and agreed to  
22 in the contract and what is delivered by ODL, I do  
23 believe we make them whole, but I don't know for  
24 certain.

18:02:36 25 Q. [REDACTED] participates in the Wallet

18:02:39 1 Send program?

2 A. Again, I don't know for certain, but I  
3 believe that [REDACTED] is implementing RippleNet  
4 with ODL -- or -- or has implemented and is  
18:03:04 5 additionally implementing RippleNet with ODL. And  
6 I do believe they're also implementing RippleNet  
7 without ODL.

8 In at least one of the corridors that  
9 [REDACTED] is implementing RippleNet with ODL,  
18:03:21 10 they're leveraging Wallet Send capabilities.

11 Q. So that means [REDACTED] is buying XRP  
12 from Ripple for use in ODL?

13 A. In -- I don't know for certain, but I  
14 believe that in the corridors that they're  
18:03:45 15 leveraging ODL for and using Wallet Send, they are  
16 purchasing XRP from -- from Ripple.

17 Q. And when [REDACTED] purchases XRP from  
18 Ripple, it purchases XRP at a discounted price?

19 A. I don't know for certain, but I don't  
18:04:15 20 believe so.

21 Q. Does the XRP that [REDACTED] purchases  
22 from Ripple, does that eventually go into the  
23 market?

24 MR. HECKER: Objection to form.

18:04:38 25 A. Can you restate the question, please?



18:04:40 1 Q. So eventually the XRP that [REDACTED]  
2 purchases from Ripple is converted to fiat  
3 currency in a receiving jurisdiction?

4 A. When for use by the ODL product, I  
18:05:06 5 believe that to be true, yes.

6 Q. And when [REDACTED] uses the XRP it  
7 purchases from Ripple on ODL, are there any  
8 restrictions on who [REDACTED] can sell that XRP  
9 to?

18:05:36 10 A. To my knowledge, the -- the way that the  
11 ODL product works is that it leverages destination  
12 exchanges to sell the XRP for fiat currency. And  
13 to my knowledge, I do not believe Ripple puts on  
14 restrictions.

18:06:03 15 Q. When did Ripple start loaning XRP for  
16 use in ODL?

17 A. I don't know for certain, but sometime  
18 after 2019, I believe.

19 Q. What percentage of Ripple's ODL -- what  
18:06:32 20 percentage of ODL volume comes from XRP loans as  
21 opposed to Wallet Send?

22 A. That depends on the time frame. So I'm  
23 unclear on how that mix changes over different  
24 time periods.

18:07:04 25 Q. When Ripple loans XRP for use in ODL,

18:07:09 1 does Ripple get repaid in cash or XRP -- in -- in  
2 U.S. dollars or XRP?

3 A. I believe there are various options  
4 available to customers to repay the loan, whether  
18:07:55 5 it be U.S. dollar or wire transfer, you know, U.S.  
6 dollar stable coin, and I believe there have been  
7 product discussions for the ability to facilitate  
8 a repayment in XRP as well. I do not know for  
9 certain the percentage that leverage the different  
18:08:23 10 options available to them. But I do know there  
11 have been product discussions for those three  
12 options at least.

13 Q. So it sounds like the initial way the  
14 letter of credit program worked is that Ripple  
18:08:36 15 would get repaid in fiat currency?

16 A. To my knowledge, the early version of --  
17 of the product and those customers that made use  
18 of that product would get paid in U.S. dollars via  
19 a wire transfer to the best of my knowledge.

18:09:05 20 Q. Have you ever received a loan from Chris  
21 Larsen?

22 A. To my knowledge, yes.

23 Q. How many loans have you received from  
24 Chris Larsen?

18:09:25 25 A. To my knowledge, one loan from Chris



18:09:29 1 Larsen.

2 Q. And that was sometime in 2020?

3 A. I believe that's correct.

4 Q. And you borrowed \$ [REDACTED] from

18:09:48 5 Mr. Larsen?

6 A. That is correct.

7 Q. Why'd you borrow that money from him?

8 A. I was -- I've been at the company for --  
9 for a long time. I have a family and -- and aging

18:10:18 10 parents and I needed some liquidity. My first  
11 option was to potentially sell some Ripple equity.  
12 And upon talking to counsel, that wasn't an option  
13 for me. And the options were to -- well, to back  
14 up, I guess I was -- you know, selling, you know,  
18:10:53 15 Ripple equity to a third party wasn't an option to  
16 me.

17 And I asked, you know, who would be an  
18 option to me and I was advised that --

19 MR. HECKER: I'm going to just  
18:11:10 20 caution the witness not to disclose the  
21 communications with counsel and just focus  
22 on what you did next.

23 A. So that wasn't an option to me. And so  
24 I talked to Chris and came up with the -- the --  
18:11:29 25 the loan agreement option.

18:11:33 1 Q. And did you ever try going to a  
2 commercial lender?

3 MS. ZORNBERG: Object to form.

4 A. I don't know. I'm not familiar with  
18:11:47 5 that kind of program.

6 Q. Well, if it wasn't for Mr. Larsen and  
7 you wanted to borrow \$ [REDACTED], where could you  
8 go to try and obtain that loan?

9 MS. ZORNBERG: Objection.

18:11:58 10 MR. HECKER: Objection to form.

11 A. I don't know of all available options to  
12 me given the circumstances.

13 Q. Could you go to a bank and try and get a  
14 loan?

18:12:14 15 MR. HECKER: Objection; calls for  
16 speculation.

17 A. With -- I guess the question would be  
18 with what collateral?

19 Q. Do you own a home?

18:12:30 20 MR. HECKER: Object. Objection.  
21 Counsel, you want to move on --

22 MR. TENREIRO: Are you  
23 instructing the witness not to answer the  
24 question?

18:12:38 25 MR. HECKER: No, I'm suggesting

18:12:40 1           that it's not a particularly good or  
2           relevant use of the remaining three or  
3           four minutes you've got left.

4 BY MR. HANAUER:

18:12:46 5           Q.    Do you own a home?

6           A.    At the time I had a condo that was  
7           mortgaged.

8           Q.    And --

9           A.    Or had a mortgage on it.

18:13:04 10          Q.    -- did Mr. Larsen give you better terms  
11          on the \$ [REDACTED] loan you received from him than  
12          you -- than you could have received getting a loan  
13          from a bank or a mortgage company?

14                       MR. HECKER: Objection to form,  
18:13:16 15          foundation; calls for speculation.

16          A.    I wasn't aware of -- I don't know if  
17          there would be an apples-to-apples comparison. I  
18          wasn't aware of financing options available to me  
19          that could be collateralized by Ripple equity.

18:13:42 20          Q.    And under the terms of the loan you had  
21          to repay, the interest was [REDACTED] percent per year?

22          A.    I don't know the specifics, but it was  
23          in that range to my recollection.

24          Q.    Do you still owe Mr. Larsen money?

18:14:08 25          A.    I -- I believe so, yes.

18:14:09 1 Q. How much money do you -- what of the  
2 loan have you repaid?

3 A. I have -- to my knowledge, I've repaid  
4 [REDACTED] on the loan.

18:14:37 5 MR. HANAUER: One second.

6 That is all the questions we  
7 have. Counsel?

8 MS. ZORNBERG: Thank you. Yes,  
9 I'd like to do a short redirect, but  
18:14:52 10 perhaps we could just swap -- swap seats?

11 MR. HANAUER: Sure.

12 THE VIDEOGRAPHER: Would you like  
13 to sit here?

14 MS. ZORNBERG: Where you're  
18:15:07 15 sitting?

16 THE VIDEOGRAPHER: I could set  
17 you up here. No?

18 MS. ZORNBERG: I'm happy to do my  
19 thing first. Give me -- give me a moment  
18:15:15 20 off the record just to --

21 MR. TENREIRO: Let's go off the  
22 record.

23 THE VIDEOGRAPHER: The time on  
24 the video monitor is 6:15 p.m. This is  
18:15:21 25 the end of Media Unit Number 6. Stand by

18:15:25 1 as we go off the video record.

2 (Pause)

3 THE VIDEOGRAPHER: The time on  
4 the video monitor is now 6:17 p.m. This  
18:17:28 5 is the start of Media Unit Number 7. We  
6 are back on the video record.

7 CROSS-EXAMINATION

8 BY MS. ZORNBERG:

9 Q. Mr. Birla, I represent Ripple Labs.  
18:17:40 10 Lisa Zornberg. I just have maybe ten minutes of  
11 questioning for you.

12 First, you were asked some questions by  
13 the SEC about the termination of the partnership  
14 between Ripple and MoneyGram.

18:17:55 15 Do you recall that?

16 A. Yes, I do.

17 Q. And I -- I believe you testified that  
18 the relationship ended in early 2021, correct?

19 A. I believe that's correct, yeah.

18:18:04 20 Q. That was after the SEC sued Ripple Labs,  
21 correct?

22 A. That is correct, yeah.

23 Q. Mr. Birla, why were you drawn to work at  
24 Ripple in 2013?

18:18:23 25 A. I had -- upon graduation from undergrad,

18:18:27 1 I -- I -- the internet was starting to -- to  
2 blossom. I decided I wanted to be part of that  
3 journey. I moved to San Francisco and that was  
4 super beneficial to my career. When I went to  
18:18:43 5 business school, the financial crisis was  
6 happening and I really started learning about a  
7 better way to build a financial system and learned  
8 about bitcoin and cryptocurrencies and became  
9 intrigued with bitcoin and cryptocurrencies.

18:18:57 10 And so I began looking for companies to  
11 join and I heard about a few, one being founded by  
12 our -- Chris, who I've heard of as a reputable  
13 entrepreneur in the FinTechs space. So I jumped  
14 at the option of, you know, potentially working  
18:19:20 15 with Chris and -- and joining a company that's  
16 innovating the blockchain space.

17 MS. ZORNBERG: There's someone  
18 who should go on mute, if you don't mind,  
19 who's on Zoom. If you could just check  
18:19:34 20 everyone to make sure you're muted. Thank  
21 you so much.

22 BY MS. ZORNBERG:

23 Q. Mr. Birla, back in 2013 when you joined  
24 Ripple, was the XRP ledger already a thing in the  
18:19:50 25 world?



18:19:53 1 A. Yes, I believe so.

2 Q. What, if anything, did you perceive  
3 about the XRP ledger that made it different as  
4 compared to the bitcoin ledger?

18:20:06 5 A. There were a couple of things that were  
6 unique to the XRP ledger. With -- with bitcoin,  
7 you could only transfer bitcoin on the de --  
8 decentralized ledger. What was unique about the  
9 XRP ledger is that you could potentially transfer  
18:20:28 10 and exchange any kind of asset, whether that be  
11 U.S. dollars into Mexican peso or gold or bitcoin  
12 or DOGE coin or RMB. I thought that was  
13 fascinating that one decentralized ledger enabled  
14 you to transfer so many different potentially  
18:20:52 15 tokenized assets that would emerge around the  
16 world, even some that we may not have ever dreamt  
17 up in 2013.

18 And I was intrigued by that technology  
19 and the speed of that technology. I also was  
18:21:10 20 concerned about bitcoin's energy usage and the  
21 green nature of the XRP ledger that leveraged a  
22 unique consensus mechanism appealed to me as well.

23 Q. Now, XRP is the native token to the XRP  
24 ledger, is that right?

18:21:27 25 A. That's correct.

18:21:27 1 Q. For how long has XRP and the ledger had  
2 utility as a mechanism for cross-border payments?

3 A. Very early on in my tenure, and probably  
4 predating me at Ripple, there was applications  
18:21:51 5 known as Ripple -- sorry, Ripple Trade. And, you  
6 know, a precursor to that would be the XRP ledger  
7 client that enabled anyone to transfer an exchange  
8 and pay for things using XRP and other digital  
9 assets and exchange them in an efficient manner.

18:22:19 10 Q. So has XRP had utility for cross-border  
11 transfers inherently, like since inception?

12 MR. HANAUER: Objection; leading.

13 A. The nature of the decentralized exchange  
14 inside of the XRP ledger had a feature called auto  
18:22:39 15 bridging that would help trade illiquid assets.  
16 And that leveraged XRP to make those trades and  
17 those order books, called synthetic order books,  
18 come together in a really novel and efficient way.

19 So there was something called auto  
18:22:59 20 bridging and pathfinding that leveraged XRP early  
21 on for exchanging different assets, whether that  
22 be for cross-border payments or potentially buying  
23 gold or, you know, buying bitcoin or spending your  
24 currency using something that we developed called  
18:23:18 25 the Ripple Card at a -- at a cafe or a coffee



18:23:22 1 shop.

2 Q. Back in 2013 when you joined Ripple, how  
3 would you describe the state of the blockchain  
4 community?

18:23:30 5 MR. HANAUER: Objection; form.

6 MS. ZORNBERG: Well, I -- I can  
7 rephrase.

8 Q. I mean, how would you -- back in 2013,  
9 when you joined Ripple, was there a crypto  
18:23:41 10 industry?

11 MR. HANAUER: Objection; form.

12 A. The crypto community and industry in  
13 2013 was very nascent and a small, close-knit  
14 community where I knew a lot of the people in the  
18:24:03 15 community, you know, working on -- on changing the  
16 financial world.

17 Q. Which came first, XRP or ether?

18 A. XRP came before ether.

19 Q. Okay. I'm going to -- I'd like now to  
18:24:23 20 turn to ask you some questions about a number of  
21 Ripple products. A number of them you've  
22 testified about in passing in response to, you  
23 know, questions asked earlier today by the SEC.

24 Let's -- let's start, first of all,

18:24:44 25 with in 2013 and '14, did -- did your team work

18:24:51 1 with [REDACTED] and [REDACTED] on a project?

2 MR. HANAUER: Objection; leading.

3 A. Yes. My team worked with a company  
4 known as [REDACTED] and another company known as

18:25:06 5 [REDACTED].

6 Q. What was that -- did that project have a  
7 name, if you know?

8 A. It was an early version of -- of ODL or  
9 xRapid. Early version of something called RPP.

18:25:22 10 But the idea was to make it easier to facilitate  
11 cross-border payments.

12 Q. And can you describe what that project  
13 was about?

14 A. So the way that the XRP ledger works is  
18:25:38 15 that you combined what are known as, like, Lego  
16 blocks and these Lego blocks could be part of,  
17 like -- you know, remixed into different use cases  
18 that leveraged the XRP ledger. So [REDACTED] was  
19 one part of the Lego block that enabled customers  
18:25:55 20 to have U.S. dollars represented as a stable coin  
21 or token on the XRP ledger.

22 And [REDACTED] was a company that enabled  
23 you to take in U.S. dollars at retail locations.  
24 Typically these retail locations were at  
18:26:24 25 immigrant-centric grocery stores in local

18:26:28 1 neighborhoods. And so the idea was that you could  
2 deposit U.S. dollars at a local convenience store  
3 in your local neighborhood and then it would be  
4 represented in the back end as a stable coin on  
18:26:41 5 the XRP ledger and then could be converted into a  
6 destination currency such as pesos.

7 So the experience to the customer is  
8 that they could instantly deposit U.S. dollars at  
9 any of the [REDACTED] -- sorry, any of the [REDACTED]  
18:26:58 10 locations and then using the interface convert it  
11 and send it into Mexico in a matter of seconds.

12 Q. What went into getting that experience  
13 right?

14 A. We had to, you know, create SDKs,  
18:27:20 15 software development kits, to make it easier for  
16 customers to issue assets on the XRP ledger. We  
17 had to help customers understand blockchain way  
18 back in 2013 and 2014 and some of the benefits.

19 We did focus groups in local immigrant  
18:27:45 20 communities such as the Mission District of San  
21 Francisco, which is a -- a thriving neighborhood  
22 with different constituents that emigrated from  
23 different countries. And we showed them the  
24 product experience to get their feedback and what  
18:28:06 25 they liked about the product and what they didn't

18:28:08 1 like about the product to feed back into our  
2 product development life cycle.

3 Q. Did it -- did it work? In other words,  
4 did transactions actually occur through this [REDACTED]  
18:28:18 5 [REDACTED] and [REDACTED] route?

6 A. To my recollection, we processed a  
7 number of transactions through that product.

8 Q. Did that product go into commercial  
9 production back in 2014?

18:28:37 10 A. It did not. And we found that the  
11 experience wasn't quite what it needed to be.  
12 There were too many steps in the process. And  
13 although customers really enjoyed having fast  
14 instant payments, enjoyed having the ability to  
18:28:59 15 deposit U.S. dollars at a local convenience store  
16 and have them remitted across borders, it was very  
17 difficult to get folks to understand all the  
18 different steps and partners in the chain to  
19 facilitate that use case.

18:29:14 20 Q. How did that work on the [REDACTED]  
21 [REDACTED] project back in 2013/'14 relate to  
22 Ripple's subsequent development of RPP, xRapid,  
23 RippleNet, et cetera?

24 MR. HANAUER: Objection; form.

18:29:36 25 A. Well, you know, you start with the

18:29:38 1 customer and their feedback in terms of all the,  
2 you know, product friction. And so we took a lot  
3 of that feedback and started writing up all the  
4 things that we needed to solve before bringing  
18:29:54 5 this product to market.

6 One of the items that we needed to  
7 resolve was that sending money was expensive given  
8 how thin the liquidity was back in 2013 and 2014.  
9 And so one of the friction points was, to really  
18:30:15 10 scale this and bring it to production, we needed a  
11 better mechanism to provision liquidity.

12 And then we learned a lot about, hey,  
13 like, just because there's a lot of steps in the  
14 process doesn't mean that you need to expose all  
18:30:32 15 those steps to the customer. So we learned a lot  
16 about customer segmentation. Maybe not going  
17 directly to the customer, but maybe to some of the  
18 other remittance -- remittance companies that were  
19 better suited at marketing to these customers.

18:30:46 20 And also serving these customers, localized  
21 language and so forth, were better targets for  
22 future versions of our product. Not the end  
23 retail customer, but -- or remitter, but  
24 potentially the payment provider or FinTech  
18:31:04 25 offering that service in a novel way to that

18:31:08 1 customer was a better target.

2 Q. Is it fair to say even as way back in  
3 2013 when you joined Ripple, it had a vision to  
4 leverage XRP in the ledger to facilitate  
18:31:20 5 cross-border payments?

6 MR. HANAUER: Objection; leading.

7 A. Yeah. Early on the products I mentioned  
8 were tightly coupled with the XRP ledger and made  
9 use of native inherent built-in technologies to  
18:31:43 10 the XRP ledger such as the decentralized exchange,  
11 XRP auto bridging, and the ability to hold  
12 different digital assets in an XRP-enabled wallet  
13 including XRP, U.S. dollars, Mexican pesos, gold,  
14 are examples of different assets that you would  
18:32:04 15 hold in those wallets.

16 Q. Are you familiar with something called a  
17 "gateway strategy"?

18 A. Yes, I am.

19 Q. What was that?

18:32:16 20 A. From my recollection, the -- the gateway  
21 strategy was an early version of the foundational  
22 software that underpins RippleNet today. And  
23 the -- one of the things that we realized early on  
24 is that using any crypto technology, you needed a  
18:32:44 25 way to get on and off, as we called it, the crypto



18:32:47 1 superhighway. And that connective issue, we sort  
2 of thought of it as connecting back to the real  
3 world, enabled customers to easily issue assets  
4 such as U.S. dollars, Mexican pesos, gold, for  
18:33:02 5 example, on the XRP ledger. They were called  
6 gateways.

7 Gateway D was a product that made it  
8 easier for gateways or the on and off ramps to  
9 issue new assets or existing assets and represent  
18:33:15 10 them on the blockchain, in this case, the XRP  
11 ledger.

12 Q. Is that -- is Gateway D another example  
13 of technology and product Ripple developed  
14 leveraging the XRP ledger?

18:33:28 15 MR. HANAUER: Objection; leading.

16 A. Yes. To my recollection, the Gateway D  
17 product was tightly coupled with the XRP ledger  
18 and it made use of features for exchanging  
19 different assets. It made use of XRP auto  
18:33:53 20 bridging, the decentralized exchange, as I  
21 mentioned earlier, that leveraged XRP to bridge to  
22 illiquid assets when it improved the customer  
23 experience.

24 Q. Did it work?

18:34:09 25 A. The Gateway D product?

18:34:11 1 Q. Yes.

2 A. Yes, it -- it worked.

3 Q. Okay. And do I understand correctly  
4 that it's basically morphed over time into other  
18:34:19 5 Ripple products like Ripple Connect, Ripple  
6 Solution, xCurrent, RippleNet?

7 MR. HANAUER: Objection; leading.

8 A. Yes. Based on customer feedback, we  
9 took the feature sets and improved them over time  
18:34:33 10 based on what our customers provided as feedback.  
11 And over time they've gotten better and better,  
12 more robust, faster, and responded back to  
13 customer feedback that we got from the field, from  
14 both early adopters and advanced customer users.

18:34:55 15 Q. Let's talk about Ripple Card. You  
16 mentioned that you tested it at a cafe when you  
17 were questioned earlier, is that -- is that right?

18 A. Yeah, that's right.

19 Q. Did it work?

18:35:09 20 A. It worked exceptionally well.

21 Q. And -- and can you just describe a  
22 little bit more how Ripple Card worked?

23 A. Oh, so the Ripple Card -- the issuer of  
24 the Ripple Card was the [REDACTED] network.

18:35:26 25 And you could use the Ripple Card wherever the



18:35:28 1 [REDACTED] was accepted. And the way that it worked  
2 is that we developed connective software that  
3 leveraged the Gateway D product that we mentioned  
4 so that the balances that you had in your XRP  
18:35:49 5 ledger account -- and these balances could be any  
6 token that could be exchanged. So it could be  
7 U.S. dollars, which a lot of people can do today  
8 using credit cards. But the novelty piece was  
9 that you could also spend digital assets like  
18:36:09 10 bitcoin and XRP. And -- and we had an issue of  
11 gold on the XRP ledger. And you could spend any  
12 balance that you had that was able to auto bridge  
13 using the auto bridging technology and pay for  
14 things at different cafes.

18:36:30 15 And the interesting part was that the  
16 cafe got paid in U.S. dollars because that's the  
17 currency they wanted, but you were able to  
18 originate them in any sort of token that the XRP  
19 ledger supported and that was in your wallet.

18:36:44 20 So, in essence, you could go to this  
21 cafe next door and pay for your coffee in gold,  
22 bitcoin, XRP or U.S. dollars, but the cafe got  
23 U.S. dollars in return. And that all happened  
24 instantly.

18:36:56 25 Q. And that was back in 2013?

18:37:01 1 A. I don't recall the dates exactly, but  
2 sometime in 2013/early 2014.

3 Q. Okay. Turning now to the RPP, the  
4 Ripple Payments Protocol, do you recall what  
18:37:14 5 customer problem it was trying to solve for?

6 A. So what we learned with RPP was that  
7 there are a whole host of customers that don't  
8 have -- that are underserved by today's financial  
9 institutions. They don't have access to wholesale  
18:37:35 10 FX rates, for example. They don't have access to  
11 technologies that could easily transfer between  
12 currencies and instantly deliver them without  
13 having to pre-fund.

14 So we got this insight that when a  
18:37:56 15 customer, a prospective customer, said they were  
16 instant in moving money to Mexico, but we learned  
17 from our early RPP customers the way that they  
18 facilitated that was by opening a Mexican bank  
19 account and pre-positioning Mexican pesos.

18:38:12 20 But we learned that these early  
21 customers of RPP, that was a big pain point for  
22 them. And we asked them why they weren't growing  
23 faster and they mentioned, well, we can only grow  
24 as fast as the pesos we have pre-positioned and  
18:38:28 25 the amount that we could facilitate using the cash

18:38:33 1 they had on hand.

2 And so that gave us the insight that not  
3 only do they want speed and efficiency, but they  
4 don't have access to great FX rates and capital.  
18:38:48 5 Working capital was an inhibitor to growth for  
6 customers.

7 Q. Did RPP work?

8 A. RPP worked, but early on we realized  
9 that we needed -- to scale that product, we needed  
18:39:07 10 a few things. One, customers want to adopt  
11 breadth. So just facilitating one corridor only  
12 appeals to a very small segment of customers. And  
13 so having breadth of the available destination  
14 currency was important to our customers.

18:39:30 15 And secondly -- well, third -- three  
16 points. Secondly, they believed that they want  
17 the ability to scale. And if they were going to  
18 use RPP, they wanted to move all their payments  
19 over RPP. And to move all their payments over  
18:39:47 20 RPP, you needed sufficient liquidity depth at the  
21 exchanges.

22 And then, thirdly, they wanted reliable  
23 FX rates. And even though the cryptocurrency  
24 markets were fluctuating -- and, again, back in  
18:40:03 25 2013/'14, they were fluctuating a great deal, even

18:40:07 1 more than today or these days -- they demanded  
2 consistent reliable FX rates.

3 Q. Was [REDACTED], a German bank, one of RPP's  
4 customers?

18:40:24 5 A. They were an early pilot cust --  
6 customer of RPP and of, I believe, Gateway D.

7 Q. Was [REDACTED] a cross-border payment  
8 platform, a customer of RPP?

9 A. [REDACTED] I believe was an early  
18:40:46 10 customer of Gateway D and Ripple Connect.

11 Q. Okay. Let's turn now to xCurrent, which  
12 I believe you testified was one of the components  
13 of what is now called RippleNet, is that right?

14 A. I believe that's correct, yes.

18:41:02 15 Q. Okay. But do you recall approximately  
16 when Ripple developed the product called xCurrent?

17 A. Well, the precursor to xCurrent, as we  
18 discussed, goes back pretty early on in the  
19 company known as Gateway D. XCurrent --

18:41:22 20 Q. So let me -- let me rephrase my question  
21 maybe, then.

22 What customer problem was xCurrent  
23 trying to solve for?

24 A. Going back to the RPP, you know,  
18:41:38 25 customer feedback, liquidity was an issue to

18:41:40 1 leverage XRP and digital assets for cross-border  
2 payments. And what -- we wanted to start laying  
3 the foundation for a better payment system. And  
4 in listening to customers, if -- if the liquidity  
18:41:58 5 wasn't quite ready to leverage something like RPP  
6 or the future version known as xRapid and ODL, how  
7 do we get going?

8 And the idea was, in talking to  
9 customers, that using the current system was  
18:42:16 10 something that was developed in the 1960s and it  
11 was dropping files into an FTP server. And those  
12 files were payment instructions that would be  
13 picked up once a night.

14 So the ah-ha was that, here we are in,  
18:42:36 15 you know, 2014 and '15 and payments are still  
16 instructed via FTP in batch once a night even  
17 though the global economy and e-commerce was  
18 moving to real time.

19 And so there was this mismatch. And  
18:42:53 20 global -- the global e-commerce economy -- economy  
21 was booming, but here we were, customers that we  
22 were talking to were batching FTP files every  
23 night.

24 So we developed a product called  
18:43:05 25 xCurrent that solved that pain point for our

18:43:09 1 customers using modern point-to-point technology.  
2 The old system went through several central  
3 counterparties that had access to your information  
4 that could also drop the ball in terms of  
18:43:24 5 processing a payment.

6 They didn't operate 24 by seven. They  
7 only batched, you know, at most, from what our  
8 customers told us, once a day. So we developed  
9 this technology that was known as xCurrent that  
18:43:39 10 was a peer-to-peer messaging platform. Encrypted,  
11 secure, only two counterparties, the sending and  
12 receiving exchange. And you can instantly  
13 exchange KYC, know your customer, travel rule  
14 information, payment details, costs, without any  
18:44:00 15 kind of price. So it was very novel to the  
16 industry.

17 The other thing that our customers liked  
18 about it was that it worked locally and it wasn't  
19 in a third party's cloud.

18:44:14 20 And so that was the foundation. We  
21 wanted to start rolling that out to provide one  
22 part of the puzzle, but we always had a second  
23 piece of the puzzle, the one-two punch, meaning  
24 you can have fiat settlement with xCurrent, but  
18:44:29 25 there was still the liquidity issue. So we

18:44:33 1 designed the product so that once there was  
2 sufficient liquidity, we could insert that feature  
3 into xCurrent, now known as RippleNet, and it  
4 would be an upgrade so that they could not only  
18:44:45 5 get the better messaging software and  
6 capabilities, but now they could also get the more  
7 efficient liquidity portion when we released  
8 xRapid as part of RippleNet. So it was add-on to  
9 Ripple Net.

18:45:03 10 Q. Did xCurrent work?

11 A. Yes.

12 Q. Is it -- is it still in use as part of  
13 the RippleNet suite?

14 A. Yes. And some of our customers use both  
18:45:15 15 ODL and RippleNet without ODL, depending on the  
16 jurisdiction that they're sending to.

17 Q. Do -- do customers of the xCurrent  
18 feature of RippleNet include financial  
19 institutions?

18:45:32 20 A. Yes, I believe so.

21 Q. Now, you were asked some questions  
22 relating to xRapid. And I believe you testified  
23 that there were one or more points in time where  
24 your team tested out other digital assets to see  
18:45:48 25 if they could substitute for XRP in the xRapid



18:45:53 1 product.

2 Do you remember giving that testimony?

3 A. I believe so, yes.

4 Q. What other digital assets did your team  
18:46:01 5 assess for possible substitution in use for  
6 cross-border payments?

7 A. I don't know for certain, but I believe  
8 that they were -- the two assets that we used and  
9 tested were bitcoin and ether.

18:46:22 10 Q. To the best of your recollection, what  
11 was the assessment of -- of bitcoin and ether  
12 versus XRP for use in cross-border payments?

13 A. To my recollection, the -- you know, the  
14 bitcoin blockchain and the ether blockchain both  
18:46:51 15 had a limited number of what are known as blocks  
16 to process transactions. And when that got full,  
17 your transaction was either bumped to subsequent  
18 blocks, meaning you would have a delay, which, you  
19 know, our customers wanted instant payments. So  
18:47:09 20 that was a bit of an issue. Sometimes those  
21 delays and congestion could be hours.

22 And then the second issue was that if  
23 you didn't want the delay, you would have to pay  
24 fees to prioritize your transaction to get in an  
18:47:28 25 earlier block. And those fees sometimes would



18:47:31 1 range from \$50 to \$100. And our customers often  
2 were sending 100 to 200 dollar payments. And so  
3 that variability didn't make sense for our  
4 customers.

18:47:43 5 And, also, keep in mind you have to make  
6 two transactions on the blockchain to facilitate  
7 an xRapid and ODL payment, one on the sending  
8 exchange, one on the receiving exchange. So  
9 sometimes you get hit with double the fees. So  
18:47:59 10 the cost and -- and the time and a combination of  
11 the two were prohibitive in terms of providing the  
12 right kind of experience to our customers.

13 Q. Do you have a view, Mr. Birla, of  
14 whether or not XRP is better suited to  
18:48:14 15 cross-border payments than bitcoin or ether?

16 A. The inherent nature of -- you know, to  
17 my knowledge, the inherent nature of the XRP  
18 ledger and XRP being fast and with a low  
19 transaction fee make it a good mechanism for  
18:48:41 20 payments and provide the right kind of experience  
21 we need in the ODL and xRapid product.

22 MS. ZORNBERG: Give me one  
23 moment, please.

24 No further questions.

18:49:12 25 MR. HANAUER: No -- no redirect.

18:49:13 1 Thank you, Counsel.

2 THE VIDEOGRAPHER: The time --  
3 the time on the video monitor -- the time  
4 on the video monitor is now 6:49 p.m.

18:49:25 5 This is the end of Media Unit Number 7.  
6 This is also the end of today's video  
7 deposition of Mr. Asheesh Birla here in  
8 New York City, Wednesday, June 23rd, 2021.  
9 The total time for today's testimony will  
18:49:42 10 be approximately 7 hours and 30 minutes.

11 Thank you, everyone. This  
12 concludes today's video deposition.

13 (Whereupon, the deposition  
14 concluded at 6:49 p.m.)  
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1 STATE OF NEW YORK )

2 ) ss:

3 COUNTY OF NEW YORK )

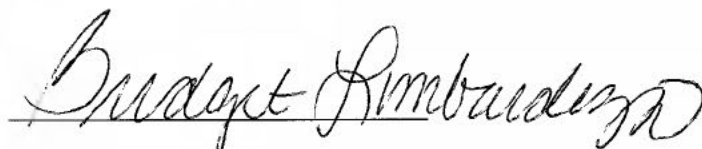
4 I hereby certify that the witness in the  
5 foregoing deposition, ASHEESH BIRLA, was by me duly  
6 sworn to testify to the truth, the whole truth and  
7 nothing but the truth, in the within-entitled cause;  
8 that said deposition was taken at the time and place  
9 herein named; and that the deposition is a true record  
10 of the witness's testimony as reported by me, a duly  
11 certified shorthand reporter and a disinterested person,  
12 and was thereafter transcribed into typewriting by  
13 computer.

14 I further certify that I am not interested in  
15 the outcome of the said action, nor connected with nor  
16 related to any of the parties in said action, nor to  
17 their respective counsel.

18 IN WITNESS WHEREOF, I have hereunto set my  
19 hand this 25th day of June, 2021.

20 Reading and Signing was:

21 \_\_\_ requested \_\_\_ waived X not requested.

22  
23   
24

25 BRIDGET LOMBARDOZZI, CSR, RMR, CRR